

## ***What I should know before I retire...***

If retirement is in your near future, there are some things that you should consider before moving forward.

## ***Things You Need To Do....***

- ✓ **Visit OMERS online at [www.omers.com](http://www.omers.com) or call at 1-800-387-0813.**

This will provide you with access a wide variety of general information, the Board, the pension plan, benefit provisions and administration. Use the search function to find the following resources, which you may find useful at this point.

- ✓ Also visit **OMERS online at [www.myomers.com](http://www.myomers.com)** to provide you with your personal pension information such as your service details for each year, your pension statements and update your contact information such as address.

This site also provides a [Retirement Income Estimator](#), which allows you to project and calculate pension estimates without having to input your accrued service and earnings information.

- ✓ **OC Transpo Pension Plan Member? Call Coughlin and Associates at 613-231-2266 or submit your request in person at 466 Tremblay Rd, Ottawa.**

The City has engaged Coughlin and Associates to administrator the OC Transpo Pension Plan. Coughlin and Associates have all the information in order to calculate a pension estimate. The City of Ottawa is charged for each calculated pension estimate, a maximum of two (2) pension estimates per year has been imposed.

- ✓ Consult your **Pension and Benefits Consultant** with the Payroll, Pension & Benefits Branch to ask any questions you may have about your retirement options with the City.

- ✓ Consult a **qualified personal financial adviser**. This may be key to making the right decisions. He or she will help you consider all the details specific to your situation.

The City of Ottawa does not endorse any particular financial adviser, your choice is a personal one. An independent adviser is a financial planner, an actuary or an accountant. You may contact associations such as the Canadian Association of Financial Planners, the Canadian Association of Pre-Retirement Planners or the Canadian Banker's Association. Be sure that your selected provider knows about the provisions of OMERS and defined benefit pension plans in general.

- ✓ **Attend a retirement seminar.** The City of Ottawa Learning Centre offers a half day OMERS information session delivered by an OMERS expert. The Learning Centre also offers a one day Retirement Planning information session providing you with information on planning all areas of your life. You may register on-line through Ozone (under EmployeeInfo tab then select My Training and Development – Register for Training) or call 613-580-2424 extension 47411.

<p><b>OMERS Information Session (1/2 Day)</b></p>	<p>The OMERS information session is a half-day session delivered by an OMERS representative and designed to help you understand: OMERS, Surplus improvements, Features of your OMERS pension</p> <p><b>Note:</b> It is important to obtain your OMERS Quote before attending the OMERS session.</p>
<p><b>Retirement Planning (1 Day)</b></p>	<p>This interactive training seminar provides participants with information that will increase their knowledge and awareness of the significant factors that could affect their financial security, physical well being, legal status and mental health in retirement. Through a balance of theory, examples, handouts, exercises, references and discussions, participants will be provided with the tools necessary for planning a successful retirement.</p> <p>Learning Objectives:</p> <ul style="list-style-type: none"> <li>• To identify the various sources of retirement income and acquire knowledge of the Employer pension plan (i.e. OMERS), Canada/Québec Pension Plans and Old Age Security.</li> <li>• To help prepare financially for retirement by establishing a personal action plan and acquire knowledge of investment instruments such as RRSPs, shares, mutual funds, etc.; of sources of income such as annuities, RRIFs, etc.; and strategies for minimizing taxes</li> <li>• To understand and recognize the impact of taxes, Powers of Attorney and Wills on one's estate</li> <li>• To provide knowledge of the effects of aging on the body, effects of healthy nutrition and stay physically fit</li> <li>• To help prepare psychologically for retirement, how to manage time and consider alternative</li> </ul>

✓ **Have you considered all your sources of income in addition to your OMERS and/or OC Transpo Pension Plans?**

**Government Benefits CPP/ QPP and Old Age Security (OAS).**

You may be entitled to receive benefits from Canada or Québec Pension Plan (C/QPP) and Old Age Security (OAS).

Find out more about your C/QPP benefits.

- If you live in Québec, contact the Régie des rentes du Québec at 1-800-463-5185 or visit the Régie's website at [www.rrq.gouv.qc.ca](http://www.rrq.gouv.qc.ca) to obtain a personal QPP statement, answer questions on the QPP, on when you should apply or questions on forms.
- If you live in Ontario, or elsewhere in Canada, contact Human Resources Development Canada at 1-800-277-9914 or visit the HRDC website at [www.hrdc.gc.ca/isp](http://www.hrdc.gc.ca/isp) to obtain personal CPP statement, answers to questions on the CPP or OAS, on when you should apply or questions on forms.

✓ **Who do I contact to obtain information on my vacation balances and/or “old sick” leave bank entitlement?**

Contact Payroll at 613-580-2424 extension 28484 to:

- confirm your vacation balance, and
- discuss your payout options (transfer eligible amounts to your RRSP or RPP)

Contact your Pension and Benefits Consultant via email or by calling Payroll, Pension & Benefits Branch 613-580-2424 extension 28484.

- confirm the number of days you have eligible as pre-retirement leave, and
- calculate and recommend your last day at work as well as your actual retirement date

Note:

“Old Bank” sick leave equivalent to 130 days or less will be paid in a lump sum.

“Old Bank” sick leave equivalent to more than 130 days may be taken as pre-retirement leave or will be lost.

✓ **I have eligible service with the pension plan or took a leave of absence and had not purchased my pension. Should I buyback my pension? What is the impact on my pension?**

In order to obtain a buyback quote you will need to submit your request directly to OMERS.

You earn pension benefits at 2% of your average earnings for every full year you buyback. Therefore if you buyback 1 month of eligible service this means:

2% divided by 12 months then multiplied by 1 month = .17% pension value

So, if your average earnings are \$50,000 the value added to your pension will be \$85 per year

Once you have received a buy back costing from OMERS you can have your financial advisor confirm if buying back is indeed beneficial to you.

✓ **Do you intend to work part-time with the City after retiring?**

Former employees who are in receipt of an (a) OMERS, COSF or OC Transpo pension, or (b) who received a severance package, may not be directly re-employed by the City, except under certain conditions.

Retired city employee may not be re-employed directly on a permanent or temporary basis. A retired employee may work for the City as a consultant, self-employed professional or independent contractor.

In accordance with the City of Ottawa’s Re-employment Policy, a former employee in receipt of a severance package may not be re-employed on a permanent, temporary, fee for service or contract basis, whether independently or as a consultant, self-employed professional or independent contractor, until the complete period of time equal to the length of their notice period and/or payment at departure has expired. A former employee may be employed by a consulting firm, but may not be assigned to work on a City contract by the firm until their combined notice period and/or payment at departure has expired.

Any request for an exception to the Re-employment Policy must be done in consultation with the Human Resources department. The manager shall complete a business case and present to the appropriate City Manager for approval.

✓ **Other Retirement Options**

- Choose to continue **working beyond normal retirement date** (beyond age 65 (NRA65) or beyond age 60 (NRA60))

OMERS Pension Plan

If you choose to continue working beyond age 65 you are required to continue making full OMERS pension contributions and you continue to accrue full pensionable earnings and service

up to the end of the year in which you turn age 71 (the year you must cease pension participation and receive your pension).

#### OC Transpo Pension Plan

If you choose to continue working beyond age 65 you are required to begin drawing your OC Transpo pension benefit.

**Note:** *Working beyond age 65 will affect your benefit coverage.*

#### What remains the same:

- Dental coverage – your plan coverage remains the same and premiums continue to be 75% City paid and 25% employee paid
- Income Replacement Plan (IPP) - continued to a maximum of 17 weeks annually
- Optional Life Insurance Coverage – if you are currently enrolled in a plan for yourself and/or your spouse, you continue to be eligible for coverage by paying 100% of the premium
- Extended Health coverage - premiums continue to be 100% City paid Basic Life Insurance - premiums continue to be 100% City paid and coverage for prescription drugs remains available to eligible spouse, under 65 and children.

#### What will change effective the first of the month following your 65<sup>th</sup> birthday:

- Extended Health coverage will NOT include prescription drug coverage for you, the employee. The provincial health plans cover prescriptions for individuals after age 65. For more details speak to your pharmacist or review the OHIP website at [www.health.gov.on.ca/](http://www.health.gov.on.ca/). For Quebec residents you must register yourself, your spouse and/or your children for coverage under RAMQ. Please visit the RAMQ website at [www.ramq.gouv.qc.ca](http://www.ramq.gouv.qc.ca) for more details. Your spouse and/or children (if applicable) may wish to seek out an individual policy to cover prescription drugs.
  - Extended Health Care will NOT include out of country coverage for you, your spouse and/or your children.
  - Basic Life insurance will be **reduced to \$25,000**
  - Optional Critical Illness for you and/or your spouse **will be reduced to \$10,000**
  - There will be NO Basic or Optional Accidental Death and Dismemberment (AD/D) insurance
  - There will be NO Long Term Disability (LTD) Insurance
- Choose to **continue working beyond 35 years** of credited service with OMERS but not yet age 65/60. Full contributory earnings, even after contributions cease will be reported to OMERS, therefore, your average contributory earnings will be updated based on your current earnings. Once you have attained 35 years of credited service with OMERS you will no longer have a Pension Adjustments on your T4.
- **Reducing your workload** (also refer to the Reduced Work Week Policy)  
A reduced work week is an arrangement whereby the employee is authorized to work a minimum of 80 percent up to a maximum of 95 percent of his/her normal weekly hours of work. A reduction in the employee's salary corresponds to the reduction in the hours worked.

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For example:

An employee who works a four-day week (thereby working 80 per cent of the regular work schedule) would receive a 20 per cent reduction in work time and pay;

An employee who works nine out of 10 days (thereby working 90 per cent of the regular work schedule) would receive a 10 per cent reduction in work time and pay.

The employee's pension service accrues on a pro-rated basis according to the number of days worked with NO eligibility to buyback.

For example:

An employee who works 4 out of 5 days weekly, thereby, working 80 per cent of the regular work schedule, for a period of 1 year (January to December) would accrue 9.6 months of credited pension service.

Benefits that are calculated on salary (life insurance, AD&D) are calculated on the reduced pay/pro-rated salary for as long as the employee is working the reduced work week. Long Term Disability benefits are reduced to reflect the employee's reduced pay/pro-rated salary. Vacation leave is pro-rated to reflect the employee's weekly hours of work.

➤ **Taking Leave Without Pay 1 day per week**

The employee reduces his/her working hours while protecting the pension entitlement. The 1 day per week may be purchased in order to be credited with full pension service for the week. Under this option, benefits are not affected.

✓ ***Why is it important to retire at the end of the month? When will I receive my first pension benefit payment from OMERS?***

Pension plans pay out on the 1<sup>st</sup> of the months following a members retirement date, therefore if an employee retires June 30<sup>th</sup>, then July 1<sup>st</sup> would be when the pension is payable.

NOTE: The City must wait until last active pay is paid out to employee before submitting information to the pension plan (OMERS). A possible delay may occur, however still payable from the 1<sup>st</sup> of the months following date of retirement.

✓ ***I also have an OC Transpo pension, will I receive my first pension benefit payment at the same time I receive my OMERS pension benefit payment?***

No. Because your earnings under the OC Transpo Pension Plan are based on your deemed earnings and can be forecasted, you will receive your OC Transpo Pension Plan on time, on the 1<sup>st</sup> of the month after you have retired.

✓ ***What is a bridge? and why does my pension go down when I reach age 65?***

Effective January 1, 2005, the OMERS and OC Transpo Pension Plans' bridge benefits are paid until age 65, even if the member begins to receive a CPP/QPP disability pension before age 65.

If you retire early, before age 65, the **bridge benefit** will apply. Both OMERS and OC Transpo Pensions Plans are integrated with the Canada Pension Plan (CPP).

You contribute(d) less to the OMERS and OC Transpo Pension Plans on earnings covered by CPP (\$55,900 for 2018) and your OMERS and OC Transpo Pension Plans are reduced to partially recognize benefits payable from CPP. You can take your regular CPP pension at age 65, or reduced CPP pension after age 60. Regardless of when you start your CPP pension, your OMERS and OC Transpo Pension Plans will only be reduced at age 65.

✓ ***What is my next step once I have made my decision to retire?***

You must provide a Letter of Intent to your Manager outlining your retirement plans including usage of vacation and pre-retirement leave prior to your retirement. Employees are encouraged to give six months notice prior to their last day of work to enable the employer to commence transition plans for both the employee and the employer. You will also be required to send a copy of this letter to the Pension and Benefits Unit.