



# Fall Pension Seminar Series: New employee seminar

PENSION & BENEFITS, PEOPLE SERVICES, USC  
NOVEMBER 2023

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YORK 

# Welcome and Introductions

## Pension & Benefits, People Services, University Services Centre (USC)

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Technical Co-Host

# Land Acknowledgment

We recognize that many Indigenous Nations have longstanding relationships with the territories upon which York University campuses are located that precede the establishment of York University. York University acknowledges its presence on the traditional territory of many Indigenous Nations. The area known as Tkaronto has been care taken by the Anishinabek Nation, the Haudenosaunee Confederacy, and the Huron-Wendat. It is now home to many First Nation, Inuit and Métis communities. We acknowledge the current treaty holders, the Mississaugas of the Credit First Nation. This territory is subject of the Dish with One Spoon Wampum Belt Covenant, an agreement to peaceably share and care for the Great Lakes region.





## Agenda

### New Employee seminar

- › Eligibility to join the Pension Plan
- › Pension Basics
- › When can I retire?
- › Transferring money from another pension plan (Portability)
- › What can I do to increase my pension?
- › The York University Retirement Planner
- › Q&A



A photograph of a modern, multi-story building with a glass curtain wall. The building is partially obscured by lush green trees in the foreground. The entire image is framed by a thick red border. The text "Pension Eligibility" is overlaid in white on the left side of the image.

# Pension Eligibility

## Pension Eligibility

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Full time permanent employees

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

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Contract Employees (24 hours or more per week)

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Not eligible if contract is less than or equal to one year

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If contract extends beyond one year membership is optional on the first of the month following the one year mark

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Membership in the Plan is mandatory after 24 months of continuous service

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## Pension Eligibility continued

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### Permanent Part-Time Employees

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If you are hired as a part-time employee in an eligible affiliation, you may join the Plan if you qualify.

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To qualify you must complete 24 months of continuous service and meet one of the two following criteria.

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Earn 35% or more of the year's maximum pensionable earnings (YMPE)

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Work at least 700 hours

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CUPE 3903 employees

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Optional enrollment if you earn at least the course director rate in two consecutive years.

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Notices are sent out in September

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CUPE 3903 unit 3 members are not eligible for the pension plan

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CUPE 3903 until 4 members are eligible under the part-time eligibility rules

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# Pension Basics



# Understanding the Pension Plan

The York Pension Plan is a hybrid plan and 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 (e.g., your age at retirement, your marital status and the age of your spouse if married).

2

## Minimum Guarantee Benefit

- 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 You Receive

At retirement, you will receive a pension based on the amount provided by your Money Purchase Component Account.

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.

You do not choose which benefit you receive, you simply get the higher of the two.



# Minimum Guaranteed Benefit Formula (MGP)

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*

**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.

# Years Maximum Pensionable Earnings (YMPE)

The dollar amount set each year by the Canada Revenue Agency (CRA) which determines the maximum amount on which to base contributions to the Canada Pension Plan. The YMPE specifies the earnings amount that can be used in calculating pension contributions for each year.



For 2023 the dollar amount is \$66,600.



The YMPE changes each year and CRA normally announces the new figure in November.



# Pension Contributions

You contribute 6.75 % of your earnings up to the YMPE and 9.15% above. This split is calculated for each pay.

The contribution limit for 2023 as directed by the Canada Revenue Agency (CRA) is \$31,560.

Your contributions are tax-deductible, and the tax savings happen at source when you are paid.

York University matches your contributions dollar for dollar

All contributions are tracked in your Money Purchase Account along with the rate of return.

- The amount you accumulate is directly affected by the investment performance of the Trust Fund, and therefore will fluctuate.

A photograph of a modern, multi-story building with a glass curtain wall. The building is partially obscured by lush green trees in the foreground. The sky is blue with some light clouds. The entire image is framed by a thick red border.

**When can I retire?**



# When can I retire?



Retirement can be as early as the first of the month coincident with or following your 55<sup>th</sup> birthday.

Normal retirement is defined as the July 1<sup>st</sup> coincident with or following your 65<sup>th</sup> birthday.

Mandatory receipt of pension as mandated by the Canada Revenue Agency (CRA) is the December 1<sup>st</sup> in the year you turn 71.

## Early Retirement Reduction


MGP is reduced if retiring earlier than age 65.

If you retire between age 60 and 65 the benefit is reduced by 0.25% for each month between your actual retirement date and age 65.

If you retire between the age of 55 and 60 the benefit will be reduced by an additional 0.5% per month between your actual retirement date and age 60.

MPC is reduced at an actuarial equivalent.



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**Transferring Pension  
from another plan  
with service vs  
without service**



# Transfer of Pension Funds from a DB pension plan



If you were in a Defined Benefit (DB) pension plan with your previous employer you are able to transfer those funds to the York plan and buy additional pension service in the York plan.



A portability transfer can only take place from an Ontario pension plan.



The process must begin within 12 months of your date of hire.

## Transfer of funds from another Pension Plan or an RRSP



You can transfer funds from a Defined Contribution (DC) pension plan or from an individual or group RRSP at any time prior to termination or retirement.



The funds will have the same rate of return that is applied to your mandatory contributions and can fluctuate.



At retirement, these funds can either be transferred out again or used to increase your monthly pension.



## Pros and Cons

**There are advantages and disadvantages of transferring in funds from a previous employer or from an individual RRSP**

### PROS

- York Rate of Return may be better than external
- Consolidation. At retirement you receive one payment instead of multiple payments.
- At retirement you can transfer out these funds to an RRSP but receive a monthly payment from your mandatory contributions.
- Pension cannot be reduced.

### CONS

- York Rate of Return may do worse than external.
- At retirement you would receive one payment instead of diversifying.
- Impossible to know exactly how much extra pension these funds will provide.
- Once you transfer RRSP into the York plan, you can not access it until you terminate or retire from York.



A photograph of a modern building with a glass facade, partially obscured by green trees. The image is framed by a thick red border. The text "Additional Voluntary Contributions" is overlaid in white on the left side of the image.

# **Additional Voluntary Contributions**

## Making Additional Voluntary Contributions (AVC's)



You may be able to make Additional Voluntary Contributions (AVC's) to the pension plan



The Pension & Benefits office runs a calculation to determine how much you can contribute in AVC's for the year.



If you maximize your contributions in the York pension plan then you have no room to make RRSP contributions for the year.

## AVC's at retirement or termination

You can not access your AVC's until you either terminate or retire from the university

AVC's can be used to increase your monthly pension at retirement.

You can choose to transfer the AVC's to an RRSP

You can get paid out the AVC's in cash less tax



A scenic view of a campus during spring. In the foreground, a lush green lawn is dotted with small yellow dandelions. A row of cherry blossom trees with pink blossoms is in full bloom, lining a paved walkway. In the background, a multi-story building with a tan facade and several windows is visible. The sky is a clear, bright blue. The entire image is framed by a thick red border.

# **Beneficiary Information**



# Death Before Retirement

## Your eligible surviving Spouse

- Balance in your Money Purchase Account at your Date of Death plus the commuted value of any supplementary pension you may have accrued after January 1, 1987 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 spouse, or your spouse has waived their right to your pension, your beneficiary(ies) would receive the benefit as a lump sum cash payment subject to withholding taxes.

# Death Before Retirement

## ➤ 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 benefit up to a combined maximum of \$300 per month.
- Your designated beneficiary will also receive a refund of any additional voluntary contributions, plus credited interest that you made to the plan. If you have an eligible spouse they may elect to have that amount increase their monthly pension should they have chosen that option.





# Welcome

The Pension & Benefits Office provides support and education for all York University employees - enabling them to make informed choices regarding all aspects affecting their pension and benefits during their employment, and when planning for retirement. We are committed to offering our services with integrity, confidentiality and objectivity. Our services extend beyond York specifics and include Canada Pension Plan (CPP), Old Age Security (OAS) and transitioning from work to retirement.

Seminars and educational presentations are an important part of our offerings in Pension & Benefits. We have licensed financial advisors and other experts in their field join us to provide you with information regarding pension, benefits and a host of other related topics. We do not provide them with any personal information. They are here to inform, not to solicit your business. Should you wish to contact one of our presenters or any other financial advisor we leave that up to you.

 Search this site

**Benefits provider:**

Sunlife Member Page

**Pension Payment  
Custodian**



## AskPB Self Service

Portal

# Retirement Planner



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Access to the Planner is made available around May in the year **following** your enrollment into the pension plan.

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The link to the planner can be found here:

<https://retire.info.yorku.ca/>

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To sign into the Planner for the first time click on forgot your password link and input your 9-digit employee number and click submit.

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The password will be emailed to you. Go back into the Planner type your employee number in the applicable box and then type your password in the applicable box.

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You can not copy and paste the password. You must type it and it is case sensitive.

# Retirement Planner

Link:

<https://yorku-ret.ca/>



The York University pension plan is legislatively obligated to provide the December 31, 2021 annual pension statements to its members by June 30, 2022.

An email will be sent to all members for whom we have a valid email address when the statements are available. In addition, a message will appear on this page.

As a reminder, you can also log into the planner to run your own termination, death or retirement estimates. If it is your first time logging in, click on First Time User? to reset your password. Sometimes the e-mail to reset 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 the planner more than six times unsuccessfully you will need to reset your password to regain access to the account.

## Login

Employee Number

Employee Number



Password

Password



LOG IN ✓

[First time user?](#)

[Forgot your password?](#)

**SECLON**  
A PENAD COMPANY



Link:

<https://yorku-ret.ca/>



# Retirement Planner

[Home](#)[Planning](#)[AVC](#)[Statements](#)[Hyperlinks](#)[Quotes](#)[Quit](#)

## Welcome

Welcome to the York University Pension Plan Retirement Planning Tool. This tool will allow you to estimate your projected monthly pension income from the York University Pension Plan.

All projections will be based on data effective at the date of your most recent annual statement.

The York University Pension Plan is a registered pension plan (number 0329763). In addition to the York University Pension Plan, members may be able to obtain retirement income from other sources such as the Canada Pension Plan, Old Age Security and /or personal savings/investments. More information regarding these additional sources may be accessed through web sites listed under the Hyperlinks bar above. It may be advantageous to enlist the help of a certified financial planner to help with your retirement planning.

If you have any questions regarding the Retirement Planning Tool, please contact the Pension and Benefit office by calling 416-736-5853 or by email [askpb@yorku.ca](mailto:askpb@yorku.ca)

To proceed with use of the Retirement Planning Tool, click on the Planning bar.

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## Contact Pension & Benefits

- E-mail [askpb@yorku.ca](mailto:askpb@yorku.ca)
- Call 416-736-5853 – 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](mailto:askpb@yorku.ca).
- For more information on how the pension funds are invested, please go to: <https://www.yorku.ca/finance/pension-investments/>

**Q & A**





YORK 

**Thank you for your  
engagement!**

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