



INFOSHEET

Programs and Services



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Planning to Retire

Introduction

This Infosheet is designed to offer a summary of considerations to be made as a teacher prepares for retirement, as well as, some concise directions concerning procedures leading up to this event.

Eligibility

It is essential that a teacher makes certain that the necessary service and age requirements for pension have been met before tendering resignation from a school board or applying for a pension benefit. The best way to confirm eligibility for pension is to consult with a representative of the Teachers' Pension Plan Corporation at the pre-retirement seminars. Otherwise, the Teachers' Pension Plan Corporation can be contacted at: Teachers' Pension Plan Corporation, 130 Kelsey Drive, Suite 101, St. John's, NL A1B 0T2; fax: 709-793-4055; or email: memberservices@tppcnl.ca.

Application

All pension benefits must be applied for, whether the benefits be regular, disability or survivor. The appropriate form(s) can be obtained from the Teachers' Pension Plan Corporation. Completed forms must be returned to the Teachers' Pension Plan Corporation.

Resignation

Any teacher under contract who intends to retire is obligated by the collective agreements to serve the applicable notice to the employer. Three months' notice in writing to the school board is required prior to superannuation, except that one month notice is required if the retirement is to occur prior to the Christmas recess.

In addition, teachers who are contemplating disability benefits should be aware of the collective agreement provision which states: "... in the event that a teacher makes application for disability pension, the teacher, upon such application, shall notify the school board." Teachers applying for a disability pension should not resign until the application for the disability pension is approved, in writing, by the Teachers' Pension Plan Corporation.

Severance Pay

The collective agreements contain articles which govern the awarding of severance pay, and the applicable criteria for the receipt of such monies are outlined in those articles. A person who receives severance may be re-employed as a teacher if that individual has been out of service as a teacher for a number of days equivalent to the severance pay received; otherwise, a refund of the appropriate proportionate part of severance pay is required.

Severance monies can be received as a direct payout from the Teacher Payroll Division, which makes it taxable income; otherwise, severance pay may be sheltered from tax by "rolling" directly into an RRSP, in accordance with Income Tax regulations. Severance pay estimates are provided by Teacher Payroll at the NLTA pre-retirement seminars.

An application for severance pay is necessary, and a "Notice of Assessment" from the latest Income Tax claim must accompany the pension application. Application forms can be obtained from either the NLTA or the Teacher Payroll Division, Department of Education, PO Box 8700, St. John's, NL A1B 4J6, Telephone 709-729-2996. The application form, or general inquiries re procedure, etcetera should be directed to the Teacher Payroll Division.

Employment Insurance

Retiring teachers may apply for EI benefits, but should be aware of the following conditions:

- 1) Regular pension income must be declared as earned income for EI purposes and would, in practically all cases, disqualify a person as a bona fide claimant.
- 2) Disability pension income is not counted as earned income for EI purposes and, therefore, would not militate against a teacher receiving EI benefits.
- 3) Severance pay would have to be declared whether or not it is received and would constitute a waiting period, based on a pro-rated calculation of gross monies received as weeks of average earnings.
- 4) Voluntary retirement (resignation) – other than disability – is usually regarded by EI regulations as grounds for automatic disqualification from benefits.

Retired teachers who re-enter the workforce (including substitute teaching) can qualify for EI benefits if they get the required qualifying hours of employment. The number of required hours will vary depending on the geographic location and the unemployment rate there. Such individuals are treated as new claimants and are not penalized by their pension income. Severance pay, however, would have to be accounted for in the handling of a claim.

Group Insurance

Retired teachers are eligible for coverage under the NLTA Group Insurance Program. Details regarding specific components and premium structures are available from the Programs and Services staff at the NLTA. A separate pamphlet is available for this purpose.

Method of Payment

Pension income is received from the Compensation and Benefits Division of Executive Council. Once a teacher has ceased active service, his/her file is moved from the Department of Education payroll computer and appropriate documentation is then referred to the Teachers' Pension Plan Corporation and then to the Compensation and Benefits Division of Executive Council.

A teacher who retires at the end of the school year can anticipate the first pension payment on July 31, retroactive to the first of July. Pensions are paid on the 15th and last day of every month. It should be noted that a teacher who retires part way through a school year, rather than at the end of the school year, may get an immediate rebate of "hold back" monies. School districts have a "hold back release form" which can be activated by board officials with payroll personnel, upon request by the retiring teacher.

Summary

Individual concerns and inquiries not dealt with adequately in this Infosheet should be referred directly to the Programs and Services staff of the NLTA, or raised at one of the pre-retirement seminars sponsored by the Association