

## Frequently Asked Questions: Working past 65, Retirement, and Phased Retirement

### Working past age 65

- Q: What is my “Normal Retirement Date,” now that mandatory retirement has been eliminated?
- A: Your Normal Retirement Date is still defined as the July 1<sup>st</sup> following your 65<sup>th</sup> birthday. You no longer have to retire on that date, however.
- Q: What happens to my benefits and the contribution that UWO makes to my pension if I work past my Normal Retirement Date?
- A: The Employer’s contribution to your pension will be the same as for those Members under 65. You will also be entitled to the benefits available to Members under 65, with the following exceptions: Long Term Disability will be discontinued, Employer-paid life insurance will be limited to a \$15,000 policy, and all other Member and Dependent Life Insurance terminates. After the end of the calendar year in which you turn 69, pension contributions are discontinued (as required by tax regulations), and your benefits will be those that are available to retirees.
- Q: I turn age 65 on December 15, 2007. Will my Long Term Disability and Life Insurance Coverage terminate December 31, 2007?
- A: No. Your Long Term Disability and Life Insurance Coverage would terminate at your Normal Retirement Date, which would be July 1, 2008, and at this same time your existing employer-paid life insurance coverage would be replaced with an employer-paid \$15,000 policy.

### Retirement

- Q: When may I officially retire?
- A: If you are within ten years before your Normal Retirement Date (NRD), then you can retire at any time. However, if you retire after your NRD, you must retire on a July 1. If you wish to qualify for post-retirement benefits (and are eligible to do so – see next question) then you must retire on a July 1<sup>st</sup> (or on a June 30 if this allows you to unlock a portion of your pension funds) even if you are retiring before your NRD. Generally, in order to retire with post-retirement benefits you will need to give notice of your intention to retire 12 months in advance (although your Dean can waive this notice period on compassionate grounds). This year only, however, as a special transitional arrangement, you have until March 31, 2007 to give notice of your intention to retire (with benefits) on July 1, 2007. (Note that resignation can occur effective any July 1 with at least three months notice, but no retiree benefits would be in place.)
- Q: If I retire, will I be entitled to post-retirement benefits?
- A: Full-time Members are entitled to post-retirement benefits provided they have worked Full-Time at UWO for a minimum of 5 years (for current Full-time Members), or 10 years for new Full-time Members who join UWO on or after July 1, 2007, and who otherwise qualify to retire.
- Q: Are there any changes to post-retirement benefits?

The information in this document is provided to assist Members and Administrators in understanding the provisions of the *Resignation and Retirement* article in the Faculty Collective Agreement and other related agreed to matters. Reference should be had to the official version of the Collective Agreement and in case of any conflict, that document shall prevail.

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A: Yes, there are two changes to the post-retirement benefits available under the previous contract: 1) a slightly more restrictive definition for eligible dependent children, limiting coverage to age 21 if not attending school and to age 25 if attending school; and (2) a limitation on out-of-country coverage to 60 days.

Q: I am on a six-month Sabbatical Leave which is due to end at my Normal Retirement Date. Do I have to return for at least six months?

A: Yes, you must return for a period equal to the length of your Sabbatical Leave.

Q: Retiring at least one day prior to normal retirement allows some long-service Members to unlock a portion of their UWO Pension Funds. Does the elimination of mandatory retirement change that?

A: No, it does not. Retirement must still be a least one day prior to the Normal Retirement Date in order to unlock eligible UWO Pension Funds.

### Phased retirement

Q: How does Phased Retirement work?

A: The Phased Retirement option is available to Probationary and Tenured Members who have at least 10 years of Full-Time service at UWO and who are within 10 years *before* their Normal Retirement Date. Normally you must give notice 12 months in advance of beginning phased retirement on a July 1. This year only, as a transitional provision, the deadline is March 31, 2007 for notice that you want to begin Phased Retirement on July 1, 2007. The decision to retire at the end of phased retirement is irrevocable.

In the future, phased retirement must occur over a three-year period (but see below for transition provisions). In each of the three years, your salary and workload must be between 25% and 75% of your normal annual salary/workload (as negotiated with your dean), and your total workload over the three years must add up to between 150% and 200% of your normal annual workload. Some examples: your workload over the three years could be: 75% - 50% - 25% for a total of 150%; 50% - 50% - 50% for a total of 150%; 66.7% in each of three years for a total of 200%; etc.

The incentive to commit to phased retirement is that in addition to receiving the salary commensurate with your workload level (75% normal workload = 75% normal salary in that year), there is an additional payment of 50% of one year's salary (based on the salary at the beginning of the phased retirement). You can choose to receive this additional amount, called the Phased Retirement Supplement (PRS), in any one of three ways: (1) it can be paid as taxable income in three equal installments at the beginning of each year of phased retirement; (2) it can be paid as a lump sum at the end of phased retirement with a certain amount being sheltered and the rest taxed at that time; or (3) a portion can be paid as an amount that can be sheltered at the end of phased retirement, with the remainder being paid in equal installments at the beginning of each year of phased retirement and taxable at that time. Please note that this 50% payment is a *minimum* amount to which all Full-time Members taking Phased Retirement are entitled; a dean can increase this supplement at his or her discretion.

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Phased retirement is arranged through the Reduced Responsibility article in the Collective Agreement, which is unchanged from the 2002-06 Collective Agreement. The Workload balance during phased retirement mirrors the Unit's Normal Workload, unless agreement is reached otherwise using the provisions of the Alternative Workload article.

Q: I turned 65 on February 1, 2007, so my Normal Retirement Date is July 1, 2007. Am I eligible to begin phased retirement on July 1, 2007?

A: Yes, you can begin phased retirement this year on July 1, but you would not be eligible to begin phased retirement at any later date.

Q: Are there any special transition provisions for current Members who wish to begin Phased Retirement on July 1, 2007?

A: Yes, as a transition provision only, current UWOFA Members may elect to take a one- or two-year Phased Retirement commencing July 1, 2007 under the following conditions:

1. the Member must be Probationary or Tenured, must have 10 years of Full-Time service at Western and must be within 10 years before his or her Normal Retirement Date;
2. the Member must provide notice of Phased Retirement to the Dean by March 31, 2007;
3. the Member must negotiate a Reduced Responsibility arrangement for the phased period with a maximum reduction of 50% (per year) of full responsibility (that is, a minimum remaining workload of 50% per year);
4. the Member's entitlement is to a prorated Phased Retirement Supplement (i.e., 1/3 of 50% of one year's salary for a one year phased, or 2/3 of 50% of one year's salary for a two year phased retirement); and
5. retirement at the end of the phased term is irrevocable.
6. As in other retirement arrangements, a Member may retire one day before Normal Retirement Date in order to unlock pre-1987 pension funds.