



CAAT PENSION PLAN

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

- *Transferring service*
- *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*



## DISABILITY AND YOUR PENSION

*No one plans to become seriously injured. If an unexpected incident leaves you unable to work, the impact can be both physically and financially devastating. You may have already considered what would happen to your family if you were unable to work, but have you ever wondered how a disability would affect your future pension?*



CAAT Pension Plan

1-866-350-CAAT (2228)

[www.caatpension.on.ca](http://www.caatpension.on.ca)

November 2004

## What happens if you become ill or injured?

The CAAT Plan does not provide disability benefits to Plan Members; however we do have provisions in place that will protect your pension benefit if you are unable to work because of a prolonged illness or serious injury. In Ontario, the Workplace Safety and Insurance Act (WSIA) and its regulations protect employees who are injured or disabled on the job by ensuring they will receive an income while they are unable to work. Most College Employees are also covered by a Long Term Disability (LTD) plan through their group insurance. If you begin collecting benefits from LTD or total disability benefits from the Workplace Safety and Insurance Board (WSIB), you will retain your membership in the CAAT Plan and continue accruing Pensionable Service towards your pension.

Your College will notify us if you begin collecting WSIB or LTD benefits due to a physical or mental injury or disease that renders you unable to carry out your job functions. Your Employer will submit a Notice of LTD/WSIB form on your behalf, indicating to us that you will not be contributing to the plan due to a disability.



## Contributions, Pensionable Service and Earnings during disability

If you begin receiving LTD or WSIB benefits and have not terminated your employment, you are still considered a Member of the Plan. In other words, even though you are not actively working, you will continue to earn a pension until you terminate your employment, retire or die, whichever comes first. During your period of disability, you stop contributing to the CAAT Pension Plan and your Employer also stops contributing to the Plan on your behalf. If you return to your regular employment, both you and your employer will resume contributions.

Even though your regular income stops while you are collecting disability benefits, your employer will report your earnings to the Plan for the purposes of calculating your future pension. Within the year you first become disabled your reported earnings are made up of your actual earnings for the part of the year you worked, and deemed Contributory

Earnings for the part of the year you were on disability. Deemed earnings are based on the salary you were receiving from your employer right before you started collecting your WSIB or LTD benefits. They are used only for calculating the pension you earn during your disability.

In the year after you start disability leave and in each subsequent year, your annual rate of deemed earnings will increase at the same rate and by the same method as pensions are indexed. That is, on January 1st of each year, your deemed earnings will be subject to inflation protection, also known as indexation. Indexation is an increase based on 75% of the increase in the Consumer Price Index from September of the prior year compared to September twelve months earlier. It helps keep earnings from eroding due to inflation. More information on indexation is available in your Member Handbook and on our website.

## When does disability end?

Your Employer will advise the Plan when your period of disability is over. You cease to be considered disabled for the purposes of the Plan when you:

- stop receiving LTD or WSIB benefits and return to work
- terminate your employment
- retire, or
- die,

whichever comes first.



## Upon your return to work

Once you stop receiving LTD or WSIB benefits and return to active employment, you and your employer will resume contributing to the Plan. In the future when you retire, your benefit will be based on your Highest Average Pensionable Earnings and the Pensionable Service you have accumulated in the Plan, which includes the period of Pensionable Service you accrued while you were disabled.

## Once you terminate your employment at a College

If you do not return to work at a College after your period of disability has ended, and you have not reached retirement age, you will be considered to have terminated your employment and your membership in the Plan will stop. Based on the Plan's termination options you may be eligible to take the Commuted Value of your pension or defer your pension. In any case, your benefit will be based on your Highest Average Pensionable Earnings and the Pensionable Service you accumulated up to your date of termination, including the period you accrued while you were disabled.

## When you retire

If your disability continues until your normal retirement date (the month in which you turn 65) or the date you become eligible for an Early Retirement pension, you can begin collecting the benefit you earned in the CAAT Plan. Your pension will be based on the Highest Average Pensionable Earnings and the Pensionable Service you have earned up to your retirement date, including the period of Pensionable Service you accrued while you were disabled. Your pension is calculated the same way as pensions of Members who are not disabled, however your Pensionable Earnings during the period of disability are deemed, not actual, earnings.

## Upon your death

If you pass away while you are collecting disability benefits, you will have died as a Plan Member and your survivors will receive the death benefit options applicable to death in service. Any death benefit payable to your beneficiaries will be calculated based on your Highest Average Pensionable Earnings and the Pensionable Service you earned up to your death, including the period of Pensionable Service you accrued while you were disabled.

## Sources of disability benefits

Disability income may come from one or several sources depending on your individual circumstance. Veteran's Affairs Canada, Employment Insurance and the Canada Pension Plan all provide some form of disability or sickness benefit based on eligibility. These benefits, however have no impact on your CAAT Plan pension. WSIB and LTD benefits do have an effect on your CAAT Plan pension. For more details, contact your College Human Resources representative.

### WSIB Disability benefits

Most businesses in Ontario must register with the WSIB and pay the costs of funding WSIB benefits. The most common benefit - "Loss of Earnings" - normally covers the income lost due to a work-related injury or disease. This benefit is indexed to keep up with inflation and offers survivor benefits to Spouses or beneficiaries.

In the case of WSIB partial disability benefits, you accrue Pensionable Service only during the first year of collecting the benefit. For details on WSIB partial disability and the effect on your CAAT Plan pension in the second and subsequent years, contact your College Human Resources representative.

### Long Term Disability (LTD) insurance benefits

LTD benefits offered by group insurance plans are meant to provide you with income following an illness or accident that renders you unable to work. You normally qualify for LTD benefits if you are employed and covered by an LTD plan when you become disabled. Your benefit and coverage are dependent on the provisions of your insurance carrier and the terms of your plan.



## Staying in touch with the Plan

During your disability period, you will continue to receive your Member's Annual Pension Statements which reflect the Pensionable Service you have accumulated as well as your indexed deemed Contributory Earnings. Each year you will also receive from the CAAT Plan T4A slips that you will use to file your annual income tax return. If you have Internet access, our website, [www.caatpension.on.ca](http://www.caatpension.on.ca), provides a variety of Plan information that will keep you up to date.

It's important to remain in contact with your Employer even if there is a chance you will not return to work. Your Employer must advise us if you move, get married or change your beneficiary since we require this information to keep our records up to date.