



RETURNING TO TEACHING AFTER RETIREMENT

Returning to work for an ATRF employer in a position that requires a teaching certificate may impact your monthly pension. Should you work more than 0.6 of a year within any school year (September to August), your pension is reduced dollar for dollar by the amount of salary relating to service accrued once the limit is reached. The pension payable for any subsequent month in that school year is similarly reduced.

ATRF is reliant on employers for reporting your service and salary, therefore, we recommend you keep track of your accrued service so you are able to make an informed decision and are not surprised to learn that your pension has been overpaid. Your employer can assist you in determining how much service you are accruing, including payouts on contracts.

The calculation of service in a school year is determined as follows:

- ◆ **Contractual service** is based on the salary paid (not days worked) using the following formula:

$$\frac{\text{Pensionable Salary Paid (PSP)}}{\text{Monthly Rate of Salary (MRS) x 12}} = \text{Service}$$

Examples: Full-Time Contract (PSP = \$5,873.67)

$$\frac{5,876.67}{5,876.67 \times 12} = 0.083333 \text{ service}$$

Part-Time Contract (PSP = \$3,524.20)

$$\frac{3,524.20}{5,876.67 \times 12} = 0.050000 \text{ service}$$

Note: Service is accumulated monthly from September 1st to August 31st. A full month of service equals 0.083333.

- ◆ **Substitute service** is based on the number of days you are paid divided by 186.

If you teach as a substitute teacher after you retire, you can teach approximately 111 days [186 x 0.6] before your pension is affected. *Be sure to check with your employer(s) to determine when consecutive days of substitute service are treated as contractual service under your Collective Agreement.*

Example: Days worked = 5 (includes paid statutory holidays and days off)

$$\frac{\text{Days Worked}}{186} = \frac{5}{186} = 0.026882 \text{ service}$$

- ◆ **Combination of contractual and substitute service.**

Teaching part-time and 5 days as a substitute would result in 0.076882 service reported.

Example:

Contractual Service	0.050000
Substitute Service	<u>0.026882</u>
Total Service	0.076882

NOTE: If you return to work for an ATRF employer, you must inform your employer that you are in receipt of an ATRF pension so that pension contributions are not deducted. Employment in a non-certificate position or with non-ATRF employers does not affect your pension.

Alberta Teachers' Retirement Fund Board

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FREQUENTLY ASKED QUESTIONS

1. What are the consequences of working beyond 0.6?

Should you accrue greater than 0.6 service (contractual and/or substitute) in a school year (September to August), your pension is reduced dollar for dollar by the amount of salary relating to service accrued once the limit is reached. The pension payable for the remaining months in the school year is similarly reduced.

2. I have decided to work beyond the 0.6 rule, how do I avoid overpayment?

First you need to determine when you will reach the 0.6 limit. Your employer can assist you with determining how much service, including payouts you will accrue and when the limit is reached. Once you have determined when you will reach the 0.6 limit send in a written request to have your pension suspended/adjusted to avoid overpayment.

3. When will I be notified that I have worked beyond 0.6?

Once ATRF has received your finalized salary and service information from your employer we will calculate your total service after pension to determine your actual overpayment amount. Please be aware that the timing of ATRF's receipt of this information is solely dependent on your employer. You will receive a copy of the calculation broken down by month showing the salary and service for your records.

4. What are my options for repayment?

Your options for repayment are:

- Payment in full by cheque made payable to ATRF
- Suspension of pension benefits

If you have not contacted ATRF by the deadline stated in your notification of overpayment letter, ATRF will automatically suspend your pension payments until the amount is recovered in full.

5. I disagree with the salary/service reported to ATRF, who do I contact?

If you believe there is an error in the service and salary used by ATRF to calculate your overpayment, contact your employer for clarification. Your employer will have to submit any corrections to ATRF before we are able to re-calculate the overpayment.

6. Why do I have service in July and/or August?

When you work under contract you receive a payout at the end of your contract. The service earned in conjunction with this salary payout is added to the next calendar month. A full time contract earns the maximum of 0.083333 (1/12th) of a year of service per month. A 0.6 part-time contract earns 0.050000 (0.6/12) of a year of service per month.

7. Who is responsible for this rule?

The 0.6 rule is legislated in the *Teachers' Pension Plans Act*. The pension plan is sponsored by the Alberta Government and the Alberta Teachers' Association.