



Retiring from BCIT

Information Guide

Revised 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. As pension rules change from time to time, visit www.pensionsbc.ca, for the most up to date/current information.

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: toll free in Canada and the U.S. 1-888-440-0111
Municipal Pension Plan: toll free in Canada and the U.S. 1-800-668-6335
Public Service Pension Plan: toll free in Canada and the U.S. 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 Business Partner at hr@bcit.ca, 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.

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 “Your Pension/Taking time off work and buying service” 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?

You may be able to combine your services if you are/have been a member of the College, Municipal, Public Service, Teacher’s, ICBC or Worksafe BC Pension Plan. See the “Apply to transfer service between pension plans” under “Your Pension/Employment” section of 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 “Your Pension/Beneficiaries” 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 does 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 “Your Pension/Divorce and separation” 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 Faculty	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, 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 c) A combination of a) & b)
Management Staff	Pro-rated vacation for the calendar year	N/A	N/A

If already enrolled in Extended Health and Dental with BCIT, we will cover you for one additional month for Extended Health and Dental. You will remain on BCIT's Group MSP plan for one additional month.

If eligible for Group Life Insurance and Accidental Death & Dismemberment (AD&D), your coverage will be reduced from your current level to a flat \$10,000 policy at retirement. 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.

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 or your Collective 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 (Municipal) and Green Shield (College and Public Service). Premium payments **may be** subsidized by the pension plan depending on which plan you are in and based 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. For more detailed information, see “Guide for plan members/After retirement” section 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 60 years of age.
- You have made at least one valid contribution to the CPP.

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 the [Service Canada website](http://ServiceCanada.gc.ca).

Old Age Security (OAS)

OAS is a monthly benefit available to most Canadians age 65 who meet the Canadian legal status and residence requirements.

A letter will be sent if you are automatically entitled for the benefit. You will need to apply for the OAS pension if you get a letter asking for you to apply or the information in the automatic entitlement letter was incorrect.

You can decide to start receiving your pension at age 65 or a specific date after your 65th birthday (up to 60 months or 5 years after your 65th birthday).

*****For the most current information regarding OAS, visit the [OAS website](http://OAS.gc.ca).**

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 5, 10 or 15 Year Guarantee Period

Under these options, the guarantee period begins the date your pension starts and continues for 5, 10 or 15 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

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 an option between 60% and 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)

If you retire before age 65, your pension may include a temporary monthly payment called a bridge benefit. This portion of the pension is payable until you reach age 65 or die, whichever occurs first.

For the College Pension Plan, the bridge benefit is earned on pensionable service accumulated in the plan up to and including December 31, 2015.

For the Public Service Plan, you will receive a bridge benefit on all service earned before April 1, 2018.

For the Municipal Plan, you will receive a bridge benefit on all service earned before January 1, 2022.

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

A cost-of-living increase may be granted as the result of an annual cost-of-living adjustment. The board looks at changes in the Canadian consumer price index (CPI) over a 12-month period from November to October and the funds available in the plan's inflation adjustment account. 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 the most up to date information visit the "Guide for plan members/After retirement" section under each plan at www.pensionsbc.ca for more information.

13. What steps are included in the retirement process?

- **Between 6 to 3 Months prior**
Notify manager, supervisor and HR of retirement. Meet with your HR Business Partner to discuss the details, especially if taking pre-retirement leave.
Please note: If working two positions at BCIT, that pay in to the same Pension Plan (example: day school position and PTS position), in order to ensure the Pension Corporation definition of "termination of employment" has been met to draw your pension, you **must** retire from both positions.
- **Between 4 to 1 Month(s) prior**
HR sends retirement letter to you, your Manager and Union (if applicable).
- **Between 4 to 3 Months prior**
NEW You must request a pension package, or complete the pension application on-line through the Pension Corporation website.
 - **If requesting paper pension package: you must request your package no sooner than 4 months prior to your retirement date**
 - **If completing pension package on-line: you can apply on-line no sooner than 90 days prior to your retirement date**
- **Between 3 to 1 Month(s) prior**
Return completed pension package to the Pension Corporation no sooner than 90 days prior to retirement or complete your pension application on-line
- **1 Months prior**
If applicable, return the letter to BCIT Payroll transferring sick leave bank monies in to an RRSP
- **Retirement**
Final pay deposited on the bi-weekly pay day that your Retirement Date falls under (see [payroll schedule](#)).

These are recommended timelines to follow in the retirement process.

***Please note: it is your responsibility to complete your pension application on-line through the [Pensions BC](#) website. If you would prefer not to complete the application on-line, you must request your pension package be mailed to you by contacting the Pension Corporation on-line or by telephone at: 1-800-663-8823

14. What if I work in more than one position that contributes to the same Pension Plan? How will this affect my pension eligibility?

In order to begin receiving a pension, you must meet the Pension Corporation's definition of "termination of employment" for all positions (either at BCIT or another employer) that contribute to the same pension plan.

If you have not "terminated" all positions that contribute to the same pension plan, or return to work with BCIT prior to your pension effective date, the pension corporation will consider that you have not terminated employment for pension plan purposes, and you will not be eligible to collect your pension. The only time this does not apply is if you are turning 71 ([see #1 above](#)).

Further, you will be required to electronically sign a "Retirement Declaration" form, as part of your pension package, that states that no agreement exists between yourself and BCIT to come back to work after retirement. This does not prevent you from coming back to BCIT after you retire, as long as there has been no casual or formal discussion or commitment made before your retirement benefit effective date ([see #16 below](#)), to return to work.

BCIT is required to complete a "Retirement Declaration" on your behalf as well.

If you are planning your retirement, and have, or plan to have, multiple positions that contribute to the same pension (such as PTS employment) please discuss this for your HR Business Partner.

For more information, go to www.pensionsbc.ca under the "Your Pension/Applying for your Pension/An overview of the Pension Application Process" for the applicable plan.

15. I am also a PTS Instructor; how does this impact my retirement?

As noted in #14 above, BCIT employees must ensure they have concluded or "terminated" all positions that contribute to the same pension plan. All Faculty and GEU Faculty, day school and PTS, contribute to the College Pension Plan. As such, Faculty must ensure all PTS employment is terminated prior to the pension effective date.

For those Faculty who wish to engage in re-employment with BCIT, whether day school or PTS, please refer to [#21](#), below.

16. When will my pension start?

Your retirement date from BCIT is typically the last day of a month and the Pension effective date is the first day of the following month.

17. 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.

18. 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.

19. 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.

20. 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. For more information, refer to the [BC Government's website](#) on Birth, Adoption, Death, Marriage & Divorce.

21. Re-employment of retired members

If an employee retires from the (College, Municipal or Public Service) Pension Plan and then returns to work in an employee category under the same plan as they retired from, they continue receiving their pension and do not have an option to re-enroll in or contribute to the same plan. However, they must not be re-employed or have any pre-arranged agreement to return to work with the same employer prior to their pension effective date.

If an employee is receiving a pension from a different pension plan, or is receiving a pension as a survivor of a deceased member, regular enrolment rules apply.

22. 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](#) website.

Alternately, you may contact them at:

Telephone: (604) 451-6716

E-mail: info@bcitra.ca