



CAAT PENSION PLAN

Don't delay!

As with many provisions of your pension plan, it is important to take note of the deadlines associated with transfers. If you think a transfer may be appropriate for you, please do not delay in discussing it with your Human Resources representative.



Ask for these pamphlets that explain other provisions of the CAAT Plan:

- *Other Than Regular Full-Time employment*
- *Retiring early: the 50/20 option*
- *Collecting a deferred pension or reducing your pension*
- *Collecting an unreduced pension*
- *Planning to leave your job or retire? (discusses normal retirement and termination options)*
- *Purchasing Past Service: A Buyer's Guide*

TRANSFERRING SERVICE

A new job brings with it many important decisions. When you take on the challenge of changing your employment, determining what to do with your pension is one decision you won't want to overlook. One possible course of action is to transfer your pension credits from your old employer to your new one, if your new one permits.



CAAT Pension Plan

www.caatpension.on.ca

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Should you transfer?

Whether you're moving from one College to another, returning to College employment after working for an employer other than a College, or entering or leaving the College system, transferring service is something you should ask your College Human Resources representative about. Read on to learn more about this important opportunity.

If your service qualifies, a transfer will give you additional credit for some or all of your Pensionable Service from your previous plan. The additional credit will be used to calculate the amount of your pension. It will allow you to retire with a larger pension that is paid from a single source, and it could help you to take advantage of the Plan's early retirement provisions sooner.

Transferring from one College to another

If you are transferring from one College to another without taking a break in your service, your pension will not be affected.

The CAAT Plan is a multi-employer pension plan. We therefore do not distinguish between employment at one College and employment at another, in terms of your service and membership in the Plan.

Employment at any of Ontario's Colleges of Applied Arts and Technology (as well as at Ontario College Application Services) counts equally. If you transfer directly from one of these employers to another, and have not reached age 69, your contributions and Plan membership

will continue. By law, at age 69 you must start receiving CAAT pension payments whether you are working at a College or not.

After leaving your employment, you will receive a Termination Option Document from the Human Resources department of your old College. On it, you should indicate that you are choosing the option to transfer your pension credits to another Ontario College of Applied Arts and Technology. Once you have completed the paperwork, you should return it directly to us. We will make sure that your Pensionable Service and contribution records appear under your new College.

Returning to work at a College after leaving employment

Perhaps you find yourself in the situation of returning to work at a College after terminating your employment. In this case, if you are returning to work on a full time basis, you will automatically rejoin the Plan.

Whether you are returning to your old College or starting at a new one, the alternatives that you have will depend on what you were entitled to when you left the Plan previously, and which pension option you chose.

If when you left your job you chose to take a Deferred Pension, then when you return to work your pension credit will automatically transfer to your new College. All of your Pensionable Service will be used to calculate one pension the next time you leave your employment.

Note that if you are entitled to a Deferred Pension and at the time of your termination you received a refund of some of your contributions under the 50% rule, it will be to your advantage to repay that amount (plus interest) to the Plan. If you choose not to do this, your Deferred Pension credits will be frozen, and not included in a combined pension recalculation. In this case, you would wind up receiving two separate pensions, which would be less than the combined pension. As well, the

separate pensions could reduce your ability to qualify for early retirement, and you would be subject to a Deferred Pension reduction on the frozen portion if you chose to take it before reaching age 65. Please contact your College's Human Resources Department for more details if this situation applies to you.

If you received a refund of your contributions because you worked for less than two years, or you transferred the Commuted Value of your pension out of the Plan, your service relating to those periods is Purchasable Service. You will have the option of buying this service back, which would increase your Pensionable Service and consequently the size of your ultimate pension. However, you are not required to buy the service back, if you conclude that it is not a good option for you.

You can get a sense of the costs and benefit of a buyback by using the Commuted Value, Pension and Service Buyback Estimator, found on the Plan's website at www.caatpension.on.ca. Note that service buybacks have specific deadlines. You should discuss Purchasable Service options with your College's Human Resources Department immediately after you are rehired.

Transferring into the CAAT Plan from an employer outside the College system

If you are starting a job with a College, you may be wondering about transferring in service from your previous employer. If you join the CAAT Plan and are coming from another Canadian registered pension plan where you did not transfer your Commuted Value to a locked-in RRSP or take a refund of your contributions when you left, you might be able to make a transfer.

Your previous employer may be covered by one of the CAAT Plan's reciprocal agreements. These agreements allow employees to transfer their service simply, by defining the cost, the amount of service that will be granted in the new plan, and the time limits.

The CAAT Plan has more than 40 single reciprocal agreements with various employers such as universities, the federal government, and some public sector plans of other

provinces. We are also part of a multi-party transfer agreement known as the MOPPs Agreement (for Major Ontario Pension Plans). It includes the larger Ontario public sector plans such as the Hospitals of Ontario Pension Plan, OMERS, OPSEU Pension Trust, and Ontario Teachers' Pension Plan, among others.

If you are coming from this type of employment, you should check with the Human Resources representative at your new College immediately after you are hired. When you are being enrolled, you should mention that you are entitled to a deferred pension from another employer that may be eligible for transfer into the CAAT Plan. When a transfer is possible and you decide you want to make it, your College will let us know by sending a letter with the name of your former employer, the former pension plan, and your date



of termination from the former plan, along with your transfer request and your address. We will then prepare the necessary paperwork and send it to you.

Please keep in mind that time limits apply and each reciprocal agreement has its own requirements. The agreement will specify the cost and the amount of service the CAAT Plan will recognize, and it may be that additional contributions are needed to give you equivalent service to what you had in your previous plan. In this case, you will be offered the choice of buying the additional service.

If the CAAT Plan does not have a reciprocal agreement with your previous employer, a transfer may

still be possible. Since this type of transfer is permitted under Ontario's Pension Benefits Act, the Plan refers to it as a "PBA transfer." In this case, you may be able to transfer the Commuted Value of your pension from your previous employer directly from that plan to the CAAT Plan. The CAAT Plan will determine the amount of pensionable service that the transferred amount represents, which will be the same or less than the pensionable service you had built up in the previous plan. This type of transfer is only possible if you are entitled to a deferred pension with your previous plan, and not if you already transferred your entitlement to a locked-in RRSP.

Transferring out of the CAAT Plan to an employer outside the College system

If you are leaving the College system to start a job with another employer that has a Canadian registered pension plan, and you have not transferred your Commuted Value to a locked-in RRSP or taken a refund of your contributions, it may be possible for you to transfer your CAAT Plan pension credit to the new plan.

Your new employer may have a reciprocal agreement with the CAAT Plan. These agreements allow employees to transfer their service simply, by defining the cost, the amount of service that will be granted in the new plan, and the time limits.

The CAAT Plan has more than 40 single reciprocal agreements with various employers such as universities, the federal government, and some public sector plans of other provinces. We are also part of a multi-party transfer agreement known as the MOPPs Agreement (for Major Ontario Pension Plans). It includes the larger Ontario public sector plans such as the Hospitals of Ontario Pension Plan, OMERS, OPSEU Pension Trust, and Ontario Teachers' Pension Plan, among others.

If you are starting a new job with an employer that may fall into these categories, you should choose the transfer-out option on the

termination option document prepared for you by the CAAT Plan. You need to sign the form and return it to us with any needed supporting documents, including a T2151 tax form, as soon as possible. You can discuss any questions you have with your Human Resources representative. You can also initiate the process by completing the appropriate transfer form from your new pension plan.

Please keep in mind that time limits apply and each reciprocal agreement has its own requirements. The agreement will specify the cost and the amount of service the new plan will recognize, and it may be that additional contributions will be needed to give you equivalent service to what you had in the CAAT Plan. In this case, you may be offered the choice of buying the additional service.

If the CAAT Plan does not have a reciprocal agreement with your new employer, a transfer may still be possible. Since this type of transfer is permitted under Ontario's Pension Benefits Act, the Plan refers to it as a "PBA transfer." In this case, subject to the approval of your new employer, you may be able to transfer the Commuted Value of your pension from the CAAT Plan directly to your new employer's plan. Your new employer will determine the amount of pensionable service that the transferred amount represents, which will be the same or less than the pensionable service you had built up in the CAAT Plan. This type of transfer is only possible if you are entitled to a deferred pension, and not if you already transferred your entitlement to a locked-in RRSP.



Definitions

Pensionable Service – the period of employment of a Plan Member that is used to calculate the pension benefit. It can include purchased service and transferred in service.

Commuted Value – the amount that a Member's deferred pension is worth today, in a lump sum. It is calculated using recent bond rates and the Member's age at the time of termination.