NEWFOUNDLAND AND LABRADOR TEACHERS' PENSION PLAN

PLAN MEMBER GUIDE

Teachers' Pension Plan Corporation
NEWFOUNDLAND & LABRADOR
TRUST. CONFIDENCE. SECURITY.

September 2022

Newfoundland and Labrador Teachers' Pension Plan

<u>Disclaimer:</u> This guide is for information purposes only. No rights are conferred by this guide. For authoritative wording regarding the Plan, please refer to the Newfoundland and Labrador Teachers' Pension Plan Text.

As there may be revisions to this guide from time to time, members should access the only version of this guide available at www.tppcnl.ca to ensure that they have the current version of this guide

Prepared by:
Teachers' Pension Plan Corporation
Website: www.tppcnl.ca

September 2022

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Quick Tips

Keep your Personal Information Up-to-Date

Please notify your employer of any changes to the following:

- Your name, mailing address, or phone number.

Please notify us of any changes to the following information:

- Your spousal or common law relationship
- Name and Date of Birth of:
  - Your spouse/common law partner.
  - Dependent children or other dependents.
  - Designated Beneficiary.

Stay Informed

To help keep you informed about your TPP, we offer:

- Knowledgeable staff to answer your pension questions.
- An Annual Report.
- myPENSION – your personalized TPP online account.

Contact us:

Email: memberservices@tppcnl.ca
Phone: 709-793-8772
Toll Free: 833-345-8772

Your Member Statement

Contains important details about your TPP, including:

- Salary/Service/Contribution History
- Your Member Statement is generated each Fall and available on myPENSION.

Planning to Retire

- One of the most important things to remember about your pension is that you must apply for it.
- Contact us at TPPC to establish your eligibility date.
- Attend a NLTA pre-retirement seminar.
- Advise employer 3 months in advance of your retirement date (1 month if retirement date is between September and December).

Pension Benefits are Available for your Loved Ones in the Event of your Death

- In the event of your death, your surviving spouse, eligible children and/or possible dependents may be eligible to receive a survivor benefit.
- If you do not have a surviving spouse or eligible dependents, you may wish to designate a beneficiary.

Purchase Prior Service

- During your career you may have periods of time when you did not contribute to the TPP, such as approved leaves. If so, you may have gaps in your pensionable service which can impact your pension and earliest retirement date.
- Members may be permitted to buy back service, including substitute teaching time, to increase their pension amount and/or to retire sooner.
- Contact us at memberservices@tppcnl.ca for further information and eligibility .

Transfer from Another Pension Plan

- Teachers who have service under other registered Pension Plans may elect to transfer that service to the TPP provided you meet the criteria for transfer.
- If you are able to transfer your service, you will be able to retire with a larger pension benefit.
- Contact us at memberservices@tppcnl.ca to determine eligibility.

View your TPP Information Online at *https://www.tppcnl.ca*

Visit myPENSION on the TPPC website anytime throughout your career to:

- Obtain an estimate of how much your pension could be at retirement
- View your personal information and details of spouse.
- Acquire valuable retirement and pension information, including tips and retirement modelling.
- View your most recent annual Member Statement.

BACKGROUND

The purpose of this guide is to familiarize Plan members (the "**Members**") with the key aspects of the Newfoundland and Labrador Teachers' Pension Plan (the "**Plan**"). Keep in mind that the Plan may change from time to time. This guide provides general information only. The Plan will be administered on the basis of the current *Teachers' Pension Act, 2018***,** SNL 2018, c.T-4.01 **(**the **"Act")** and the current Plan text. The information in this guide is based on the rules and criteria which currently exist under the Plan. The Plan is subject to amendment from time to time in accordance with its terms. While the Teachers' Pension Plan Corporation (the "**TPPC**") will attempt to keep this information as current as possible, we recommend that Members not make any major decisions concerning their retirement based solely on the information contained in this guide. Members should contact the TPPC prior to any such decision.

If there is any discrepancy or questions of interpretation between this guide and the Act and/or the Plan text, the provisions of the Act and/or the Plan text will govern.

PENSION REFORM & THE JOINT SPONSORSHIP AGREEMENT

A Pension Reform Agreement between the Newfoundland and Labrador Teachers' Association ("**NLTA**") and the Government of Newfoundland and Labrador ("**Government**") was signed on June 15, 2015. On March 15, 2016, a Joint Sponsorship Agreement ("**JSA**") was signed by the NLTA and Government. Under joint sponsorship, both Government and the NLTA are responsible for the Plan sustainability into the future. Both parties have appointed representatives to the Sponsor Body. On April 15, 2019 the Act came into force, replacing the predecessor *Teachers' Pension Act*. The Act provides the governance structure for the Plan. The ultimate goal of the Pension Reform Agreement and the JSA is the creation of a world class TPPC to administer the Plan and its pension fund (the "**Fund**"). The JSA sets out the responsibilities and duties of the Sponsor Body and the TPPC as described below.

Sponsor Body:

- Making amendments to the Plan design, including eligibility, benefits and contributions;
- Deciding the frequency of actuarial valuations of the Plan;
- Amending the actuarial assumptions and methodology for the Plan;
- Implementing the funding policy in the JSA.

TPPC:

- Fiduciary responsibility for the Plan and the Fund;
- Sets strategic direction and makes key decisions;
- Responsible for the ongoing operations of the Plan, including benefit administration and investment decisions;
- Sets policy framework and strategic direction for the investment of assets.

The assets of the Plan were transferred from the Government to the Fund under the trusteeship of the TPPC. The $1.862 billion promissory note included in the Pension Reform Agreement was provided to the Corporation on August 29, 2016 and is an asset of the Plan.

Government no longer guarantees the benefits under the Plan; rather, future deficits and surpluses will be shared equally by the sponsors – Government and Members, as represented by the NLTA.

A funding policy was established for the Plan under the Pension Reform Agreement and the JSA which prescribes a path to full funding by 2042 and thereafter.

CONFIDENTIALITY

Any personal data you provide is protected from unauthorized collection, use, or disclosure, and will not be released – either in writing or verbally – to anyone without your authorization. Information will be provided to third parties only with your written authorization.

TYPE OF PLAN

The Plan is a defined benefit pension plan where pension at retirement is based on a formula using a pre-determined annual benefit accrual rate, years of pensionable service and average pensionable salary.

CONTACT INFORMATION

If you have any questions about your eligibility for pension or details of your existing pension, please contact the TPPC:

Teachers' Pension Plan Corporation
130 Kelsey Drive
Suite 101
St. John's, NL
A1B 0T2

Email: memberservices@tppcnl.ca

Telephone: (709) 793-8772
1-833-345-8772 (Toll Free)
Fax: (709) 793-4055

www.tppcnl.ca

PLAN DETAILS

ELIGIBILITY (SECTIONS 1.1(WW) & 2.1 OF PLAN)

The following persons are required to join the Plan on the latter of (a) the date of hire, (b) the start date of term of office and (c) the date their employer joins the Plan:

(a) A person who holds a valid teaching certificate and is employed to give instruction by a school board or employer under the Plan, including replacement teachers who substitute on a continuous basis for minimum of 20 consecutive days;

(b) A director, an associate director or an assistant director employed by a school board, except the assistant director of finance and administration;

(c) An administrative staff of the NLTA who, before his or her appointment, was a teacher or a public servant pursuant to the Act; and

(d) A full-time salaried president of the NLTA or the Canadian Teachers' Federation who, before his or her appointment, was a teacher or a public servant as outlined in the Act.

A person who is required to contribute to a different pension plan or who is excluded by a directive of the TPPC shall not be eligible to join the Plan.

PENSION CONTRIBUTION AMOUNT (SECTION 3.1(1) OF PLAN)

Effective September 1, 2015 the contribution rate for members is 11.35%. Employers contribute the same amount.

RETIREMENT PROVISIONS (SECTION 4 OF PLAN)

A Member must have at least five years of pensionable service to be eligible to receive a pension from the Plan. Pensions are calculated using the total pensionable service accrued to the date of retirement including any pensionable service that has been purchased.

Members should note that the phrase "worked service" in the context of pensionable service under the Plan refers to pensionable service acquired under the Plan provisions, except those years of university study purchased prior to 1990.

All forms of pensionable service including teaching service, purchased periods of leave without pay (including parental leave), deferred salary leave, paid education leave, and purchased strike time are considered worked service.

Members may retire during the school year and receive an immediate pension if they have accumulated the required number of complete years of pensionable service required for eligibility. At the end of a school year, however, Members who require five-tenths or less of a year of pensionable service to qualify for a pension may elect to retire but their benefits will be calculated based on years and tenths of years of pensionable service accumulated to the date of retirement. If a member is eligible for an immediate pension, it will be effective the first of the month following retirement.

There are five age service combinations of where a Member will be eligible for a pension.

A. Age 60 with a minimum of 5 Years of Pensionable Service (Section 4.3(1)(c) of Plan)

Members with at least 5 years of pensionable service may retire and receive an immediate pension when they reach age 60.

B. Age 55 with a minimum of 25 Years of Pensionable Service (Section 4.3(1)(b) of Plan)

Members with at least 25 years of pensionable service will be eligible for an immediate pension at age 55.

C. "30 and Out" (Section 4.3(1)(a) of Plan)

Members with 30 years of worked service are eligible to retire with an immediate pension regardless of age.

D. "29+1 and Out" (Section 4.3(2)-(4) of Plan)

Members with 29 years of worked service and at least 30 years of pensionable service may retire with an immediate pension regardless of age. However, the pension payable prior to the Member's 55th birthday shall be reduced based on the number of months by which the actual retirement date precedes the Member's 55th birthday, as noted in the table below.

Number of Months Prior to Age 55	Reduction Factor
12 months or less	1/4 of 1% per month
13 months but less than 49 months	3% plus 1/3 of 1% for each month in excess of 12
49 months or more	15%

To clarify, under this provision, a Member retiring with 29 years of worked service and at least 30 years of pensionable service would get at least 85% of the accrued pension payable regardless of age. The reduction factor is calculated at the date of retirement and remains in place until age 55. From age 55, the pension will be adjusted such that the Member will receive the full value of the accrued pension payable, with no reduction applied.

E. Age 55 with less than 24.5 Years of Pensionable Service (Section 4.4 of Plan)

Members with less than 24.5 years of pensionable service may retire and receive an actuarially reduced pension. The actuarial reduction is calculated at the time of retirement and is based on the number of months by which the actual retirement date precedes the Member's 62nd birthday.

PENSION CALCULATION (SECTION 5 OF PLAN)

A. General

A Member who retires under the Plan receives a pension based on years of pensionable service and the pension accrual rate applicable to those years.

Service accrued to December 31, 1990 has an accrual rate of 2.22% per year; service accrued after December 31, 1990, 2.0% per year. (Notwithstanding this, the accrual rate for the period April 1, 1993 to March 31, 1994 is at 1.25% unless the Member has "topped up" the accrual rate to 2%). The accumulated accrual rate is multiplied by the average of the Member's best five years of pensionable earnings for all years prior to September 1, 2015 and the average of the Member's best eight years of pensionable earnings for service accrued after August 31, 2015. Where the average of the best eight years exceeds the average of the best five years, the average of the best eight will be used. The actual calculation uses the best 50 tenths or 80 tenths of years of teaching income, depending on the period being calculated.

<u>CASE 1</u>: Member retires June 30, 2020 with 30.0 worked years and 4.0 university years.

Pensionable service as of December 31, 1990	0.4 years (worked) + 4.0 years (university)
Pension service accrued and purchased January 1, 1991 to June 30, 2015	+ 24.6 years
Pension service accrued and purchased September 1, 2015 to June 30, 2020	<u>+ 5.0 years</u>
Total Pensionable Service	**34.0 years**

Calculation (Pre-1991)	0.4 <u>+4.0</u> 4.4 x 2.22%	=	9.77%
(Post-1990 to August 31, 2015) 24.6 x 2.0%		=	+ 49.20%
Less 0.75% for 1993-94 'Pensions Option'			<u>- 0.75%</u> 58.22% x 5-year average **(A)**
(Post-August 31, 2015)	5.0 x 2.0%		+10.00% x 8-year average **(B)**

Total Value of Member Pension at Retirement A + B

If, in June 2020, the average of the best eight years earnings is greater than the average of the best five years earnings, then the Total Value of the pension at Retirement is 68.22% x average of the best eight years earnings.

<u>CASE 2</u>: The same Member retires June 30, 2021 with 31.0 worked years and 4.0 university years.

Pensionable service as of December 31, 1990	0.4 years (worked) + 4.0 years (university)
Pension service accrued and purchased January 1, 1991 to June 30, 2015	+ 24.6 years
Pension service accrued and purchased September 1, 2015 to June 30, 2021	<u>+ 6.0 years</u>
Total Pensionable Service	**35.0 years**

Calculation (Pre-1991)	0.4 <u>+4.0</u> 4.4 x 2.22%	=	9.77%
(Post-1990 to August 31, 2015) 24.6 x 2.0%		=	+ 49.20%
Less 0.75% for 1993-94 'Pensions Option'			<u>- 0.75%</u> 58.22% x 5-year average **(A)**
(Post-August 31, 2015)	6.0 x 2.0%		+12.00% x 8-year average **(B)**

Total Value of Member Pension at Retirement A + B

As the above example demonstrates, the effect of this Member working for one additional year beyond the earliest possible date of retirement is the increase of 2.0% in the accumulated pension accrual. If, in June 2021, the average of the best eight years earnings is greater than the average of the best five years earnings, then the Total Value of the pension at Retirement is 70.22% x the average of the best eight years earnings.

<u>CASE 3:</u> **Member retires June 30, 2020 at age 51 with 29.0 worked years and 4.0 university years.**

Pensionable service as of December 31, 1990	0.0 years (worked) + 4.0 years (university)
Pension service accrued and purchased September 1, 1991 to August 31, 2015	+ 24.0 years
Pension service accrued and purchased September 1, 2015 to June 30, 2020	<u>+ 5.0 years</u>
Total Pensionable Service	**33.0 years**

Calculation (Pre-1991)	0.0 <u>+4.0</u> 4.0 x 2.22%	=	8.88%	
(Post-1990 to August 31, 2015) 24.0 x 2.0%		=	+48.00%	
Less 0.75% for 1993-94 'Pensions Option'			<u>- 0.75%</u> 56.13%	x 5-year average **(A)**
(Post-August 31, 2015)	5.0 x 2.0%		10.00%	x 8-year average **(B)**

Total Value of Member Pension at Retirement	**A + B = C**
Less 15% age reduction until age 55	**C** x 85% = **D**
Total Value of Member Pension at Age 55	**C**

If, in June 2020, the eight-year average is greater than the five-year average, then the Total Value of the pension at Retirement is 66.13% x the average of the best eight years.

B. The Pension Option - "Pension Contribution Holiday"

In June 1993, the general membership of the NLTA, by majority decision, accepted a proposal to amend the predecessor Teachers' Pensions Act and the Collective Agreement in order to settle a contract dispute with the Provincial Government.

As a result, Government reduced its contribution to the Fund by 4.5% from the period April 1, 1993 to March 31, 1994. While this reduction does not affect a Member's retirement eligibility, it will affect the value of a Member's pension benefit, as the accrual rate during this period will be 1.25% instead of the normal 2%. Members can bring the accrual up to full value by paying the actuarial cost of the additional accrual.

It may be worthwhile for Members to seek advice from a financial planner before deciding to exercise this option.

Specific inquiries with regard to these calculations should be referred directly to the TPPC.

C. Integration of Benefits with Canada Pension Plan

For all Members who retire on or after September 1, 1998, their pension will be integrated with benefits payable under the Canada Pension Plan (CPP) from age 65. For a Member who retires before reaching age 65, the pension will include a bridge benefit payable until age 65.

From the first of the month following the month in which the retired Member reaches age 65, the Plan benefit will be reduced by a formulated amount. The reduction amount or bridge benefit is calculated at the time of retirement under the Plan and remains fixed.

The bridge benefit or reduction for CPP at age 65 is calculated as follows:

> Reduction = [Lesser of: the 8-year average pensionable salary or the 3-year average of YMPE[1] at retirement] x Years of pensionable service since March 31, 1967, maximum 35 years] x [0.6%]

Using the June 2021 value for the average 3 years YMPE, the calculation for a Member retiring with 34 years of pensionable service (e.g. 30 "worked" years and 4 "university" years) would be as follows:

Reduction[2] = $58,283.33 x 34 x .006 = $11,889.80

(This value is calculated at the time of the Member's retirement under the Plan and remains constant for that Member. It should be noted that this value is not reflective of the amount of CPP entitlement.)

The following examples will serve to illustrate the effect of the integration with the CPP on a Member's pension income:

a) **Should the Member elect to draw his or her CPP benefit at age 60, effective June 30, 2021**, a 64.0% CPP benefit would be payable (i.e., 64.0% of the CPP benefit that would normally be payable at age 65). That value as of June 30, 2021 was $9,244.80 annually. The value is indexed annually by the change in the Consumer Price Index.

Maximum CPP benefit payable at age 60 (for 2021) = $9,244.80

This Member will receive his or her CPP benefit at age 60, in addition to his or her pension, until age 65 with no reduction applied. Total benefit received over the five-year period, using 2021 values and excluding the indexing of CPP, is $46,224.00 (i.e. $9,244.80 x 5).

At age 65, the Plan pension will be reduced by the amount calculated above (i.e. $11,889.80.)

In summary, the pension income from the Plan and CPP at the various stages will be:

Age of retirement to age 60.............. Plan pension
Age 60 to age 65 .... Plan pension + 64.0% CPP (indexed)
Age 65 onwards .... Plan pension **–** reduction + 64.0% CPP (indexed) + OAS (indexed)

b) **Should the Member elect to wait until age 65 to draw his or her CPP benefit,** the full value of the CPP benefit accrued by the Member would become payable. That maximum value for CPP as of June 30, 2021 was $14,445 annually. The value is indexed annually by the change in the Consumer Price Index.

Maximum CPP benefit at age 65 (as of 2021) = $14,445.00

At the same time, the Plan benefit will be reduced by the amount calculated above (i.e. $11,889.80).

In summary, the pension income pre-65 and post-65 will be:

Age of retirement to age 65.............. Plan pension
Age 65 onwards .... Plan pension **–** reduction + 100% CPP (indexed) + OAS (indexed)

Notes: 1. YMPE refers to the Years Maximum Pensionable Earnings under the CPP.

2. Values for the YMPE and the maximum CPP benefit are 2021 values, which are adjusted annually and are indexed annually by the change in the average of the “Industrial Aggregate” (YMPE) and the change in the Consumer Price Index (CPI).

3. The above examples are based on the 2021 values for maximum CPP benefit at age 60 and age 65. The exact CPP benefit for which an individual may qualify is subject to CPP regulations and the individual’s contributory history to the CPP. **Members are cautioned that non-contributory years in their CPP contributory history may have the effect of reducing their CPP benefit.**

4. Under the present federal pension arrangements, Old Age Security benefits would also become payable at age 65.

All Members are cautioned that the above examples are based on specific assumptions and using the 2021 values for CPP benefits and YMPE and **are not intended as a projection of any individual pension income**. Members who are contemplating retirement should apply the above information to their own particular circumstances and perhaps seek specific financial planning advice.

D. Indexing of the Pension (Section 9 of Plan)

On September 1, 2002 a formal indexing program was introduced for those Members who retired after August 31, 1998 and whose benefits are integrated with the CPP. Indexing is provided as follows:

- The indexing formula shall be sixty percent (60%) of the annual change in the national Consumer Price Index as published by Statistics Canada for the calendar year immediately preceding the anniversary date, to a maximum annual increase of 1.2%.

- Indexing will be applied to the pensions of all eligible pensioners and survivors who have reached age 65, on September 1 each year.

- Indexation for service accrued after August 31, 2015 will be suspended.

CREDIT FOR PENSIONABLE SERVICE

A. General

Some categories have a number of restrictions which are outlined clearly in the Act. Applicable categories for pensionable service are as follows:

Category	Years Creditable	Contributions to be Paid
Service as a Teacher	All	Yes
MUN Service	All	Credit transferred by plan to plan transfer or purchased, subject to the approval of MUN
Provincial Public Service	All	Plan to plan transfer
Period of Approved Unpaid Leave	All, to a maximum of 5 years (plus an additional 3 years for maternity and or/parental leave).	Yes, at current contribution rate if contract to purchase is submitted within 6 months of return from leave. Otherwise cost is at full actuarial value.
Sick Leave (Paid)	1 year of paid sick leave (max) in any 4-year period.	Yes
Special Paid Leave	All	Yes
Administrative Officer of NLTA	All	Yes
NLTA President	All	Yes
CTF President	All	Yes
Educational or Sabbatical Leave (Paid)	All	Yes (Purchase Necessary, similar to unpaid leave rules)

Parental Leave	Up to 1 year for each leave.	Yes, at current contribution rate if contract to purchase is submitted within 6 months of return from leave. Otherwise, cost is at full actuarial value.
Teaching in other Provinces (certain exceptions apply)	All (Provided a Reciprocal Transfer Arrangement is in place.)	Plan to plan transfer pursuant to Reciprocal Transfer Agreement
Federal Civil Service	No Current Reciprocal Transfer Arrangement but may be possible through other Registered Pension Plan Service (see below).	See other Registered Pension Plan Service below.
*Refunded Teaching Service	All	Reinstate at one-half actuarial cost.
Substitute Service	All (Aggregate of 9.5 days required in each year.)	Yes (full actuarial).
Other Registered Pension Plan Service	All can be purchased.	Direct plan to plan transfer of termination benefit (plus deficiency payment, if required).
* Teachers are strongly urged not to "cash out" pension monies until all implications have been explored with NLTA or TPPC personnel. **Reinstatement can be extremely expensive.**		

TERMINATION OF SERVICES (SECTION 6 OF PLAN)

A Member who terminates employment before completing 5 years of pensionable service is entitled to receive a refund of his or her contributions, with interest.

A Member who terminates employment and who has completed at least 5 years of pensionable service may elect, within 180 days after termination, to receive either a transfer of the Commuted Value of the pension entitlement or a deferred pension, as described on page 17.

As of November 1, 2021:

- If your employment ends before you are eligible to retire and you have 20 or more years of pensionable and past service, your pension entitlement will need to stay in the Plan as a deferred pension until retirement benefits are payable.

- If your employment ends before you are eligible to retire and you have less than 20 years of pensionable and past service, you will still have the option to transfer your Commuted Value out of the Plan when you terminate.

If you have accumulated 20 years of pensionable and past service *before* November 1, 2021, you will continue to have the option to transfer your Commuted Value out of the Plan upon termination, until you become eligible for an unreduced pension.

DEATH BENEFITS (SECTION 7 OF PLAN)

A. Designated Beneficiary (Section 7.1 of the Plan)

A Member may designate a beneficiary to receive any benefit that may be payable to a Designated Beneficiary under the terms of the Plan. The designation shall be made to the TPPC on the approved form that can be found under Forms and Resources on the TPPC website (tppcnl.ca), or it can be provided upon request. Where there is no Designated Beneficiary, any benefits payable to a Designated Beneficiary under the plan will be paid to the Members' estate.

B. Non-Vested Members (Section 7.2 of the Plan)

If a non-vested Member dies, a lump sum payment of the Member's contributions, with interest, is payable to the Member's Principal Beneficiary or, if there is no Principal Beneficiary, to the Member's Designated Beneficiary.

C. Pre-Retirement Death (Sections 7.3 & 7.5 of Plan)

Where a Member who has not yet retired dies leaving a Principal Beneficiary:

1. The Principal Beneficiary may elect:

    i. a lifetime pension equal to 60% of the Member's pension (the "**Survivor Benefit**"), including the bridging benefit where applicable; or

    ii. to receive a lump sum cash payment equal to the greater of:

        (a) the Commuted Value of the Survivor Benefit; and
        (b) the Commuted Value of the Member's pension entitlement.

    The lump sum cash payment may be transferred to the Principal Beneficiary's registered retirement savings plan.

2. Where the Principal Beneficiary who elected to receive the Survivor Benefit dies leaving dependent child(ren) the Survivor Benefit is payable to the Dependent Child(ren) for the eligible period under the Plan.

Where a Member dies leaving no Principal Beneficiary but has Dependent Child(ren), death benefits are payable as follows:

3. The Dependent Child(ren) will receive the Survivor Benefit, that would have been paid to the Principal Beneficiary, for the eligible period under the Plan.

4. Designated Beneficiaries will receive a lump sum payment of the residual of the Commuted Value of the Member's pension entitlement, less the actuarial value of any Survivor Benefits payable to Dependent Child(ren).

Where a Member dies leaving no Principal Beneficiary or Dependent Children, but has an Other Dependent, death benefits are payable as follows:

5. The Other Dependent will receive a Survivor Benefit, equal to the Survivor Benefit that would have been paid to the Principal Beneficiary, for the eligible period under the Plan.

6. Designated Beneficiaries will receive a lump sum payment of the residual of the Commuted Value of the Member's pension entitlement, less the actuarial value of any Survivor Benefits payable to Other Dependents.

D. Post-Retirement Death (Section 7.4 & 7.5 of Plan)

Where a Member in receipt of pension payments dies leaving a Principal Beneficiary, death benefits are payable as follows:

1. The Principal Beneficiary shall receive a lifetime pension equal to 60% of the Member's pension (the "**Survivor Benefit**"), including the bridging benefit where applicable.

2. Where the Principal Beneficiary was in receipt of a Survivor Benefit and, at the time of the Principal Beneficiary's death, there is (are) Dependent Child(ren) of the Member, the Survivor Benefit is payable to the Dependent Child(ren) for the eligible period under the Plan.

Where a Member in receipt of pension payments dies leaving no Principal Beneficiary but has a Dependent Child(ren), the Dependent Child(ren) will receive a Survivor Benefit, equal to the Survivor Benefit that would have been paid to the Principal Beneficiary, for the eligible period under the Plan.

Where a Member in receipt of pension payments dies leaving no Principal Beneficiary and no Dependent Child(ren), but has at least one Other Dependent, the Other Dependent will receive a Survivor Benefit, equal to the Survivor Benefit that would have been paid to the Principal Beneficiary, for the eligible period under the Plan.

If the aggregate amount of the pension and Survivor Benefit payments made is less than the sum of the Member's contributions, with interest, the Designated Beneficiaries shall receive a lump sum equal to the residual amount.

DEFERRED PENSION

A deferred pension refers to a pension benefit that has been accrued by a terminating Member before becoming eligible to receive a pension. If they have at least 5 years of pensionable service and they leave their contributions in the plan, they will be eligible for a pension at a later date.

The value of a deferred pension is calculated in the same manner as for regular benefits. Deferred pension benefits can be divided into categories as follows:

A. Five to 24 Years of Pensionable Service (Section 4.2 of Plan)

Effective September 1, 2016, a Member who terminates employment will be eligible to receive a pension from the first of the month following the month in which they reach age 62.

B. At least 25 Years of Pensionable Service (Section 4.3(b) of Plan)

A Member who terminates employment is entitled to receive a pension from the first of the month following the month in which they reach age 55.

C. Disability Pension (Section 8.1(2) of Plan)

If a Member is awaiting eligibility for a deferred pension and becomes incapacitated, then the deferred benefit is payable immediately if the Member meets the qualifications for a disability pension.

D. Survivor Benefits (Sections 7.3 & 7.5 of Plan)

If a Member awaiting eligibility for a deferred pension dies, then the Member's Principal Beneficiary, Dependent Children, Other Dependents and Designated Beneficiaries may be entitled to benefits, payable in accordance with the Pre-Retirement Death provisions.

DISABILITY BENEFITS (SECTION 8 OF PLAN)

A Member suffering from a physical or mental impairment that prevents the Member from performing the duties of the employment in which he or she was engaged before the commencement of the impairment, provided that the impairment is medically certified to the satisfaction of the TPPC as likely to be permanent, may apply for a disability benefit.

Provided the Member has accumulated not less than 5 years of pensionable service, he or she will receive a pension calculated on the basis of total pensionable service credited to the date of disability. If the Member has not accumulated five years of pensionable service, then he or she is entitled to receive a refund of his or her contributions, with interest.

RECIPROCAL AGREEMENTS (SECTION 10.2 OF PLAN)

If a Member transfers to a pension plan that has a reciprocal transfer agreement with the TPP, he or she has the option to transfer his or her pension credits in accordance with the terms of the applicable reciprocal transfer agreement. Members should be aware that a lesser amount of service may be credited under the importing plan due to differences in plan provisions, unless the member wishes to make up the difference.

The Plan has a reciprocal transfer agreement with the Government of Newfoundland & Labrador Government Money Purchase Plan (the “GMPP”).

The Plan has a multilateral reciprocal transfer agreement with the teachers’ pension plans in all Canadian provinces. When contemplating transfers, please contact the importing plan administration office. A list of addresses is provided below. A copy of the text of the Reciprocal Transfer Agreement is available upon request.

BC Pension Corp
2995 Jutland Road
Victoria, British Columbia
V8W 9V8

Alberta Teachers' Retirement Fund
600, Barnett House
11010-142 Street
Edmonton, Alberta
T5N 2R1

Saskatchewan Teachers' Superannuation Comm.
of Saskatchewan
226 - 3085 Alberta Street
Regina, Saskatchewan
S4P 3V7

Manitoba Teachers' Province
Retirement Allowances Fund
330-25 Forks Market Road
Winnipeg, Manitoba
R2C 4S8

Ontario Teachers' Pension Plan
5650 Yonge Street
Toronto, Ontario
M5C 3A7

Chief du Service de Development
CARRA
475 St. Amable Avenue
Ste. Foy, Quebec
G1R 5X3

PEI Public Service Commission
16 Fitzroy Street
P.O. Box 2000
Charlottetown, Prince Edward Island
C1A 7N8

Pension Services Group
Department of Finance
P.O. Box 371
Halifax, Nova Scotia
B3J 2P8

Teachers' Pension Plan Corporation
130 Kelsey Drive
Suite 101
St. John's, Newfoundland & Labrador
A1B 0T2

NB Office of Human Resources
Kings Place
P.O. Box 6000
Fredericton, New Brunswick
E3B 8Z5

PLAN TO PLAN TRANSFERS (SECTION 10.3 OF PLAN)

In situations where there is no Reciprocal Transfer Agreement, the transfer of pensionable service to the Plan from another registered pension plan is permitted. Members can transfer their termination benefit directly from their former plan to purchase service under the Plan. The purchase price is based on the full actuarial cost of the service being purchased. A Member purchasing service has the option of paying any shortfall between the actuarial cost of the service under the Plan and the value of the termination benefit or accepting a reduced period of service under the Plan.

As the Plan is no longer subject to the Portability of Pensions Act, transfers of service between the Plan and the Public Service Pension Plan, the Memorial University Pension Plan and the Members of the House of Assembly Pension Plan will be facilitated by plan to plan transfers.

CANADA PENSION PLAN

All benefits in respect of pensionable service accrued under the Plan shall be integrated with the CPP at age 65 using an offset factor of 0.6%. (See page 10 in this guide.)

Members intending to retire approximately seven or more years prior to their 60th birthday should contact Service Canada regarding the implications of not continuing as a contributor, under any circumstances, to the CPP. A reduction may be applied to the amount of CPP entitlement because of this non-contributing time. In addition, effective January 1, 2012 there were some major changes introduced to the CPP legislation in Canada. All Members are encouraged to become familiar with the new legislation and how it affects their CPP benefit.

Information with respect to the Canada Pension Plan may be obtained by contacting:

Service Canada
P.O. Box 2004
Corner Brook, Newfoundland & Labrador
A2H 6J6

Service Canada
P.O. Box 9430
St. John's, Newfoundland & Labrador
A1A 2Y5

Telephone: 1-800-277-9914 (English) or 1-800-277-9915 (French)

MARRIAGE BREAKDOWN (SECTION 17 OF PLAN)

Pension credits acquired during the period of marriage are considered as matrimonial property and may be subject to division upon marriage breakdown. A division of pension benefits will typically occur only as directed by a court order or separation agreement. The TPPC can provide the information you need to make an informed decision with respect to this issue but are not able to provide you with legal or financial advice.

Contact the TPPC for further information if a change in your marital status has occurred.

APPEALS (SECTION 18.5 OF PLAN)

The TPPC is committed to ensuring Members have a fair and efficient process to address issues in respect of the TPPC's administration of the Plan and the application or interpretation of the Plan. In accordance with Section 18.5 of the Plan, the TPPC has established an Appeal Policy to govern the procedure for an appeal of a decision related to the Plan. A copy of the Appeal Policy and related forms will be made available to Members upon request and is available on the TPPC's website. Issues with respect to the Plan's design and features are not subject to appeal and should be directed to the Sponsor Body.

APPLICATION FOR PENSION BENEFITS

Members contemplating retirement are required by the collective agreements to give appropriate notice in writing to their school board. The required period of notice is as follows:

a) one month notice if the retirement is to be effective any time prior to the Christmas recess; or,

b) three months notice if the retirement is to be effective following the Christmas recess to the end of the school year.

It is important that the Member clearly establishes pension eligibility before submitting a notice of resignation. If a Member resigns and subsequently cannot establish eligibility for pension benefits, then that Member is without both salary and pension benefit. The three suggested steps would be:

A. Prior to resignation, establish eligibility date for benefit at the pre-retirement seminar or by contacting the TPPC;

B. Submit resignation to the school board within the required period of notice;

C. Make application for pension benefit.

APPLICATION FOR DEFERRED BENEFITS

The same application form is used for deferred benefits and regular benefits.

One of the major difficulties with deferred benefits is that the Member may have been away from teaching for some time and may not be aware of changes made in the interim with regard to eligibility requirements and effective dates for benefits. Before leaving the teaching profession a Member should be well informed and should keep up to date with pension changes while awaiting deferred pension benefits.

APPLICATION FOR DISABILITY BENEFITS

In the case of disability benefits, the Member must make application directly to the TPPC. As part of the application process, the Member must have his/her attending physician complete an assessment which must be submitted to the TPPC along with a consent form for the release of medical information. This allows the medical adjudicator retained by the TPPC to contact the applicant's physician(s) and ultimately make a decision. All consultations are on a confidential basis.

When applying for disability pension the Member must advise the school board at the time the application is made. This is not a resignation but a required advisory under the Collective Agreement.

APPLICATION FOR REFUND OF PENSION CONTRIBUTIONS

A letter of request from the Member must be submitted before a refund of pension contributions is made. Refunds are subject to locking-in restrictions as provided for in the Act and Plan.

APPLICATION FOR SURVIVOR BENEFITS

A separate application form is required for survivor benefits. Anyone administering the estate of a deceased Member should be made aware of this and contact the TPPC to apply.

SUBSTITUTE TEACHER PENSION PLAN

A separate plan, the GMPP, exists for substitute teachers. The GMPP has a reciprocal transfer agreement with the Plan.

APPLICATION FORMS

Application forms are available from:

Teachers' Pension Plan Corporation
130 Kelsey Drive
Suite 101
St. John's, Newfoundland & Labrador
A1B 0T2
www.tppcnl.ca

Email: memberservices@tppcnl.ca

Telephone:	(709) 793-8772
	1-833-345-8772 (Toll Free)
Fax:	(709) 793-4055

OR

Programs and Services
Newfoundland & Labrador Teachers' Association
3 Kenmount Road
St. John's, Newfoundland & Labrador
A1B 1W1
www.nlta.nl.ca

Email: mail@nlta.nl.ca

Telephone:	(709) 726-3223
	1-800-563-3599
Fax:	(709) 726-4302

CHECKLIST – APPROACHING RETIREMENT

YOUR TPP CHECKLIST

WHEN YOU ARE WITHIN A YEAR OF RETIREMENT	CHECK ✓
Attend a pre-retirement seminar at the NLTA (can attend within last 3 years).	
Contact the TPPC at memberservices@tppcnl.ca for information regarding a pension estimate and eligibility.	
If you are interested, check with TPPC about purchasing eligible service. If you are currently paying for a purchase of service, it must be paid in full before the termination date in order for the additional service to be included in your pension calculation.	
Advise your employer of your retirement plan one month in advance if retiring between September and December, or at least three months in advance if retiring between January and June.	
You must make application for retirement/pension to TPPC. Forms required are: • Pension Application • Direct Deposit Form with Void Cheque • Photocopy of either your Birth Certificate or Passport Forms are available for download on the TPPC website (tppcnl.ca) or you may contact the office via email at memberservices@tppcnl.ca or by telephone at 709-793-8772 (toll free 1-833-345-8772) to request the forms. Application must be received at TPPC by March 31st to ensure pension benefit for July is paid by July 31st.	
TPPC will confirm receipt of your application and will review the information received. You will receive a detailed letter once your pension application has been processed, just before your first payment.	
Your insurance coverage with Johnson Insurance will continue into pension with the exception of Long-Term Disability and Basic Critical Illness and your premiums will be deducted from your pension payments. If you are not insured with Johnson's, please contact your employer directly for insurance continuation.	
Decide if you wish to become a member of the Retired Teachers Association of Newfoundland and Labrador (RTANL) and thereby authorize the $1.00 deduction per pay period. The form to be completed can be found on the NLTA website or requested by email at rtanl@nlta.nl.ca.	
Review the CPP bridge payment that is included in your pension payment until you reach the age of 65, when you are eligible for an unreduced CPP benefit. Contact Service Canada at 1-800-277-9914 to understand impacts/rules of CPP and Old Age Pension with respect to eligibility.	

GLOSSARY

Actuarial Cost or Value – The cost of service to be credited as determined at the date of the election to purchase service or transfer service between plans. It is calculated with reference to the assumptions used in the most recent actuarial valuation for funding purposes.

Canada Pension Integration - For Members who retire after August 31, 1998, benefits in respect of pensionable service accrued under the Plan shall be integrated with benefits under the Canada Pension Plan using an integration factor of 0.6%. This means that the Plan benefit will be reduced by a calculated amount when the individual reaches age 65.

Commuted Value - In Canada, a member of a defined benefit pension who terminates their membership in the plan (by terminating their employment) may receive the pension entitlement in the form of a lump sum. Commuted Value, as defined in the Plan Text, means the present value of a pension benefit calculated in a manner that complies with the Canadian Institute of Actuaries' Recommendations for the Computation of Transfer Values from Registered Pension Plans. Essentially, the Commuted Value of your pension is equal to the amount of money that you would have to invest at the date of your transfer, based upon specific interest rates in place on the date of your transfer, to accumulate sufficient funds to purchase a lifetime pension equal to your TPP pension.

Dependent Child - A child of a Member who is both dependent on the Member for support and is:

(a) under the age of eighteen (18) years;
(b) under the age of twenty-four (24) years and in full-time attendance at an educational institution; or
(c) any age and who has been dependent upon the Member by reason of physical or mental infirmity.

Designated Beneficiary – A person designated by a Member to receive any benefit that may be payable to a Designated Beneficiary under the terms of the Plan. Where a Member fails to designate a Designated Beneficiary, the Member's estate shall be the Designated Beneficiary.

Member – A teacher, deferred pensioner or pensioner.

Other Dependent – A parent, grandparent, brother, sister, or grandchild of the Member who is both dependent on the Member for support and is:

(a) under the age of eighteen (18) years;
(b) under the age of twenty-four (24) years and in full-time attendance at an educational institution; or
(c) any age and who has been dependent upon the Member by reason of physical or mental infirmity.

Principal Beneficiary - The spouse or cohabiting partner of a Member.

Spouse – A person who:

(a) is married to the Member,

(b) is married to the Member by a marriage that is voidable and has not been voided by a judgment of nullity, or

(c) has gone through a form of a marriage with the Member in good faith that is void and is cohabiting or has cohabited with the Member within the preceding year.

Vested - The Member is entitled to either a deferred or immediate pension as a result of accumulating at least 5 years of Pensionable Service.

YMPE - The yearly maximum pensionable earnings (YMPE) covered by the Canada Pension Plan for 2021 is $61,600.

While this guide provides a description of the important provisions of the Plan and related elements, the Plan will be administered on the basis of the current legislation and Plan text. Where there is a question as to interpretation, the provisions of the current legislation and Plan text will apply.