

TEACHERS'/OCCASIONAL TEACHERS' UNIT

Retirement Information Booklet



September 2023

Introduction

Congratulations---you are going to retire!

This booklet is intended to answer some very basic questions that should make the process of retiring easier. It will be the goal to update it every school year so that the information remains current.

Please note that this booklet does not contain advice on the financial decisions that you will have to make upon entering retirement. It is intended to provide basic information only.

We recommend that you consult the Ontario Teachers' Pension Plan and your financial advisor for advice, well before you plan to retire. In addition, we recommend that you attend one of our yearly OSSTF/FEESO Retirement Planning workshops. Again, the District 21 Office cannot provide financial and pension advice.

We wish you all the best for a wonderful retirement.

Contact Information

Ontario Teachers' Pension Plan (www.otpp.com)	1-800-668-0105 (have your SIN# handy)
HWDSB	905-527-5092 Pensions...ext. 2232
District 21 Office	905-574-8285
Ontario Teachers' Insurance Plan (OTIP)	1-800-267-6847
Retired Teachers of Ontario (RTO)	1-800-361-9888

Retirement Letters

When to send it:

As a courtesy to the employer, it is typical to give **two weeks' notice** of your retirement. We do not have provisions in our Collective Agreement that state any other requirement.

Always retire on the last day of the month. This will ensure that you will get full pension for the following month.

Who to send it to:

Your letter should go to Danielle Meville (dmeville@hwdsb.on.ca) in Human Resources at the HWDSB. (Please see the end of this booklet for a sample letter.) It can be submitted physically or electronically via email.

It should include the following:

1. Date of your retirement
2. Request that you receive your retirement gratuity
3. Request for information on how to roll your gratuity into an RRSP. If you wish, you can provide a copy to your Principal.

The Board will send you additional information once your letter is received.

Gratuity

Upon retirement, some teachers are eligible to receive up to one-half of their yearly salary as a retirement gratuity.

Those who meet Collective Agreement eligibility requirements and the eligibility requirements under the terms of the Teachers' Pension Plan Act and the Putting Students First Act will be eligible to receive a gratuity. If a teacher dies while in service with the Board, the gratuity will be paid to the teacher's estate, provided that they had met all eligibility requirements at the time of death.

The amount of gratuity you will receive upon retirement is dependent upon the number of sick days you have in your frozen sick bank.

Calculation of Retirement Gratuity

The basic calculation for determining your gratuity amount is as follows:

Annual Earnings ÷ **194** (number of school days in one year – gives you your daily rate of pay) x **frozen sick bank** (as of August 31, 2012) ÷ **2** = **Gratuity payout** (maximum of ½ annual earnings as of August 31, 2012)

Please note:

- Previously teachers needed to teach either 10 or 20 years in the Board to receive a gratuity. Under the MOU signed on April 9, 2013, any teacher that had 10 years of service by August 31, 2012 was eligible for the retirement gratuity.
- For those without 10 years of permanent service by August 31, 2012 they should have already been paid a wind-up payment at a reduced payout rate and would not be eligible for a vested gratuity at retirement.
- The gratuity is based on a teacher's annual salary on August 31, 2012, even though the payout will not be until retirement, which may be many years in the future.
- Any teacher that starts as a permanent teacher after August 31, 2012 is not eligible for a gratuity or a wind-up payment.
- Teachers can look on the HWDSB Web Portal to see if the Board believes they have met the criteria for a gratuity at retirement and how much they can expect at the time of retirement.
- Under the MOU it states that the minimum years of service for retirement gratuity shall be defined as the lesser of the contractual minimal service requirements in the 2008-2012 collective agreement, or ten (10) years.

Eligibility Requirements

Regardless of your qualification for gratuity, the board will not pay out your gratuity until you turn 50 years old as that is the first time you qualify to receive pension payments. The exception would be if a member passed away while employed and were under 50.

Benefits

When do my benefits terminate?

Your benefits end at the end of the month in which you retire.

What choices do I have for retirement benefits?

Many of our members choose benefit plans through OTIP, our current provider, or RTO (Retired Teachers of Ontario.) Ultimately, you will have to decide what Benefit plan is best for you.

Life Insurance

When does my Life Insurance terminate?

The Basic Life Insurance plan terminates at the same time as health and dental benefits.

You may be eligible to convert your Member Basic Life Insurance to an individual policy, without medical evidence. Your application for the individual policy along with the first monthly premium must be received by the insurer with 31 days of termination or reduction of your Member Basic Life Insurance.

If you would like to convert your Member Basic Life Insurance to an individual policy through Manulife (the underwrite of the OTIP plan), please download and complete the Group Benefits Life Conversion form from the OTIP website. As stated above, this process needs to be done within 31 days of the date your group life insurance terminates.

OTIP Long-Term Disability (LTD)

When does my LTD with OTIP terminate?

You are no longer eligible to collect LTD benefits when you reach **age 65** or are eligible for a **60% unreduced pension**.

Even if retirement is several years away, it pays to contact the Ontario Teachers' Pension Plan if you have taught for over 30 years with the Board. Finding out when you will be eligible for 60% of your pension could save you money in needless LTD premiums.

ALL ABOUT ARM (ACTIVE RETIRED MEMBERS)

In 1996, OSSTF/FEESO established a new type of membership specifically for [Active Retired Members \(ARM\)](#). This allows retired members of OSSTF/FEESO who wish to remain actively involved with their colleagues politically or socially to rejoin OSSTF/FEESO. There are a number of ARM Chapters across the province.

ARM Chapter 18/21 would like to congratulate you on your forthcoming retirement. The following is a brief description of the ways ARM may be of benefit to you. ARM is a multipurpose group that makes it easy for everyone to profit from membership.

ARM is a great source of helpful information geared specifically to retirees. At our monthly breakfasts/luncheons, we often invite locally determined speakers to help us with issues such as financial advice e.g. RRSPS, legal advice e.g. power of attorney, fitness e.g. active release therapy, travel advice e.g. shared discussions of where to go this winter. Charlie Connor often comes in to help all the gardeners solve their plant problems. We also include informative articles in our bimonthly newsletter. We keep you up to date on our pension plan and how any changes to the plan or tax laws might affect your pension. We have a very good social activity schedule.

From simple gatherings for breakfast or lunch so everyone can chat with fellow retirees, hikes on our local trails to tours of historical sights, we keep try to keep everyone as active as possible.

ARM allows you to stay in touch with the educational system which absorbed so much of your time and passion. We often have District executive members in to clarify issues for us and to seek our help and advice. We have a similar relationship with the provincial office. ARM has its own province wide ARM council which elects members from all active chapters. They meet regularly to share helpful information and activities from the various chapters and bring our concerns to Provincial Executive. ARM also belongs to the Congress of Union Retirees of Canada (CURC) which allows us a voice in a significant national body that speaks to retiree issues.

In addition to the social and political benefits, there are other advantages to joining ARM. ARM offers the **ARM Health Plan** administered by **Ontario Teachers' Insurance Plan (OTIP)**. This is a highly competitive plan that can provide excellent coverage to meet your individual needs.

Membership in the ARM plan can even cover an annual membership in ARM. You continue to receive, with your membership, the editions of **Update** and your monthly planner, to which most of us are addicted. You still maintain the use of the **Edvantage card**. As one retiree put it, 'by using the card for my annual stay in Montreal I pay for my membership three times over'. You also can take advantage of **OTG (Ontario Teacher's Group)** FREE financial counseling.

When you retire ARM offers you free membership from the date of retirement until the next year. That means that, if you retire in June, your membership is free until January of the next year. If you retire in January you would get the benefit of that entire year. This gives you the opportunity to try us out. After that you can pay an annual fee of \$50 or become a member by joining the ARM benefits plan. I hope that you will give us a try and let us help make your retirement a happy one.

Chester Faulker, ARM Chapter 18/21 President

P.S. You can contact ARM via email at armchapter21@gmail.com

RETIREMENT CHECKLIST

- Begin your preparations AT LEAST six months in advance of your scheduled retirement date.
- Attend an OSSTF Retirement Planning Workshop when available.
- Review a sample letter of retirement from the OSSTF District 21 Office resource (see last page of this document).
- If necessary, make an appointment with a counselor at the Ontario Teachers Pension Plan Board. When you meet the counselor bring/have with you:
 - a) your birth certificate
 - b) your spouse's birth certificate
 - c) your social insurance number
 - d) your marriage certificate
 - e) the birth certificate of the person named as eligible for a survivor's pension should you plan to take a reduced pension. **Make sure you have copies of all documents and letters**
- Contact the Ontario Teachers' Pension Plan by calling 1 (800) 668-0105.
- Register online with OTPP for information regarding your own pension. You can access much of your pension information on their client portal.
- You can contact the Pension Board by phone and ask for a statement of contribution print-out. You will be required to give your social insurance number.
- The Pension Board will also provide you with a pension estimate. If you provide up-to-date salary information, the Pension Board can give you a fairly accurate estimate of your retirement pension. The basic pension is calculated by multiplying your total credited service by two percent times the average of your best (usually the last) rates of pay. This statement will also give you information on how your basic pension is affected when you become eligible for a Canada Pension Plan and also information if you elect to have a higher rate of survivor pension, ranging from 55 to 75 percent for a surviving spouse. A waiver must be signed by you and your spouse to reduce the survivor pension from the standard 60% to the minimum of 50%. At 50% survivor pension rate, no reduction in your basic pension occurs.
- If you have past service that may be purchased, make arrangements to do so with the Pension Board well before retirement.
- A retirement pension kit is available through the Teachers' Pension Plan website or by calling the Teachers' Pension Plan Board.
- Determine whether you need Benefit coverage. In addition to the available plans available in the pension kit, obtain a Trillium Benefit Package from your local Pharmacist.
- You can transfer your Retirement Gratuity directly to an RRSP without paying tax on it. The amount that you can transfer is \$2000 for every year of service prior to 1996. No amount can be transferred to an RRSP unless you have allowable RRSP contribution room available.

This document was adapted from one produced by District 1. It is intended to be a guideline only.

SAMPLE LETTER OF RETIREMENT

Date: _____

Jamie Nunn
Superintendent of Human Resources
Human Resources Department
Hamilton-Wentworth District School Board
20 Education Ct., Hamilton, Ontario L9A 0B9

Dear Mr. Nunn:

This letter is to inform the Board that I will retire from teaching effective _____ subject to approval of my receiving the retirement gratuity.

In addition, please include information on how to roll my retirement gratuity into an RRSP.

Sincerely,

(Your signature)

Your name and school

CC: Danielle Meville, HWDSB Staffing Officer

Note that this letter can be sent through the Board Courier to the Human Resources Department at the Hamilton-Wentworth District School Board OR through Board email.