



Retiring from BCIT

Information Guide

Prepared by:
BCIT Human Resources
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Introduction

The purpose of this Information Guide is to provide you with answers to frequently asked questions that may arise when you are contemplating retirement. *Note: this guide does not apply to BCIT PTS Instructors. If you are a PTS Instructor, please refer to the Guide titled “Retiring from BCIT Information Guide for PTS Instructors”.*

Some of the more common questions centre around: What do I need to know? What should I be doing and when? How do I start the retirement process? What steps are involved in the retirement process?

More detailed information about pensions and retirement including pension calculators which allow you to simulate various retirement scenarios on an individual basis, are available by accessing the Pension Corporation’s public website:

www.pensionsbc.ca

You can also contact the Pension Corporation directly by using the following telephone numbers or by forwarding a written inquiry to the address below:

College Pension Plan:	660-4088 from Vancouver	or toll free in B.C. 1-888-440-0111
Municipal Pension Plan:	660-5366 from Vancouver	or toll free in B.C. 1-800-668-6335
Public Service Pension Plan:	660-5299 from Vancouver	or toll free in B.C. 1-800-665-3554

(The Name of Your Pension Plan)
Pension Corporation
P.O. Box 9462 Stn Prov Govt
Victoria, B.C.
V8W 9V8

As a first step however, we would suggest that you contact your Human Resources Advisor who would be pleased to arrange a meeting to address your questions and help you get started. **If you have decided on an actual retirement date, you should notify your department in writing first and simultaneously contact BCIT’s Human Resources Department** who will put you in touch with your Human Resources representative. This is to ensure that appropriate notification and processing occurs to avoid unnecessary delays in processing your pension and planning for your replacement (if necessary)

Retiring from BCIT

1. When can I retire and how is my pension calculated?

You can retire as early as age fifty-five (55) and as late as November 30th of the calendar year in which you turn 71 (as outlined in section 8502(e) of the Income Tax Regulations under the Income Tax Act (Canada). Depending on your age and years of service at retirement, you will receive either an unreduced or a reduced pension. For full details on pensions and how they are calculated, see the “FAQ” section under each plan of the Pension Corporation website www.pensionsbc.ca or contact your HR Advisor for an estimate.

2. What pension plan am I in?

- Generally, BCGEU Instructors, Faculty & Staff Association (FSA), and Management Staff are in the College Pension Plan.
- BCGEU Support Staff and FSA Technical Staff are in the Municipal Pension Plan.
- Some BCIT employees who were hired prior to 1986 are in the Public Service Pension Plan.
- To confirm which pension plan you are in, check the code on your pay statement or contact HR.

3. What can I do to increase my pension?

You may be able to increase your pension benefits by purchasing eligible leaves of absence, non-contributory service or by transferring service from another eligible pension plan. See the “Near Retirement FAQ” section of each plan at www.pensionsbc.ca or contact HR.

4. If I’ve contributed to more than one pension plan, how will my pension be paid?

If you’ve been a member of the College, Municipal, Public Service, Teacher’s, ICBC or Worksafe BC Pension Plan, and are now a member of another of the plans on the list, you may be able to combine your service by transferring your previous service into your current plan (or the plan to which you last contributed). See the “Publications”, “Pensionfacts” section under each plan at www.pensionsbc.ca.

5. In the event of my death who is the beneficiary of my pension?

Your spouse is **automatically** the beneficiary of your pension unless they consent in writing to you choosing another beneficiary. If you don’t have a spouse and you haven’t named a beneficiary prior to your death, the plan pays death benefits to your estate. For more information, visit the “Retired Members”, “Publications” section under each plan at www.pensionsbc.ca

6. What is the definition of spouse?

Under the Pension Benefits Standards Act, spouse means:

(a) The person you are legally married to and, for the two-year period immediately before the relevant time (e.g., retirement or death), were not separated from* **OR**;

(b) The person of the same or opposite sex, who has lived with you in a marriage-like relationship for the two-year period immediately before the relevant time.

*You are not considered separated if the separation is due to health reasons.

7. How do separation and divorce affect my pension benefits?

If you divorce or separate, you and your spouse must decide if and how your pension will be divided. To see how divorce or separation affects your pension, visit the Publications”, “Pensionfacts” section under each plan at www.pensionsbc.ca

8. What benefits am I entitled to from BCIT upon retirement?

	Vacation	Sick Leave	Retirement Allowance Pre-Retirement Leave
BCGEU Instructional Staff	Full vacation entitlement for the final calendar year of service	50% of accumulated sick leave credit (if applicable)	Retirement allowance for employees who have completed 20 or more years of continuous service and who are entitled to receive a Pension Corporation allowance.
BCGEU Support Staff	Full vacation entitlement for the final calendar year of service	50% of accumulated sick leave credit (if applicable)	Retirement allowance for employees who have completed 20 or more years of continuous service and who are entitled to receive a Pension Corporation allowance.
Faculty & Staff Association	Pro-rated vacation for the calendar year	40% of accumulated sick leave credit	An employee scheduled to retire and to receive a Pension Corporation allowance under the Pension Corporation Act, shall be entitled to: <ul style="list-style-type: none"> a) a special leave for a period equivalent to forty percent (40%) of accumulated Sick Leave credit, to be taken immediately prior to retirement, or b) a special cash payment of an amount equivalent to the cash value of the forty percent (40%) of accumulated Sick Leave credit, to be paid immediately prior to retirement and based upon the employee's current rate of pay
Management Staff	Pro-rated vacation for the calendar year	N/A	N/A

BCIT will cover you for one additional month for MSP, Extended Health and Dental. Your Group Life Insurance and AD&D will be reduced from your current level to a flat \$10,000 policy at retirement and the reduced coverage will be maintained at BCIT's expense until you reach the age of 70. Should you wish to convert your coverage at retirement to a standard plan without taking a medical examination, you may apply to Manulife directly. Your application must be made within 31 days of your 65th birthday or on your last day of employment, whichever occurs first. Any such additional coverage will be at your own expense, with current premiums based on age, ordinary life, 1 year convertible term, or term to 65, life insurance. For further details, please contact Manulife at 1 (800) 575-2200.

Note: the information above only applies if you retire on or before the age of 65. For more information on benefit entitlements if you retire after the age of 65, please refer to the Memorandum of Agreement regarding Mandatory Retirement for your employee group.

9. What benefits am I entitled to from my pension plan upon retirement?

Upon retirement, you are eligible for monthly pension income, plus the option of coverage under the Medical Services Plan, plus Extended Health Care and Dental under Pacific Blue Cross. Premium payments **may be** subsidized up to 100% by the pension plan depending on your length of pensionable service. If you are not subsidized up to 100%, the total cost, or the difference in premium costs, will be deducted from your monthly pension cheque. More detailed information see “Retired Members”, “Publications” under each plan at www.pensionsbc.ca

10. What benefits are available from the Federal Government upon retirement?

Canada Pension Plan (CPP) – you are eligible for a CPP retirement pension if:

- You are at least 65 years of age; OR
- You are between the ages of 60 and 64 and have substantially or completely stopped working. You may apply for CPP as early as age 60 with a 6% reduction per year in advance of age 65. The reduction is **permanent** at age 65.

Your CPP does **NOT** start automatically. You should apply six (6) months before you wish these benefits to commence. To apply, or find information on eligibility and payment information, visit <http://www.servicecanada.gc.ca/eng/sc/cpp/retirement/canadapension.shtml>

Old Age Security (OAS)

OAS is a monthly benefit available to persons age 65 and over who meet the eligibility criteria as determined by the Government of Canada. You may apply up to one (1) year in advance.

Need more information on CPP or OAS?

Visit Service Canada at:

<http://www.servicecanada.gc.ca/eng/sc/cpp/retirement/canadapension.shtml>

11. What pension options are available to me under the Pension Corporation?

When you apply for your pension, you will receive a “Retirement Selection Statement” that quotes the various pension option combinations and amounts those options will pay each month. You will be given a variety of options to choose from, including spousal benefits if you have a spouse.

Single Life with a 10 Year Guarantee

Under this standard pension, the guarantee period begins the date your pension starts and continues for 10 years. The pension is payable for as long as you live, and continues to be paid to your beneficiary if you die before the guarantee period expires. Payments to your beneficiary continue for the amount of time left in the guarantee period. If you die and your estate is your beneficiary, the plan will pay the remaining payments in the guarantee period to your estate in a lump sum. If your beneficiary dies before you do, and before the guarantee period ends, you may name another beneficiary. If you don't name another beneficiary before you die, the plan will pay

the remaining payments in the guarantee period to your estate in a lump sum. No payments are made to your estate if you die after the guarantee period ends.

Other Guarantees on a Single Life Pension

You can also choose a guarantee period of 5 or 15 years on a single life pension. Other than the duration of the guarantee period, these options work the same as the 10-year option. The final option for a single life pension is a combination of a (single life pension with a 5 year guarantee and a temporary annuity).

*If you have a spouse, you cannot select a single life option unless your spouse signs a “Spousal Waiver” form. The Pension Benefit Standards Act requires that anyone with a spouse must select at least a 60% joint life option. Therefore, if you have a spouse, you may only select a single life option if your spouse signs a “Spousal Waiver” form.

Joint Life Pension

A joint life pension is paid for the joint life of you and your spouse. In other words, if your spouse lives longer than you do, he or she continues to get a pension, based on the percentage of joint life pension you select at retirement. You can choose a 60% or 100% joint life.

Temporary Annuity

A temporary annuity temporarily supplements your pension and is payable until you reach age 65 or die, whichever comes first. This option may help you meet the initial expenses of retirement; however, it permanently reduces your lifetime pension. When the temporary annuity ends, you receive smaller pension payments than you would have if you had left your basic pension intact.

Bridge Benefit (Offset)

This portion of the pension is payable until you, the member, reach age 65, or die, whichever occurs first. If you retire before age 65 and choose to apply for CPP early, you will still receive the Bridge Benefit plus your reduced pension from CPP.

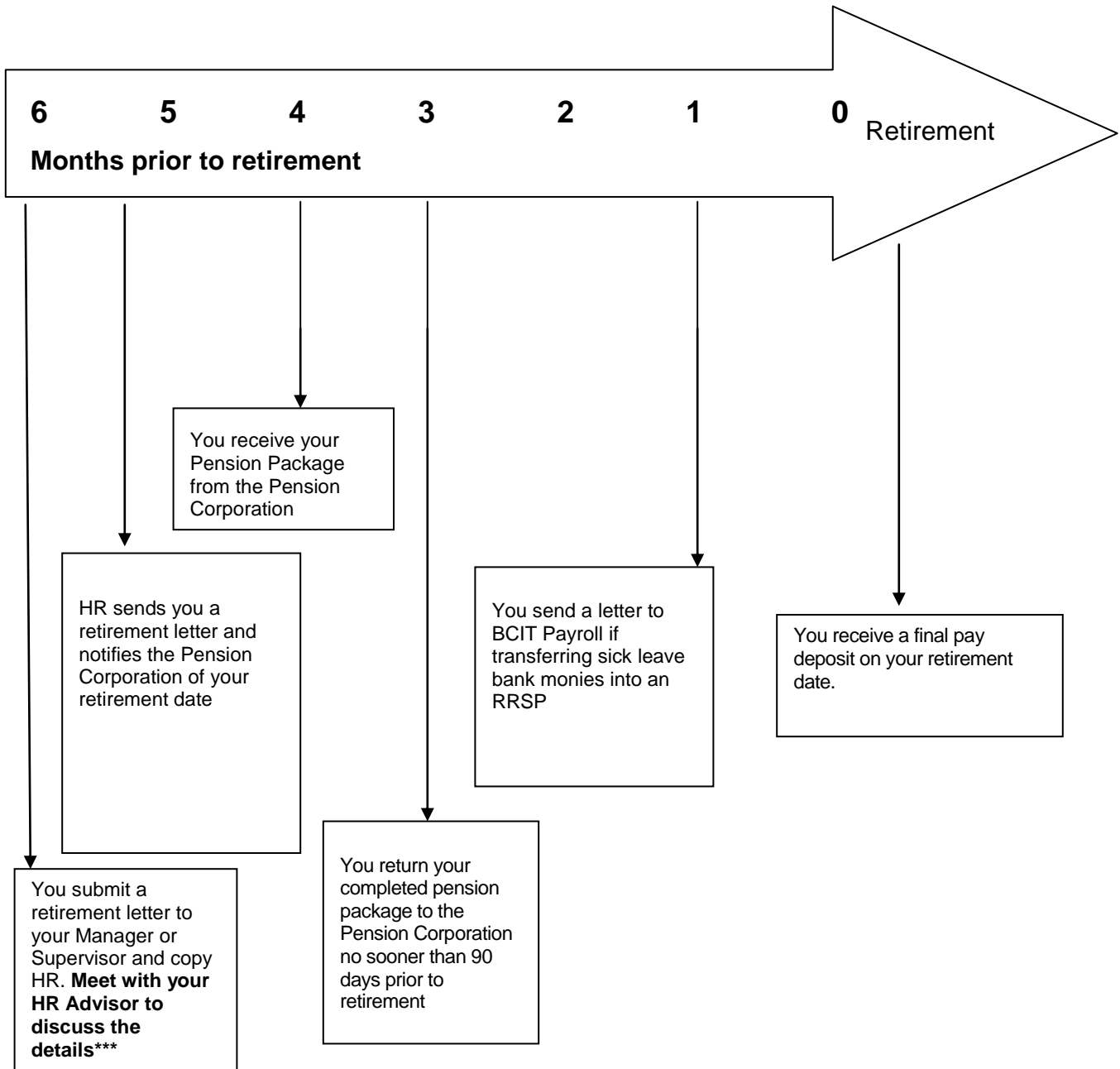
For more information, refer to the “Publications”, “Booklets, Pamphlets and Guides” section under each plan at www.pensionsbc.ca

12. Will my pension be eligible for cost of living adjustments?

A cost-of-living increase of up to 100 per cent of the increase in the Canadian consumer Price Index is applied to pensions in January of each year if there are sufficient funds in the Inflation Adjustment Account. Effective January 1, 2011, cost-of-living increases will be capped at a sustainable level determined during the actuarial valuation process every three years. The member's first increase will be pro-rated based on the number of payments received in the calendar year the pension begins. Although future cost-of-living increases are not guaranteed, once a cost-of-living increase is granted, it becomes part of the guaranteed, lifetime pension.

For more information visit the “Retired Members”, “Information” section under each plan at www.pensionsbc.ca for more information.

13. What steps are included in the retirement process?



*This guideline provides recommended timelines to follow in the retirement process.

14. When will my pension start?

Your retirement date is typically the last day of a month and the effective date of your pension is the first day of the following month.

15. Is my pension taxable?

Yes. Income tax will be deducted from your monthly pension payments based on information provided by you on your Personal Tax Credit Form. The Pension Corporation will send you an income tax form at the end of February each year. Additional tax may be deducted upon written request.

16. How and when will my pension be paid?

Pension payments can be mailed to your home or directly deposited to your bank, at the end of each month, for that month. To ensure you receive your pension payment on time, the Pension Corporation suggests you consider the direct deposit option. More information is available in the "FAQ, After Retirement" section under each plan at www.pensionsbc.ca

17. What documentation will I have to provide when I retire?

Proof of age documentation (copy of driver's license, birth certificate or Passport) must be provided when you return your pension package to the Pension Corporation. In addition, if you choose a pension option that includes a spouse (such as a Joint Life and Last Survivor option), proof of age documentation is also required for your spouse.

If the name on your or your spouse's i.d. is different than the name that you or your spouse use today, you must also provide change of name documentation (for example: marriage certificate). Please note that the Pension Corporation requires documentation for every name change, not just the most recent one.

In addition, you must declare your current marital status on a Spousal Declaration form, regardless of whether you are single, living common-law or married. If you have a spouse, you will be required to select a Joint Life and Last Survivor option that, in the event of your death, provides for at least 60% of your monthly pension to continue to be paid to your spouse as beneficiary unless he/she waives this entitlement by signing the Pension Plan Options form and the Spousal Waiver form, which must be signed and witnessed. These forms will be included in your pension package.

18. Where can I obtain copies of marriage certificates and/or birth certificates?

Copies can be obtained through the Department of Vital Statistics in your birth province (or birth country if born outside Canada) and there is normally a nominal fee charged. The website for the British Columbia Vital Statistics Agency is: www.vs.gov.bc.ca

19. Can I return to work at BCIT after I retire?

If you retired from BCIT, did not opt for an Early Retirement Incentive Program and did not start negotiations for returning to work until after you terminated and started receiving a pension, you may apply for work again at BCIT and may be eligible for subsequent pension contributions. Members of the College Pension Plan must provide proof when they retire that no agreement exists for them at that time to return to work with their current employer. (See Retirement Declaration at www.pensionsbc.ca for more information) There is no Retirement Declaration for the Municipal Pension Plan or the Public Service Pension Plan. As BCIT is no longer governed by an age 65 mandatory retirement policy, employees may seek employment at the Institute provided that they are capable of carrying out the job duties and responsibilities.

If you are receiving a pension from one of the pension plans under the Pension Corporation and are re-employed by BCIT again under a different pension plan, your existing pension continues unaffected. If eligible, you make contributions and accumulate service with the new plan as a new employee.

However, if you are receiving a pension from one of the pension plans under the Pension Corporation and are re-employed by BCIT under the same plan within 60 days, you must make decisions that could affect your pension payment. As a first step, you must advise HR or contact your pension plan immediately. They will provide you with information about your options and a form you must complete and return to the Pension Corporation within a specified timeframe. Essentially, you have two options if you return to work within 60 days of being granted a pension:

- (1) staying on pension and not contributing, or
- (2) stopping your pension, (repaying it – College Plan) or (choice to repay or not – Municipal Plan) and starting your contributions again

After 60 days, the only option is to stay on pension and not contribute.

For more information on the effect of re-employment on your pension, refer to the “Re-employment of a Pensioner” Pensionfact sheet under the “Publications” section of each pension plan at www.pensionsbc.ca

20. What is the “BCIT Retiree’s Association” and how do I join?

The BCIT Retiree’s Association (BCITRA) is an association established for BCIT retirees and their spouses/partners. Membership has a number of benefits and a very low annual membership fee.

For membership benefits, application and details, visit the BCIT Retiree’s Association at <http://www.bcitra.bc.ca/>. Alternately, you may contact them at:

Telephone: (604) 451-6716
Fax: (604) 436-0810
E-mail: admin@bcitra.bc.ca