

ACCRUING

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Alberta Teachers'
Retirement Fund Board

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This information kit is a summary of some of the provisions of the Plan. If there is any discrepancy between this information kit and the Plan, the provisions of the Teachers' Pension Plan Act and applicable legislation will determine the entitlements and options available.

INTRODUCTION

These information kits provide detailed information about retirement, pensions, and other benefits for ATRF Plan Members. They were designed to assist you with retirement and pension decisions and strategies. Information kits available on other topics are listed on page 9 of this kit.

WHAT HAPPENS TO MY PENSION WHEN I BECOME DISABLED?

While you are actively employed as a teacher, your ATRF employer deducts pension contributions from your salary monthly and remits them to ATRF. In addition, your employer reports your service and salary to ATRF on a monthly basis. The Alberta Government pays an employer contribution on your behalf each month. If you become disabled and have accumulated sick leave coverage, your employer will continue to pay you during that time up to a maximum of 90 days. They will also continue to deduct and remit pension contributions to ATRF during that time.

If you continue to be disabled beyond the 90 days and become eligible to receive long-term or extended disability benefits, you can continue to accrue pensionable service, at no cost. If ATRF receives notification that you are in receipt of long-term or extended disability benefits, we will credit pensionable service automatically and will continue to do so until your benefits terminate. While employers are required to notify ATRF when a teacher is on disability leave, we encourage you to contact us to ensure they have done so. If they report a regular leave in error, *i.e.* a personal leave, you may miss the opportunity to have your service credited.

WHY IS IT IMPORTANT TO CONTINUE ACCRUING PENSIONABLE SERVICE?

Your ATRF pension is based on your total years of pensionable service and the average of your highest five consecutive years of salary. An increase to either of these factors increases your ATRF pension.

CREDITING SERVICE

Pensionable service is credited based on your employment status at the onset of your disability. For example, if you

were employed on a .5 basis when you became disabled, ATRF will credit you with .5 of a year of service for each school year for as long as you receive long-term or extended disability benefits. If you were full-time when you became disabled, ATRF will continue crediting full-time service.

If you return to service on a part-time basis and continue to receive disability benefits for part of the year, your employer will deduct ATRF pension contributions from your salary for the time you are actively teaching and ATRF will credit you with pensionable service for the balance of the school year during which you received disability benefits.

CREDITING SALARY

ATRF will contact your employer for information about your salary rate. When we credit pensionable service, we also credit salary at the same rate you were earning at the onset of disability and adjust that salary each September 1. The adjustment is equivalent to the average increase/decrease paid by Edmonton Public School District, Edmonton Catholic Separate School District, Calgary Public School District, and Calgary Roman Catholic Separate School District at the four-year education maximum grid level.

For example, if your salary at the onset of your disability was \$72,709, ATRF would credit salary at this rate for the school year in which you became disabled. If the average increase/decrease was a 2.64% increase, ATRF would credit salary at \$74,628 for the next school year. Your salary would continue to be adjusted each year until your disability benefits terminate.

This means that your salary for pension purposes will remain comparable to what active contributing teachers would receive.

WHAT YEARS CAN BE CREDITED?

SEPTEMBER 1, 1992

If you were disabled on or after September 1, 1992, you can accrue pensionable service without making any contributions or payments to ATRF.

ATRF can credit service retroactively to September 1, 1992. If you were disabled during any period after September 1, 1992, you can still accrue pensionable service for that time.

There is no maximum number of years that you can accrue. ATRF will credit pensionable service for as long as you continue to receive disability benefits through your employer's disability income program.

Service can be credited for deceased plan members in order to increase the pension amount payable to the member's spouse/pension partner.

WHAT ARE THE ELIGIBILITY REQUIREMENTS?

ELIGIBILITY

You are eligible to accrue pensionable service at no cost if, immediately before the period of disability:

- you are or were a contributing active ATRF member, on a leave of absence from an ATRF employer, or on strike from an ATRF employer, and
- you withdrew from service because of a mental or physical disability that prevented you from teaching (even though you may not be incapacitated from other gainful employment), and
- you are receiving, or received, long-term or extended disability benefits through your ATRF employer's disability income program during the period of disability.

SPECIAL CASES

If you did not receive, or will not receive, long-term or extended disability benefits, you may still be able to accrue disability service on verification that:

- you opted not to belong to a disability program in the early 1970s, or
- you are receiving compensation from the Workers Compensation Board, or
- there is/was a gap between your sick leave entitlement and your eligibility for long-term or extended disability benefits, or
- your disability arose from a medical condition that was present before you became covered by the disability income program (pre-existing condition), or
- your disability began while you were on an ATRF employer-approved leave and during the leave you chose not to continue premiums under a disability income program.

DO I NEED TO APPLY FOR THIS BENEFIT?

APPLICATION SOMETIMES REQUIRED

If ATRF receives notification that you are or were in receipt of disability benefits, we will credit pensionable service without a formal application. However, in order to ensure that your service is maintained while you are disabled, we encourage you to apply in the event ATRF was never notified. Below are a number of reasons why this might happen:

- Some insurance companies provide teachers with a form to complete which authorizes them to release information to ATRF for the purpose of crediting pensionable service. If your insurance company did not receive your completed form, they cannot provide information to ATRF.
- Certain insurance companies only recently started providing notification to ATRF; therefore, depending on when you became disabled, we may not have been informed.
- Not all insurance companies obtain authorization from teachers and therefore, ATRF is never notified.
- Your employer may be reporting you as being on leave but may not have specified that it is/was a medical/ disability leave.

We encourage you to submit an official application so that we can make sure you have not missed out on a benefit to which you are entitled.

If you submit an application and ATRF determines that your service has already been credited, then nothing further has to be done. However, if we receive your application and determine that you should have been credited and weren't, then we will credit any service that is missing retroactive to the date your disability benefits began.

You can submit the application included in this kit or, if you are registered for On-Line Services, you can apply on-line. The application is in the Plan Member Menu.

POWER OF ATTORNEY

If you have a Trustee or someone has your Power of Attorney, s/he may apply for this benefit on your behalf. ATRF requires a certified copy of the court order granting Trusteeship or Power of Attorney.

WHAT IF I WAS DISABLED BEFORE SEPTEMBER 1, 1992?

If you were disabled before September 1, 1992, you may be able to purchase the pensionable service by making a direct payment to ATRF. If you are registered to use ATRF's On-Line Services, you can submit ATRF's On-Line Purchase Application form and mail any other required documents as outlined below. The application is in the Plan Member Menu. Alternatively, you can download the Purchase of Service Kit from the publications section of our website, or contact ATRF.

We encourage you to get an estimate of the cost before making formal application. You can estimate the cost and the impact to your pension by using ATRF's On-Line Services, or by using the Purchase and Pension Calculator on our website. If you prefer, you can contact ATRF to request a cost estimate and pension estimates calculated with and without purchasing the service.

ARE THERE OTHER DOCUMENTS THAT I NEED TO SEND?

SUPPORTING DOCUMENTS

If you are currently receiving disability benefits, contact the insurance company that pays your disability benefit to obtain a letter indicating the date you began receiving benefits, and confirming that you are currently receiving benefits.

If your disability benefits have already terminated, contact the insurance company that paid your disability benefit to obtain a letter indicating the date your benefits began and ended.

If you did not receive disability benefits, submit a written explanation of why you did not receive disability benefits for any period of your disability.

HOW WILL I KNOW THAT PENSIONABLE SERVICE HAS BEEN CREDITED?

ANNUAL STATEMENT

Each year you will receive a Plan Member Statement, which will show the pensionable service that was credited. **No contributions will appear for the pensionable service that was credited.** This is because the contributions are waived while you are in receipt of disability benefits.

This will not affect your pension benefit entitlement because ATRF benefits are not based on contributions and interest to your credit. ATRF pensions are based on years of pensionable service and the average of your highest five consecutive years of salary.

ARE THERE INCOME TAX IMPLICATIONS?

TAX RULES

Canada Revenue Agency (CRA) requires ATRF to issue a T4A showing a Pension Adjustment (PA) for any service that you accrue during a period of disability. The PA represents the value, for tax purposes, of the increased pension benefit you will receive based on the additional service that has been credited. PAs reduce your RRSP contribution room; therefore, a PA must be issued for any taxation year that has been impacted. The information will be reported to CRA automatically on your behalf; therefore, there is nothing that you need to do. However, a copy of the PA (T4A) will be sent to you for your records. CRA will notify you of any adjustments to your RRSP room.

PAs for prior years are mailed to you as soon as your disability service has been credited. PAs for the current taxation year are mailed at the end of February in the following tax year. For instance, if you are accruing disability service in the 2007 calendar year, the PA for that service will be sent to you in February 2008.

FREQUENTLY ASKED QUESTIONS

IS IT TRUE?

Being credited with pensionable service at no cost, and having my salary adjusted, seems almost too good to be true. Is ATRF really able to do this?

Yes. The cost of this benefit is built into the contribution rates. ATRF credits pensionable service and adjusts your salary each year to reflect salary movement.

CONTRACT TERMINATION

What happens if my teaching contract terminates while I am accruing pensionable service?

As long as you are still receiving extended disability benefits, you may continue to accrue pensionable service with ATRF. However, if you are considering terminating your contract, you should ensure that your disability benefits or other benefits will not be affected.

DISABILITY BENEFIT TERMINATES

What happens if my disability benefit terminates?

You should provide ATRF with a letter from the insurance company that pays your disability benefits as soon as your status changes. Pensionable service will be credited up to the date your benefits terminate.

REHABILITATION / ACCOMMODATION EMPLOYMENT

What happens if I return to service on a Rehabilitation or Accommodation basis?

If you return to service on a part-time basis, and continue to receive disability benefits for part of the year, your employer will deduct ATRF pension contributions and report pensionable service and salary for the time you are actively teaching and ATRF will credit you with pensionable service for the balance of the school year during which you received disability benefits.

FOR ASSISTANCE AND APPEALS

What should I do if my insurance company denies my application for disability benefits?

You should contact Teacher Welfare at
The Alberta Teachers' Association at:

Edmonton 780 447-9400
Toll free 800 232-7208

Calgary 403 265-2672
Toll free 800 332-1280

APPLICATION FOR ATRF PENSION

What happens if I want to apply for my ATRF pension while I am still receiving disability benefits?

Your disability benefits must terminate before your ATRF pension can begin.

You must provide a letter from the insurance company that pays your disability benefits stating the date on which your disability benefits terminated or will terminate.

WITHDRAWING ATRF FUNDS FROM ATRF

What happens if I want to take my funds out of ATRF while I am still receiving disability benefits?

Your disability benefits must terminate and you must resign from your teaching contract before you can withdraw funds from ATRF.

You must submit a letter from the insurance company that pays your disability benefits stating the date on which your disability benefits terminated or will terminate.

The option of withdrawing funds is not available to plan members who are 55 or more years of age, and have sufficient pensionable service to be eligible for a pension.

You should always contact ATRF for information before you proceed.

DEATH BEFORE APPLICATION

What happens if I die before applying to accrue disability service?

ATRF will credit the appropriate service as long as we are notified that you were in receipt of disability benefits. This service will be included in calculating the death benefit.

FOR MORE INFORMATION

WEBSITE

Visit our website at www.atrf.com to download information kits, forms or the Plan Member Guide, and to register for On-Line Services.

ATRF

Alberta Teachers' Retirement Fund Board
600 Barnett House
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Edmonton AB T5N 2R1

Telephone 780 451-4166

Toll free 800 661-9582

Fax 780 452-3547

Website www.atrf.com

Email info@atrf.com

INFORMATION KITS AVAILABLE

- *Your Pension Matters*
- *Choosing Your Retirement Date*
- *Benefits at Termination*
- *Choosing Your Pension Option*
- *Starting Your Pension*
- *Accruing Pensionable Service While Disabled*
- *Purchasing Service*



DISABILITY SERVICE ACCRUAL APPLICATION

The information provided on this application will be used under the provisions of the *Teachers' Pension Plans Act*.

NAME	S.I.N.
ADDRESS	DATE OF BIRTH / YR / MO / DAY
	HOME PHONE NUMBER ()
	WORK PHONE NUMBER ()

NAME OF MOST RECENT EMPLOYER

Required documents which ***must*** accompany this completed application form

- A copy of a letter from your insurance company, ***if you received Extended Disability Benefits Insurance (EDBI) through your employer***, stating
 - When you began receiving EDBI, and
 - That you are currently in receipt of EDBI, or
 - Verification of the exact date that your EDBI terminated **OR**
- A written explanation of why EDBI did not apply to you, ***if you did not receive EDBI for any period during your disability***

PLEASE ANSWER THE FOLLOWING QUESTIONS

(circle your answer):

Have you terminated your teaching contract? **YES** or **NO**

Are you currently disabled from teaching? **YES** or **NO**

In which **SCHOOL YEAR** did you become disabled? _____

APPLICANT'S SIGNATURE

APPLICATION DATE

Alberta Teachers' Retirement Fund Board

600 Barnett House, 11010 142 ST NW, Edmonton AB T5N 2R1