

This fact sheet will help you understand your plan benefits so that you can make some important decisions when you leave your job.

Your pension plan can provide information about your pension benefits, but we recommend that you also seek professional advice from an independent financial advisor.

What happens to my pension when I leave my job?

Once you have terminated employment, your employer will advise the Teachers' Pension Plan that you have left your job. On receiving the termination notice the pension plan will send you a letter and an application form to fill out if you want estimates of your options. In order to receive any benefit payment from the pension plan, you must have terminated all employment with any employer covered under the plan.

What are my options?

Depending on your age and service, the options available are:

- leave your contributions on deposit,
- a refund of your contributions with interest,
- a commuted value transfer, or
- a monthly pension.

The eligibility table at the end of this fact sheet will help you determine your options.

Leave your contributions on deposit with the plan

If you leave your contributions on deposit, and are vested in the plan (you have two or more years

of service), you will be eligible for a pension in the future. If you return to work with your same employer or another employer in the same pension plan, you will increase your service, which could lead to a larger pension.

Your pension is deferred until you reach at least age 55. At any time after reaching age 55, you may apply to receive a monthly pension that will continue for your lifetime, and may include future cost-of-living increases.

By maintaining your service in the plan, you may increase your eligibility for certain benefits or future plan improvements.

If you are thinking of resuming employment with an employer that has a different pension plan, you may want to contact us to find out about transfer arrangements. After you have taken a lump-sum benefit payment, it is too late to consider transferring.

Take a refund of your contributions plus interest

Refunds are based on your accumulated contributions plus interest, and are only available to those under 60 years old,

Over...

and with less than two years of contributory service.

Refunds paid to you outside your RRSP are subject to income tax.

If you take a refund for a period of service that ends on or after January 1, 1996, you cannot reinstate this service at a later date should you return to employment and commence contributions to the Teachers' Pension Plan.

Take a commuted value payment

You must terminate employment before age 55 to be eligible for a commuted value.

The commuted value of a pension benefit is the amount of money that needs to be set aside today, using current market interest rates, to provide sufficient funds at your retirement to pay for your pension. If you choose a commuted value payment for any period of service, that period of service cannot be reinstated in the future, and you forfeit all rights in the pension plan.

When we calculate a commuted value, we guarantee the amount until the guarantee date indicated on your *Termination Selection Statement*.

Be sure to submit all the necessary documents before the guarantee date, or we will have to recalculate the commuted value. This recalculated commuted value may be higher or lower than the original commuted value, depending on whether current interest rates have decreased or increased since the original calculation.

You must wait six months after termination of your employment to be paid your commuted value or refund. If you start working for a Teachers' Pension Plan employer before the refund or commuted value is paid, you will no longer be eligible to receive a termination benefit.

A member who terminates employment six months or less before their earliest retirement age, and who does not apply for a deferred pension, will have a one-time opportunity to transfer the commuted value out of the plan.

The *Income Tax Act* limits the amount of a commuted value payment that can be tax-sheltered in an RRSP. You must take any part of your commuted value that is over the limit as a lump-sum payment (in the form of a cheque). We are required to withhold income tax on this payment. Canada Revenue Agency maximums usually affect high-income earners and people who are 49 or older.

If you are appealing a termination from group disability plan coverage, or a dismissal from employment, contact us before you decide to take the commuted value of your pension or a refund of your contributions with interest. Choosing these options may have irreversible consequences.

A commuted value payment must be transferred to a locked-in retirement account, and you must have your financial institution certify on the *Termination Selection Statement* that the funds will be locked-in as required by the *Pension Benefit Standards Act*.

Take a monthly pension

This is the only option available to you if you have reached age 55. For more information, please see the Pensionfacts, *Pension Options Available to Retiring Members*.

What documentation do I need to send you?

A clear copy of one of these documents is acceptable as proof of age and identity:

- Passport
- Canadian citizenship or immigration papers
- Current driver's licence or BC identification card
- Birth certificate
- Certificate of Indian Status card

If your name has changed and none of the documents listed above reflects this, we require all of your legal change-of-name documents or marriage certificates.

Contact us for acceptable alternative documents if your original documents are unavailable.

We will pay you only when we have received all of the required documents.

What if I want to purchase some service?

Your application to purchase service must be received by the plan before you terminate employment.

You must apply to purchase a period of leave or event that ends on or after April 1, 2002, within five years from the end of the

period of leave or termination of current employment, whichever occurs first.

You must apply to purchase a period of leave or event that ended before April 1, 2002, by March 31, 2007, and while an active member.

If you have a break in your employment service for a period that you were at home raising a child under the age of seven, up to five years of that period may be used toward contributory service. For more information about child-rearing, see the Pensionfacts, *Claiming Credit for Child-Rearing*.

For information on reinstating former service, please see the Pensionfacts, *Reinstatement of a Refund*. There are deadline dates for this type of purchase.

Tax Implications

For any payment sent to an RRSP (locked-in or not locked-in), life income fund (LIF) or the registered pension plan (RPP) of a new employer, income tax will not be deducted. For any payment that is not transferred to an RRSP, LIF or RPP, we will deduct income tax.

Marriage Breakdown

A pension is considered a family asset. If there is a marriage breakdown, this may affect the payment of plan benefits that have been quoted on your *Termination Selection Statement*. For more details, contact the pension plan for the publication, *Dividing the Pension When a Spousal Relationship Ends*.

Contact Information Teachers' Pension Plan

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Eligibility Table

The eligibility table below will help you determine your payment options.

For Teachers' Pension Plan members who terminated employment after 1997

Age at time of Termination	Under 2 years of contributory service	2 or more years of contributory service
Under 55	Refund of contributions with interest	<i>No Refund of Contributions option</i> Deferred pension or Locked-in commuted value The deferred pension is payable no earlier than age 55 and is reduced if it commences before age 60 <i>unless</i> age and contributory service total 90 or more
55 but under 60		Immediate or deferred pension The pension is reduced if it commences before age 60 <i>unless</i> age and contributory service total 90 or more
60 but under 65	Immediate or deferred pension The pension is reduced if it commences before age 65	Unreduced pension
65 or over	Unreduced pension	

You also have the option of leaving your contributions on deposit.

Pensionfacts is produced for the Teachers' Pension Plan by the Pension Corporation to provide pension information to a variety of audiences. If you want to receive other Pensionfacts, or if you have comments, please contact us:

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In this fact sheet, "we" and "us" means the Teachers' Pension Plan, and "you" means the plan member.

This publication provides general information about the pension plan and is based on the relevant plan documents (statutes, regulations and rules). If there is a discrepancy between this publication and the plan documents, the plan documents will apply.