

York University Pension Plan Booklet



This booklet is intended to summarize, in plain language, the York University Pension Plan. For an exact and complete description of the Plan, consult the Plan text. In cases where the information provided in this booklet differs from that contained in the Plan text, the Plan text will govern.

TABLE OF CONTENTS

York University Pension Plan	-	-	-	-	-	-	-	3
Eligibility to Join the Plan	-	-	-	-	-	-	-	4
Full-time Employees	-	-	-	-	-	-	-	4
Contract Employees	-	-	-	-	-	-	-	4
Part-time Employees	-	-	-	-	-	-	-	5
Research Assistants & Research Associates	-	-	-	-	-	-	-	5
Designating a Beneficiary	-	-	-	-	-	-	-	6
Contributing to the Plan	-	-	-	-	-	-	-	6
Your Contributions	-	-	-	-	-	-	-	6
University Contributions	-	-	-	-	-	-	-	7
Additional Voluntary Contributions (AVC's)	-	-	-	-	-	-	-	7
York University Retirement Planner (YURP)	-	-	-	-	-	-	-	7
Contributing while on LTD	-	-	-	-	-	-	-	7
Leaves of Absence	-	-	-	-	-	-	-	8
Maternity/Parental Leaves	-	-	-	-	-	-	-	8
Sabbaticals	-	-	-	-	-	-	-	9
Leaves of Absence Without Pay	-	-	-	-	-	-	-	9
Reduced Loads	-	-	-	-	-	-	-	10
Irrevocable Reduced Load Status	-	-	-	-	-	-	-	10
Transferring from another Plan	-	-	-	-	-	-	-	10
Pension Benefits Act Transfers	-	-	-	-	-	-	-	10
Other transfers (RRSP's & Defined Contribution Plans)	-	-	-	-	-	-	-	11
Retirement Dates	-	-	-	-	-	-	-	11
Normal Retirement Date-	-	-	-	-	-	-	-	11
Earliest Unreduced Retirement Date	-	-	-	-	-	-	-	11
Early Retirement	-	-	-	-	-	-	-	11
Mandatory Receipt of Pension	-	-	-	-	-	-	-	11
Calculating your Pension	-	-	-	-	-	-	-	12
Money Purchase Component	-	-	-	-	-	-	-	12
Minimum Guarantee Formula	-	-	-	-	-	-	-	12
Maximum Pensions	-	-	-	-	-	-	-	13
Small Pensions	-	-	-	-	-	-	-	14
Annual Adjustment to Pensions	-	-	-	-	-	-	-	14
Receiving your Pension	-	-	-	-	-	-	-	15
Normal Form of Pension	-	-	-	-	-	-	-	15
Optional Forms of Pension	-	-	-	-	-	-	-	16
Leaving the Plan before Retirement	-	-	-	-	-	-	-	16
Termination Options – Under Age 55	-	-	-	-	-	-	-	16
Termination Options – 55 and Older	-	-	-	-	-	-	-	17
Death before Retirement	-	-	-	-	-	-	-	17
Dependent Children's Benefit	-	-	-	-	-	-	-	17
Death after Retirement	-	-	-	-	-	-	-	17
Your Personalized Annual Pension Statement	-	-	-	-	-	-	-	18
Retirement Planning	-	-	-	-	-	-	-	18
Valuation of Pension Assets on Breakdown of Spousal Relationship	-	-	-	-	-	-	-	20
Inquiries and Complaints	-	-	-	-	-	-	-	23
Contact Information	-	-	-	-	-	-	-	25

YORK UNIVERSITY PENSION PLAN

The University is pleased to offer you the York University Pension Plan (“the Plan”) as a key component of your total compensation package. The Plan is designed to help provide you with a solid foundation, along with government benefits and your personal savings, for building your retirement security. Retirement may be the last thing on your mind, however, in time your pension could become your most valuable asset. And that’s why it’s worth your attention at every stage of your career.

The Plan is a hybrid pension plan. This type of pension plan provides you with the opportunity to achieve superior investment performance, while protecting your pension from downturns in the capital markets. As a contributory plan, the York University Pension Plan represents a partnership. You and the University share in the cost of funding your pension.

York University is both the Plan sponsor and the legal Plan administrator. As a result, it acts as both employer and fiduciary, and is responsible for the overall Plan management.

Your pension is an important part of your total compensation package. Please take the time to read through this booklet to develop an understanding of the Plan.

Your rights

Under Ontario’s Pension Benefits Act (the “PBA”), administrators are required to provide certain information to plan members about their pension benefits and entitlements from the pension plan.

Member Booklets

A member or eligible member of a pension plan is entitled to receive an employee or member booklet, like this one, that explains the provisions of the pension plan and the rights and obligations of plan members.

Annual Pension Statements

The annual statement advises the member each year of the value of the pension benefit that has accrued in addition to other important information. Members must receive the annual statement within six months following the year end of the plan. For more information on annual pension statements please refer to page 22.

Termination of Membership Rights

When your membership in the plan comes to an end, either as a result of terminating employment or retirement, you are entitled to receive, within 30 days of your membership ending, a written statement that includes details about the benefits payable to you, the options you have, plus the deadline for any decisions.

Your responsibilities

Membership in the plan carries certain obligations, including:

- ◆ Informing us of a change in your name, beneficiary designation and spousal relationship
- ◆ Informing us of any change in your contact information, including your mailing address, telephone number and e-mail address
- ◆ Reviewing your pay to confirm pension contributions are deducted correctly

ELIGIBILITY TO JOIN THE PLAN

Full-Time Permanent Employees (24 hours or more per week)

If you are hired as a full time permanent employee by the University, your participation in the Plan is mandatory and you will join the Plan on the first day of month following the month of your employment.

Contract Employees (24 hours or more per week)

If you are hired as a full-time employee with a contract less than or equal to one year, you are not eligible to join the pension plan.

If you are a full-time employee with a contract that extends beyond one year with no more than four months break between contracts, your membership in the pension plan is optional on the first of the month coincident with or next following the one year date. Membership becomes mandatory the first of the month coincident with or next following 24 months of continuous employment.

If you are hired as a full-time contract employee for greater than one year, membership is optional on the first of the month coincident with or following your date of hire and mandatory after 24 months of continuous employment.

Here are some examples to help illustrate:

EXAMPLE 1:

- Dorothy is hired on for an eight month full-time contract beginning January 1, 2015 and ending August 31, 2015. She is not eligible for membership in the pension plan at her date of hire as her full time contract is for less than a year.
- Dorothy's contract is extended to August 31, 2017 and there is no break in service.
- Her membership would be optional on the first of the month coincident with or next following the one year date (i.e. January 1, 2016).
- Dorothy's membership would be mandatory the first of the month coincident with or next following 24 months of continuous employment (i.e. January 1, 2017) assuming the contract is once again extended.

EXAMPLE 2:

- Ezekiel is hired for a two year full-time contract beginning January 1, 2015 and ending December 31, 2017. His membership in the pension plan is optional on January 1, 2015.
- Ezekiel's contract is extended for another year to December 31, 2018. His membership would be mandatory as of January 1, 2017, as he will have had 24 months of continuous employment.

Permanent Part-Time Employees (less than 24 hours per week)

If you are hired as a part-time employee, you may join the Plan if you qualify. To qualify, you must complete 24 months of **continuous service** in each of two consecutive years either by:

- earning 35% of the **year's maximum pensionable earnings (YMPE)**; or
- working at least 700 hours

In this case, pension plan membership is optional. As a part-time member, your **credited service** will be pro-rated and calculated by dividing your earnings by the full-time equivalent of your earnings.

Continuous service is your unbroken service with the University, including vacation, paid sick leave, and authorized leaves of absence.

The **YMPE** is the limit set on earnings used to determine contributions to the Canada Pension Plan and changes annually. It is reported on the Canada Revenue Agency website at cra.gc.ca.

Credited service is the total number of years of Plan membership. You can't obtain credit for a full year if contributions by either you or the University are not maintained at the full rate for that year. In that case, you would be credited with a fraction of a year.

NOTE: Effective January 1, 2015 **CUPE 3903** employees that work a minimum for 3.5 full-time course equivalents at the University in the Plan Year over a period of less than 12 months, is employed by the University on a contract basis, and is a member of the plan on January 1st of the Plan Year will be credited with twelve months of credited service.

CUPE 3903 Unit 1 & 2 Employees

If you are not a member of a full-time pension plan and are not eligible to be a member of a full time pension plan elsewhere, you are eligible to participate in the York University Plan on the first day of the month coincident with or next following the date on which you have earnings of at least equal to the September 1 course director rate in each of two consecutive contract years (Sept-Aug). Please refer to your collective agreement for director rates.

Every year in August the Pension & Benefits office mails out Pension Enrolment Forms to CUPE employees who meet the aforementioned eligibility requirements.

Research Associates and Research Assistants

Research associates and Research assistants are ineligible to join the Plan.

DESIGNATING A BENEFICIARY

When you join the Plan, you will be required to complete a Declaration of Marital Status and Beneficiary Designation Form.

If you have an **eligible spouse**, as defined in the Ontario *Pension Benefits Act*, you must designate your spouse as your beneficiary for any pension benefits payable upon your pre-retirement death. However, you and your spouse may waive the right to a spousal benefit by completing a Waiver of Pre-retirement Death Benefit form.

An eligible spouse is the person who:

- *is married to you; or*
- *is not married to you, but has been living with you in a conjugal relationship for at least three continuous years or less if you are the biological or adoptive parents of a child.*

CONTRIBUTING TO THE PLAN

Your Contributions

Your required contributions are based on a formula that takes into account your pensionable earnings and the year's maximum pensionable earnings (YMPE) and are deducted from each pay. Your contributions are calculated as follows:

Date	On Salary Up to YMPE	On Salary Over YMPE
As of September 1, 2014	5.40%	7.26%
As of March 1, 2015	5.85%	7.89%
As of September 1, 2015	6.30%	8.52%
As of March 1, 2016	6.75%	9.15%

Your contributions are tax-deductible up to the annual money purchase limit set out in the Income Tax Act. Annual money purchase limits are available on the Canada Revenue Agency website at cra.gc.ca

FAQ: Can I opt out of the Plan after I have joined?

As of July 1, 2015 a member may, at or following their normal retirement date, elect to cease making required contributions - the University would then also cease contributions, to the Plan. Such an election could be made while continuing to work at the University. This election is irrevocable and must be made at least two months in advance of the first day of the month on which the contributions are to cease.

University Contributions

York University matches your contributions dollar for dollar. These contributions, along with your required contributions, are credited to your **Money Purchase Account**.

*Your **Money Purchase Account** holds your required contributions and the University's contributions along with **credited interest**. The amount you accumulate in your Money Purchase Account is directly affected by the investment performance of the Trust Fund. Accordingly, your Money Purchase Account balance will fluctuate.*

***Credited interest** is the rate of return of the Trust Fund during the year, minus expenses associated with the investment of the Trust Fund. This rate of return is calculated annually at the beginning of each calendar year for the previous year.*

Additional Voluntary Contributions

As a member of the York University Pension Plan, you are allowed to make additional voluntary contributions (AVC's) to the York University Pension Plan, up to the limits set out in the Income Tax Act. Since AVC's are part of the York University Pension Fund, which is a tax-exempt registered pension plan, your AVC account balance is allowed to grow on a tax-deferred basis.

Please note that AVC's may only be withdrawn when you terminate membership in the Plan or retire and that unlike required contributions which are matched by the University, AVC's are not matched by the University. At termination/retirement these funds can be used to provide you with additional pension income or transferred out.

By making the maximum AVC's to the York University pension plan you eliminate your RRSP room. These AVC's are directly affected by the investment performance of the Trust Fund. Accordingly, your AVC balance will fluctuate.

By making AVC's through payroll deductions you receive an immediate tax advantage as these contributions are deducted before income taxes are applied, thus reducing the amount of income taxes that are deducted from your pay. To set up contributing AVC's through payroll deductions log into the **York University Retirement Planner (YURP)** at <https://www.yorku-ret.ca/>.

York University Retirement Planner (YURP)

Active and deferred members of the York University Pension Plan can log into YURP and access their annual pension statement as well as run their own termination, death or retirement estimates. To access YURP go to: <https://www.yorku-ret.ca/>. If it is your first time logging into YURP, click on "Forgot your Password and then type your nine digit employee number (begins with 10....) in the appropriate box. The password will be emailed to the email address we have on file. The password is case sensitive and you cannot copy and paste it into the field. You must type the password into the appropriate field. Sometimes the e-mail with your password goes to your junk folder so check there if you have not received an email within one hour. If you have tried to log into YURP more than six times unsuccessfully you will have to contact us at askpb@yorku.ca to reset your account.

Contributing While on Long Term Disability (LTD)

While you are totally disabled and receiving benefits under the York University long-term disability plan, both employee and employer contributions will be made on your behalf by the University.

Leaves of Absence

The Pension & Benefits office has to be informed by your department of any leave of absence. Human Resources should be informed two to three months prior to a leave, reduced load, etc., so we can send you the appropriate letter outlining the implications and options regarding maintaining pension contributions prior to the leave. Once we are informed of your leave, we will send the aforementioned letter via e-mail.

You will have two weeks from the date of the letter/e-mail to respond and/or provide cheques to us, if required. It is imperative you follow the necessary steps and provide any payments within the time allotted.

Cheques received after the University closes in December cannot be deposited and recorded for the prior year as the Canada Revenue Agency (CRA) will not permit pension contributions to be back dated to a prior year.

Your Responsibilities

It is important that you provide your department with sufficient notice and meet any requirements that are outlined in a collective agreement or Standard Operating Procedures. It is your responsibility to check your pay advice to ensure any and all deductions that need to be made are taken each pay.

Maternity/Parental Leave

Maternity leave is a maximum of 17 weeks. Academic employees remain on payroll during this period so pension contributions continue to be deducted from the pay.

For staff that is eligible for the maternity leave top up:

Once we are notified of the maternity leave we will send you a letter outlining what we require. Payroll sends your Record of Employment (ROE) electronically to Service Canada. Once you have provided us with the EI documentation we inform Payroll to begin paying the top up. We require the EI documentation prior to the fifth of the month in order for us to have the top up paid in the current month.

The top up is paid for a maximum of four installments and is/are made prior to the start of the parental leave. Pension contributions are deducted off the payment(s) to ensure the 17 weeks is provided with full credited service in the pension plan as long as documentation is received prior to the end of the calendar year. If we receive the documentation after the University closes in December the credited service cannot be provided.

For staff that is not eligible for the maternity leave top up:

Once we are notified of the maternity leave we will send you a letter that informs you of the cost to maintain pension while on maternity leave. You will be given two weeks to send a cheque to us for the full cost of the employee contributions so the employer will match those contributions. Staff is provided with the cost to maintain pension contributions during the parental leave in the maternity leave letter. You will need to provide cheques to us for the current year at the beginning of the parental leave.

For individuals taking a parental leave only – a letter will be sent to you once we are notified and you will be informed of the cost to maintain pension contributions – cheques are to be provided to us within two weeks of us sending you the letter.

Contributing While on Sabbatical Leave

If you're a member of YUFA or Osgoode and you take a sabbatical leave, you must make contributions to the Plan based on that portion of your salary which continues during your sabbatical. The University will match these contributions.

If you want to maintain full credited service while on a less than 100% sabbatical you must:

- contribute employee contributions based on 100% of your annual full-time salary; and
- contribute the University's portion for the difference between your full salary and the amount you are paid while on leave.

If you don't maintain contributions based on your annual full-time salary, your credited service will be pro-rated for the period of the leave.

Once we are notified by your department of your less than 100% sabbatical we send you an email notifying you to log into YURP for information about topping up your pension as well as about your benefits during the sabbatical.

If we are notified of a 100% sabbatical you will receive an email with an attached letter informing you of important benefit related information.

Final Sabbatical for YUFA and OHFA members (within five years of your normal retirement date):

If you are going on a full year sabbatical and are within five years of your **normal retirement date** you will be provided the option of declaring it your final sabbatical. Once declared, a final sabbatical is irrevocable and you waive all rights to future sabbaticals.

If you want to maintain full credited service during your final sabbatical you must:

- contribute employee contributions based on 100% of your annual full-time salary;
- University contributes based on 100% of your annual full-time salary.

*The **normal retirement** date under the York University Pension Plan is the July first coincident with or immediately following your 65th birthday.*

Leave of Absence Without Pay

Leave of Absence Without Pay (more than a full calendar month)

Once we are notified by your department of the leave, a letter will be sent to you outlining the cost to maintain credited service in the pension plan for the duration of the leave. The employee is responsible for paying the employee and employer pension contributions. You will be asked to provide monthly

cheques until the end of your leave or the year, whichever comes first, for the amount owing for each month. The cheques are to be provided to us within two weeks of us sending you the letter.

If the leave has you returning in the next year and you have maintained pension contributions during the current year we will **ask you for cheques for the next year in the November of the previous year.**

Short Term Leave of Absence Without Pay (less than a full calendar month)

It is the employee's responsibility to contact the Pension & Benefits office at askpb@yorku.ca if they wish to maintain credited service in the pension plan for the duration of the leave.

Reduced Load

This type of reduced workload occurs when the employee has requested and received approval to reduce the number of hours worked per week. Your pay and perhaps your benefits such as group life insurance will be adjusted according to the actual number of hours worked. Once we are notified of the reduced load we will determine the cost for you to maintain full credited service in the pension plan. You may elect to maintain full credited service and contributions by paying the differential amount in employee and employer contributions at 100% base salary. If you elect this option your employee contributions will be deducted at 100% base salary and your portion of the employer contribution will also be deducted each month.

Contributing While on Irrevocable Reduced-Load Status

If you're a member of the York University Faculty Association (YUFA) or Osgoode Faculty Association and you elect to be on an irrevocable reduced-load as outlined in your Collective Agreement, the University will make contributions based on the difference between the actual contributions you make and the contributions you would have made had you not elected the irrevocable reduced-load status.

Transferring from another Plan

Pension Benefits Act Transfers

You may transfer pension benefits from your former employer's defined benefit pension plan provided you make the request to transfer within twelve months of joining the York University Pension Plan. The fact that not all pension plans are the same may affect your transfer of service as follows:

- If the pension benefit in your former plan doesn't purchase the same amount of credited service in the York University Pension Plan, you may contribute whatever amount is required, up to the Income Tax Act limits, to increase your credited service in the University Plan to make it equivalent. This can only be done through a lump-sum contribution from your RRSP and must be completed within 60 days of the transfer occurring.
- If the pension benefit in your former plan purchases more credited service in the York University Pension Plan than you had in your former plan, a proportionate amount of the transfer will be credited to your Money Purchase Component Account and the remainder will be credited to the Special Transferred Contributions Fund.

If your transfer of service into the York University Pension Plan improves your pension benefit for earlier years (because of differences in pension plan benefit formulas), you may receive a **past service pension**

adjustment (PSPA). A PSPA reduces the amount you may contribute to a registered retirement savings plan (RRSP).

*A **PSPA** is the difference between the **pension adjustment (PA)** you originally received, and the PA you should have received, based on the impact of the improvement. A PSPA reduces the amount you may contribute to an RRSP. PSPAs must be certified by the Canada Revenue Agency before the transfer can take place. If your PSPA is greater than your available RRSP contribution room, your PSPA won't be certified unless you can withdraw sufficient funds from your RRSP.*

*A **pension adjustment** is the deemed value assigned to the benefit earned per year in a pension plan. A PA reduces the amount you can contribute to an RRSP.*

You can transfer funds from a Defined Contribution pension plan or from an individual or group RRSP at any time prior to termination or retirement. These funds will attract the same rate of return of the York University Pension Fund which means they can fluctuate up and down in value. At termination/retirement these funds can be used to provide you with additional pension income or transferred out.

Retirement Dates

Normal Retirement Date

The **normal retirement** date under the York University Pension Plan is the July first coincident with or immediately following your 65th birthday.

Earliest Unreduced Retirement Date

Your earliest unreduced retirement date is the first of the month coincident with or next following your 65th birthday.

Early Retirement

You may retire as early as age 55. Your Money Purchase Component Account pension will be calculated as for a normal retirement pension (see "Calculating Your Pension" below), using the applicable actuarial factor. Your minimum guarantee benefit (see "Calculating Your Pension" below), would be reduced as follows:

- **If you retire between ages 60 and 65**, your minimum guaranteed benefit will be reduced by 0.25% for each month between your actual retirement date and age 65.
- **If you retire between ages 55 and 60**, your minimum guaranteed benefit will be reduced by 0.5% per month between your actual retirement date and age 60 and an additional 0.25% for each month between ages 60 and 65.

Mandatory Receipt of Pension

Under the terms of the Income Tax Act, you must commence receiving your York University pension no later than the end of the year in which you reach age 71. Under the terms of the York University Pension Plan, this is the December 1st in the calendar year in which you reach age 71.

Calculating your Pension

The York University Pension Plan is made up of two parts:

1. Money Purchase Component

- Provides you with a benefit based on the accumulated contributions and investment earnings of your account balance. The amount of benefit earned depends on how well the investments in the fund perform and other factors such as your age at retirement, your marital status and the age of your spouse,

2. Minimum Guarantee Formula

- Provides you with a benefit based on a formula that takes into account your earnings and service. The amount of benefit you earn is guaranteed and does not depend on how well the investments in the fund perform.

What will I receive when I retire?

At retirement, you will receive a pension based on the amount provided by your Money Purchase Component Account. Effective July 1, 2015 the money purchase component of your pension will be determined by using the year to date interest rate in effect at the date of calculation.

If your **Minimum Guaranteed Benefit** is greater than your Money Purchase Component Account pension, you will also receive a **supplementary pension** to bring your retirement income up to the amount of the Minimum Guaranteed Benefit.

*The **Minimum Guaranteed Benefit** Formula is as follows:*

*1.4% of your **final average earnings** at retirement up to the average YMPE for those years*

PLUS

*1.9% of your **final average earnings** at retirement above the average YMPE for those years*

MULTIPLIED BY

Your credited service

*A **Supplementary Pension** is the amount of pension paid if the Minimum Guaranteed Benefit is greater than the Money Purchase Component Account pension.*

***Final average earnings** (commonly referred to as "FAE") are based on your five years of highest earnings. The years do not have to be consecutive and a year is determined in 12 month blocks from the retirement date back.*

Here are two fictional examples to show you how it works:

EXAMPLE 1: MEMBER RECEIVING A SUPPLEMENTARY PENSION

- Member retires with \$250,000 in their Money Purchase Account
- The annual pension provided by the Money Purchase Account is calculated to be \$18,600
- The minimum guaranteed benefit is calculated to be \$22,200 annually
- As the minimum guarantee benefit (\$22,200) is greater than the money purchase pension (\$18,600), this member receives a supplementary pension for the difference (\$22,200-\$18,600)
- This member would receive an annual pension totaling \$22,200 determined as follows:

Money Purchase Account Pension	\$18,600
Supplementary Pension (22,200 - 18,600)	\$ 3,600
Total Pension	\$22,200

EXAMPLE 2: MEMBER NOT RECEIVING A SUPPLEMENTARY PENSION

- Member retires with \$125,000 in their Money Purchase Account
- The annual pension provided by the Money Purchase Account is calculated to be \$11,000
- The minimum guaranteed benefit is calculated to be \$10,000 annually
- As the minimum guarantee benefit (\$10,000) is less than the money purchase pension (\$11,000), this member does not receive a supplementary pension
- This member would receive an annual pension totaling \$11,000

If you have additional voluntary contributions, or contributions that were transferred in from another pension plan/RRSP, you may receive a refund of these contributions at retirement, provided the funds are not locked-in, or you may use the value to provide an additional amount of pension. The additional amount of pension would be calculated using the same actuarial factors that were used to calculate your Money Purchase Component Account pension.

Maximum Pensions

The *Income Tax Act* limits the amount of pension benefit you may earn under the minimum guaranteed provision of the Plan multiplied by the lesser of

- The Canada Revenue Agency maximum annual defined benefit limit (available at cra.gc.ca) and
- 2% of the average of your three highest years' earnings with the University, which may be subject to a reduction depending on your age, and continuous service.

However, the pension provided by your Money Purchase Component Account pension may exceed the *Income Tax Act* limits. In addition, if you have made any additional voluntary contributions, the amount of additional pension these contributions would purchase would not be included in this maximum. If you purchase additional service as a result of transferring an amount from another registered pension plan, this amount would be included in the calculation of the *Income Tax Act* maximum.

Small Pensions

If you terminate or retire with an annual benefit payable at your normal retirement date which is equal to less than 2% of the YMPE in the year you terminate employment you would receive a lump sum payment equivalent to the **commuted value** of the benefit instead of a pension under the pension plan. This amount would be payable in your choice of cash less applicable income taxes or to your RRSP.

*The **commuted value** (CV) is the value in today's dollars of the funds needed to provide you with a retirement benefit based on the value of any supplementary pension to which you may be entitled at the time of termination of employment. Commuted value payments from the York University Pension Plan are comprised of the sum of the members' Money Purchase Account balance and the CV of their Minimum Guarantee Benefit Supplementary Pension (if any).*

Annual Adjustment to Pensions

Unlike most money purchase plans, the York University Pension Plan does not transfer your money purchase account balance to an insurance company at retirement for the purchase of an annuity. Instead, your pension is paid from the Trust Fund. Paying your pension from the Trust Fund allows the University to make adjustments to your pension based on the net investment returns of the Trust Fund.

How is the adjustment calculated?

For Retirements Prior to January 1, 2015:

Every January 1st the moving four year average fund rate (geometric average) minus 6% is applied to your pension. The reason for subtracting 6% is that when your first retire, the actuarial factors used to calculate the money purchase pension assumed the Pension Fund would earn 6% annually throughout your retirement.

Specifically, the formula is as follows:

$$(1+A) / (1+B)$$

“A” is the Moving Four Year Average Fund Return (geometric average) at the commencement of each Pension Year, expressed as a decimal to six places, and “B” is 0.06.

This calculated amount is tracked to the next January 1st when the same calculation is applied using the new moving four year average fund return. When this calculated amount is greater than the pension you are receiving, we increase your pension. When the calculated amount is less than the pension you are receiving, your pension remains the same.

For Retirements on or after January 1, 2015:

Every January 1st the Moving Five Year Average Fund Return*** (geometric average) minus 6% will be applied to your pension. The reason for subtracting 6% is that when you first retire, the actuarial factors used to calculate the money purchase pension assumes the Pension Fund will earn 6% annually throughout your retirement.

Specifically, the formula is as follows: $(1+A) / (1+B)$

“A” is the Moving Five Year Average Fund Return (geometric average) at the commencement of each Pension Year, expressed as a decimal to six places; and “B” is 6%.

This calculated amount will be tracked to the next January 1st when the same calculation will be applied using the new moving average five-year fund rate. When this calculated amount is greater than the pension you are receiving, we increase your pension. When the calculated amount is less than the pension you are receiving, your pension remains the same.

***The calculation of the Moving Five Year Average Fund Return (geometric average) is determined as if the effective annual rate of return earned by the Trust Fund for the plan year in which you commenced to receive your pension benefit and each prior plan year was 6%.

The chart below illustrates how the Moving Five Year Average Fund Return would be calculated for a member who commenced to receive their pension on June 1, 2015:

	Moving Five Year Average Fund Return									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Calculation Year										
2016	6%	6%	6%	6%	6%					
2017		6%	6%	6%	6%	RATE**				
2018			6%	6%	6%	RATE**	RATE**			
2019				6%	6%	RATE**	RATE**	RATE**		
2020					6%	RATE**	RATE**	RATE**	RATE**	
2021						RATE**	RATE**	RATE**	RATE**	RATE**
	**RATE = Actual Fund Return									

Retired Member Pension Statement

All retirees receive an annual Retiree Pension Statement advising them whether or not there will be an adjustment to their pension as well as their specific details about the aforementioned adjustment calculation.

Receiving Your Pension Payment

How you receive your pension – known as the form of payment – will depend on whether you have a spouse at retirement and which option you choose.

Normal Form of Pension

If you do not have an eligible spouse at retirement, the normal form for paying your benefit is a pension paid for your lifetime only. Payments will cease upon your death and no death benefit will be paid to your beneficiary. If you have an eligible spouse at retirement, the normal form for paying your benefit is one that pays you a pension for your lifetime and a 50% spousal pension upon your death to your eligible spouse.

Optional Forms of Pension

Instead of a normal form, you may elect an optional form of pension. The most common forms are listed below. For each of these options, either a reduction or an increase will be made to your pension to ensure that the optional form remains actuarially equivalent to the normal form.

• **Life Only:** This option provides a pension for your lifetime only.

• **Life Guaranteed Five, ten or fifteen Years:** You may elect a life pension that guarantees payments are made for a minimum number of years, five years, 10 years, or 15 years. In the event that you die within the guaranteed period, your beneficiary/beneficiaries will receive the commuted value of the balance of the payments in cash less applicable taxes.

• **Joint-and-Survivor:** This form of pension provides a lifetime pension for you. Upon your death, a percentage of your pension – such as 60%, 75%, or 100%, for example – will continue to your spouse. You may also combine this form of pension with a guaranteed period of five, 10 or 15 years. The Ontario *Pension Benefits Act* requires that a spousal pension of at least 60% must be paid to your surviving eligible spouse upon your death. If you elect an optional form of pension that pays less than 60% to your surviving spouse, you and your spouse must sign a Waiver of Pre-retirement Death Benefit form waiving the right to the 60% minimum.

• **Integration with Government Benefits:** If you retire before becoming eligible to receive Old Age Security and unreduced Canada Pension Plan benefits, you may elect to receive an increased amount of pension from the York University Pension Plan until you are eligible to receive government benefits at age 65. Once you turn age 65, your University pension will be reduced.

• **Portability:** You don't have to receive a retirement pension from the York University Pension Plan. Instead, you may transfer the balance in your Money Purchase Component Account, plus the commuted value of any supplementary pension you may be entitled to receive, to a locked-in retirement account (LIRA) or a Life Income Fund (LIF). Taking this option may affect your ability to receive post-retirement benefits. **This option is not available on or after your Normal Retirement Date.**

Leaving the Plan before Retirement

Within 30 days of termination of membership in the plan, you will be provided with a written statement that includes details about the benefits payable to you, the options you have, plus the deadline for any decisions.

Termination Options - Under Age 55

If you are under age 55 at termination you will have some or all of these options available:

- Cash less tax
- Transfer to a locked-in RRSP
- Transfer to your new employer's pension plan
- Leave the funds in the pension plan to take a deferred monthly pension at a later date (but no later than the December 1st in the calendar year in which you reach age 71)

Termination Options - Age 55 & Older

If you are over age 55 at termination you will have some or all of these options available:

- Cash less tax
- Transfer to a locked-in RRSP

- Transfer to your new employer's pension plan
- Begin receiving a monthly pension as early as the first of the month following your termination or as late as the December 1st in the calendar year in which you reach age 71.

FAQ: Will I receive my York retirement pension automatically?

No. You must apply to receive your University pension. You should contact your department or management supervisor as soon as you have made the decision to retire. If you are a former member (i.e. no longer employed at York University but left your funds in the pension plan) you need to email us at askpb@yorku.ca to inform us of your retirement date. We ask that you provide at least three months' notice.

Death Before Retirement

Your eligible surviving spouse or beneficiary/beneficiaries will receive the balance in your Money Purchase Component Account at the date of your death representing your contributions and the University's contributions made since January 1, 1987 plus credited interest. In addition, he or she may also receive the amount by which the commuted value of any supplementary pension for service since January 1, 1987 exceeds your Money Purchase Component Account balance.

Your eligible surviving spouse may take this benefit as

- a lump sum payment, as cash subject to withholding taxes, or as a direct transfer to a registered retirement arrangement, such as an RRSP; or
- an immediate or deferred life annuity, with an optional guarantee of five, ten or fifteen years.

If you do not have an eligible surviving spouse, or if you and your spouse have waived the right to a pre-retirement death benefit, your designated beneficiary/beneficiaries or your estate will receive this benefit as a lump sum cash payment subject to withholding taxes.

Dependent Children's Benefit

If you die before retirement and are survived by children under the age of 18, those children will be eligible for a dependent children's benefit up to a total maximum of \$300 per month. This benefit is in addition to any of the benefits to which your beneficiary/beneficiaries may be entitled.

The total monthly benefit payable from the Minimum Guaranteed Fund will be equal to:

0.00833 **multiplied by** your annual earnings at date of death to a maximum of \$300 per month

This benefit is payable to the legal guardian until the children reach age 18. As each child reaches age 18, the benefit is recalculated so that the total is redistributed equally among the remaining surviving dependent children, up to the maximum payment allowed.

Additional Voluntary Contributions

If you die before retirement, your designated beneficiary will also receive a refund of any additional voluntary contributions, plus credited interest, that you made to the Plan. If your eligible spouse is your designated beneficiary, he or she may elect to receive an annuity that will remain constant during the balance of the pension year, but would be subject to annual adjustments thereafter.

Death After Retirement

If you die after you retire, benefits will be paid to your eligible spouse, designated beneficiary/beneficiaries, joint annuitant, or estate, as applicable, according to the form of pension you selected when you retired.

FAQ: What happens if I have a new spouse after retirement?

Only the spouse you have at retirement, if any, is eligible to receive a spousal pension from the Plan. If you marry, enter into a common-law relationship, or remarry after you retire, your new spouse won't be eligible to receive this benefit.

Your Personal Annual Pension Statement

Each year, you will receive a personalized Pension Statement from the York University Pension Plan. Our regulatory obligation is to provide the statement by June 30th of the year following the statement date.

This statement will include:

- the personal information the University has on record for you, including the name of your spouse and beneficiary/beneficiaries.
- the account balances for your Money Purchase Component, Additional Voluntary Contributions, and Special Transferred Contributions accounts;
- total contributions for the past year, plus credited interest;
- projections of what your retirement benefit will be at ages 65

Be sure to take the time to carefully review your statement each year. While reviewing your statement, if you notice inaccuracies, or if your personal information changes during the year, be sure to notify the Pension and Benefits Office. Inaccuracies such as in your date of birth or spousal status may have an impact on your pension benefit.

FAQS: ANNUAL PENSION STATEMENTS

When are annual pension statements made available?

While our legislative obligation is to provide annual pension statements by June 30 of the year following the statement date, we endeavor to have them ready as soon as possible in anticipation of the aforementioned deadline and will advise all members for whom we have a valid e-mail address when they are ready.

What should I do if any of the information on my statement is incorrect or needs to be updated?

If you find any errors in your personal information or inaccuracies in the pension data on your statement, please contact the Pension & Benefits office at askpb@yorku.ca, or 416-736-2100 extension 27572.

What assumptions are used in determining the “Estimated Monthly Pension at Normal Retirement Date”?

The estimated monthly pension at normal retirement is based upon long term assumptions of an annual rate of fund return of 6% and annual salary inflation of 3%. The assumptions do not in any way reflect University policy with respect to future salary adjustments. Nor should the projections be viewed as firm

forecasts of actual pension amounts payable in the future. Rather, they are intended to present a general guide for your retirement planning. Members have access to the York University Retirement Planner (YURP) which can be used to project future pension amounts using various assumptions. To access YURP go to <https://www.yorku-ret.ca/>.

My “Date of Hire” is incorrect. Does that affect my pension?

The date of hire reflected on your statement is your most recent date of hire which might not necessarily be your original date of hire. Regardless, there are no implications to your pension account.

My “Date Joined Pension Plan” is incorrect. Does that affect my pension?

The “Date Joined Pension Plan” reflected on your statement is your most recent date of joining the plan which might not necessarily be your original date of joining the plan. Regardless, there are no implications to your pension account.

What does “Current Accrued Monthly Minimum Guaranteed Benefit” mean?

This is the amount of your minimum guaranteed benefit as of the statement date.

How can I receive my statement electronically?

You can receive your statement electronically by simply providing us with your e-mail address. Pension statements are sent electronically to all members of the York University Pension Plan for whom we have a valid e-mail address. The electronic version is available weeks in advance of the paper statement and allows the University to reduce its carbon footprint on the environment.

What does “funded status” mean?

Funded status is the amount by which a pension plan’s assets exceed the amount the plan will have to pay in the future. The funded status is important because it forecasts whether or not the plan is fully funded. A fully funded pension plan is one in which the market value of the plan’s assets is enough to cover at least 100 percent of current benefits earned by employees.

Why is my Estimated Total Monthly Pension less this year than it was last year?

There are several reasons why there may be a decrease in the estimated pension. The estimated monthly pension at normal retirement is based upon long term assumptions of an annual rate of fund return of 6% and annual salary inflation of 3%. To the extent these assumptions prove overstated from one year to the next, your estimated Monthly Pension will decrease.

The aforementioned assumptions do not in any way reflect University policy with respect to future salary adjustments. Nor should the projections be viewed as firm forecasts of actual pension amounts payable in the future. Rather, they are intended to present a general guide for your retirement planning. Members have access to the York University Retirement Planner (YURP) which can be used to project future pension amounts using various assumptions.

Retirement Services

Retirement Services within the Pension & Benefits Office provides support, education and counseling for all York employees and retirees, enabling them to make informed choices when planning for life after retirement. We are committed to offering these services with integrity, objectivity, and empathy.

Helping you plan for retirement

Here is what we do:

- Seminars
- Workshops
- Individual Counseling
- Resource Library
- Link to the York University Retirees' Association (YURA)

Seminars

We provide a variety of Seminars each year on various topics:

- Financial Concerns
- Lifestyle Issues
- Health Issues

Seminars vary on topics and include issues for all ages. Presenters are both internal and external to the University. They provide relevant information which you can apply directly and use in considering Retirement. Seminars are generally an hour long, and span over your lunch time. Go to the York Employee Learning Calendar (<http://www.yorku.ca/yelc/>) for dates and location of seminars. We elicit your input into various issues and topics, as well as stay current on “hot issues”.

Workshops

We provide workshops for all stages of life. Presenters are knowledgeable and well trained in their areas. Workshops are presented in one to one and a half hour sessions, over your lunch time, or as a morning or afternoon session.

Individual Counselling

We provide individual counselling for all ages and stages of life:

- Beginning work
- Mid-way through your career
- Thinking of Retirement
- Going through the retirement process

What we CAN talk about

- Generally about finances, and provide you with information you need to gather to take to an expert.
- Lifestyle issues such as moving, elderly parents, adjustment to retirement pace, lack of purpose etc.
- General issues around health
- Provide you with resources and paths to take

What we CAN NOT talk about

- Specifics about your finances
- Give advice

Our Resources Library

Collection of books, articles and magazines about retirement and related issues

- Housing
- Travel
- Lifestyle
- Health
- Government Forms (CPP and OAS etc.) Collection of Financial Advice Books for the early/mid/late investor.

How to contact Retirement Services

- E-mail retire@yorku.ca
- Call 416-736-2100 extension 27572 – the phone line is open from 9:00 am to 4:00 pm Monday to Friday. For Fridays in June, July and August the phone line closes at 3:00 pm
- Website: www.yorku.ca/retire

The Valuation and Division of Pension Assets on Breakdown of a Spousal Relationship on and after January 1, 2012

The Government of Ontario introduced changes to the family law provisions of the Pension Benefits Act that came into effect on January 1, 2012. These changes established a new process for the valuation and division of pension assets following the breakdown of a spousal relationship. This family law pension valuation and division regime requires the pension plan administrator to calculate the value of the pension, provides for immediate division, and mandates the use of Superintendent of Financial Services approved forms throughout the process.

The Financial Services Commission of Ontario (FSCO) has developed forms that relate to the valuation and division of pension assets on breakdown of a spousal relationship. These FSCO family law forms must be used by plan administrators and spouses when pension assets are to be valued and/or divided. The FSCO website provides all of the necessary forms and answers to Frequently Asked Questions. The link to FSCO is: <http://www.fSCO.gov.on.ca/en/pensions/Family-Law/Pages/familylawforms.aspx>.

FAQS: FAMILY LAW VALUATION

How do I to apply for a Family Law Valuation?

Complete the mandatory Application for Family Law Value (FSCO Form 1) and submit it to the Pension & Benefits office along with all of the required documents as outlined on the Application form and the appropriate fee. The fee for each valuation is \$800 and is payable by cheque made to the order of The York University Pension Plan.

When can I expect to receive my valuation?

While our regulatory obligation is to provide the Family Law Value within 60 days of receiving a completed application, we endeavor to provide it at our earliest convenience.

What if I decide not to use my pension at York to settle my equalization obligation?

Complete and submit FSCO Family Law Form 7 - No Division of Family Law Value/Pension Assets to let us know.

What if I do decide to use my pension at York to settle my equalization obligation?

If the Family Law Value is to be divided, the former spouse of the Plan Member must complete and send an Application to Transfer the Family Law Value (FSCO Family Law Form 5) to the Plan Administrator and include the following information:

- A certified copy of the court order, family arbitration award or domestic contract made on or after January 1, 2012, under the Ontario *Family Law Act* that:

- (i) provides for the division of the Family Law Value;
- (ii) clearly specifies the amount that must be transferred to the former spouse; and,
- (iii) clearly specifies the Family Law Valuation Date

When will my share of the Family Law Value be paid out?

Our regulatory obligation is to make the payment within 60 days of receiving a properly completed Application to Transfer the Family Law Value (FSCO Family Law Form 5) and all required documents as outlined on Application to Transfer the Family Law Value (FSCO Family Law Form 5).

General Information about Inquiries and Complaints for Pension Plan Beneficiaries

The term “**plan beneficiaries**” refers to individuals who have benefits or other entitlements under a registered pension plan. They include members who are currently employed or who have not terminated their membership in their pension plan (active members), former employees who have a deferred entitlement under their pension plan (former members), former employees who are receiving a pension from the pension plan (retired members) and any other person who has an entitlement under the plan.

The following pages provide plan beneficiaries with information and guidance on their rights to information about their pension plan, who to approach about pension inquiries and complaints, and the best way to approach those who are responsible for responding to inquiries and complaints. The responsibilities of pension plan administrators and the **Financial Services Commission of Ontario (FSCO)** are also explained.

Who to Contact for Inquiries and Complaints

The nature of an inquiry or complaint determines whether you should contact us or the Financial Services Commission of Ontario (FSCO) for assistance.

Questions for Us

The Pension & Benefits office maintain all data on a plan beneficiary’s entitlements under the pension plan. Therefore, questions or concerns about the plan beneficiary’s entitlements under the plan, or the provisions of the plan, should be directed to us. These include, but are not limited to, the following matters:

- the name and registration number of the pension plan;
- brochures or other information that describe the pension plan;
- contribution requirements;
- the pension formula and calculations;
- annual pension statements;
- termination options;
- the retirement age and options;
- plan beneficiary designations;
- survivor benefits; and
- spousal benefits.

Questions for FSCO

FSCO does not keep personal data about individual plan beneficiaries. Therefore, FSCO staff are unable to answer questions about a plan beneficiary’s individual benefits and entitlements. If the plan beneficiary would like FSCO to contact the administrator on his/her behalf, he/she must provide FSCO with written authorization to do so (pension and privacy laws require FSCO to obtain the plan beneficiary’s consent). When FSCO assists a plan beneficiary, its objective is to ensure that the pension plan is being administered in compliance with the Pension Benefits Act (PBA) and regulations, and the pension plan.

Plan beneficiaries may also wish to contact FSCO about the following matters:

- the minimum standards that apply to registered pension plans in Ontario;
- inquiries about an administrator (e.g., contact information);
- a complaint or concern that cannot be resolved with the administrator, or that was not addressed to the plan beneficiary's satisfaction (e.g., a concern relating to his/her pension benefits under the pension plan);
- the administrator is not responding to the plan beneficiary's questions or concerns; or
- the administrator's misconduct or breach of the PBA and regulations.

Questions about Personal Financial Matters

There are some questions that neither FSCO nor the administrator can answer. The following are types of questions that require the plan beneficiary to make a personal choice. These questions may have an impact on or deal with personal matters. Some of these questions include:

- which termination options should be selected (e.g., whether to take a pension or transfer the commuted value to a locked-in retirement account);
- which survivor options should the retiring member **and** his/her spouse choose (e.g., joint and survivor annuity or single life annuity); or
- whether or not to consent to a surplus sharing agreement (e.g., for a plan that is distributing surplus assets).

For these types of questions, plan beneficiaries are encouraged to seek expert and independent advice from various professionals (e.g., financial planning consultants, lawyers who specialize in pension law, actuaries, accountants, etc.).

Issues that Cannot Be Resolved with Us

Plan beneficiaries may contact FSCO for assistance if they cannot resolve an issue with us, or believe that they did not receive a satisfactory response. (For more information, see "How to Send an Inquiry or Complaint to FSCO" below.)

How to Send an Inquiry or Complaint to FSCO

A plan beneficiary may request that the Financial Services Commission of Ontario (FSCO) review his/her pension issue if he/she:

- already attempted to resolve his/her issue with the pension plan administrator (administrator);
- disagrees or is unsatisfied with the administrator's response;
- has concerns about contacting the administrator directly;
- has questions about the Pension Benefits Act (PBA) and regulations; or
- wants to report breaches of the legislation

When FSCO assists a plan beneficiary, its objective is to ensure that the pension plan and pension fund are administered in compliance with the PBA and the regulations, and the pension plan.

Contacting FSCO

For general inquiries, a plan beneficiary may reach FSCO at the contact information below:

Pension Plans Branch
Financial Services Commission of Ontario
5160 Yonge Street
Box 85, 4th Floor
Toronto ON M2N 6L9
Telephone: (416) 226-7776
Toll-free: 1-800-668-0128
Fax: (416) 226-7777
E-mail: contactcentre@fSCO.gov.on.ca

How to contact Pension & Benefits

- E-mail askpb@yorku.ca
- Call 416-736-2100 extension 27572 (askpb) – the phone line is open from 9:00 am to 4:00 pm Monday to Friday. For Fridays in June, July and August the phone line closes at 3:00 pm
- Please have your employee ID ready when you call us.
- Any form or document that we may need from you can be completed, scanned and emailed to askpb@yorku.ca
- On the web: <http://www.yorku.ca/hr/units/cpb/pensionbenefits.html>