

This publication is provided to assist members and their representatives with information when teachers resign from their contracts. **If there is any discrepancy between this information and the Teachers' and Private School Teachers' Pension Plans ("the Plans"), the provisions of the *Teachers' Pension Plans Act* and applicable legislation will determine entitlements and options available.**

## RESIGNATION OR TERMINATION

If you resign from your contract or your contract is terminated, your active participation in the Plans ceases and you must decide what to do with your ATRF benefit. Your benefit choices depend on your age and whether you have enough pensionable service to be eligible for pension.

## PENSION ELIGIBILITY

### Pensionable Service to be Eligible for Pension

You are eligible for a pension when you have:

- five years of Pensionable Service after August 31, 1992,
- five years of Pensionable Service that include any amount of Pensionable Service in each of the 1991–92 and 1992–93 school years, or
- ten years of Pensionable Service.

### Start of Pension

Pensions are payable from the later of the first of the month following:

- your 55th birthday,
- the termination of your last teaching contract,
- the last accrual of pensionable service with ATRF, or
- the date you last purchased substitute service.

### Determine Your Eligibility

To determine if you have enough pensionable service to be eligible for pension, review your Plan Member Statement in *MyPension* or contact ATRF to receive a copy.

## SUMMARY OF CHOICES

Choice	Not Enough Service to be Eligible for Pension	Enough Service to be Eligible for Pension
<b>Before Age 55</b>	<ul style="list-style-type: none"> <li>• Leave funds on deposit</li> <li>• Transfer service</li> <li>• Withdraw funds</li> </ul>	<ul style="list-style-type: none"> <li>• Leave funds on deposit</li> <li>• Transfer service</li> <li>• Defer pension</li> <li>• Withdraw funds</li> </ul>
<b>Age 55 and After</b>	<ul style="list-style-type: none"> <li>• Leave funds on deposit</li> <li>• Transfer service</li> <li>• Withdraw funds</li> </ul>	<ul style="list-style-type: none"> <li>• Leave funds on deposit</li> <li>• Transfer service</li> <li>• Apply for pension</li> <li>• Cannot withdraw funds</li> </ul>

## **LEAVE FUNDS ON DEPOSIT**

When you leave your funds on deposit, you may make a different choice at a later date. If you return to actively participating under the Plans with an ATRF employer, you will continue to accrue benefits in the Plans.

### **Not Enough Service to be Eligible for Pension**

Funds left on deposit accumulate interest annually based on the average five-year fixed term deposit rates paid by the chartered banks in the preceding year.

You are responsible for advising your designated beneficiary to contact ATRF in the event of your death while your funds are on deposit.

### **Enough Service to be Eligible for Pension**

Pensions left on deposit receive the cost-of-living adjustments from the later of the first of the month following:

- the termination date of your last teaching contract,
- the date of your last pensionable service accrual if you are receiving Extended Disability Benefit Insurance, or
- the date you last purchased substitute service.

## **TRANSFER SERVICE**

While you are a contributing active member of ATRF or if you become a member of another pension plan with which ATRF has a reciprocal agreement, you may be eligible to transfer Pensionable Service. ATRF has reciprocal agreements with the:

- Teachers' Pension Plan Authorities in all Canadian provinces
- Alberta Public Sector pension plans
  - Management Employees Pension Plan
  - Public Service Pension Plan
  - Local Authorities Pension Plan
- Government of Canada Public Service Pension Plan

## **DEFERRED PENSION**

### **Enough Service to be Eligible for Pension and Under Age 55**

To begin receiving your pension, you should contact ATRF not more than four months before your 55th birthday.

### **Enough Service to be Eligible for Pension and Over Age 55**

Once you reach age 55, you are entitled to an immediate pension and are no longer eligible to apply to withdraw your funds from the Plans. You must elect to receive an immediate pension. Refer to the Pension Eligibility section for more information.

### **Cost-of-Living Adjustments**

If you withdraw from employment and are entitled to receive a pension at some future date and you decide to leave your pension benefit in the Plans, your deferred pension will accumulate any cost-of-living increases that are granted during the deferral period.

### **Returning to Teaching Under Contract During the Deferral Period**

If you return to teaching service under contract with an ATRF employer during the deferral period, you will forfeit all of the cost-of-living adjustments that were granted since your last teaching contract terminated and instead accrue additional pensionable service in the Plans and your pension will be effective at a later date as described in the Start of Pension section above.

## **WITHDRAW YOUR FUNDS**

### **Not Enough Service to be Eligible for Pension**

The benefit is equal to your contributions with interest and may be:

- transferred directly to a Registered Retirement Savings Plan (RRSP), with no income tax deducted. This direct transfer will not affect your RRSP deduction room. You must complete a Canada Revenue Agency Direct Transfer form T2151. This form is available from ATRF, your financial institution, or Canada Revenue Agency; or,
- paid to you in cash, with income tax deducted. Refer to the Cash Withdrawal section for more information.

### **Enough Service to be Eligible for Pension**

If you are entitled to a deferred pension, the benefit is different for Pensionable Service before and after September 1, 1992.

The benefit payable for Pensionable Service **before September 1, 1992** is equal to your contributions with interest and may be:

- transferred directly to a Registered Retirement Savings Plan (RRSP), with no income tax deducted. This direct transfer will not affect your RRSP deduction room. You must complete a Canada Revenue Agency Direct Transfer form T2151. This form is available from ATRF, your financial institution, or Canada Revenue Agency; or,
- paid to you in cash, with income tax deducted. Refer to the Cash Withdrawal section for more information.

The benefit payable for Pensionable Service **after August 31, 1992** is the greater of:

- your contributions with interest, or
- the commuted value of your pension. The commuted value is a lump-sum amount in today's dollars which equals the value of your future pension payments.

This benefit must be transferred directly to a Locked-In Retirement Account (LIRA) up to the maximum permitted in accordance with the *Income Tax Act*. LIRAs are restricted RRSPs that require that funds be used to provide income on or after age 50 but, at the latest, by the end of the calendar year in which you turn age 71. Most financial institutions offer LIRAs. A list of these financial institutions is available on the Employment Pensions website [www.finance.alberta.ca](http://www.finance.alberta.ca).

Income tax will not be deducted from the direct transfer to your LIRA and it will not affect your RRSP deduction room. You must complete a Canada Revenue Agency Direct Transfer form T2151. This form is available from ATRF, your financial institution, or Canada Revenue Agency.

Any benefit above the maximum permitted to be transferred to a LIRA in accordance with the *Income Tax Act* will be paid to you in cash, with income tax deducted. Refer to the Cash Withdrawal section for more information.



**Cash Withdrawal**

If you are eligible to withdraw your funds and a portion of the payment is payable in cash, ATRF must withhold income tax at source based on the rates listed below. However, the actual tax payable will be calculated when you complete your income tax return, and could be higher than the amount withheld at the time of withdrawal. ATRF will issue a T4A Supplementary Form with your cheque, detailing the payment and the tax withheld.

<u>Amount of Payment</u>	<u>Withholding Tax Rate</u>
Up to and including \$5,000	10%
Over \$5,000 up to and including \$15,000	20%
Over \$15,000	30%

Different tax rates apply to non-residents.

**Timing of the Payment**

When you apply for your termination benefit, ATRF will send you a package outlining the options available to you. This package will not be sent until we have received your service and salary details from your most recent employer. Payment will not be made until ATRF has received your Acceptance form. Please note, this process can take anywhere from two to four months, depending on your circumstance and the options available to you. Further, under legislation, ATRF cannot issue more than one termination benefit within a 12-month period.

**Process**

Once you submit an application to withdraw your funds, an Acceptance package will be provided before your termination benefit is processed to confirm your selection which will include:

- a final termination benefit that will indicate the portion of your termination benefit, if any, that must be transferred to a LIRA or be paid in cash less income tax,
- information describing the differences between a deferred pension and a termination benefit, if applicable, and
- an Acceptance form for you to complete and return to ATRF, indicating whether you still want to receive a termination benefit after reviewing your options.

Note: To be eligible to withdraw your funds, you must be under age 55, you must have terminated your teaching contract before you are age 55, and your application must be received by ATRF before your 55th birthday.

**No Further Benefits**

When you withdraw your funds from the Plans, the pensionable service that those contributions represented is no longer to your credit and you will not be entitled to a pension from the Plans. If you later return to participate in the Plans or purchase substitute service, you will begin to accrue a new benefit entitlement in the Plans. You may reinstate previously refunded service if you join the Plans again in the future. The cost of purchasing prior service is the value of the increase to your pension benefit as calculated on the date of application and may be greater than the termination benefit you originally received.

**APPLICATION**

To apply for a termination benefit, complete and return an Employee Termination Notice to ATRF or submit an online application in *MyPension*.

If you have enough service to be eligible for a pension, you must also provide copies of your supporting proof of age documents. If you have already provided your documents to ATRF, you are not required to provide them again.

Refer to the Acceptable Proof of Age Documents section.

If you are applying for pension, refer to the Steps to Retirement publication for additional information..

## **ACCEPTABLE PROOF OF AGE DOCUMENTS**

If your name on the documents used to verify your date of birth is different than the name ATRF has on file, documents substantiating the name change, such as a marriage certificate, will be required.

These documents can be submitted to ATRF by mail or electronically by fax or email to [member@atrf.com](mailto:member@atrf.com). If you choose to submit copies of your document via email, please note that the email is not secure.

ATRF will accept photocopies of the following documents:

- Birth certificate
- Adoption papers
- Canadian registration of birth
- Canadian passport (valid or expired)
- Canadian citizenship papers
- Certificate of Indian Status (status card)
- Driver's license issued by a Canadian province or territory
- Alberta identification card

If you do not have one of the documents listed above, ATRF will accept a copy of any two of the following documents:

- Marriage records
- School records
- Military records
- Foreign passport (valid or expired)
- Age of Majority card
- Statutory Declaration
- Baptismal papers
- Canadian immigration papers
- Foreign driver's license
- Health care card issued by a Canadian province or territory



**FOR MORE INFORMATION**

**Website**

Visit our website at [www.atrf.com](http://www.atrf.com) to download publications, forms, and to register for *MyPension*.

**ATRF**

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