



**ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION
DISTRICT 11 THAMES VALLEY**

680 Industrial Road London, Ontario N5V 1V1

Phone: (519) 659-6588 Fax: (519) 659-2421 Web: www.osstf11.com

TBU RETIREE'S CHECKLIST & INFORMATION

1. Contact the appropriate Pension plan and request a Pension Application Form or complete form online.
 - **Ontario Teachers' Pension Plan (OTPP)** 1-800-668-0105, **Fax:** 1-800- 949-8208. Have your SIN number ready when you call. The Pension Application Kit may be downloaded from www.otpp.com
 - **Ontario Municipal Employees' Retirement System (OMERS)** 1-800-387-0813, Fax: (416) 369-9704 www.omers.com

****NOTE: OTPP members can apply to retire online**, provided that they are registered for *iAccess Web*, the secure OTPP website section. To complete the registration form for this personalized pension service, go to www.otpp.com or call OTPP.

2. Notify the TVDSB (Fax HR: 519-452-2478) with a letter to the Associate Director in Organizational Support Services stating your intent to retire to Pension with effective date; and send a copy of your letter to OSSTF District 11 President (Fax:519-659-2421). Include your **home address** and **home email**. Sample letters attached. Human Resources will confirm your letter and send information about Board Retiree Benefit Plans, and gratuities.

NOTE: Getting on the TVDSB supply list is increasingly difficult. In some cases, where there is a very special need, people may be hired post retirement. DO NOT plan to supplement your pension with supply work.

3. Contractual language on **Resignation/Retirement Dates** can be found in Article 7.00 in the TBU Collective Agreement. **LEAVES** to retirement can be accessed by requesting a leave from the beginning of a semester until the actual retirement date. This leave request should be used by members retiring at a date other than dates accepted by the Board as stated in Article 7 of the Collective Agreement. The member will need to arrange with the **Ontario Teachers' Pension Plan (OTPP)** to purchase credit for the time on leave. Members requesting a leave who wish to maintain their dental, health and life insurance benefits while on leave should **contact OTIP Benefits Services at 1-866-783-6847**.
4. **Long Term Disability** premiums **DO NOT** have to be paid for the last **110 working days** before retirement date (**or expiration of sick leave, whichever is longer**) **OR** If you have achieved a **60% unreduced service pension**. If you wish to terminate your LTD coverage, you can download and print off the **LTD Premium Termination Form** from www.osstf11.com under the **Forms and Links** tab or contact the office for a copy. To discontinue coverage, please **FAX or SCAN** a copy of your LTD termination form to: **OSSTF District 11, Fax: 519-659- 2421**.
5. When you are eligible for a **Canada Pension Plan** (age 60 or greater), you may take early CPP. Taking your CPP early will not affect your Teachers' pension. Your teachers' pension will be reduced the month after your 65th birthday to reflect its integration with CPP. For information on CPP or Old Age Security call **1-800-277-9914** for an application or check www.hrdcdrhc.gc.ca/isp

6. A) If you do not plan to do Occasional teaching or renew your **Ontario College of Teachers' fees**, download a **Notice of Retirement** form from www.oct.ca. Complete the form to change your status on the public registry to "retired" rather than "suspended for non-payment of fees."
- B) College of Teachers fees are collected in January. If your retirement date is January 31st or end of semester one, you can contact Mindy Marjerrison (m.marjerrison@tvdsb.ca) and request in writing to have College fees not deducted for the new teaching calendar year. The College does not officially suspend licenses for non-payment of fees until April.
- C) **FYI:** If you plan to retire effective June 30th, you will receive the balance of your salary (July & August) usually on your last June pay cheque. Pension payments from OTPP will then begin on the last day of July. For January 31st retirement dates, the TVDSB Payroll department will provide a pay adjustment usually on your last January pay cheque.

7. Retirement Benefit Plans:

- A) **RTO (Retired Teachers of Ontario)** provides a Retirees Health and Dental Plan through Johnson Insurance. Contact **1-800-361-9888** or check www.rto-ero.org for more information.
- B) **OSSTF Active Retired Members' (ARM)** organization offers several benefit plans through **Ontario Teachers' Insurance Plan (OTIP)**. Please call **1-800-267-6847** or check www.otip.com for more information. Edvantage membership continues for members who carry benefits with **ARM (OTIP)**.
- C) **RTIP (Retired Teachers Insurance Plan)** offers several different plans for retired teachers and educational workers through OTIP. **ARM and RTIP Deluxe Travel Insurance** is also available.

Retiring members are encouraged to check the OTIP website comparison chart for more plan information and applicable rates.

Notice of Retirement Sample Letter #1

(For those teacher members retiring at the end of a semester.)

- "Cut and paste" this letter into a word processing document. Insert names and Dates as they pertain to you.
- Details about retirement/resignation dates can be found in Article 7 of the Collective Agreement
- Retirees should send a copy of their letter to the District Office so that the office is aware of their retirement. It is a good idea to include your home address. The Office also maintains an email list of retirees and this address should also be given to the District Office.

DATE

Mr. Jeff Pratt, Associate Director
Thames Valley District School Board
1250 Dundas Street
London, Ontario N5W 5P2

Dear Mr. Pratt:

Please accept this as notification of my retirement to Teachers' Pension Plan effective (date). This is in accordance with Article 7 of the District 11 Teachers' Bargaining Unit Collective Agreement.

Please forward to me all the necessary documentation and information pertinent to the retirement process, application for the retirement gratuity (if you are eligible) and information on the TVDSB's benefit plan for retirees.

Please indicate your receipt of this letter at your earliest convenience. Thank you for your cooperation.

Sincerely,

cc Principal of your school

Lisa MacMaster, District President, OSSTF District 11

Notice of Retirement Sample Letter #2

(For those teacher members retiring during a semester.)

They will have to apply for a leave of absence commencing at the beginning of the semester or term in which they will be retiring.

- "Cut and paste" this letter into a word processing document. Insert names and dates as they pertain to you.
 - Details about retirement/resignation dates can be found in Article 7 of the Collective Agreement.
 - Retirees should send a copy of their letter to the District Office so that the office is aware of their retirement. It is a good idea to include your home address. The Office also maintains an email list of retirees and this address should also be given to the District Office.

DATE

Mr. Jeff Pratt, Associate Director
Thames Valley District School
Board 1250 Dundas Street
London, Ontario N5W 5P2

Dear Mr. Pratt:

It is my intention to retire during the period from (date) to (date) _____. Therefore please accept this letter as my application for a leave of absence to begin (date) until (date) and my notice of retirement effective (date) to the Teachers' Pension Plan.

This is in accordance with Article 7 of the District 11 Teachers' Bargaining Unit Collective Agreement. Please forward to me all the necessary documentation and information pertinent to the retirement process, application for the retirement gratuity (if you are eligible) and information on the TVDSB's benefit plan for retirees.

Please indicate your receipt of this letter at your earliest convenience. Thank you for your cooperation.

Sincerely,

cc Principal of your school

Lisa MacMaster, District President, OSSTF District 11

Making the Most of Your Retirement Gratuity

The retirement gratuity you receive after many years of service with your school board or district is a wonderful opportunity to build financial security and enhance your lifestyle in the future. To make the most of it, good planning is required.

What is a retirement gratuity?

It's generally a special payment made to a retiring teacher or other educational worker in recognition of long service.

Tax implications

Generally, a retirement gratuity will be fully taxable at your marginal tax rate in the tax year it is received. In fact, the gratuity amount may push you into a higher tax bracket, leaving you even less to enjoy after tax. Someone reaching the highest tax bracket in Ontario, for example, could be subject to 46% tax.

No matter what your marginal tax rate, any lump-sum amount of gratuity paid directly to you will be subject to withholding tax at the following rates:

- 10% on amounts up to \$5,000
- 20% on amounts from \$5,001 to \$15,000, and
- 30% on amounts over \$15,000.

And be prepared: there may be more tax payable on the income when you complete your tax return the following April, depending on your total income for the tax year.

Fortunately, there are ways to minimize tax on a retirement gratuity. One way is to roll over eligible amounts to an RRSP.

Rollover opportunity

Canada Revenue Agency (CRA) offers special tax treatment for eligible amounts of retirement gratuities. Under certain conditions, CRA allows you to directly transfer – or “rollover” – all or part of your gratuity to an RRSP (but not a spousal RRSP), with no immediate tax consequences. This rollover provision is in addition to your annual RRSP contribution room.

While a T4 slip will still be issued for the gratuity, a corresponding tax deduction will help offset tax on the extra income. This is similar to what happens with regular employment income offset by RRSP contributions.

A tax-free rollover is generally advisable, as your annual income in the year you retire may be significantly higher than in subsequent years. By rolling it over to an RRSP, you can avoid extra tax in that year and then control the amounts you withdraw as taxable income in future years, when you may be in a lower tax bracket. What's more, a rollover allows your money to compound on a tax-deferred basis within your RRSP until it is eventually withdrawn.

Example: How a rollover can reduce tax in the year of retirement

	Gratuity taken in Cash	Gratuity rollover
Gratuity	\$30,000	\$30,000
Salary (part year)	\$50,000	\$50,000
Pension Income (part year)	\$14,000	\$14,000
Total Income	\$94,000	\$94,000
Less offsetting deduction for gratuity rolled over		\$30,000
Taxable Income	\$94,000	\$64,000
Approximate tax (2007)	\$26,600	\$14,550

This example is for illustration purposes only.

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How much is eligible for the rollover?

The amount of your gratuity that is eligible for the rollover is \$2,000 a year for each calendar year or part year of service you worked before 1996 with any publicly funded school board in the province. Even if you worked a single day of occasional teaching during one of those years, it counts as a part year.

The 1996 federal budget eliminated eligibility for years after 1995. With each year, the eligible portion of gratuities for today's working educators is therefore shrinking. However, you have another option to minimize tax. If you have unused RRSP room, you may still be able to shelter all or part of your gratuity from tax by rolling it over to your RRSP (or a spousal RRSP, in this case) and claiming it as a tax deduction.

And if you don't have available RRSP room, but your spouse does, you can always take the gratuity in cash and ask your spouse to contribute it to their own RRSP. Although the gratuity will be taxed in your hands, your spouse can claim a deduction at their own tax rate for the contribution to their own RRSP.

When to draw from your RRSP

Having transferred your gratuity to your RRSP, you may wonder how best to draw from it. One option is to maximize tax-deferred growth within your RRSP by waiting until the year you turn 71 and are required to convert the plan. Consider this: an investment of \$30,000 earning an average annual rate of 7% could grow to more than \$82,000 in 15 years.

Commissions, trailing commissions, management fees and expenses may all be associated with mutual funds. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Alternatively, you could withdraw smaller amounts each year to level out your income and possibly stay in a lower tax bracket (especially before you begin receiving OAS and CPP). The best solution for you will depend on your individual circumstances – for example, your income needs, other income sources and expected tax bracket for the current and future years.

How an Educators Financial Group financial advisor can help

With their exclusive focus on members of Ontario's education community, our financial advisors have developed deep knowledge of your financial needs, including a full understanding of your pension plan and gratuities.

Based on an assessment of your financial situation and goals, we can help you determine the optimal amount of a gratuity to transfer to an RRSP – as well as when and how to withdraw funds in your retirement.

Through one of our advisors, you can invest in our family of funds, which have been recognized by independent rating firms for their strong performance and low fees. You can also choose from thousands of other mutual funds available in Canada.

Be sure to take advantage of the expertise of our financial advisors – all at no cost. Call today for customized advice and planning around your retirement gratuity: 1-800-263-9541 or 416-752-6843.

Educators Financial Group is a professional financial services firm dedicated to helping members of the education community and their families to increase their peace of mind by delivering financial solutions tailored to their unique needs. The above article is presented for information purposes only and should not be relied upon as a substitute for professional advice in specific situations.



Your Knowing Advantage

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