B.C. Retired Teachers' Association

Financial Preparation Are You Ready To Retire?

Plan Your Retirement With Us

B.C. Retired Teachers' Association

1. Rate Yourself — Are You Financially Ready?

	General Retirement **(Section Numbers in column 4 refer to Sections of the Complete Booklet and provide hyperlinks to those sections.)**	**Yes**	**No or Don't Know**	**If No see Section**	**If Yes Dollar Amount $$$**
1	I know how much income I will need each month during retirement. (pp. 8 – 10)			1	
2	I know what actions to take if I don't have enough income. (p. 11)			2	
3	I know how much my Canada Pension Plan Benefit will be (pp. 12 – 15)			3	
4	I know how the CPP child rearing provisions work and the documentation needed to establish eligibility. (p. 16)			4	
5	I know when I will elect my Canada Pension Plan Benefit. (p. 16)			5	
6	I know when and how to apply for my Canada Pension Plan (p. 16)			6	
7	I know how much my Old Age Security will be. (p. 17)			7	
8	I know when I will elect my Old Age Security. (p.18)			8	
9	I know when to apply for my Old Age Security Benefit (p.19)			9	
10	I have set-up *My Service Canada* account to confirm the accuracy of my service and salary record used for calculating my Canada Pension Plan Benefit. (p.12)			3	

BC Teachers' Pension Plan **(Section Numbers in column 4 refer to Sections of the Complete Booklet/ page numbers of the booklet appear in column 1 below.)**		**Yes**	**No or Don't Know**	**If No see Section**	**If Yes Dollar Amount $$$**
11	I know how much my BC Teachers' Pension Plan will be and the pension options available to me when I retire. (pp. 19-28)			10	
12	I have reviewed the options with my spouse and know what information we need to make an informed decision on my pension options (pp. 27, 28)			11	
13	I am aware of the child rearing credit and how it works in getting me to "Factor 90".(p.28)			12	
14	I have reviewed and understand my Annual Pension Statement (p. 19 and 28)			10 and 13	
15	I have set-up My Account to confirm the accuracy of my service and salary record used for calculating my Teachers' Pension Plan. (p. 19)			10	
16	I have attended at least one Approaching Retirement Seminar hosted by the Teachers' Pension Plan.			Click link	
17	I know how my Teachers' pension will be taxed and what steps I can take if I want to pension-share my CPP and pension income-split my Teachers' pension with my spouse or vice versa (pp. 29-32)			14	
17 A	I have reviewed the audio-Powerpoint *Getting To Know Your Pension* to my Teachers' Pension Plan and have a broad understanding of my plan and its advantages			10	

	Registered Plans **Registered Retirement Savings (RRSP)** **Registered Retirement Income Fund (RRIF)** **Tax Free Savings Account (TFSA)**	Yes	No or Don't Know	If No see Section	If Yes Dollar Amount $$$
18	I know the basic tax rules that apply to RRSPs and RRIFs. (pp.33-36)			15	
19	I know how my RRSPs fit into my retirement income plan and in the most tax efficient way (p.36)			16	
20	I know when I will start drawing down my RRSPs. (p.37)			17	
21	I am aware of the TFSA tax rules and, if I have such funds, how they fit into my retirement plan (pp.37, 38)			18	
21A	I am aware of the Registered Disability Savings Plan and the Disability Tax Credit and how they may help me or members of my family with a disability save for the future. (p.38)			19	

	Group Health Benefits and Group Insurance	Yes	No or Don't Know	If No see Section	If Yes Dollar Amount $$$
22	I am aware of the arrangements that are necessary for continuation of BC Medical Services Plan Benefits. (p.39)			20	
23	I am aware of the Voluntary Dental Care Benefit options under the Teachers' Pension Plan and, where applicable, any dental coverage arrangements that may be available through my spouse/partner. (pp.39, 40)			21	
24	I am aware of the Voluntary Extended Health Care Benefit options under the BCRTA, Teachers' Pension Plan and, where applicable, any voluntary extended health care benefits that may be available through my spouse/partner. BCRTA EHC Prestige info distributed at workshop(pp.41-43)			22	
25	I am aware of the differences between my current group benefits (Extended Health and Dental) and those provided within the retiree plan offered by TPP. (p.43)			23	

	Group Health Benefits and Group Insurance (Continued)	Yes	No or Don't Know	If No see Section	If Yes Dollar Amount $$$
26	I am aware of my life insurance and/or voluntary group life conversion rights (conversion from my school board group plan to an individual plan on a non-medical basis) (p.44)			25	
27	I have reviewed my life insurance needs to determine whether I need life insurance (p.44)			25	
28	I am aware of my right to withdraw from the BCTF Salary Indemnity Plan-Long Term At "88" (p. 45)			26	
29	I am aware of the BCRTA voluntary travel insurance benefits (p. 45)			27	

	Future Employment as a Teacher BCTF Associate Membership	Yes	No or Don't know	If No See Section
30	If I have second thoughts about my pension options, I know how long I have to change my options (p. 46)			28
31	I am aware of the steps that I need to take with the TRB regulations Teacher Regulation Branch (TRB) if I wish to teach in BC after retirement. Alternatively, I am aware that I am required to provide notice of relinquishment if I do not wish to teach in the future. (p. 46)			29
32	If I am re employed as a teacher in the BC public school system, I am aware of the re-employment provisions of the TPP while in receipt of a pension. (p. 47)			31

	BC Retired Teachers' Association (BCRTA) Membership	Yes	No or Don't know	If No See Section
33	I have reviewed the advocacy, insurance and affiliated benefits of the BC Retired Teachers' Association and I am aware of the steps I need to take to secure membership. (p. 47)			32
34	I am aware that if I am currently a member of BCTF I may apply for a no cost Associate membership in the BCRTA (p. 48)			32

Things to Know and Do for a Smoother Transition (Determining What Income You Need In Retirement)

Step 1: Determine Your Income in Retirement from All Sources

Determine how much income you'll get in retirement from all available sources (Teachers' Pension Plan, Canada Pension Plan, RRSPs, TFSAs, non-registered investments, rental income).

(See Sections: 3, 7, and 15 for further details on estimating Canada Pension Plan, Old Age Security and Teachers' Pension Plan pension amounts.

Step 2: Build a Retirement Budget

To determine what income you need for retirement, you need to have a monthly budget so that you can compare your expenditures now versus your anticipated monthly expenditures in retirement. Logging your expenses for an extended period well in advance of your retirement would be ideal. For a guide on the kinds of expenditures you have see pp. 9-10 of the *There's More to It Than Money* workshop material package made available at BCRTA Workshops.

Gap Analysis – Pre vs Post Net Income

On the next page is a rough income gap analysis, based on values for a typical retiree. Your individual analysis would use numbers for your particular circumstances, including other possible expenses, with or without tax considerations, other than the ones listed.

The gap analysis is for retirement at age 60 to age 65, and for retirement age 65 and after, showing differences in income at different stages in your life, intended to be used in a budget analysis (following).

Post-Retirement Income From 60-65, and 65 on, Assuming Retirement At 60

	Pre-Retirement	Retirement 60 to 65	Retirement 65 and Beyond
Salary (Highest 5-year average)	$75,000		
Pension Income		$39,000	$39,000
Bridge Benefit		$8,000	
CPP*			$8,500

OAS**			$7,217
Gross Income	$75,000	$47,000	$54,717
Allowable Tax Deductions: TPP), Union Dues, Teacher Reg. Branch	$12,000		
Taxable Income	$63,000	$47,000	$54,717
CPP Premium (tax credit)	$2,749		
EI Premium (tax credit)	$860		
Health Care Premiums (tax credit)***		$2,119	$2,119
Income Tax	$10,783	$6,852	$8,290
Dues (BCRTA + Local RTA)		$45	$45
TAKE-HOME PAY	$48,603	$37,984	$44,263
GAP IN TAKE-HOME PAY		**$10,624**	**$4,345**

Notes:

*You could opt to receive CPP starting at age 60, for a reduced amount (early reduction = 0.6 % for each month below age 65=0.60% per month times 60 months=36% reduction). (Click here) for details.

** You could opt to receive OAS at a later age, up to age 70, for an increased amount (0.6% per month of delay). See page 18 (click here) for details

***Enhanced dental plan, plus Johnson Insurance EHC with Travel Health Insurance.

Step 3: Determine if You Have a Budget Shortfall

Subtract your estimated monthly retirement expenditures from your monthly income from all sources

> Income (from your gap analysis or similar process) – Budgeted Expenses = Surplus or Shortfall

If you have a shortfall, then you have to determine how you will make up the shortfall. This can be done by reducing expenditures or increasing income.

2. What If I Don't Have Enough in My Pensions and Other Resources to Retire Right Now?

1) Review the shortfall analysis from Step 3 in Section 1 above. Revisit both the pension and other income amounts to ensure that you have fairly solid numbers.

2) Revisit your retirement budget numbers and compare them with your current level of expenditures. Eliminate all of your discretionary spending and add in only those proposed expenditures that you can financially support.

3) Determine the savings from not going to work (see: How Much Does It Cost You to Go to Work on pages 49 and 50 of this document)
Also make sure that you review the new costs of retirement that you are not currently paying (e.g. medical, extended health care and dental premiums).

4) As there are no prohibitions on receiving your Teachers' pension and being re-employed with a TPP employer, examine the option of working part-time by doing TOC work. Unless you have other employment prospects, this option should be examined as, in most instances; it provides you with the highest pay rate for working. Check with other teachers who have pursued this option to determine what work is available. You should also make direct inquiries with your Local President and with someone who has direct responsibility for TOC call-out in order to gather as much information as you can about the availability of employment.
While the pay rate is important, you also need to know whether or not you are going to get a sufficient amount of work to meet your financial objectives. Undertake this analysis carefully and thoroughly! If the TOC option is not available to you, consider other types of employment related to teaching (e.g. individual tutoring etc.) Alternatively, you may to look at something that has always interested you, either teaching related or not teaching related. Again, given the current job market in many communities, make sure that you have something definite before giving any indication of your desire to retire.

5) If after all of these efforts you are still left with a significant shortfall in income and desired lifestyle, consider not retiring. Not retiring when you don't have enough income can be a very sensible decision. It serves four primary functions: it preserves your assets; it gives you a chance to keep building your nest egg; it shortens the period of time you'll be drawing down your assets; and it increases your Teachers' Pension Plan and Canada Pension Plan benefits by adding additional service to your pensions.

   Use the BC Teachers' Pension Plan ***My Account*** (see Section 10 of this document for details) personal estimator to run estimates on future retirement dates.

   Despite the current negative employment situation, some teachers may be in a position to consider part-time teaching as a means to augment their retirement income. This may be a viable option provided that you are in good health and are using the additional earnings for non-essential expenditures. Check with your Local and School District about post retirement teaching prospects remembering that appointments must be in accordance with the teacher collective agreement.

3. How to Determine Canada Pension Plan Amounts

Set Up Your My Services Canada Account Now!

This is a critical step and arguably the most frustrating. You cannot proceed further without one. The process requires that you obtain a passcode. This is done by snail-mail and will take time. So if you don't already have one get started now…

Service Canada Account Set up

Use your *My Service Canada Account* to access your specific CPP record (see Section 10) The CPP benefit for the average Canadian is $664 per month but it depends on your income as well as when you elect to receive your Canada Pension. The maximum monthly gross pension at age 60 in 2017 will be $713 gross per month. At age 65 it will be $1114 gross per month if you elect to take it then. Working part-time will mean a lower pension.

Correcting Information with Service Canada

For any information Related to Your Statement of Contributions, Service Canada advises the following with respect to correcting information:

- *Let us know immediately if any of your information is incorrect or missing.*
- *Any Canada Pension Plan (CPP) benefits you receive will be based on the contributions and earnings data on your statement, so please check your information carefully.*
- ***Employed individuals:** Send us a copy of the earnings and contributions information on your T4 slip(s), or a signed letter on company letterhead from each of your employers confirming all your earnings and contributions to the Canada Pension Plan for the year(s) in question.*

Advice: Given the heavy demands on Service Canada owing to staffing cutbacks, be sure to take the time to put together a well drafted piece of correspondence to accompany your information including:

1) A description of the error;
2) A correction as to what the information should be;
3) A detailing of the documentation that accompanies the letter (T4 slips, the signed letter on company/school district/employer letterhead, etc).

You can start the correction process here: Canada Pension Plan - While on CPP

Like your Teachers' pension plan, the Canada Pension plan is a defined benefit pension plan. In a defined benefit pension plan, your pension is based on a formula involving years of service and earnings. The risk for your retirement earnings rests with the plan.

Unlike your Teachers' pension plan which uses the highest 50 months of your salary in calculating your benefit, the Canada Pension Plan factors in your lifetime earnings into the earnings calculation for purposes of calculating your pension. (See next topic: "How to Get the Canada Pension Plan Maximum Benefit").

Note: For most teachers, the BC Teachers' Pension Plan defines one year as 10 months. For administrators, the plan defines one year as 12 months.

How to Get The Canada Pension Plan Maximum Benefit

Canada Pension Plan has two criteria for getting a maximum pension benefit and you must meet both:

Contributions: You must contribute to Canada Pension for at least 85% of the time that you are eligible to contribute. The eligible period is from age 18 to age 65, which is 47 years--85% of 47 years is 40 years.

You can apply to exclude extra-low-earning years if you raised young children (see Child Rearing Provisions under Section 4).

Amount of Contributions: To qualify for your maximum pension, you must contribute "enough" in each of those years to a maximum amount, the "Yearly Maximum Pensionable Earnings (YMPE). Adjusted every calendar year, the YMPE in 2019 is $57,400. You pay CPP premiums on your salary up to the YMPE amount. Once your salary goes above the YMPE you stop paying CPP premiums. In determining the salary portion of your CPP formula, your Unadjusted Pensionable Earnings for a given year (UPE) is compared to the YMPE for that year. Earned income below $3500 is exempt from contribution.

The calculations for all the years in question are then added up. If you reached maximum earning only 50% of the time, then your pension will be only roughly half of the maximum.

A detailed explanation of the calculation of your Canada Pension Plan benefit can be found on the section of the CPP website entitled .*How much could you receive*

Taking your pension before age 65

If you take the CPP retirement pension early, it is reduced by 0.6% for each month you receive it before age 65 (7.2% per year). This means that, an individual who starts receiving their CPP retirement pension at the age of 60 will receive 36% less than if they had taken it at 65.

Taking your pension after age 65

If you take your pension late, your monthly payment amount will increase by 0.7% for each month after age 65 that you delay receiving it up to age 70 (8.4% per year).

This means that, an individual who starts receiving their retirement pension at the age of 70 will receive 42% more than if they had taken it at 65.

A person who retires at age 60 with the maximum CPP earnings will receive $739 per month if they elect to take their pension at age 60. By age 65, the retiree will have received $44,340 in payments ($739 times 60 payments = $44,340).

The person who waited until age 65 to take their CPP will take 10 years to catch-up to the person who drew it early. The other factor that should be mentioned is that for the 65 year old, assuming they did not work between age 60 and 65, those "no earnings years" will form part of the total earning years for CPP.

Table 1: Other Factors for Consideration

REASONS FOR EARLY CPP	REASONS FOR LATER CPP
1) You're in poor health facing a shorter life expectancy	1) You can afford to delay and are expecting a longer than average life expectancy.
2) You expect to collect the Guaranteed Income Supplement	2) You plan to continue working and earning a good income
3) You spent several years out of the workforce	3) It fits into a financial/tax efficiency plan that makes sense with your other assets .
4) It fits into a financial/tax efficiency plan that makes sense with your other assets.	4) Ease of administration of a greater portion of your assets
5) You need the money and can't survive without it	
6) You want the money instead of leaving it with the government	

Table 2: 2019 Canada Pension Plan In the Long Run: Cumulative Earnings (Example Only)

AGE OF ELECTION	60	61	62	63	64	65
Monthly Gross CPP	640	712	784	856	928	1000
Reduction Compared To Age 65 Benefit	360 36%	288 28.8%	216 21.6%	144 14.4%	72 7.2%	n/a
CPP Pension Benefit Received by Age 65	38,400 60 x 640	34,176 48 x 712	28,224 36 x 784	20,544 24 x 856	11,136 12 x 928	n/a
CPP Pension Benefit Received By Age 75	115,200 180 x 640	119,616 168 x 712	122,304 156 x 784	123,264 144 x 856	124,496 132 x 928	120,000 120 x1000
CPP Pension Benefit Received By Age 80	153,600 240 x 640	162,336 228 x 712	169,344 216 x 784	174,624 204 x 856	178,176 192 x 928	180,000 180 x1000
CPP Pension Benefit Received By Age 87	207,360 324 x 640	222,144 312 x 712	235,200 300 x 784	246,528 288 x 856	256,128 276 x 928	264,000 264 x1000
Breakeven Age	74	75	76	77	78	

Note To Table 3: This calculation uses current day-values based on CPP typical pension values for 2019 and reduced in accordance with the CPP reduction schedule as it is applied in 2019 and does not take into consideration the time value of money (e.g. if you put the CPP pension amount into an investment it would yield additional investment income). Further this calculation does not consider the opportunity cost of use or non-use of early receipt of benefit (e.g. You collected your CPP early in order to protect a currently held safe investment that was yielding a great net return that if brought to maturity would easily pay for the long term cost of taking early retirement CPP)

Click here for a balanced commentary on when to start CPP, including pages and pages of comments, questions and answers from numerous readers.

For some individuals, there may be other financial and non-financial issues considered in helping you decide to take your CPP benefit late. **You should consult a certified financial planner (advisor) with a "CFP" designation who has the complete picture of your financial situation before making a decision. ("CFP" Directory)**

Go to Service Canada Pensions for more information on Canada Pension Plan and Old Age Security.

4. Child Rearing Provisions of the CPP

These provisions allow you as the "primary care giver" to exclude low income and no income years in which you were rearing a child under the age of 7. The limit is 7 years per child. The "primary care giver" is the person most responsible for day-to-day needs of children for the specific periods. Either spouse or common-law partner can request the child-rearing provision but it cannot be used by both parents for the same period of child-rearing.

Example from the Service Canada Web Site

Julie was employed until her daughter, Elizabeth was born in 1983. Julie stayed at home with Elizabeth until she started school in 1989.

When Julie applied for her retirement pension in 2016 at age 65 and requested the child-rearing provision, the CPP excluded the period from the month following Elizabeth's birth in 1983 to 1990 in its calculation of Julie's pension benefit amount.

Julie received a CPP Retirement Pension of $735 per month. Without the benefit of the child-rearing provision, her pension would have been $650 per month.

More information, and the application form for child rearing is available at the following CPP link:

Learn more about the Child Rearing Provisions here.

5. When Can You Elect Your Canada Pension Plan Benefit ?

The standard age for beginning to receive your Canada Pension Plan (CPP) retirement pension is the month after your 65th birthday. ***However***, you can take a reduced pension as early as age 60 or begin receiving an increased pension after age 65.

(Go section 3 for a more details on electing CPP early or late.)

6. When Can You Apply For Your Canada Pension Plan Benefit ?

The CPP benefit does not start automatically. You must apply for it. You must be at least a month past your 59th birthday, have contributed to the CPP and want your retirement pension payments to begin within 11 months.

You will need to provide your Social Insurance Number, banking information for direct deposit, and, should you want to take advantage of pension sharing, spouse or common-law partner's SIN. If you are requesting the child-rearing provision, you will need to provide proof of birth of each child referenced.

You can make a Canada Pension Plan application online (see Apply now for CPP)

7. How to Determine Old Age Security Amounts

The Old Age Security is a monthly payment available to most people 65 years of age and older who meet the Canadian legal status and residence requirements.

You can find how much you will receive in the link above (Section 3).

Unlike CPP, which is funded by employers and employees, the OAS is funded out of the general revenues of the Government of Canada.

Your employment history is not a factor in determining eligibility: you can receive the OAS pension even if you have never worked or are still working.

OAS Eligibility

If you live in Canada you must:

- be 65 years old or older
- be a Canadian citizen or a legal resident at the time we approve your Old Age Security pension application, and
- have resided in Canada for at least 10 years after turning 18.

If you are living outside Canada, you must:

- be 65 years old or older
- have been a Canadian citizen or a legal resident of Canada on the day before you left Canada, and
- have resided in Canada for at least 20 years after turning 18.

In the second quarter of 2019 OAS is approximately $601 per month. The benefit is adjusted quarterly by the Consumer Price Index for Canada (CPI) (See Service Canada: Old Age Security and the Consumer Price Index)

Guaranteed Income Supplement

Learn about the GIS here.

OAS Clawback

The government imposes a special tax — the "clawback" — on your Old Age Security (OAS) payments if your net income for the year exceeds a certain annual threshold.

For 2019, the clawback is triggered when your net income exceeds $75,910.

The amount of the clawback is equal to your OAS payments or 15% of the amount by which your net income exceeds the threshold, whichever is less.

For 2019, the full amount of the OAS benefit will be eliminated when your net income reaches $122,843. The clawback amounts are repaid through withholdings from your monthly OAS payments.

8. When to Elect Your Old Age Security

Deferring Your OAS Pension: Age 65 or Later?

As of July 2013, you can defer receiving your Old Age Security (OAS) pension for up to 5 years after the date you become eligible for an OAS pension in exchange for a higher monthly amount. If you delay receiving your OAS pension, your monthly pension payment will be increased by 0.6% for every month you delay receiving it, up to a maximum of 36% at age 70.

Unlike the early or late analysis completed for the receipt of your Canada Pension Plan, this one is a little less complicated.

The OAS does not have highest salary component to it, it is simply a current maximum monthly amount--currently $550 per month for those who meet the full eligibility requirements.

Table 4: OAS Amounts by Age of Election of the Benefit – January 1, 2014

AGE YOU ELECT TO RECEIVE	65	66	67	68	69	70
Monthly Gross OAS	$601	$645	$688	$731	$775	$818
Advanced Income By Age 70	$36,087	$30,960	$24,768	$17,544	$9,336	
Break even Age for the person who waited until 70 to collect max. benefit	84	85	86	87	88	

If you choose to defer receipt of your OAS pension, you will not be eligible for the Guaranteed Income Supplement, and your spouse or common-law partner will not be eligible for the Allowance benefit for the period you are delaying your OAS pension. If your yearly income is in excess of $18,240 you do not qualify for GIS. Income is defined as including: CPP, other pension income, EI benefits, RRSPs you cashed in, investment income, and capital gains.

At the other end of the spectrum, if you have significant retirement resources you may want to consider drawing them earlier to ensure that you stay below the threshold for clawback.

In deciding when to start receiving your OAS pension, you should consider your personal situation, taking into account such things as current and future sources of income, your RRSP assets, and your total net asset base.

If you are uncertain about what to do, you should consult your certified financial planner who should be in the best position to provide you with advice.

9. When and How to Apply For Old Age Security

Service Canada will send you correspondence one month after your 64th birthday inviting you to apply for OAS **or** advising you that you have been automatically enrolled.

If you do not receive a letter one month after you turn 64, you should apply right away.

If you chose to delay receipt of your OAS, you can apply up to 11 months before the date you want your OAS pension to start.

Click here for full details on applying for OAS.

10. How Much Will My BC Teachers' Pension Be?

Your Teachers' pension amount is driven by a number of key factors:

- When you retire
- How much pensionable or full time equivalent service you have when you retire
- If you are retiring before age 60, how much contributory service you have (Every month you make a contribution to the plan you earn a month of contributory service. Contributory service is used to determine if you are eligible for a pension and whether a pension will be reduced (and by how much) if you decide to retire before age 60).
- Your highest average salary (HAS)
- The pension plan option you choose.

Get Your BC Teachers' Pension Login Now!

Use the *My Account* function of the BC Teachers' Pension Plan to login to your personal section of the TPP. This will allow you to access your Annual Pension Statement as well as the Personalized Pension Estimator, which you can use to prepare customized pension estimates that are tailored to your needs. If you don't have an account yet, go to the link and register.

The Parts of Your Pension

A number of elements comprise your Teacher's pension. There is the lifetime pension payment, the bridge benefit and, if you choose it, a temporary annuity.

The Lifetime Pension Payment

The lifetime pension payment is just that—an amount of money the pension plan pays you every month for the rest of your life. You get your lifetime pension payment for your lifetime regardless of any other options you choose. When you choose to protect your spouse or any other beneficiary(ies) with a pension—either for a period of time, such as with a single life guaranteed 10 years option, or for their lifetime, such as with a joint life 100 percent option—it reduces your pension payment for your lifetime.

This protection will reduce your lifetime pension payment, almost like buying life insurance. The pension payment is reduced to reflect the likelihood that the pension will be paid for a longer period of time.

As a result of changes introduced in 2016, the lifetime portion of your pension for service earned before 2018 is lower than for serviced earned 2018 and beyond. The pre-2018 service accrual rate is 1.3%, while the 2018 and beyond accrual rate is 1.9%. This is tied to changes in the bridge benefit (see next)

The Bridge Benefit

The bridge benefit is a temporary payment to age 65 or your death, whichever comes first, at which time it stops. You are eligible for the bridge benefit if you are under age 65 when you retire, and there are no choices to be made, as it is an automatic benefit. It is intended to equalize TPP plus CPP benefits for retirees who opt to start CPP at age 65.

The bridge benefit applies only to your pre-2018 service. For service 2018 and beyond, the lifetime portion of your pension is increased to compensate for reduced bridge benefit (refer back to Lifetime Pension Payment).

Temporary Annuity

A temporary annuity is also a temporary payment to age 65 or your death, whichever comes first, at which time it stops. You can buy a temporary initial higher pension in the form of a temporary annuity, **but your lifetime pension is permanently reduced to pay for this**. The younger you are at retirement, the more the temporary annuity costs you. The temporary annuity is roughly equal to the amount of Old Age Security you will receive at age 65. You may consider selecting a temporary annuity if you know you will have higher cash needs before age 65 that you won't have later on. Do not forget to consider the possibility of needing expensive long-term care in your later years.

Pension Plan Options

View your Pension options at this link.

Overview of Plan

Plan Option	Pension Benefit For Member	Pension Benefit for Spouse, Beneficiary or Estate	Spousal Waiver Needed
1) Single life, no guarantee	You will receive the basic lifetime pension amount until you die	The pension does not continue for your spouse, beneficiary or estate	Yes
2) Single life 5,10 or 15-year guarantee	You will receive the basic lifetime pension amount until you die	If you die before the guarantee period expires (60,120 or 180 monthly payments), your beneficiary will continue to receive payments until those payments have been made (or your estate will receive an equivalent lump sum payment. If you live beyond the guarantee period, the pension does not continue for your spouse or beneficiary after your death	Yes
3) Joint life 100 percent	You will receive the basic lifetime pension amount until you die	If you die, your spouse will continue to receive the basic lifetime pension amount until their death	No
4) Joint life 60 percent or greater (any percentage you elect), 5, 10 or 15 year guarantee (you can also choose no guarantee period)	You will receive the lifetime pension amount until you die	If you die before the time guarantee period expires (60, 120, or 180 monthly payments), your spouse will continue to receive your monthly pension for the remainder of the guarantee period. Following the end of the guarantee period, the pension payable to your spouse will reduce to the percentage you elected, for the rest of your life. If you die after the guarantee period, your spouse will receive the percentage (of the pension amount) you elected for the rest of their life.	No

See a detailed view of the table above in the TPP online booklet here:

Plan Option	Pension Benefit For Member	Pension Benefit for Spouse, Beneficiary or Estate	Spousal Waiver Needed
5) Joint life less than 60 per cent (any percentage you elect) combined with 5,10, or 15 year guarantee (you can also choose no guarantee period)	You will receive the basic lifetime pension amount until you die.	If you die before the time guarantee period expires (60, 120, or 180 monthly payments), your spouse will continue to receive your monthly pension for the remainder of the guarantee period. Following the end of the guarantee period, the pension payable to your spouse will reduce to the percentage you elected, for the rest of your life. If you die after the guarantee period, your spouse will receive the percentage (of the pension amount) you elected for the rest of their life.	
6) One of the above options plus a temporary annuity	A temporary annuity is available before age 65 and payable until the earlier of age 65 or death. You will also receive the basic lifetime pension amount until you die. (seek financial advice before selecting	A spouse or beneficiary is not eligible to continue a temporary annuity. Continuation of pension payments is dependent on the additional option selected (see above)	

Choosing Your Best Pension Option

Comparing the Pension Options

Your pension payments will differ depending on the option you choose, the guarantee period you choose and whether you include a temporary annuity. On the following page are sample comparisons of the different Plan options, based on a hypothetical typical Plan member. To get a better idea of how pension amounts may vary for you, by option, you can look at your own *Member's Benefit Statement*, use the online pension estimator, or request a pension estimate from the Plan.

The Teachers' Pension Plan offers a range of pension options. If you are interested in your options beyond what is available from the online pension estimator, please contact the Plan.

As part of the process in the granting of your pension, you will be required to elect and sign-off on one of the options.

Sample Option Statement

Jennifer is 61 years old and has a spouse who is 64. She has 25 years of service and a current highest average monthly salary of $6,251. Jennifer has decided to retire at age 62.

Option	Monthly pension option	Basic pension	Bridge benefit(1)	Temporary annuity	Pension to age 65	Pension after age 65	Survivor's pension
1	Single life pension guaranteed 5 years	$2,418	$838		$3,256	$2,418	
2	Single life guaranteed 10 years (normal form)	$2,404	$838		$3,242	$2,404	
3	Single life guaranteed 15 years	$2,380	$838		$3,218	$2,380	
4	Single life guaranteed 10 years plus temporary annuity	$2,307	$838	$580	$3,725	$2,307	
5	Single life pension guaranteed 15 years	$2,106	$838		$2,803	$2,106	
6	100% joint life	$2,234	$838		$3,072	$2,234	$2,234
7	100% joint life plus temporary annuity	$2,144	$838	$580	$3,562	$2,144	$2,144
8	80% joint life guaranteed 10 years	$2,266	$838		$3,104	$2,266	$1,812
9	80% joint life guaranteed 15 years	$2,259	$838		$3,097	$2,259	$1,807
10	60% joint life guaranteed 10 years	$2,298	$838		$3,136	$2,298	$1,378
11	60% joint life pension guaranteed15 years	$2,287	$838		$3,125	$2,287	$1,372
12	40% joint life pension guaranteed 10 years	$2,332	$838		$3,170	$2,332	$932

(1) *Bridge benefit is payable on service accrued only to December 31, 2017. Refer to Bridge Benefit.*

You can generate personalized estimates like this one, using different retirement dates and options by logging into your *My Account* section of the TPP web site.

Options also include a Temporary Annuity, which is an additional option available under any option chosen. If you choose a Temporary Annuity you receive an addition to the Teachers' pension amount that makes it roughly equivalent to your Old Age Security entitlement at age 65. This additional amount is paid to you until the earlier of age 65 or death. A spouse or beneficiary is not eligible to continue a temporary annuity.

In exchange for the additional Temporary Annuity, the lifetime portion of your pension is permanently reduced throughout the entire life of your pension. You should consider this option only if you have means to fill in the financial gap which may be left at age 65, particularly if you delay taking OAS until later. (Example: you have significant taxable assets (RRSPs) that you can start using at age 65, or your mortgage will be paid off at age 65.)

Comparison of Pension With and Without a Temporary Annuity

In this example, a sixty year old teacher with no spouse, thirty years of pensionable service and a highest average salary of $75,000 looks at two options: a single life 10 year guarantee and a single life 10 year guarantee with an temporary annuity to age 65.

Table 5: Comparison of Pension Earnings With and Without a Temporary Annuity

Pension Options	Option 1 Single Life No Annuity 10 Year Guarantee	Option 2 Single Life with Annuity 10 Year Guarantee	Dollar Comparison for the Life of the Pension.
Pension 60 to 65	$3713	$4121	$408
Pension 65 to 87	$2795	$2653	($142)
Drop At Age 65	$918	$1471	
Total Pension Paid 60 to 87	$960,660 (324 payments)	$947,652 (324 payments)	($13008)

Comment: Similar to taking CPP early, you can calculate the break-even point for taking a temporary annuity. Typically, it is close to age 80: in the above example the breakeven point for the person who doesn't take an annuity is age 79 and 4.4 months.

Note: Assumptions—live to age 87; No consideration of the time value of money—all pension monies expended every month

Analyzing the Pension Options

Option	Who Might Choose This Option	Caution: Before Choosing This Option.
1) **Single Life Option: No Guarantee**	Single with no dependents, provides maximum benefit If you are significantly younger than your spouse and believe it is likely your spouse will pre-decease you, there may not be a need for your pension to continue after your death	No pension after you die If you have a spouse, you can elect this option only if your spouse waives entitlement Your spouse or dependent will not have access to group health benefits after your death You have 60 days from when your pension is granted to change your pension option. After that time your selection is final. Note: If you have a spouse, your ability to change your pension option may be limited. This is because your spouse has, under pension legislation, certain entitlements to your pension.
2) **Single Life Pension: 5, 10, 15 Year Guarantee**	If, for example, you have an 11 year old child when you retire, (divorced - you kept pension). You elect a 15 year guarantee to ensure that your child has income until age 26. Your spouse has RRSPs and wants to defer drawing on them until age 71. You elect a time guarantee to ensure they will have adequate income to age 71 You have a family history that suggests you will have a shorter-than-average life expectancy; when you retire, you want to choose a guarantee to leave a lump sum to your estate.	This option provides you with a somewhat lower pension No income will be provided to your spouse or beneficiary if you outlive the guarantee period. If you have a spouse, you can elect this option only if your spouse waives entitlement to a portion of your pension. You have 60 days from when your pension is granted to change your pension option. After that time your selection is final. Note: If you have a spouse, your ability to change your pension option may be limited. This is because your spouse has, under pension legislation, certain entitlements to your pension
3) **Joint Life 100%**	This option leaves your full monthly lifetime pension to your spouse to take care of dependents or financial commitments after you die. This is important if your spouse has no other significant income.	In the event that both you die, the pension stops.

Option	Who Might Choose This Option	Caution: Before Choosing This Option.
4) Joint Life 80,60, or 40 % Or Other Specified Percentage	Who might choose a joint life that is less than 100 per cent that is combined with a time guarantee? (don't understand this) It provides a larger income during your lifetime than the 100 per cent joint life option All joint life options leave a continuing monthly lifetime pension to your spouse after you die. This is important if your spouse needs the income. However, the lower the joint life percentage chosen, the less your surviving spouse will receive. If you and your spouse die before the time guarantee period expires, a lump-sum amount, representing the remaining lifetime pension for the remainder of the applicable guarantee period, will be paid to the estate of the last survivor.	If you die after the time guarantee period expires, your spouse will only receive the proportion of your pension that you specify (80,60,40 or another percentage) You have 60 days from when your pension is granted to change your pension option. After that time your selection is final. Note: If you have a spouse, your ability to change your pension option may be limited. This is because your spouse has, under pension legislation, certain entitlements to your pension If you have a spouse, you are required to select a pension option that ensures a minimum of 60 per cent of your monthly pension will go to your spouse on your death unless your spouse gives up the right by signing a *SPOUSAL WAIVER*
5) Temporary Annuity	This option might help you meet the initial expenses of retirement, such as a mortgage you expect to pay off before you turn 65 (i.e. you know that when your pension income drops, so will your expenses) If you have significant taxable assets (in RRSPs, for example) that will replace your income, and you wish to minimize the tax you will pay in the future, a temporary annuity can lower your income after age 65 and therefore reduce tax or income when drawn	You need to have clearly considered how the drop in your pension income at age 65 will be managed. With current longevity expectations, don't forget the likelihood of needing expensive long-term care in your or your spouse's final years. Seek independent financial advice from a certified financial planner before considering this option.

11. Single Life Vs Joint Life Pension: Informed Decision to Protect a Spouse/Partner

- Calculate the projected income and budget for your family. If you are single the exercise is less complicated.
- Follow Sections 1, 2 & 3, using the expense calculator on pp 9 and 10 of your workshop materials.

Basic Questions That You Need to Answer in Making Your Best Pension Option Choice

Your pension choices are very flexible and are in broad terms:

- Single Life, No Guarantee pension" that pays you as long as you live but dies with you. This pension provides nothing to your beneficiary.
  There is then a spectrum of choices, all the way to a:
- 100% Joint Life pension that pays you a monthly pension for as long as you live, and thereafter, for as long as your spouse lives.

Your pension plan also provides time guarantee options that provide more limited protection of your beneficiary or beneficiaries. Excellent TPP guide booklet on assigning beneficiaries.)

The basic principle is that the more protection you provide to someone else, the more your pension benefit is reduced. This is because your pension is no longer being guaranteed for just your lifetime.

In the case of your death, your pension is now providing benefit to someone else (spouse or other named beneficiary/beneficiaries — for a set period of time in the case of a time guarantee, or to your spouse until their death in the case of a joint life option.

Key questions in helping you arrive at the option that works best for you.

1) Who do you want to protect?
   a) Self — single life
   b) Spouse — joint life or single life (time guarantees)
   c) Others — time guarantees
2) How long do you want to protect them?
   a) No guarantee - your pension dies with you.
   b) Guarantees of 5, 10, or 15 years-- benefit starts from the granting of your pension and ends once you have passed that specified time (Single life, 10 year guarantee is the normal form, i.e. the option on which the base pension payment is calculated).

3) How much will it cost you?

c) More protection costs more money. The costs of these various options can be seen on your Annual Member's Benefit Statement when you compare the single life and joint life estimated month retirement pension benefit amounts. Alternatively, you can use the personalized pension estimator to generate different pension options that protect and don't protect others.

These basic questions are much easier to answer when you have a good handle on your monthly and annual income and expenditures and you have a current net worth statement.

It is critical that you make the right choice based on a well prepared budget, one that covers three post-retirement time periods:

- Retirement to age 65 (for both you and your spouse, if you have a spouse)
- Age 65 and beyond (for both you and your spouse, if you have a spouse)
- When one spouse remains

The decisions you make before you retire are important – they will be with you, and possibly your spouse, for the rest of your lives.

Changing the Pension Options You Originally Selected (see Section 30)

12. Claiming Credit for Child Rearing

You can apply to have the time you spent child-rearing credited to your regular contributory service. Crediting the time to your regular contributory service may allow you to take advantage of the early retirement provisions of the plan commonly known as the "90" factor.

You may apply for any number of child-rearing periods, up to a maximum of five years (50 months) of contributory service during your entire teaching career. You must apply for child-rearing time while you are still an active plan member, or within 30 days after your employment with all Plan employers ends.

You may claim this contribution service at any time but it is usually best to wait until you are close to your retirement date; you are not eligible for Long Term Disability coverage when you reach 35 years of contributory service. In the event you are on LTD near the end of your career it may be to your advantage to continue on LTD and build your pension rather than be forced to retire with 35 years of contributory service. Pensionable and contributory service continue to grow while you are on LTD and that will result in a larger pension when you do retire.

13. Annual Pension Statement

Your Teachers' Pension Plan Annual Member's Benefit Statement provides important information. It is what the Teachers' Pension Plan has on file about you and your pension. The information on file comes from both you and your employer. While the Teachers' Pension Plan works closely with your school board to ensure the accuracy of data that is sent to them from your school board, there are chances for error.

Read your statement carefully to ensure that the information is accurate. Remember it is an annual statement and it is up to the end of the calendar year.

Personal Information on Your Pension Plan Statement

- Name, personal ID, date of birth, gender, spouse's name, spouse's date of birth, name of beneficiary, date when pension contributions started, whether you are or not vested (vesting is two years of contributory service), earliest retirement date, and earliest date of non-reduced pension
    - Estimated Monthly Retirement Pension Benefit from TPP
    - Service Earned in the TPP.
    - Salary in the TPP
    - Your contributions in the BC TPP (note these contributions DO NOT REFLECT the value of your pension)
    - Termination of employment (if you quit teaching prior to your entitlement to a pension)

Errors in your statement should be reported to your employer.

If you are experiencing any difficulty in rectifying errors, you should speak to your local president for advice and direction.

If you notice an error take steps to correct it as soon as possible. If it is left until retirement time, it could cause unnecessary delays in receipt of your pension.

14. Pension Income Splitting

Canada Revenue Agency covers this topic extensively here:

Pension Income Splitting

Splitting Your TPP Income

Pension splitting allows a taxpayer to give up to 50% of their eligible pension income to their spouse for income tax purposes. Be sure to consider it when you are preparing your net-to-net comparison between your current family income and your family income in retirement.

What pension income is *not* eligible for splitting?

The following amounts received by the pensioner are not eligible for pension income splitting:

- Old Age Security payments
- Canada Pension Plan, Quebec Pension Plan
- Any foreign source pension income that is tax-free in Canada because of a tax treaty that entitles you to claim a deduction at line 256
- Income from a United States individual retirement account (IRA)
- Amounts from a RRIF included on line 115 on your income tax return and transferred to an RRSP, another RRIF or an annuity.

What conditions must be met for pension splitting?

- You must be married or in a common-law partnership with each other in the year. (You cannot be living apart for more than 90 days because of marriage breakdown).
- You were both resident in Canada on December 31 of the year
- You received an eligible pension income

Example

Bill and Mary are retired educators who have decided to retire on their Teachers' pension plan. They are both age 60. Bill retired from a position as a district coordinator. Mary retired from a part time primary position that she assumed late in her working life.

Bill and Mary Example: Income Tax Paid WITHOUT and WITH Pension Splitting

	No Pension Splitting Bill	No Pension Splitting Mary	With Pension Splitting* Bill	With Pension Splitting * Mary
Teachers' Pension	60,000	20,000	40,000	40,000
Early CPP	8,270	4,200	8,270	4,200
Total Income	68,270	24,200	48,270	44,200
Minus Income Tax	14,037	2,468	8,097	6,888
Net Income	54,233	21,732	40,173	37,312

Bill and Mary Example:

Combined Income and Income Tax Summary With and Without Pension Splitting

Note* In this example of pension splitting, Bill and Mary split Bill's TPP. Mary's income increases by $20,000.

	No Pension Income Splitting	With Pension Income Splitting
Combined Annual Income Before Tax	92,470	92,470
Combined Annual Income Tax Bill	16,505	14,985
Net Annual Income After Income Tax	75,965	77,485
Annual Income Gained From Pension Income Splitting		1,520

Pension income splitting can be done at the time you file your tax return. Pension income splitting requires the completion of Form T1032 Joint Election to Split Pension Income. If you use this form be sure to use the online fillable one (second choice). It allows you to fill in the pdf on your computer then print it out. Saves a lot of time and is much neater.

Note: if you use Tax prep software such as Intuit's TurboTax, these calculations are all done for you and appropriate forms filled out, so you can maximize your savings. Even so, you are advised to consult a financial advisor before effecting income splitting.

Canada Pension Plan Sharing

Learn about CPP sharing here.

You can share your Canada Pension Plan retirement pension with your spouse or common-law partner. To do so, you must be receiving your pension, or be eligible to receive it, and be living with your spouse or common-law partner.

Sharing your pension *may* result in tax savings.

You **must apply** to share your pension.

As indicated in the previous section, Canada Pension Plan income cannot be included in pension splitting.

Whereas pension splitting for Bill and Mary allowed Bill to include some of his teacher pension income in Mary's tax return in order to reduce their overall tax rate, CPP pension sharing is a two way sharing of the pension.

In this case Bill can give Mary half of his CPP but Mary must, in return, give half of her CPP to Bill.

How does Canada Pension sharing work?

There are two ways to share a pension:

- If only **one** of you contributed to the Canada Pension Plan (CPP) and/or the Quebec Pension Plan (QPP), you can share the one pension.

- If **both** of you contributed, you and your spouse or common-law partner may receive a share of both pensions The combined total amount of the two pensions stays the same whether you decide to share your pensions or not.

The portion of your pension that can be shared is based on the number of months you and your spouse or common-law partner lived together during your joint contributory period. This period is the time when either one of you could have contributed to the CPP and/or QPP. Your Statement of Contributions has all the details about your contributions.

With CPP pension splitting, there is a re-calculation of the CPP pensions for both Bill and Mary. Assuming that they have been married or have lived together for a long time while contributing to their CPP, the re-calculation will result in Bill's CPP pension decreasing and Mary's CPP pension increasing.

In turn, this will result in Bill paying less income tax and Mary paying more. The tax benefit will be less than our pension splitting example, but how much won't be known until Service Canada has done the re-calculation.

What Is Required To CPP Pension Share?

CPP Pension Sharing requires an application.

If you are applying for or are already receiving a Canada Pension Plan (CPP) retirement pension, you can apply for pension sharing. In other words, you both must be 60 and applying for a CPP retirement pension.

Documents you need:

- If you apply for pension sharing at the same time as you apply for your CPP pension, you will need your Social Insurance Number and your original marriage certificate or proof of your common-law relationship (Statutory Declaration of Common-law Union form – dual signatures - ISP3004CPP or Statutory Declaration of Common-law Union form - single signature - ISP3104CPP).
- If you and your spouse or common-law partner are already receiving a CPP pension, only your original marriage certificate or proof of your common-law relationship (Statutory Declaration of Common-law Union form – dual signatures - ISP3004CPP or Statutory Declaration of Common-law Union form - single signature - ISP3104CPP) is needed.
- Complete the pension sharing form (ISP1002) on screen, print it, and then mail it, with the necessary supporting documents, to the Service Canada office listed on the application form.

In order to apply, both spouses must be over the age of 60 and both must apply to collect CPP. Once the spouses apply for CPP, the split is determined by CPP and not the applicants. In most cases, the split is 50/50 but in the case of second marriages or late marriages, the split may not be 50/50.

As with income splitting, you are advised to consult a financial planner to discuss this plan.

15. RRSP and RRIF Rules

An RRSP is a retirement savings plan that you establish, that is registered, and to which you or your spouse or common-law partner contribute. Deductible RRSP contributions can be used to reduce your tax.

Any income you earn in the RRSP is usually exempt from tax as long as the funds remain in the plan; you generally have to pay tax when you receive payments from the plan.

Learn about it here Registered Retirement Savings Plan (RRSP)

A registered retirement income fund (RRIF) is an arrangement between you and a carrier (an insurance company, a trust company or a bank) that CRA registers. You transfer property to the carrier from an RRSP, an RPP, an SPP, or from another RRIF, and the carrier pays you a minimum amount each year.

Learn about it here Registered Retirement Income Fund (RRIF)

RRSPs When You Turn 71

When You Turn 71, you must close your RRSPs. You have the following options:

- withdraw them or
- transfer them to a RRIF or
- use them to purchase an annuity.

When you withdraw funds from your RRSPs, your RRSP issuer will withhold tax. For more information, see Making Withdrawals.

Your RRSP issuer will not withhold tax on amounts that are transferred directly to a RRIF or that are used to purchase an annuity. You may have to pay tax on the income when you start receiving payments from the RRIF. Enter these payments as income on your income tax and benefit return for the year you receive them.

Spousal RRSPs or common-law partner RRSPs

After December of the year you turn **71** you can contribute (up to your RRSP deduction limit) to a spousal RRSP or common-law partner RRSP if your spouse or common-law partner is 71 or younger on December 31 of the year you make the contribution. This only becomes an allowable tax deduction if it is applied against “earned income”. Earned Income is defined as employment earnings, self-employment earnings, and certain other types of income, after subtracting specific employment expenses and business or rental losses.

RRSPs — Other Topics (links are from the CRA website)

Setting up an RRSP **Contributing to an RRSP** **Transferring Funds**

Making Withdrawals from Your RRSP **Receiving income from an RRSP**

Death of an RRSP annuitant **Anti-avoidance rules for RRSPs and RRIFs**

RRSP tax-free withdrawal schemes

Note: It is important to check the current year's regulations for all these savings plans and to consult with a financial advisor to see how one or more would fit into your overall financial plan.

Registered Retirement Income Fund(s) (RRIF)

A RRIF requires annual withdrawals of funds. A minimum prescribed amount must be paid to you in the year following the year the RRIF is entered into, and each year thereafter. Earnings in a RRIF are tax-free and amounts paid out of a RRIF are taxable. Amounts up to the minimum prescribed amount are not taxed at withdrawal, tax being paid when you submit your annual income tax return. Amounts exceeding the prescribed amount will be subject to a withholding tax at withdrawal, the tax rate depending on the value of the excess withdrawal, as follows:

Annual RRIF Excess Amount	**Rate**
up to $5,000	10%
over $5,001 but no more than $15,000	20%
in excess of $15,000	30%

The withholding tax on excess withdrawals is not an additional tax, but a tax pre-payment.

Withdrawals over the prescribed minimum could have overall tax implications (e.g. OAS clawback, change in marginal tax bracket), and you would be wise to consult a financial planner before withdrawing more than the prescribed minimum.

You can have more than one RRIF and you can have **self-directed RRIFs**. The rules that apply to self-directed RRIFs are generally the same as those for RRSPs. For more information, see:

Self-directed RRSPs and RRIFs

Your annual minimum payment is based on your age on January 1st and is calculated as a percentage of your RRIF value at the beginning of the year. If you have a younger spouse, you can use your spouse's age to determine the minimum annual payment.

Sample RRIF The RRIF schedule below illustrates payments from a RRIF originally valued at $100,000, and earning interest at an annual rate of 3%. Payments listed are based on the prescribed Minimum Withdrawal Rate, from age 71 to age 99, with higher withdrawals at ages 100 and 101, to close out the RRIF at age 101. Remember, the withholding tax is a prepayment, not an additional tax.

Age On Jan 1	Year	Opening Balance as of January 1	Annual Interest Earned	Gross RIF Payment Requested	Prescribed Minimum Withdrawal Rate	Withholding Tax To Be Deducted	Net RIF Payment Received
71	2021	$100,000.00	$3,000.00	$5,280.00	5.28%	$0.00	$5,280.00
72	2022	$97,720.00	$2,931.60	$52,76.88	5.40%	$0.00	$52,76.88
73	2023	$95,374.72	$2,861.24	$5,274.22	5.53%	$0.00	$5,274.22
74	2024	$92,961.74	$2,788.85	$5,270.93	5.67%	$0.00	$5,270.93
75	2025	$90,479.66	$2,714.39	$5,295.62	5.82%	$0.00	$5,295.62
76	2026	$87,928.13	$2,637.84	$5258.10	5.98%	$0.00	$5258.10
77	2027	$85,307.88	$2,559.24	$5,263.50	6.17%	$0.00	$5,263.50
78	2028	$82,603.62	$2,478.11	$5,253.59	6.36%	$0.00	$5,253.59
79	2029	$79,828.14	$2,394384	$5,252.69	6.58%	$0.00	$5,252.69
80	2030	$76,970.29	$2,309.11	$5,249.37	6.82%	$0.00	$5,249.37
81	2031	$74,030.02	$2,220.90	$5,241.33	7.08%	$0.00	$5,241.33
82	2032	$71,009.60	$2,130.29	$5,240.51	7.38%	$0.00	$5,240.51
83	2033	$67,899.38	$2,036.98	$5,235.04	7.71%	$0.00	$5,235.04
84	2034	$64,701.32	$1,941.04	$5,227087	8.08%	$0.00	$5,227087
85	2035	$61,414.49	$1,842.43	$5,226.37	8.51%	$0.00	$5,226.37
86	2036	$58,030.55	$1,740.92	$5,216.95	8.99%	$0.00	$5,216.95
87	2037	$54,544.52	$1,636.64	$5,209.96	9.55%	$0.00	$5,209.96
88	2038	$50,981.20	$1,529.44	$5,205.18	10.21%	$0.00	$5,205.18
89	2039	$47,305.46	$1,419.16	$5,198.87	10.99%	$0.00	$5,198.87
90	2040	$43,525.75	$1,305.77	$5,188.27	11.92%	$0.00	$5,188.27
91	2041	$39,643.25	$1,189.30	$5,177.41	13.06%	$0.00	$5,177.41
92	2042	$35,655.14	$1,069.65	$5,166.43	14.49%	$0.00	$5,166.43
93	2043	$31,555.37	$946.75	$5,156.64	16.34%	$0.00	$5,156.64
94	2044	$27,348.48	$820.45	$5,156.64	18.79%	$0.00	$5,156.64
95	2045	$23,030.15	$690.90	$4,606.03	20.00%	$0.00	$4,606.03
96	2046	$10,933.22	$573.45	$3,823.01	20.00%	$0.00	$3,823.01
97	2047	$15,865.47	$475.96	$3,173.09	20.00%	$0.00	$3,173.09
98	2048	$13,168.34	$395.05	$2,633.67	20.00%	$0.00	$2,633.67
99	2049	$10,929.72	$327.89	$2,185.94	20.00%	$0.00	$2,185.94
100**	2050	$9,071.67	$272.15	$5000.00	20.00%	$318.57	$4,681.43
101	2051	$4343.82	$130.32	$4.474.14	20.00%	$360.54	$4,113.60
		TOTAL:	**$51,370.68**	**$151,370.68**		**$679.11**	**$150,691.57**

RRIF Sites to Explore

- Setting up a RRIF
- Transferring existing funds to your RRIF
- Receiving and reporting income from a RRIF
- Tax implications an RRIF annuitant dies
- Anti-avoidance rules for RRSPs and RRIFs

Note: It is important to check the current year's regulations for all these savings plans and to consult with a financial advisor to see how one or more would fit into your overall financial plan

16. How Your RRSPs Fit Into Your Retirement Income Plan

Once you have a complete picture of your financial situation, you can sit down with your financial planner/advisor and sort out how your RRSPs, your TFSA accounts, your non-registered investments/savings, and your pensions all fit together.

You will need to provide your advisor with:

- A net worth statement (assets minus liabilities = net worth)
- Current income and expenditures
- Estimated income and expenditures in retirement

Providing your financial planner with accurate statements and estimates is critical in ensuring that your plan is solid and provides you with an effective, tax efficient use of your resources.

This exercise should be planned with your partner, so that everyone has trust in the plan that is being developed and that no important detail of your financial picture has been left out.

Note: It is important to check the current year's regulations for all these savings plans and to consult with a financial advisor to see how one or more would fit into your overall financial plan

17. When to Draw Down My RRSPs

You should start your planning early with respect to determining when you will draw down your RRSP savings/investments. You should consult with your certified financial planner who will have a "big picture" view of your financial situation.

Some of the Considerations Include:

- How does your RRIF income fit into your long-term financial plan,
- Impact (if any) on OAS clawback,
- Nature of current investments (both long term and short term),
- Short term and long term impact on income tax (tax efficiency),
- Cash flow requirements,
- Anticipated longevity,
- Death of a spouse,
- Age of your spouse,
- Estate planning goals,
- Desire to control how your funds are invested,
- Need for inflation protection and
- Your need for predictable income

Most financial institutions provide descriptive and promotional literature on the topic.

18. Tax Free Savings Account Tax Rules & How They Fit Into Your Retirement Plan

Learn about the Tax Free Savings Account (TFSA))

The Tax-Free Savings Account is a flexible, registered, general-purpose savings vehicle that allows Canadians to earn tax-free investment income to more easily meet lifetime savings needs. The TFSA complements existing registered savings plans like the Registered Retirement Savings Plans (RRSP) and the Registered Education Savings Plans (RESP).

How the Tax-Free Savings Account Works

Beginning January 1, 2009, Canadian residents, age 18 and older have been able to contribute funds annually to a TFSA. Permitted amounts varied over the years. Total permitted contributions up to and including 2019 add up to $63,500.

- Investment income earned in a TFSA is tax-free.
- Withdrawals from a TFSA are tax-free.
- Unused TFSA contribution room is carried forward and accumulates in future years.
- Full amount of withdrawals can be put back into the TFSA in future years. Re-contributing in the same year may result in an over-contribution amount which would be subject to a penalty tax.
- Choose from a wide range of investment options such as mutual funds, Guaranteed Investment Certificates (GICs) and bonds.
- As with RRSPs and RRIFs, a TFSA can be self-directed, giving you the ability to include individual stocks traded on recognized stock exchanges, and Exchange Traded Funds (ETFs).
- Contributions are not tax-deductible.
- Neither income earned within a TFSA nor withdrawals from it affect eligibility for federal income-tested benefits and credits, such as Old Age Security, the Guaranteed Income Supplement, and the Canada Child Tax Benefit.
- Funds can be given to a spouse or common-law partner for them to invest in their TFSA.
- TFSA assets can generally be transferred to a spouse or common-law partner upon death.

Note: It is important to check the current year's regulations for ALL these savings plans and to consult with a financial advisor to see how one or more would fit into your overall financial plan.

19. Registered Disability Savings Plan

[Learn About the Registered Disability Savings Plan]

The Registered Disability Savings Plan (RDSP) is a long-term savings plan to help Canadians with disabilities to save for the future. If you have an RDSP, you may also be eligible for grants and bonds to help with your long term savings.

You should consider opening an RDSP if you have a long-term disability and are:

- Eligible for the Disability Tax Credit;
- Under the age of 60 (if you are 59, you must apply before the end of the calendar year in which you turned 59);
- A Canadian resident with a Social Insurance Number (SIN); and
- Looking for a long-term savings plan.

You may contribute any amount to your RDSP each year, up to the lifetime contribution limit of $200,000. With written permission from the RDSP holder, anyone may contribute to the RDSP.

Disability Tax Credit 2013-2014

Individuals suffering from a severe and prolonged mental or physical impairment can claim a federal disability amount of $7,697. If the person with a disability is a child under 18, there's an additional supplement of $4,490, for a total disability amount of $12,187. To qualify, a doctor must certify on Form T2201 that there exists a severe and prolonged impairment that "markedly restricts" the individual's daily living activities. The impairment must have lasted, or can reasonably be expected to last, for a continuous period of 12 months.

Those making a new application for this credit will find that the CRA will review the claim to determine eligibility before assessing the tax return. For this reason, if you're claiming the disability tax credit for the first time, you must paper-file your tax return. Once approved, this credit can continue to be claimed as long as circumstances do not change. There is no requirement to file a new certificate each year.

A certificate may be requested for a deceased taxpayer, provided it could reasonably be expected that the serious and prolonged mental or physical impairment would have lasted more than 12 months had the taxpayer not died.

If you can't take advantage of this credit, it may be able to be transferred to your spouse, common-law partner or other supporting person. The list of supporting relatives who can claim a person's unused disability tax credit includes a parent, child, brother, sister, aunt, uncle, nephew or niece. Key to making the claim is that the person on whose behalf it is made must be "dependent on the taxpayer for support."

The rules relating to this area of credits are exceedingly complex and often confusing. Before filing a return, it's recommended that you have a tax adviser analyze your particular circumstances to determine the appropriate claim or combination of claims.

20. BC Medical Services Plan

Effective January 1, 2020, MSP premiums in BC are eliminated.

21. Dental Care Benefits

There are two comprehensive dental plans that are available from the Teachers' Pension Plan: an essential plan and an enhanced plan. These plans exceed any other voluntary dental plan that Green Shield offers. Full details of these plans are available here**.**

There are also dental plans available from Johnson Insurance through your membership in the BCRTA. Full details of these plans are available here. Click on the Dental tab.

If you intend to enroll in one of the dental care group benefits, you should do a careful comparison of the provisions of your current plan(s) so that you understand:

- The differences in the scope of what is covered (example: neither of the dental plans include Orthodontic Services)
- The deductible amounts
- The annual and lifetime limits
- Benefit Levels

Dental Option 1: ESSENTIAL PLAN	Dental Option 2: ENHANCED PLAN
Basic Services only **Reimbursement: 70%** **Frequency Plan Limits: $1000 per person per Calendar Year**	**Basic Services plus Major Restorative Services** **Reimbursement: 70%** **Frequency Plan Limits: $2,000 per person per Calendar Year**

Rates for Coverage

With the voluntary dental plan, you are responsible for 100% of the premiums.

2017 Rates (effective February 1, 2019):

Plan	Single	Couple	3 or more
ESSENTIAL	$28.31 per month $339.72 annual	$53.83 per month $645.96 annual	$90.73 per month $1088.76 annual
ENHANCED	$53.56 per month $642.72 annual	$101.70 per month $1220.40 annual	$143.61 per month $1723.32 annual

Well in advance of your retirement/resignation, you should schedule necessary dental and dental specialist appointments to ensure that your important work is completed prior to the end of the coverage period on your current plan. Check with your school board as to when your coverage ends and the final deadlines for the submission of claim expenses.

You should receive a letter from the Human Resources Department of your school board providing details as to when your current coverage ends.

22. Voluntary Extended Health Care Benefits

There is one voluntary Extended Health Care Plan provided for retired teachers by the BC Retired Teachers' Association through Johnson Inc. and one Voluntary Extended Health Care Plan offered by the Teachers' Pension Plan Group Benefit through Green Shield Canada.

If you intend to enroll in the extended health care group benefit, you should do a careful comparison of the provisions of your current plan(s) so that you understand:

- The differences in the scope of what is covered
- The deductible amounts
- The annual and lifetime limits

In addition, if you have a spouse who is employed or retired and enrolled in a group plan, you should check the costs and benefits of moving to their plan. Alternatively, you may want to examine the advantages of enrolling in two plans.

Carriers will usually only allow you to enroll in a plan if you can show evidence of continuous coverage. Don't decide to drop coverage unless you fully understand the implication of this decision.

Well in advance of your retirement/resignation, you should schedule purchase of goods and services that are provided in your current plan. You may also want to review your optical needs and requirements as well. Expense claims for these goods and services need to be made prior to the end of the coverage period on your current plan. Check with your school board as to when your coverage ends and the final deadlines for the submission of claim expenses.

This chart is provided to compare the benefits between the **Green Shield Canada EHC** plan and the **Johnson's EHC plan.** You are advised to undertake a careful analysis before making a decision.

Extended Health Care Benefit Comparison

	Teachers' Pension Plan—GSC	**BCRTA--Johnson Inc**
Plan %	80% (1st $1,000); 100% thereafter	80%
Deductible	$200 per person per calendar year (includes insulin injectors hearing aids, vision care)	None
Lifetime Max	$200,000	$250,000
Prescription Drugs	Covered Direct pay drug card GSC formulary (Larger than the PharmaCare Formulary) Pharmacare Low Cost Alternative & Reference Drug Program pricing 8% mark-up $10 dispensing fee cap per script	Option A: $1500/Option B $3500 (per household) Direct Pay Drug Card BC Provincial (PharmaCare)Formulary PharmaCare Low Cost Alternative & Reference Drug Program pricing 8% mark-up limit $10 dispensing fee cap per script
Accidental Dental	Covered	$1000 per calendar year
Ambulance Services	Covered	Covered
Health Education	Not covered	$100 per calendar year
Hearing Aids	$1400 per 4 calendar years -- reimbursed at 100%	$1,000 per 5 calendar years
Home Care	$50/day Up to 10 days after hospital stay Care must be from LPN or RN	$50/day Up to 10 days after hospital stay
Hospital Accommodation	Covered Semi-private or private room	Reimbursed at 100% up to **$**100/day Semi-private or private room
Medical Aids & Appliances	Covered (some limits apply)	Covered (some limits apply)
Paramedical Services	Combined $1,000 per calendar year	Covered $1,000 per calendar year
Private Duty Nursing	Covered	$3,000 per 3 calendar year
Vision Care	$300 per 2 calendar years Reimbursed at 100%	$300 per 2 calendar years
Eye examinations	Covered Included in vision care maximum	1 exam per 2 calendar years Up to $100
Travel	Within Canada coverage only Included in life time maximum	

Rates for Coverage

With the BOTH Johnson Inc. and Green Shield Canada voluntary extended health care plans, you are responsible for 100% of the premiums.

Johnson Insurance EHC with Travel

The BCRTA has provided an alternate Extended Health Care Plan with Travel that better meets the needs of some of our members. The key features are that any number of trips outside BC are permitted up to a maximum of 62 days each and there is no 90-day stability clause. Rather, claims while travelling must be for 'sudden and unforeseen' incidents.

	Single	Couple	Family
Under 75 years			
$1500 max drug	$123 per month	$219 per month	$288 per month
$3500 max drug	$161 per month	$284 per month	$373 per month
Over 75 years			
$1500 max drug	$167 per month	$304 per month	$397 per month
$3500 max drug	$207 per month	$371 per month	$484 per month

*When doing a comparison of your premiums between the Green Shield Canada Plan and the Johnson Plan be sure to add the $200 deductible per member to the GSC premiums as you pay the first $200 of costs. There is no deductible with the Johnson Plan.

Green Shield 2019 Rates (effective February 1, 2019)

Plan	Single	Couple	3 Or More
Extended Health Care	$76 per month $913 annually	$152 per month $1827 annually	$296 per month $3551 annually

23. Differences Between Current Group Benefits And Group Benefits Offered By TPP

To conduct a review, you will need a copy of the plan booklet for your current plans (EHC and Dental). And for the retiree plans.

24. Conversion Rights from Current Group Life Insurance Plan(s) to Individual Plan(s)

Life insurance conversion options provide a teacher/ employee whose group insurance coverage is ceasing to convert their current Basic and Voluntary Group Life insurance amount to an individual insurance policy without the need to provide evidence of insurability. To exercise the conversion option, you must fill out and return the relevant forms to the insurance provider within a specified period (very soon after you retire!). Check with your school board office (payroll/human resources) to get the necessary details—application time limits and the necessary contact information to secure an insurance quote from the carrier.

This can be a good value to applicants who have serious health issues, such as a history of cancer, stroke or heart disease, which can make individual coverage difficult to attain. The insurance does buffer itself by charging a much higher premium on the conversion from group life.

25. Assessing Life Insurance Needs

Prior to retirement and the loss of your current work-related term life insurance, you should review your life insurance needs. Life insurance is inextricably tied to estate planning.

Do you have someone you wish to protect when you die?

Reasons to consider life insurance:

- To pay off debt (lines of credit, credit card)
- To guarantee a mortgage;
- To cover probate fees and taxes at your death (income tax on RRIFs, capital gains from investment portfolios, real estate and other sources of income);
- To provide income for your dependents (remember a joint life pension and/or a pension with time guarantees can achieve the same thing so be sure to undertake a careful analysis of the cost benefit of each option);
- To provide payment of funeral expenses and non-probate legal fees;
- To avoid payment of capital gains from investments;
- To leave a larger estate for your family and other beneficiaries;
- To provide for stability in a family or small business;
- To provide for charities that you support

Consult with your Certified Financial Planner to assist you in making a determination.

At the point of retirement, you will be offered the right to convert your existing school board group policy to an individual policy on a non-medical basis. Premiums are most likely to be higher than those paid by your board currently

BCTF'S VOLUNTARY GROUP INSURANCE Consider taking out voluntary group life under the terms of the BCTC Voluntary Group Insurance. (Industrial-Alliance Pacific Life Insurance)

The policy provides a RETIREMENT CONTINUATION OPTION so that when you retire after age 55 you can continue your insurance and/or your spouse's insurance to age 70, provided you've been insured for at least six months immediately prior to retirement, and are not on Waiver of Premium.

26. Right to Withdraw From the BCTF Salary Indemnity Plan — Long Term

(BCTF members only)

A BCTF member who has met certain criteria, listed here, may voluntarily withdraw from the long-term portion of the Salary Indemnity Plan. Withdrawal may be made during any school year in which one of the foregoing conditions has been met and upon the completion of the appropriate withdrawal form. Withdrawal will be effective, upon approval, in September for applications received in that month. Applications submitted later will be effective the month following approval of the application.

In making application for withdrawal, you should ensure that in the event of serious illness or accident you have sufficient accumulated sick leave which, when combined with 120 days of benefit from SIP: short-term, will protect your salary to the end of the month in which you reach factor '90' or the end of the month you attain age 65, whichever comes first.

Principals and vice-principals should contact their HR department to inquire whether they are members of the BCTF SIP or the disability plan offered through the BCPVPA. The BCPVPA plan will have its own withdrawal guidelines.

Applications are available online at:

Withdraw from BCTF Long Term SIP Application

or call the BCTF Income Security Division at 604-871-1921.

27. BCRTA Voluntary Travel Insurance Benefits: Medoc

Learn About Medoc Voluntary Travel Insurance

Benefits

A comprehensive out-of-province travel insurance that ensures coverage when faced with a medical emergency, travel cancellation or delay while traveling.

Some key features:

- ALL BCRTA members and spouses are eligible
- Supplemental Trip Plan coverage options available for single trips up to 182 days
- Trip cancellation insurance on every trip
- Single trip options are also available

MEDOC Single Trip Plan is available, providing coverage for up to $5,000,000 for emergency medical treatment while traveling outside your province or territory of residence or Canada and includes up to $8,000 Trip Cancellation, Interruption & Delay Insurance.

Plan rates depend on age, medical history, deductible choice and maximum trip duration. Contact Johnson Inc. online or phone 1 866 606 3362 for a quote.

This chart is provided to compare the benefits of the Medoc plan with the travel component of the Johnson EHC with Travel plan

	Medoc	Johnson EHC with Travel
Travel	Out of Province and Out of Country Reimbursement at 100%. Unlimited number of trips of any duration within Canada.	Out of Province and Out of Country Reimbursed at 100%
Eligibility	Must be medically stable for 90 days prior to the beginning of the trip	Claimed events must be 'sudden and unforeseen'
Maximums	$5,000,000 per trip per year	$5,000,000 lifetime maximum
Trip Cancellation	$8,000 per person per trip, including travel in BC 90 day stability clause.	$8,000 per person per trip, including travel in BC. Additional trip cancellation available Sudden and unforeseen clause.
Length – maximum per trip	Multi-trip plan – 17 or 35 days Additional days available but expensive	Multi-trip plan - 62 days per trip Additional days available
Single Trip Coverage	Yes	No
Lost luggage	$1500 per trip, max $3000 per family.	$1500 per trip, max $3000 per family.

Johnson Inc. also provides stand-alone trip cancellation insurance, which provides coverage independent of any insurance you have under other plans, useful if you have planned a very expensive trip and wish additional trip cancellation coverage or if you have a different plan which does not cover trip cancellation.

28. Changing My Pension Options

You have 60 days from the granting of your pension to change your options. After that date the decision is irrevocable (final).

If you have a spouse, your ability to change your pension option may be limited. This is because your spouse has, under provincial pension legislation, certain entitlements to your pension. Your spouse can waive all or a portion of these entitlements before your pension starts. Once the pension starts, your spouse's legal entitlement is fixed and cannot be waived or reduced.

If your spouse dies within 60 days of your pension being granted, you can change to any pension option because there is no longer a need to protect your spouse's entitlement to your pension. If your spouse dies after the 60 days, you cannot change your pension option.

29. Maintaining or Relinquishing My Teaching Certificate

Keeping your Teaching Certificate or Not…

If you are retiring, but may be employed as a teacher-on-call or are using your BC certification to accept employment in BC, you must maintain your certificate by paying the annual fee. If you are employed by a school district or independent school, your payroll will be deducted by your employer.

If you decide that you no longer want to be certified by the Teacher Regulation Branch, and you are not teaching and do not plan to return to teaching, you have two options:

1. Do not pay your annual fee. Your certificate will be cancelled for non-payment of fees.
2. Complete and submit the Notice of Relinquishment form.

In both of the above cases, if you wish to return to teaching, you will need to reapply. You will be subject to the requirements in place at the time of your reapplication.

30. BCTF Honorary Associate Membership

Learn About Honorary Associate Membership

Your active membership in the BC Teachers' Federation terminates on your retirement from teaching. You may, however, be eligible for honorary associate membership in the BCTF. Honorary associate members receive the *Teacher*, the newsmagazine of the BCTF.

Honorary associate membership, without fee, is granted to any BCTF member upon application.

Note: No fee is levied with this membership. Once the BCTF has been advised of a member's retirement their BCTF membership is changed to reflect Honorary Retired Associate. No paperwork is required by the member.

31. Re-Employment of a Retired Teacher by a TPP Employer

If you are receiving a pension from the BC Teachers' Pension Plan (TPP) and are re-employed by a TPP employer, you continue receiving your pension but do not make pension plan contributions. Be sure you tell your employer of your retirement status.

32. BC Retired Teachers' Association – Why Join?

The primary value of the BCRTA is that teachers and educators will continue to have an Association to speak with one voice about their economic interests and concerns. In this aspect, the BCRTA replaces the professional association, which served the same interests in the years before retirement, and advocates on key issues that affect retired teachers.

Recently, the Association conducted an extensive lobby campaign in support of renewal of the Canada Health Accord. Efforts are ongoing, with a focus on monitoring federal funding for home care and mental health care, and advocating for a national pharmacare plan. In 2018 and 2019, the BCRTA spearheaded, with considerable success, a campaign to oppose changes to federal pension legislation (Bill C-27) which would put in jeopardy many defined benefit pension plans offered by federal private corporations and Crown Corporations, permitting conversion to less secure target benefit plans.

The BCRTA needs your support when you become a retired teacher to ensure that important medicare benefits are maintained and improved, and that the pension plan climate in Canada remains favourable to defined benefit pension plans. Other Good Reasons for Becoming A BCRTA Member:

- Travel Insurance Plans (see Section 27 for details)
- The opportunity to engage in branch social activities such as luncheons, day trips, sports events, speakers and entertainment — all of which permit continuing contact with colleagues from your working days as an educator;
- Input into pension concerns through representatives on TPPAC, the Teachers' Pension Plan Advisory Committee;
- Input into pension decisions through the Pension Plan Trustees who deal with the challenges of maintaining pension indexing and health benefits (one of the ten Pension Plan trustees is nominated by the BCTF specifically to represent retired teachers);
- An opportunity, as a member of the R.R. Smith Foundation, to support educational projects in BC, the rest of Canada, and abroad (all BCRTA members are automatically members of the philanthropic foundation);
- Receipt of the excellent BCRTA publication, Postscript, which is published four times a year as well as local branch bulletins designed to provide information on activities in your local area;
- Representation, through the BCRTA, on the executive of the Canadian Association of Retired Teachers (ACER-CART), which is influential on matters concerning seniors as citizens of Canada;
- Affiliation with COSCO (the Council of Senior Citizens' Organizations of BC) which represents about 60,000 BC seniors and advocates on your behalf.

Joining the BCRTA means membership in an organization that exists to "guard the interests and to promote the welfare" of retired educators throughout the province.

If you are not yet ready to retire, and if you wish to take advantage of a BCRTA membership, as a member of the BCTF you are eligible to join the BCRTA at no cost as an associate member, which allows you to take advantage of the BCRTA sponsored travel insurance plans even though you have not yet retired.

33. Appendix: Worksheet 1 - How Much Does It Cost To Go To Work?

Revised March, 2017

How Much Does It Cost You To Go To Work? (Annual Costs) Based on typical Vancouver Cat 5 and Cat 6 salaries *I spend the following amounts each year on these work expenses:*		
1	Lunches or meals, snacks (don't forget Tim Horton's, Starbucks, Blenz, your local deli etc.)	
2	Transportation: The Cost of Running A Second Vehicle Consider the necessity of a second vehicle if you are a two car family. The CAA has an excellent Driving Cost Calculator where you can price out the cost of operating your vehicle. A sample follows: • 2013 Honda Civic (4 cylinder) • Range: • Low end of range (12,000 km per year): $3400 • Operating $1750; Insurance$1500; License/plates$150; no • consideration of depreciation, you own the car. • High End of Range: (18,000 km per year): $7300 • Operating $1750; Insurance $1500; license $150; • Depreciation$3069; Finance (car loan $836) • Alternatives: car pool, public transit, car sharing organizations/coops etc, Do the math!	$3400 - 7300
3	Union Dues – Full Time BCTF: The BCTF fee is approximately 1.8% of salary for most F/T members =$1400 for Cat 5 max and $1540 for Cat 6 max. In addition if you work full time, your local fee is on average $550 per year (range $400 to $800). Total: $ Approx.$1500 Teacher Pension Plan members of other organizations should secure the amount of membership dues. Based on July 1, 2017 Vancouver salary grid and 1.8% provincial fee) $78,295 x 1.8% = 1410 $85,810 x 1.8% = 1545	$1500

4	BCTF Salary Indemnity Plan (1.67% of salary) $78,295 x 1.67% $1300 $85,810 x 1.67% $1430	
5	Current Teacher Contributions to Teachers' Pension Plan: (Vancouver Cat 5 maximum and Cat 6 Maximum) Full time Cat 5—Max Salary = $78,295 12.5% to YMPE ($51,800) = $6475 14% on remaining ($26500)= $3710 TOTAL =$10185 Full Time Cat 6 Max Salary = $85,810 12.5% to YMPE ($51,800) = $6475 14% on remaining 34,010 = $4761 Total = $11,236	$10,185 To $11,240
6	Current Employment Insurance Premiums (2017) Note: if your insurable earnings are less than $51,300 , then your premiums will be your gross salary times 1.88% 1.88% of the set gross salary maximum of $51,300 is $836 in 2017 Note: Your contribution should be less than this because teachers have a short term disability plan (check you last pay statement for a more accurate number)	$836
7	Current Canada Pension Plan Contributions (2017) 4.95% of gross salary= $2564 maximum Note: The CPP contribution rate is calculated on the basis of gross salary minus $3500 times 4.95% (example: $37,500 (gross salary) minus $3500 (income exempt from CPP contribution)= $34,000 (income subject to contribution) times 4.95% = $1683 (contribution amount)	$2564
8	Teacher Regulation Branch (2017) (delete if your intention is to continue on TOC list)	$80
9	Personal expenditures on school supplies and learning resources for students	
10	Work related clothing costs	
11	Work place collections and student fundraisers (engagements, marriages, showers, get well, birthdays, retirements, etc.)	

12	Laundry and dry cleaning	
13	Picking up the tab – this one's on me	
14	Impulse buying (when you buy things on the way to and from work or while in the grocery store, etc)	
15	Home repairs and basic maintenance – things you can do for yourself when retired	
16	Personal grooming for special occasions related to your teaching, etc.	
17	Domestic help (when your job prevents you from doing all the laundry and housework yourself)	
18	Shopping (because you often lack time to comparison shop and take advantage of sales and "specials," your outlay for food, clothes, household products is higher)	
	TOTAL (COST SAVINGS)	

34. Appendix: Worksheet 2 - New Costs After Retirement

Revised June, 2019

What New Costs Will I Have In Retirement That I Don't Currently Have As An Active Employee? (Note: This Is Not A Complete List)		
		Annual Cost
1	Green Shield Canada Essential Dental Plan (Effective April 1, 2017) (TPP provides access to the plan, you pay the premiums) Essential Dental (single) $340 annual Essential Dental (couple)$646 annual Essential Dental (3 or more) $1089 annual	$340 to $1089 (pick either Essential or Enhanced)
2	Green Shield Canada Enhanced Dental Plan Enhanced Dental (single) $643 annual Enhanced Dental (couple) $1220 annual Enhanced Dental (3 or more) $1723 annual	$643 – $1723 (pick either Essential or Enhanced)
3A	**Options:** Johnsons Extended Health Care (includes travel in same plan and same price) $1500 Max. (Single) $1476 annual (Couple) $2628 annual (family) $3456 annual $3500 Max. (single) $1932 annual (couple) $3408 annual (family) $4476 annual	$1476 to $4476
3B	Green Shield Canada (with travel added under MEDOC) EHC (single) $913 plus $222 = $1135 annual EHC (couple) $1827 plus $444 = $2271 annual EHC (3 or more) $3551 plus $444 = $3995 annual	$1135 to $3995
	Total New Costs	

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The information contained in the BCRTA Self-Assessment Tool #2: Financial Preparation and Readiness is intended as a general source of information only and should not be construed as offering specific tax, legal, financial or investment advice. Every effort has been made to ensure that the information is correct at the time of publication, but we cannot guarantee its accuracy or completeness.

The information in the BCRTA Self-Assessment is based on information found on linked websites between January 1, 2014 and February 15, 2014. In the event of any variation between the information in this self-assessment and the provisions of the statutes, regulations and the Plan rules, the relevant legislation, regulations, Plan rules and relevant court and administrative rulings will apply.

Interest rates, market conditions, court and administrative and administrative tribunal decisions and other investment factors can change quickly.

This self-assessment tool is not an adequate replacement or substitute for the personal financial planning advice of a Certified Financial Planner (CFP). Individuals should consult with the BC Teachers' Pension Plan, their Certified Financial Planner, personal tax advisor, accountant or legal professional before taking any action based on the contents of this report. Questions and matters related to the administration of the teacher collective agreement and related policy should be directed first to the Local Teachers' Union/Association.

Readers of this document are strongly recommended to attend a Thinking About Retiring Seminar and obtain and read thoroughly a copy of the TPP document entitled: Thinking About Retiring (2004-029 TPP Seminar TAR 2013.09.09 or its updated revision)

Federal Legislation

Information on the Canada Pension Plan and Old Age Security is based on the Canada Pension Plan Act (R.S.C.,1985, c.C-8); Canada Pension Plan Regulations C.R.C, c.385; Old Age Security Act (R.S.C., 1985, c. O-9); Old Age Security Regulations C.R.C., C-1246 and Teachers' Pension Plan rules in effect on January 1, 2017.

Teachers' Pension Plan

Information on the legislation and Teachers' Pension Plan rules are in effect as of January 1, 2019, except where otherwise noted.

In the event of any variation between the information in this Self-Assessment Tool and the provisions of the statutes, the provisions of the statutes, regulations and the plan rules will apply.

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The B.C. Retired Teachers' Association is an incorporated society under the provisions of the Society Act [RSBC 1996] Chapter 433 of the province of British Columbia.

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