## Day 1: May 27

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
</table>
| 8:50 to 9:00  | **WELCOME**  
Elodie Amoussougbo, Coordinator, operations and client service |
| 9:00 to 10:15 | **University of Ottawa Pension Plan**  
Neil Courtemanche, ASA, ACIA, Manager Pension Plans and Benefits, Human Resources |
| 10:15 to 10:30| **BREAK**                                                                                   |
| 10:30 to 11:00| **University of Ottawa Group Insurance Plan & Retirees benefits**  
Patrick Taylor, Benefits Specialist Human Resources |
| 11:00 to 11:15| **Support Staff Retirees Association (SSRA)**  
Lucie Mercier-Gauthier, Advisor, Benefits |
| 11:15 to 11:30| **Association of Professors Retired from the University of Ottawa (APRUO)**  
Frans de Bruyn, President APRUO |
| 11:30 à 11:45 | **Development Office**  
Claude Drouin, Manager Planned Giving  
Sylvain Ladouceur, Manager Planned Giving |
| 11:45 to 12:05| **LUNCH**                                                                                   |
| 12:05 to 12:45| **Financial Planning**  
Robert Théroux, PFA, RocheBanyan  
The Retirement Planning Institute |
| 12:45 to 3:45 | **15 minute break**                                                                       |
| 3:45 to 4:00  | **BREAK**                                                                                   |
| 4:00 to 4:30  | **Optional session - Supplemental Pension Plan + Finances**  
Louise Pelletier, CEBS Senior Specialist, Pension Plans, Human Resources |

## Day 2: May 28

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
</table>
| 8:50 to 9:00  | **WELCOME**  
Elodie Amoussougbo, Coordinator, operations and client service |
| 9:00 to 12:00 | **Retirement: A Transition in Your Life Journey**  
15 minute break  
Suzanne Nault, MPs |
| 12:00 to 1:00 | **LUNCH**                                                                                   |
| 1:00 to 4:00  | **Wills and Estates**  
15 minute break  
Claude Filion, Lawyer  
The Retirement Planning Institute |
| 4:00          | **CONCLUSION**                                                                             |
Life Expectancy

Chart courtesy of Mercer 2018
Planning your retirement – Agenda

Section 1 – Pension plan
Section 2 – Retirement allowance
Section 3 – Group benefits
Section 4 – Tools
Section 1 – Pension plan

• Retirement income
• Defined benefit pension plan
• Required contributions (employee/employer)
• Date of retirement
• Working past the normal retirement date
• Benefit formula

• Examples
• Pension indexation
• Survivor benefit options
• Pension beneficiaries
RETIREMENT INCOME

- University of Ottawa Pension Plan (RPP)
- Canada/Quebec Pension Plan (CPP/QPP)
- Old Age Security (OAS)
- Other employer pension plan (RPP)
- Registered Retirement Savings Plan (RRSP)
- Retirement allowance
- Personal savings

- Tax-free savings accounts (TFSA)
- Investment income
- Personal assets
- Employment/business Income
- Other plans
- Spousal income
The University of Ottawa Pension Plan is a defined benefit plan.

At the time of your retirement, you will receive a pension based on a formula that takes into account the average salary of your best 60 months of earnings, the number of years of credited service you have in the plan and a reduction factor (if applicable).
REQUIRED CONTRIBUTIONS (EMPLOYEE/EMPLOYER)

A. Required contributions – 2021

− Up to the integration level
  Employee: 7.15%
  University: 10.05%

− Above the integration level
  Employee: 10.95%
  University: 15.45%

Integration level: The University pension plan provides for a pension that differs for the portion of earnings below and above a certain threshold, referred to as the integration level. This threshold of earnings is based on the year’s maximum pensionable earnings (YMPE) covered for purposes of determining the pension payable from the Canada and Quebec Pension Plan (CPP/QPP) and differs for service before and service after January 1, 2004.

Pre-2004 service: Set at $31,790

Post-2003 service: The integration level of $31,790 is indexed annually at a rate of 55% of the increase in the YMPE. Effective January 1, 2021, the integration level for post-2003 service is set at $41,299.

Year’s maximum pensionable earnings (YMPE): Amount set by the government each year and is used for contributions to (as well as benefits from) the CPP or QPP. In 2021, the YMPE is $61,600. Annual changes to the YMPE are based on increases in average Canadian industrial wages.
DATE OF RETIREMENT

Normal retirement date (NRD)

**Administrative and support staff:** First day of the month following the date you turn 65.

**Academic staff:** July 1 coincident with or following the date you turn 65.

However, you can retire earlier. In such a case:

- **Factor 90 applies**

| 55 years | 60 years Unreduced | 65 years Normal |

<table>
<thead>
<tr>
<th><strong>If you retire…</strong></th>
<th><strong>You are entitled to…</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>At age 60 or later or when the total of your age and years of credited service is equal to or greater than 90 before age 60 (factor of 90).</td>
<td>An <strong>unreduced</strong> early retirement pension based on your credited service and your average salary at retirement</td>
</tr>
</tbody>
</table>
| After age 55, but prior to the earlier of age 60 or the factor of 90. | A **reduced** early retirement pension  
Reduction based on the time between your retirement date and the date on which you turn 60 or the date on which you reach the factor 90; the earlier of these two dates is used. |
WORKING PAST THE NRD

• Your membership in the pension plans continues and you accrue benefits past your NRD (age 65).

• You continue to contribute to the pension plan up to November 30 of the calendar year in which you reach the age of 71. Your pension benefit is payable effective December of that same calendar year.

• Prior to age 71, you must retire to commence your pension.

• There is no maximum pensionable service in the pension plan.
PENSION BENEFIT FORMULA

1 – Credited service to December 31, 2003 (pre-2004)

i) $31,790 \times 1.3\% \times \text{credited service} = a

ii) (Average salary – $31,790) \times 2\% \times \text{credited service} = b

\text{Total annual pension pre-2004 (a + b)} = c


i) $41,299 \times 1.3\% \times \text{credited service} = a

ii) (Average salary – $41,299) \times 2\% \times \text{credited service} = b

\text{Total annual pension post-2003 (a + b)} = d

\text{Total annual uOttawa pension} = (c + d)

Minimum pension test: Members of the University pension plan are entitled to a minimum pension equal to 1.5\% for each year of credited service (average salary \times 1.5\% \times \text{credited service}).

CRA maximum benefit: Effective January 1, 2021, the maximum pension benefit under a registered defined benefit plan is $3,245.56 per year of pensionable service.

Average salary: 60 best months up to the maximum salary of $176,732.65, prescribed by the CRA, as at January 1, 2021.

Credited service: Service credited in the pension plan.

uOttawa.ca
# PENSION CALCULATION Example 1 – Minimum pension
(Service to December 31, 2020)

<table>
<thead>
<tr>
<th>AGE</th>
<th>60 years</th>
<th>AVERAGE SALARY</th>
<th>$45,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE</td>
<td>25 years</td>
<td>INTEGRATION LEVEL</td>
<td>$31,790 / $41,299</td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE
   i) $31,790 x 1.3% x 8 = $3,306.16
   ii) $13,210 x 2% x 8 = + $2,113.60
      $5,419.76

2) POST-2003 SERVICE
   i) $41,299 x 1.3% x 17 = $9,127.08
   ii) $3,701 x 2% x 17 = + $1,258.34
      +$10,385.42

Total uOttawa pension 1 + 2
$15,805.18

MINIMUM PENSION TEST ($45,000 x 1.5% x 25) = $16,875.00

3) Estimated CPP/QPP pension*
   Maximum reduced ($14,445.00 – 36%) pension = + $9,244.80

Total uOttawa + CPP/QPP
$26,119.80

*CPP/QPP amounts are approximations. Actual amounts will be based on individual participation in the plans.
PENSION CALCULATION Example 2 – Average salary = $100,000
(Service to December 31, 2020)

<table>
<thead>
<tr>
<th>AGE</th>
<th>60 years</th>
<th>AVERAGE SALARY</th>
<th>$100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE</td>
<td>25 years</td>
<td>INTEGRATION LEVEL</td>
<td>$31,790 / $41,299</td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE
   i) $31,790 x 1.3% x 8 = $3,306.16
   ii) $68,210 x 2% x 8 = + $10,913.60 $14,219.76

2) POST-2003 SERVICE
   i) $41,299 x 1.3% x 17 = $9,127.08
   ii) $58,701 x 2% x 17 = + $19,958.34 +$29,085.42

Total uOttawa pension 1 + 2 $43,305.18

MINIMUM PENSION TEST ($100,000 x 1.5% x 25) = $37,500.00

3) Estimated CPP/QPP pension*
   Maximum reduced ($14,445 – 36%) pension = + $9,244.80

Total uOttawa + CPP/QPP = $52,549.98

*CPP/QPP amounts are approximations. Actual amounts will be based on individual participation in the plans.
## PENSION CALCULATION Example 3 – Age + Service = 90
(Service to December 31, 2020)

<table>
<thead>
<tr>
<th>AGE:</th>
<th>55 years</th>
<th>AVERAGE SALARY:</th>
<th>$100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE:</td>
<td>35 years</td>
<td>INTEGRATION LEVEL:</td>
<td>$31,790 / $41,299</td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE
   i) $31,790 x 1.3% x 18 = $7,438.86
   ii) $68,210 x 2% x 18 = + $24,555.60 \( \text{Total: } $31,994.46 \)

2) POST-2003 SERVICE
   i) $41,299 x 1.3% x 17 = $9,127.08
   ii) $58,701 x 2% x 17 = + $19,958.34 \( \text{Total: } +$29,085.42 \)

Total uOttawa pension 1 + 2 \( \text{Total: } $61,079.88 \)

| MINIMUM PENSION TEST \( \text{($100,000 x 1.5% x 35)} \) = | $52,500.00 |

3) Estimated CPP/QPP pension* = + $0.00

Total uOttawa + CPP/QPP \( \text{Total: } $61,079.88 \)

*CPP/QPP is payable only after age 60.
PENSION INDEXATION

A) Three-step indexation formula based on inflation from previous year

Consumer Price Index (CPI) – October 1 to September 30

1. If inflation is less than 2%, full indexation

2. If inflation is between 2% and 3%, automatic indexation of 2%

3. If inflation is greater than 3%, inflation minus 1% (maximum 8%)

B) Supplementary indexation

– Percentage not granted in items 2 and 3 above. Subject to surplus and investment gain tests, the percentage not granted in items 2 and 3 above may be granted (current year only).
SURVIVOR PENSION BENEFIT TO THE SPOUSE AND GUARANTEE PERIODS

Normal form
• Five-year guarantee / 60% survivor benefit to the spouse. *The guarantee period begins at retirement.*

Your death occurs **during the guarantee period:**
• If your spouse survives you, your spouse receives your full monthly pension until the end of the five-year guarantee period and then the pension reduces to 60% for his/her lifetime.
• If there is no surviving spouse, a taxable lump sum representing the value of the remaining guaranteed monthly payments is paid to your beneficiary or to your estate.

Your death occurs **after the guarantee period:**
• If your spouse survives you, your spouse receives 60% of your monthly pension for his/her lifetime.
• If there is no surviving spouse, the pension payments cease; no death benefit is paid to your beneficiary or estate because the guarantee period has expired.
SURVIVOR PENSION BENEFIT TO THE SPOUSE AND GUARANTEE PERIODS (cont.)

Optional forms of pension
• 0, 10 or 15 year guarantee / 60% survivor benefit
• 0, 10 or 15 year guarantee / 100% survivor benefit

Two fundamental differences in the forms:
• How much you receive for your lifetime
• How much your eligible spouse or beneficiary receives in the event of your death

Your lifetime pension payable under the normal form of pension (normal pension) will be adjusted on an actuarially equivalent basis to reflect the guarantee period and survivor benefit chosen.

Note: There is only one choice, at retirement.
PENSION BENEFICIARIES

Pre-retirement (pension benefit value payable)

1. Spouse
The person married to you in a religious or civil ceremony or with whom you have been living in a relationship that resembles a marriage for at least one year and whom you have designated in writing to the University as your spouse.

2. Designated beneficiary or estate

Post-retirement (survivor benefit payable based on choice)

1. Spouse
Same as above.

2. Children
An eligible dependent child as per the provisions of the plan is your child, as defined by the Family Law Act, who depends on you for support and is under 19 years of age at the time of retirement or under age 27 and a full-time student in a recognized education institution or is any age and physically or mentally disabled.
Section 2 – Retirement allowance

• Formulas
• Examples
• Retirement allowance – Notice of retirement
RETIREMENT ALLOWANCE

Formula for all administrative and support staff employee groups (based on the uOttawa policy 53 or collective agreements)

Policy 53 for NUEA*, Section 42 of SSUO–OSSTF agreement**, Section 35 of PIPSC agreement*:

A) Under age 60 without factor 90
   2003 standard salary class at retirement X .004 X uOttawa service X 5

B) Age 60 to 65 (NRD) or under age 60 with factor 90
   2003 standard salary class at retirement X .006 X uOttawa service X MIN (5, NRD – ARD)

*PIPSC & NUEA: All employees hired on or after May 1, 2018, are not eligible for the retirement allowance.
**SSUO: All employees hired on or after November 16, 2020, are not eligible for the retirement allowance.

Section 35 Local 772-A, Section 24 Local 772-B:

– Formula without factor 90 and less than 60 years of age: $180 X uOttawa service X 5
– Formula with factor 90 or age 60 to 65 (NRD): $215 X uOttawa service X MIN (5, NRD-ARD)

Formula for academic employees (based on section 40.3 of collective agreement):
To be eligible before age 60, must have reached the factor 90.
– Formula: $800 X uOttawa service X MIN (5, NRD-ARD)

Eligible for transfer to an RRSP, as per the Canada Revenue Agency tax sheltering policy, paragraph 60(j.1) of the Income Tax Act: $2,000 for each year of service (pre-1996) plus $1,500 for each non-contributory year of service pre-1989 may be transferred to an RRSP. If you have accumulated RRSP room, you may be able to transfer more than the eligible amount to your RRSP.

- NRD: Normal retirement date
- ARD: Actual retirement date
## RETIRING ALLOWANCE – Examples as at December 31, 2020

<table>
<thead>
<tr>
<th>Class</th>
<th>Age/service (formula)</th>
<th>Total</th>
<th>Eligible amount (Pre 96)</th>
<th>Non-eligible amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-union</td>
<td>58/25 ($69,305 x .004 x 25 x 5) = $34,653</td>
<td>$2,000</td>
<td>$32,653</td>
<td></td>
</tr>
<tr>
<td>NM1</td>
<td>60/25 ($69,305 x .006 x 25 x 5) = $51,979</td>
<td>$2,000</td>
<td>$49,979</td>
<td></td>
</tr>
<tr>
<td></td>
<td>62/25 ($69,305 x .006 x 25 x 3) = $31,187</td>
<td>$2,000</td>
<td>$29,187</td>
<td></td>
</tr>
<tr>
<td>SSUO/</td>
<td>58/25 ($43,891 x .004 x 25 x 5) = $21,945</td>
<td>$2,000</td>
<td>$19,945</td>
<td></td>
</tr>
<tr>
<td>PIPSC 8</td>
<td>60/25 ($43,891 x .006 x 25 x 5) = $32,918</td>
<td>$2,000</td>
<td>$30,918</td>
<td></td>
</tr>
<tr>
<td></td>
<td>62/25 ($43,891 x .006 x 25 x 3) = $19,751</td>
<td>$2,000</td>
<td>$17,751</td>
<td></td>
</tr>
<tr>
<td>SSUO/</td>
<td>58/25 ($54,768 x .004 x 25 x 5) = $27,384</td>
<td>$2,000</td>
<td>$25,384</td>
<td></td>
</tr>
<tr>
<td>PIPSC 10</td>
<td>60/25 ($54,768 x .006 x 25 x 5) = $41,076</td>
<td>$2,000</td>
<td>$39,076</td>
<td></td>
</tr>
<tr>
<td></td>
<td>62/25 ($54,768 x .006 x 25 x 3) = $24,646</td>
<td>$2,000</td>
<td>$22,646</td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>58/25 ($180 x 25 x 5) = $22,500</td>
<td>$2,000</td>
<td>$20,500</td>
<td></td>
</tr>
<tr>
<td>772 A-B</td>
<td>60/25 ($215 x 25 x 5) = $26,875</td>
<td>$2,000</td>
<td>$24,875</td>
<td></td>
</tr>
<tr>
<td></td>
<td>62/25 ($215 x 25 x 3) = $16,125</td>
<td>$2,000</td>
<td>$14,125</td>
<td></td>
</tr>
<tr>
<td>APUO</td>
<td>58/25 ($800 x 25 x 0) = $0</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>60/25 ($800 x 25 x 5) = $100,000</td>
<td>$2,000</td>
<td>$98,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>62/25 ($800 x 25 x 3) = $60,000</td>
<td>$2,000</td>
<td>$58,000</td>
<td></td>
</tr>
</tbody>
</table>
RETIREMENT ALLOWANCE – NOTICE

Non-unionized administrative staff:
Classes NC1 to NC8 must give at least 3 months notice;
Classes NM1 to NM5 must give at least 6 months notice.

SSUO–PIPS;
Must give at least 3 months notice.

Faculty or Language Teachers:
Must give at least 4 months notice.

Librarians:
Must give at least 2 months notice.

Procedure:
Advise immediate supervisor in writing with retirement date and send a copy to the Pension sector at hrpension@uottawa.ca

You are encouraged to give as much notice as possible in order to help your faculty or service with its budget and succession planning. Your notice is irrevocable.
Section 3 – Group benefits

Patrick Taylor | Benefits Specialist
# Group insurance benefits at retirement

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Regular Support staff; (SSUO &amp; OPSEU)</th>
<th>Regular Academic staff / PIPSC/772A&amp;B/NUEA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior to 65</td>
<td>65 and over</td>
</tr>
<tr>
<td>Group insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Life</td>
<td>• Life</td>
<td>• Life</td>
</tr>
<tr>
<td>• Health</td>
<td>• Hospital</td>
<td>• Health &amp; hospital</td>
</tr>
<tr>
<td>• Dental</td>
<td>• Hospital</td>
<td>• Dental</td>
</tr>
<tr>
<td>• Hospital</td>
<td>• Health care spending account</td>
<td>• Health care spending account</td>
</tr>
<tr>
<td>• Health care spending account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition fee exemption</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Other benefits</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
LIFE INSURANCE

Life insurance volume

If employee became insured:

• **Prior to May 1, 1971**
  – 50% of salary at retirement (Max $100,000 of coverage)

• **On or after May 1, 1971, but prior to July 1, 1976**
  – 2.5% of salary at retirement per year of service up to 20 years
    (min. $2,000, max. $100,000)

• **On or after July 1, 1976**
  – Up to and including 10 years of service = $2,000
  – More than 10 years of service = 10% of salary at retirement
    (min. $2,000, max. $5,000)

**Premiums:** Monthly premiums are paid by the University and are a taxable benefit for the retiree.

**Termination date:** Retiree’s passing
# Health and dental insurance

<table>
<thead>
<tr>
<th>Conditions of eligibility</th>
<th>Support staff</th>
<th>Academic staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The retiree must be less than 65</td>
<td>• The retiree must be less than 65 years of age (on July 1 following or coinciding with the 65th birthday)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Termination date</th>
<th>Support staff</th>
<th>Academic staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Will automatically end on the first day of the month following or coinciding with the 65th birthday.</td>
<td>• Will automatically end on July 1 following or coinciding with the 65th birthday</td>
<td></td>
</tr>
</tbody>
</table>

**After age 65, benefits are available through:**
- Retired Teachers of Ontario (RTO)
- Municipal Retirees Organization of Ontario (MROO)
- Ontario Teachers Insurance Plan (OTIP)
- PlanDirect (Canada Life)
- Other products in the open market
Survivor benefits – Health, hospital and dental insurance

- There is a up to one-year insurance extension without fees for the surviving spouse and dependants (that were covered under the plan) following the death of a retiree whose insurance coverage was in effect at the time of death
- Applies only for health, hospital and dental insurance
## Health Care Spending Account (HCSA)

<table>
<thead>
<tr>
<th>Conditions of eligibility</th>
<th>Support staff</th>
<th>Academic staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• All regular employees (does not include term/contractual employees)</td>
<td>• All regular academic employees</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual amount</th>
<th>Support staff</th>
<th>Academic staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• $300</td>
<td>• $1,350</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Termination date</th>
<th>Support staff</th>
<th>Academic staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Retiree’s passing</td>
<td>• Retiree’s passing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taxability</th>
<th>Support staff</th>
<th>Academic staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Taxable for Quebec residents (calculated on a usage basis plus the employer’s administrative costs and applicable taxes)</td>
<td>• Taxable for Quebec residents (calculated on a usage basis plus the employer’s administrative costs and applicable taxes)</td>
<td></td>
</tr>
</tbody>
</table>
Tuition fee exemption

Conditions of eligibility:
Employees eligible for benefits under the provisions of Policies 8 and 22.

Termination date:
Retiree: Exemption for life

Eligible dependants: The spouse and/or dependents (under the age of twenty-seven) are eligible for tuition fee financial support when registered in a regular funded course or program of studies at the University of Ottawa, until the retiree reaches the age of 71.

Taxation for spouse and dependants: Taxable in the hands of the recipient
## GROUP INSURANCE RATES 2021-2022 (Tax included - Ontario)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>SSUO/OPSEU</th>
<th>Other Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single</td>
<td>Family</td>
</tr>
<tr>
<td>Extended health</td>
<td>$99.47</td>
<td>$255.51</td>
</tr>
<tr>
<td>Dental care – Basic</td>
<td>$27.80</td>
<td>$83.97</td>
</tr>
<tr>
<td>Hospital room – Semi-private</td>
<td>$5.69</td>
<td>$10.76</td>
</tr>
<tr>
<td>Hospital room – Private</td>
<td>$8.01</td>
<td>$17.52</td>
</tr>
</tbody>
</table>

**Note:** Retiree pays the monthly premiums

- uOttawa email: Used as the primary form of communication with retirees
Section 4 – Tools

• Personal statement and annual report
• Human Resources website
• Pension plan fact sheets
• Personalized website
• Financial planner
YOUR ANNUAL STATEMENT AS AN ACTIVE MEMBER OF THE UNIVERSITY OF OTTAWA RETIREMENT PENSION PLAN (THE PLAN) 2019

John Doe
1234 Main St
Ottawa ON K0K 0K0

A message from the Associate Vice-President, Human Resources

I am pleased to present your 2019 personalized pension statement. It contains information on the pension benefits you are entitled to under the registered University of Ottawa Retirement Pension Plan, as governed by the provisions of the Ontario Pension Benefits Act, the Canada Revenue Agency and the Financial Services Regulatory Authority of Ontario. This statement contains information on your membership, contributions and benefits payable at retirement. The information contained in this statement is summarized and estimated.

Data on benefits payable by the University of Ottawa Supplemental Retirement Pension Plan, which is a non-registered plan, is not included in this statement.

More information on the University of Ottawa Retirement Pension Plan can be found in the Annual Report at www.uOttawa.ca/human-resources/about-IR/publications. Included in the report are the year’s activities and information on governance, administration, the Pension Plan’s financial position and membership statistics.

We invite you to visit the Human Resources website (www.uOttawa.ca/human-resources) on a regular basis for up-to-date Pension Plan information and resources, such as the retirement planning tool, forms, publications, etc. The website also contains a wealth of information on your other employee benefits.

Human Resources staff will be pleased to answer any questions you may have.

Karina Aden

uOttawa.ca
Human Resources Website: uOttawa.ca/human-resources/
PENSION PLAN FACT SHEETS

- Small benefits unlocking under the University’s pension plan
- Effective July 1, 2012, the Ontario Pension Benefits Act (OPA) was amended to change the rules that determined if a pension benefit can be considered a small benefit and, as a result, be eligible for unlocking. The University Retirement Pension Plan has since been amended to apply the new rules to new and existing deferred members. This fact sheet provides information on small benefits unlocking under the University’s pension plan.

- Transferring pension service from another employer to the University’s pension plan (PDF)
- This fact sheet provides information on transferring pension service from your previous employer’s pension plan to the University’s pension plan – outlining the eligibility, things to consider and how the process works.

- Growing benefits (PDF)
- This fact sheet explains what growing benefit means and sets out the conditions under which a member would be entitled to improved pension benefits.

- The importance of a power of attorney and your University of Ottawa Pension Plan (PDF)
- This fact sheet explains what a power of attorney is and highlights important details you should take into consideration when making your decision.
Welcome to the Pension Plan personalized information Web site!

Please enter your Employee number and Password and click Enter.

Employee number
Password

Log in as an administrator

What is your employee number?
As of June 1, 2008, your employee number is a 9-digit number. This number is shown on your pay slip.

What is your initial password?
Your initial password is temporary. It consists of your date of birth in the format YYYYMMDD and the last three digits of your Social Insurance Number (SIN).

Example
If your date of birth is March 12, 1968 and your SIN is 123-486-789, your temporary password is 1960312789.

On your first visit, you must change your initial password. If you have already entered the site, your initial password will not work anymore.

What if you forget your password?
If you have already entered the site or have forgotten your password, answer your employee questions to reset your initial password.
You can also reach the Web site administrator by calling 1 866 856-7460.

Download the user guide
To protect your information, remember to click Logoff when you finish your session. Your session will end automatically if there has been no activity for 26 minutes.

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https://uottawa.hroffice.com
FINANCIAL PLANNER (HORIZON)

What do you want to do?

I want an estimate of my total income at retirement
Estimate your retirement income from all sources and see how close you are to your goals.
All data related to your personal situation in the company plans are already in, you just need to enter information on your personal savings.

I want to learn about retirement planning
Learn everything you need to know about retirement planning, from setting your goals to your different retirement income sources.

I want to know how much I will need at retirement
Use a worksheet to do a preliminary retirement budget that will help you set your retirement income goals.

I want to know what type of investor I am
Find out how you should invest your retirement savings based on your personal situation and tolerance for risk.

Go to the Retirement income calculator
Go to the Learning zone
Go to the Retirement budget worksheet
Go to the Investor profile
QUESTIONS
SUPPLEMENTAL PENSION PLAN

• Not a registered pension plan

• Provides to participating members a benefit in excess of the maximum pension benefits prescribed by the Income Tax Act and subject to the provisions of the supplemental plan

• Eligibility: Average salary at the date of retirement must be above the average maximum salary set by the CRA ($176,732.65 in 2021)

• The supplemental pension plan provides a benefit up to the plan average maximum salary, $228,960.00 as at January 1, 2021

• The maximum salary for the supplemental pension plan contributions is $241,690.00 as at January 1, 2021
PENSION BENEFIT FORMULA – Supplemental plan

Eligible Average Salary: must exceed the average maximum salary of $176,732.65 as prescribed by the Canada Revenue Agency (CRA) as of January 1, 2021, without exceeding the average salary maximum covered by the Supplemental Plan of $228,960.00 established on January 1, 2021.

1. Service to December 1998 (Pre-1999)
   i) 2021 Pre-1999 dollar limit x credited service = a
   ii) 2021 maximum CRA pension x credited service = b
   Total annual pension pre-1999 (a – b) = c

   i) $31,790 x 1.3% x credited service = a
   ii) (Average salary – $31,790) x 2% x credited service = b
   iii) 2021 maximum CRA pension x credited service = c
   Total annual pension post-1998 ((a + b) – c) = d

   i) $41,299 x 1.3% x credited service = a
   ii) (Average salary – $41,299) x 2% x credited service = b
   iii) 2021 maximum CRA pension x credited service = c
   Total annual pension post-2003 ((a + b) – c) = e

Total annual uOttawa supplemental pension plan (c + d + e)*

*If the annual pension is less than 10% of the YMPE (10% x $61,600 = $6,160), the commuted value of the annual pension is paid as a taxable lump sum.
PENSION CALCULATION **Base Plan** – High salary
(Service to December 31, 2020)

<table>
<thead>
<tr>
<th>AGE:</th>
<th>60 years</th>
<th>AVG. SAL.:</th>
<th>$180,000</th>
<th>MAX. CRA SAL.:</th>
<th>$176,732.65</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE:</td>
<td>25 years</td>
<td>INTEG. LEV.:</td>
<td>$31,790 / $41,299</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) PRE-2004 SERVICE
i) $31,790 x 1.3% x 8 = $3,306.16
ii) $148,210 x 2% x 8 = + $23,713.60

Total uOttawa pension 1+2 = $83,305.18

2) POST-2003 SERVICE
i) $41,299 x 1.3% x 17 = $9,127.08
ii) $138,701.00 x 2% x 17 = + $47,158.34

Total uOttawa pension 1+2 = $83,305.18

MINIMUM PENSION TEST ($180,000 x 1.5% x 25) = $67,500.00

MAXIMUM CRA PENSION RULE ($3,245.56 x 25) = $81,139.00

3) + Estimated CPP/QPP pension*
   maximum reduced pension ($14,445 – 36%) = +$9,244.80

Total uOttawa + CPP/QPP = $90,383.80

*CPP/QPP amounts are approximations. Actual amounts will be based on individual participation in the plans.
# PENSION CALCULATION – Supplemental benefit (Service to December 31, 2020)

<table>
<thead>
<tr>
<th>AGE</th>
<th>60 years</th>
<th>AVERAGE SALARY</th>
<th>$180,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERVICE</td>
<td>25 years</td>
<td>INTEGRATION LEVEL</td>
<td>$31,790 / $41,299</td>
</tr>
<tr>
<td>MAX. PRE-1999</td>
<td>$2,899.53</td>
<td>MAX. CRA SALARY</td>
<td>$176,732.65</td>
</tr>
<tr>
<td>MAX. CRA</td>
<td>$3,245.56</td>
<td>MAX. AVG. SALARY</td>
<td>$228,960</td>
</tr>
</tbody>
</table>

1) PRE-1999 SERVICE
   
i) \((\text{2,899.53} - \text{3,245.56}) \times 3\) = $0.00

   
i) \(\text{31,790} \times 1.3\% \times 5\) = $2,066.35
   
   ii) \(\text{148,210} \times 2\% \times 5\) = $14,821.00 $16,887.35
   
   iii) \(\text{3,245.56} \times 5\) = $16,227.80 + $659.55

3) POST-2003 SERVICE (2004 to 2007; excluding 2008 to 2020 – 13 years)
   
i) \(\text{41,299} \times 1.3\% \times 4\) = $2,147.55
   
   ii) \(\text{138,701} \times 2\% \times 4\) = $11,096.08 $13,243.63
   
   iii) \(\text{3,245.56} \times 4\) = $12,982.24 + $261.39

   **Total annual supplemental pension** \(1 + 2 + 3\) = $920.94

The supplemental pension plan benefit will be paid as an annual pension if the amount exceeds 10% of the YMPE, which is $6,610/year ($61,600 x 10%). If the annual pension is less than 10% of the YMPE, the commuted value of the annual pension is paid as a taxable lump sum.
PHASED RETIREMENT (APUO members only)

- Transition to retirement is a benefit available to APUO members who wish to have a reduced workload in the years prior to their normal retirement date.

- Available to members eligible to receive the benefit as per section 40.3.1 of the collective agreement (the normal retirement date is defined as July 1 of the year following age 65).

- Allows members to bring their regular salary up to their nominal salary using portions of the severance payment payable under section 40.3.1.

- During the transition period, members accumulate full pension credits as per the provision of the pension plan by contributing up to the level of their nominal salary.

- Once the agreement is signed, the commitment to retire is irrevocable.
PHASED RETIREMENT PENSION CALCULATION APUO 40.3 – Example 5

<table>
<thead>
<tr>
<th>AGE</th>
<th>60 years</th>
<th>NOMINAL SALARY</th>
<th>$140,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEARS of SERVICE</td>
<td>30 years</td>
<td>FUTURE PENSION SERVICE</td>
<td>33 years</td>
</tr>
<tr>
<td>REDUCED WORKLOAD</td>
<td>50%</td>
<td>TOTAL PAYABLE SALARY</td>
<td>75%</td>
</tr>
<tr>
<td>TRANSITION DATE</td>
<td>July 1, 2021</td>
<td>RETIREMENT DATE</td>
<td>July 1, 2024</td>
</tr>
</tbody>
</table>

1. Severance calculation at age 60 as at July 1, 2021
   Pension Sector determines calculation at the transition date
   $800 \times 30 \text{ years} \times \text{uOttawa service} \times 5 \text{ years before normal age of retirement} = \$120,000$

2. Calculation of severance payable (objective: 75% of total salary)
   - Annual maximum receivable as per nominal salary: $\frac{75}{100} \times \$140,000 = \$105,000$
   - Annual payable as per reduced workload: $\frac{50}{100} \times \$140,000 = \$70,000$
   = Annual severance distribution $\$35,000$

   $\$35,000$ is paid each year as salary for three years prior to retirement, for a total of $\$105,000$ (objective reached).

3. Calculation of balance due at retirement, if applicable
   Severance calculation in step 1 minus annual distribution: $\$120,000 − \$105,000 = \$15,000$
   The difference at the end of the transition period will be transferable/paid at retirement and may be tax exempt as a retirement allowance, under paragraph 60(j.1) of the Income Tax Act.

4. Pension benefit calculation at age 63, as at July 1, 2024
   Calculation is determined by the Pension Sector and is a projected estimate at retirement as per the pension plan provisions.

5. Confirmation with the member
   Form completed to confirm and communicate amounts to payroll.

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