

PENSIONPoints

Member Newsletter | May 2012

Contribution Rates for Sept 1, 2012

The actuarial funding valuation of the plan conducted as at August 31, 2011, showed that a total contribution rate increase of 1.14% of total teacher salaries is required effective September 1, 2012.

The table below shows the contribution rates that have been in effect since September 2010, and the rates that will come into effect September 1, 2012. The increase for teachers is 0.60% and 0.54% for the Government of Alberta. The teacher increase is slightly higher as teachers are responsible for funding the additional 10% cost-of-living benefit above the base 60% level provided under the plan.

Teachers' Pension Plan	Contribution Rates (%)	
	Current Rates	Sept 2012
Teachers		
Total Teacher Contributions	10.71	11.31
Salary up to YMPE*	9.04	9.60
Salary above YMPE	12.91	13.72
Government	10.10	10.64

*YMPE is the Year's Maximum Pensionable Earnings used by the Canada Pension Plan (\$50,100 in 2012)

What will this mean for you?

We have prepared a sample calculation. The table below shows that based on a salary of \$90,000 per year, the teacher contribution rate increase will mean an additional deduction of about \$50 per month effective September 2012.

Based on an Annual Salary of \$90,000	Current Monthly Contributions	Contributions Effective Sept 2012	Difference
Contributions on Salary up to YMPE* (\$50,100)	\$377.42	\$400.80	\$23.38
Contributions on Salary above YMPE (\$50,100)	\$429.26	\$456.19	\$26.93
Total Contributions	\$806.68	\$856.99	\$50.31

*YMPE is the Year's Maximum Pensionable Earnings used by the Canada Pension Plan (\$50,100 in 2012)

What made this increase necessary?

Just over half of the increase resulted from a change to the mortality assumption to recognize ongoing improvements in life expectancy. The remainder of the increase is related to a portion of the deferred investment losses from the 2007-2009 global financial crisis that must be recognized by Aug 31, 2012.

New Reciprocal Agreement with Federal Plan

Effective January 13, 2012, a reciprocal agreement was established with the Government of Canada Public Service Pension Plan. If you or a teacher you know previously taught in the Yukon, North West Territories, Nunavut, or on a First Nations Reserve, you may have service with the Canada Public Service Pension Plan. If you meet the eligibility requirements outlined below, and you wish to transfer that service, contact ATRF.

You may apply to transfer service to ATRF if you:

- are currently an active member of ATRF,
- are not receiving a pension from either ATRF or the Canada Public Service Pension Plan, and
- have pensionable service in the Canada Public Service Pension Plan.

Important Time Limits!

If you were an active ATRF plan member on January 12, 2012, you have until **January 13, 2013** to apply to transfer your service from the Canada Public Service Pension Plan. If you became an active ATRF member after January 12, 2012, you have a period of one year from the date you joined to apply to transfer your service.

To Find Out More...

Read the information sheet titled "Reciprocal Transfer Agreement with Government of Canada Public Service Pension Plan" in the Publication & Forms section of our website (www.atrf.com).



In This Issue

- The Pension Puzzle – Pieces #2 and #3
- If You are Retiring in June...
- An Important Choice – Selecting the Pension Option That is Right for You
- New On-Line Service Features
- We'll Be There...
- Your Pension Matters Seminar

The Pension Puzzle – Pieces #2 and #3

Last issue, we told you about the first piece of your pension puzzle – the pension you will receive from ATRF. This article tells you about two more puzzle pieces – the Canada Pension Plan and Old Age Security.

Piece #2 - Canada Pension Plan

Most of you will have made contributions to the Canada Pension Plan (CPP) for your entire working career. This entitles you to a monthly pension paid by the Government of Canada. The amount of your pension depends on how much and for how long you have contributed.

Some Recent Changes to CPP

You have always been able to begin receiving your CPP benefit as early as age 60; however, the amount is reduced for each year you are younger than age 65.

- Under the new rules effective in 2012, the early pension reduction will gradually increase from 0.5% per month to 0.6%. This means that by 2016, if you start receiving your CPP pension at the age of 60, your pension amount will be 36% less than it would have been had you waited until age 65.
- Your monthly CPP pension will increase by a larger amount if you take it after age 65.
- If you are under 65 and you work while receiving your CPP pension, you and your employer will have to make CPP contributions. These contributions will increase your CPP retirement benefits.

You must apply for your CPP pension and they recommend that you do so six months in advance. To assist in retirement income planning and to check the accuracy of the data, it is



a good idea to request a CPP Statement of Contributions. You can find Information about how to do that, as well as more information about the rule changes, on the Service Canada website noted below.

Piece #3 - Old Age Security Program

The Old Age Security Program (OAS) provides you with a base pension at age 65 if you have lived in Canada for at least 10 years.

Are You Eligible?

If you are living in Canada you must:

- be 65 years of age or older
- live in Canada and be a Canadian citizen or a legal resident at the time they approve your application
- have lived in Canada for at least 10 years after turning age 18

Different rules apply to people living outside Canada – check the website for those rules.

You must also apply for your OAS pension, and they recommend you do so six months before you reach age 65. Application kits are available at Service Canada Centres or can be printed from the Service Canada website.

For more information about CPP and OAS benefits, call 1-800-277-9914 or visit the Service Canada website. <http://www.servicecanada.gc.ca/eng/lifeevents/retirement.shtml>

Watch for puzzle piece 4 in the fall edition of Pension Points.



If You are Retiring in June...

We have a number of resources that you will find useful. Our information kit, **Steps to Retirement**, walks you through each of the five steps:

- Step 1** – Submit Your Resignation
- Step 2** – Apply for Your Pension
- Step 3** – Wait for Your Pension Package
- Step 4** – Complete Forms in Pension Package
- Step 5** – Receive Your Pension Payment

You can download the kit by going to www.atrf.com and clicking on Publications & Forms on the sidebar.

From our homepage you can also access “Planning on Retiring?” which provides a number of links to assist you through the retirement process.



An Important Choice – Selecting the Pension Option That is Right for You

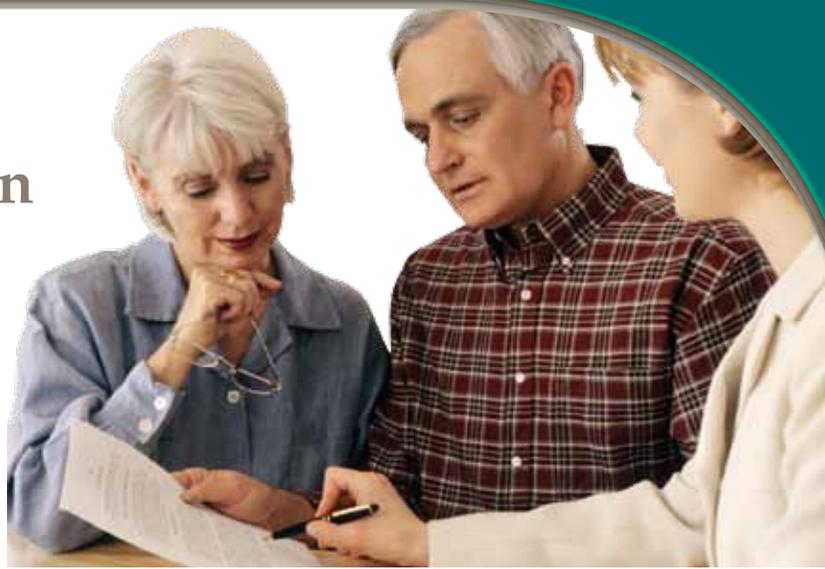
Once you have submitted your pension application, ATRF will send you a statement showing the amount your pension will be under each of the pension options. You cannot select your pension option until you receive this package, even though you may have previously discussed your options with a Pension Counsellor.

If you have a spouse/pension partner at retirement, you must choose one of the **Joint and Survivor Options**. These pensions are calculated based on two lives – yours and your nominee's. The nominee is your spouse/pension partner, and the nominee cannot be changed once your pension starts. The pension is paid for your lifetime, or your spouse/pension partner's lifetime. All Joint and Survivor Pensions have a 5-year guarantee period.

Joint Equal - Irrespective of who dies first, the payments remain the same and will be paid to the survivor (you or your spouse/pension partner) for life.

Joint Reduced by One-Third - If you die first, the payments reduce by 1/3, and 2/3 of the pension continues to your spouse/pension partner for their life. If your spouse/pension partner dies first, the payments also reduce by 1/3, and 2/3 of the pension continues to you for your life.

Joint 100/60 - If you die first, 60% continues to your spouse/pension partner for life. If your spouse/pension partner dies first, you continue to receive 100% for your lifetime.



If you do not have a spouse/pension partner, you will choose one of the **Single Life Options**. Your pension is payable for your lifetime or to the end of the guarantee period, whichever is longer. The guarantee period starts from the effective date of your pension. If you die before the end of the guarantee period, the pension will continue to be paid to your named beneficiary.

Single Life, No Guarantee - This means that payments cease on your death regardless of the number of payments which have been made.

Single Life, 5-Year Guarantee
Single Life, 10-Year Guarantee
Single Life, 15-Year Guarantee } If you die after the guarantee period, no payments are made to your beneficiary.

You can find more detailed information about "Choosing Your Pension Option" in the information kit and the video that is posted on our website (www.atrf.com).

New On-Line Service Features

Next time you Sign In to On-Line Services, you will notice some changes!

- ✓ To protect your privacy, we have created additional Sign In Protection.
- ✓ You can now add or change your beneficiary in the secure On-Line Services environment.

Additional Sign In Protection

Sign In Protection, like an extra lock on your door, adds an extra barrier between your online account and unauthorized users. After you enter your PIN and Password, you will create three unique personal challenge questions – the answers to which only you will know. When you go to make a change to

your account, or when you apply for a benefit, you will be asked to answer one of the questions you created.

Designating a Beneficiary

You can now **add, remove or change a beneficiary** in the secure On-Line Services environment - rather than by completing a paper form.

Four Easy Steps once you Select View/Update Beneficiary Information on the **Member Menu**.

- 1 Click Review and Make Changes
- 2 Read the rules and click Accept
- 3 Answer your challenge question
- 4 Go ahead and add, remove or change your beneficiary



"We'll Be There..."

Personal Interviews

We understand your need to see us in the field, and we make efforts to provide our services throughout Alberta at various times during the year. In the fall of 2012, we plan to hold personal interviews in the following locations:

**Calgary • Medicine Hat • Lethbridge
Grande Prairie • Red Deer**

These interviews are for plan members who want information about benefits, increasing your pension, or preparing for retirement.



Web Registration is Easy and Convenient

The interview schedule for fall 2012 will be posted on our website by the end of June. To register for an interview outside the ATRF office, click on **Meet with Us**.

How to See a Counsellor in Edmonton

- You don't have to take time off to see us. Our office is open from 8:30 am to 4:30 pm Monday through Friday, including July and August. We are also open during Christmas, Easter, and spring break.
- Call to arrange a personal interview with a Pension Counsellor.

Your Pension Matters Seminar

ATRF Pension Counsellors are also available to conduct seminars throughout Alberta. They can be held in conjunction with PD Days, staff meetings, or ATA Local meetings.

ATA Retirement Consultants also organize full day Pre-Retirement Workshops. They invite an ATRF Pension Counsellor to present "Your Pension Matters". These sessions have been very successful and we look forward to attending more sessions in 2012/13.

