



Countdown to Retirement

Retiring is an important stage in anyone's life. The decision to retire will be based on your own personal situation; the best time will be unique to you. For example, some things you may consider are your health and financial situation. The following describes some of the steps and decisions you will encounter on the road to retirement with the UBC Staff Pension Plan (SPP).

BEFORE RETIREMENT

It is never too early to start planning ahead for your retirement by learning more about your pension from the SPP. These are a few different ways to learn more about your pension benefits:

ATTEND A STAFF PENSION PLAN WORKSHOP

The Pension Administration Office (PAO) offers **Understanding your Staff Pension Plan**, an in-depth workshop to help you understand your pension options and benefits. Visit staff.pensions.ubc.ca and select *Upcoming Pension Workshops* under the *News & Events* tab to register.

LEARN ABOUT YOUR RETIREMENT OPTIONS

There are two Monthly Lifetime Pension options:

- **MONTHLY LIFETIME PENSION**
A Monthly Lifetime Pension calculated according to the pension formula. This pension benefit is payable for the lifetime of both you and your spouse (if you have a spouse).
- **MONTHLY LIFETIME PENSION WITH LUMP SUM**
A reduced Monthly Lifetime Pension and a Lump Sum transfer out of the Plan. Only members who have made contributions to the Plan before 1993 are eligible for this option.

Read our detailed information sheets on the SPP Retirement Options as well as on Retirement Ages and Early Retirement Considerations. Visit staff.pensions.ubc.ca and select *Forms & Resources > Plan Guides & Information Sheets* to access these two resources.

GENERATE A PENSION ESTIMATE WITH MYPENSION

The myPension estimator is a tool that provides you with an estimate of your pension benefit. myPension may be accessed through the SPP website by clicking on the myPension login button. This tool is designed to illustrate how your pension is calculated. It is a helpful tool for retirement planning; however, your actual pension can only be calculated based on the information available at the date of your retirement.

A YEAR BEFORE RETIREMENT

REQUEST AN ESTIMATE/ILLUSTRATION

When you are within a year of retirement, you are encouraged to generate an estimate on myPension and review it. Alternatively, if you need help, please contact the PAO and request an estimate/illustration, and it will be mailed to you within four to six weeks. Both estimates and illustrations provide you with the options that are available to you at retirement. If you have been in the Plan prior to 1993, please contact the PAO for an illustration as you will not be able to see one of the options available to you on myPension.

SCHEDULE A RETIREMENT INFORMATION SESSION

Members are encouraged to schedule a Retirement Information Session, between three to six months of their retirement date, with an SPP administrator to review their retirement options in more detail. If you have a spouse, you are encouraged to bring them with you so you both understand your options. To book an appointment, please contact us at spp@hr.ubc.ca.

NOTIFY THE PAO OF YOUR RETIREMENT DATE

It is important that you notify the PAO as early as possible of your retirement date. You can start your pension from the SPP as early as age 55 and as late as December 1 of the year in which you turn age 71.

AT RETIREMENT

YOUR RETIREMENT DATE

Your retirement date will be the 1st of the month following your last paid day at UBC. If you decide to leave UBC prior to the end of the month, there will be a period between your last paid day and the date that your pension starts where you will not receive any pay.

Your health care benefits — such as extended health and dental plans — will end at the end of the month of your last day worked. However if you are working in British Columbia under a work permit, your health care benefits will end on the last day of the month in which your work permit expires, if this date is on or prior to your last paid day.

YOUR RETIREMENT PACKAGE

You will be contacted by the PAO once your pension benefit has been calculated and your retirement package is ready for signing, typically in the second week of your retirement. For example, if your retirement date is April 1, your package will be ready for signing around mid-April.

At that time, you may choose to sign your package in person (we will call you to make an appointment), you may ask to have it mailed to you by paper, faxed to you, or we can upload it to myPension where you can securely download it.

If you decide to come in to sign your retirement package, please bring the following information with you:

- A void cheque
- Email address for you and for your spouse (if applicable)
- Information for a beneficiary (who is not your spouse) such as their name, birthdate, address, email and telephone number
- If you are naming a minor (under the age 19) as a beneficiary, you will need to appoint a trustee for them. Please bring the contact information for your trustee such as their name, address, email and telephone number.

RECEIVING PENSION PAYMENTS

If you have completed all related paperwork by the 15th of the month following your retirement date, your first pension payment will occur during the last week of that month and the next payment will occur on the first business day of the following month.

EXAMPLE: If your retirement date is April 1 and we have received your completed and signed retirement package by April 15, your first pension payment will occur during the last week of April, and your next payment will be made on May 1.

RECEIVING A LUMP SUM PAYMENT (IF ELIGIBLE)

If you qualify for a lump sum option, your payment will be issued the last business day of that month, providing we have received your signed retirement package by the 15th of that month. If you return your retirement package in the last half of the month, your payment will be available at the end of the following month.

EXAMPLE: If you completed and signed your retirement package on September 13, your lump sum payment will be available at the end of September. If you return your signed retirement package on September 23, your payment will be available at the end of October.

THE PENSION BENEFIT

When you retire, you are entitled to a monthly pension, calculated according to the pension formulas. If you retire before the normal retirement age of 65, the calculated pension amount may be reduced.

For members joining the Plan on or after July 1, 2009, your pension benefit (also known as your SPP basic benefit) will be calculated using the following formula:


$$\begin{array}{c} \mathbf{1.8\% \text{ of your Best Average} \\ \text{Pensionable Earnings}} \\ \mathbf{X} \\ \mathbf{\text{Your years of pensionable} \\ \text{service}} \end{array}$$

Best Average Pensionable Earnings is the average of your basic salary over any three, non-overlapping periods of twelve consecutive months of pensionable service which produce the highest figure. The three years do not need to be consecutive, and may not necessarily be your last three years of pensionable service. If you have less than three years of service, then the average is calculated using all your pensionable service. Best Average Pensionable Earnings is also known as Best Average Earnings (BAE).

Members who have service prior to July 1, 2009 will be grandparented under the old pension formula for service before July 1, 2009. Any service accrual on or after July 1, 2009 will be calculated according to the formula above.

The SPP basic benefit and inflation adjustments are subject to the Plan's ability to pay. Benefits may be adjusted depending on whether the Plan is over- or underfunded.

For more information on the pension benefit, please refer to the *Overview* page on our website at staff.pensions.ubc.ca.

BUYING BACK PAST SERVICE

There may have been years when you worked for UBC and during which you were eligible to participate in the pension plan, but for whatever reason, you chose not to do so. Now looking back, you wish you had contributed for those years, as those months of pensionable service would have gone towards providing you with a better pension at retirement. This is what is known as buying back past service. Only service prior to July 1, 2009 is eligible to buy back.

For more information, please see our SPP Details information sheet on Buying Back Past Service on our website. Under the *Forms & Resources* tab, select *Plan Guides & Information Sheets*.

GOVERNMENT PENSION PLANS

The Canadian federal government administers two income security programs, the Canada Pension Plan (CPP) and Old Age Security (OAS), which provide financial assistance directly to individuals.

For more information about CPP and OAS, please see the *Retiring* page on our website. Under the *Life Events* tab, select *Retiring > Other Considerations*.

CONTACT US

The PAO is happy to assist you with any questions you may have regarding the time frames, paperwork, and your options for receiving your Plan benefit.

If you have any questions, please send us an email at spp@hr.ubc.ca or phone your SPP Member Services representative. Phone numbers are listed at staff.pensions.ubc.ca under *Contact us > Contact Member Services*.

This content has been compiled by the UBC Pension Administration Office. If there is any inconsistency between the contents of this communication and the pension plan documents or legislation, the plan documents and legislation will prevail. Updated March 1, 2024.