

OECTA advisor

Real life situations and solutions

By Joe Pece

Are you retiring this year? Planning to retire is one of the biggest decisions you'll make in your career. To ensure that you understand the process, OECTA offers Retirement Planning and Pension Seminars to members across the province. If you haven't been able to attend a seminar, here are some of the basic steps you need to undertake to get started on your transition to retirement.

1. Contact the Ontario Teachers' Pension Plan (OTPP) by telephone (1-800-668-0105) or online through iAccess Web, a secure, members-only section of the OTPP website (www.otpp.com)
 - Setting up a personal online account is easy, if you don't already have one.
 - It is advisable to give OTPP three months notice of your resignation to avoid delays in your pension, however, the online application process can be completed in half the normal time.
 - OTPP will send you either through mail or iAccess the relevant forms and direction.
 - Provide OTPP with any updates to personal and contact information.
2. Provide a letter of resignation/retirement to your employer once you are certain of your retirement date.
 - Inquire with your local unit office exactly who at your board your letter should be addressed to (i.e., Superintendent of Human Resources or Director of Education).
 - We advise members to put the last day of the month as their retirement date. OTPP will use this date as the start date for your retirement and your pension payments will begin the following month. If you put the 1st of the next month you will miss that month's pension payment.
 - Check your local collective agreement to see if there is a timeframe for giving notice stipulated in your contract.
 - OTPP will require confirmation from your employer of your retirement date in order to proceed with your pension application.
 - If you are entitled to a retirement gratuity payout, reference the relevant article in your collective agreement and state your expectation of payout.
3. You will be required to send the following documents to OTPP (photocopies are acceptable) along with the completed pension application they sent you:
 - Birth certificate
 - Birth certificate of spouse (if applicable)
 - Marriage certificate (if applicable)
 - Divorce or separation papers (if applicable)
 - TD1/TD1ON form – Income tax deductions (will come from OTPP)
 - Void cheque for direct deposit of pension to your bank
4. You may also want to:
 - a. Use the pension calculator to confirm your estimated pension and review your survivor pension options (if applicable) – to help set your budget for retirement.
 - b. Speak with a financial planner/tax accountant about tax planning in retirement.
5. Consider health care plans that are offered to retired teachers by Retired Teachers of Ontario (RTO) www.rto-ero.org, and Retired Teachers Insurance Plan (RTIP) www.otip.com. Your local board may also offer a retiree health benefit plan.
 - If you want to have payments for your health plan deducted from your pension, ensure that the health care application indicates this option and is returned to the insurance company in a timely fashion to avoid a gap in coverage.
6. Your first pension cheque will arrive by the last business day of the month following the month in which you retire. For example, if you retired effective June 30, your first pension cheque is July 31. If you retire on March 17, your first pension cheque is April 30. The Pension Board will send you a summary of deductions with your first pension cheque. After that, a new summary will only be sent when the amounts change – that is, each January when your pension increases due to the inflation adjustment provisions.
7. Relax and enjoy your pension. Inform the OTPP of any changes such as in address, bank account or tax deductions, whenever necessary.

Learn more about your pension and retirement planning at www.oecta.on.ca in the Contracts & Rights section of the Members' Centre.

Joe Pece is the department head for the Counselling and Member Services department at OECTA Provincial Office.