

This information will assist you or your representative in choosing a pension option.

Many plan members find it difficult to choose their pension option. There is not one pension option that is suitable for everyone, so your choice of pension option should reflect your personal situation. When thinking about your option, decide the level of protection you want for your pension partner, or consider the length of time that you want your pension guaranteed for your beneficiary.

Speak to an ATRF Pension Counsellor if you have any questions about the pension options, or if you need help completing any of the forms.

There are Seven Pension Options:

- ▶ Four Single Life Options
- ▶ Three Joint and Survivor Options

Each pension option provides a different survivor benefit. The option you choose will affect the amount of your monthly pension.

Generally, the greater the survivor benefit, the smaller the monthly pension. Only you can decide which pension option is the right one for you. You should consider factors such as your:

- age and your pension partner's age,
- health,
- family and financial situation,
- income needs and future lifestyle plans in retirement,
- other sources of income, and
- dependants (if applicable).

If you have a pension partner at retirement, you must choose a Joint and Survivor pension and name your pension partner as your nominee.

If your pension partner waives their right to a Joint and Survivor pension (by completing the statutory declaration included in your Pension Options Package), you can:

- choose a Single Life Pension Option, or
- name a dependant as your nominee in accordance with the *Income Tax Act* and choose a Joint and Survivor pension



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

Single Life Pension Options

Single Life pensions are payable for your lifetime or to the end of a guarantee period, whichever is longer. The guarantee period starts from the effective date of the pension. If you die before the end of the guarantee period, payments will continue in the same amount to your beneficiary until the end of the guarantee period. You may change your beneficiary at any time until the end of the guarantee period (unless a Family Property Order is filed with ATRF that prevents you from making a change).

▶ **Single Life, No Guarantee**

Payments cease on your death regardless of the number of payments that have been made.

▶ **Single Life, 5-Year Guarantee**

Payable for your lifetime or to the end of the 5-year guarantee period, whichever is longer.

▶ **Single Life, 10-Year Guarantee**

Payable for your lifetime or to the end of the 10-year guarantee period, whichever is longer.

▶ **Single Life, 15-Year Guarantee**

Payable for your lifetime or to the end of the 15-year guarantee period, whichever is longer.

Joint and Survivor Pension Options

Joint and Survivor pensions are based on two lives – yours and your nominee's. The amount of pension that continues to your nominee after your death depends on the Pension Option you choose. All the Joint and Survivor Pension Options have a 5-year guarantee period. If you and your nominee die before receiving 60 monthly pension payments, the remainder of the 60 payments will be paid to your beneficiary or estate.

The nominee may not be changed once the pension begins under any circumstance, including death, separation, or divorce.

If the nominee is your pension partner, a pension is paid for your lifetime and for your pension partner's lifetime. If the nominee is a dependant in accordance with the *Income Tax Act*, the pension is paid for your lifetime and, after your death, only for as long as the nominee remains a dependant.

▶ **Joint Equal**

- 100% of the pension is paid to you if your nominee dies first.
- 100% of the pension continues to be paid to your nominee if you die first.

▶ **Joint Reducible by One-Third**

- 66 $\frac{2}{3}$ % of the pension is paid to you if your nominee dies first.
- 66 $\frac{2}{3}$ % of the pension continues to be paid to your nominee if you die first.

▶ **Joint 100/60**

- 100% of the pension is paid to you if your nominee dies first.
- 60% of the pension continues to be paid to your nominee if you die first.

Advance & Reduction Option

The Advance & Reduction Option is a way to level your ATRF pension income with your Canada Pension Plan (CPP) benefits. This option will pay you more pension from the Plan before age 65 and less pension after age 65.

The Advance & Reduction Option is only available to members who retire prior to age 64.

The Advance is an optional payment that starts when your pension is granted and is paid monthly for your lifetime in addition to your ATRF pension.

A permanent Reduction to your ATRF pension will begin at age 65, and continues for your lifetime regardless of when you start to receive your CPP benefits, or whether the Government of Canada changes CPP eligibility requirements, benefits available, or tax rules.

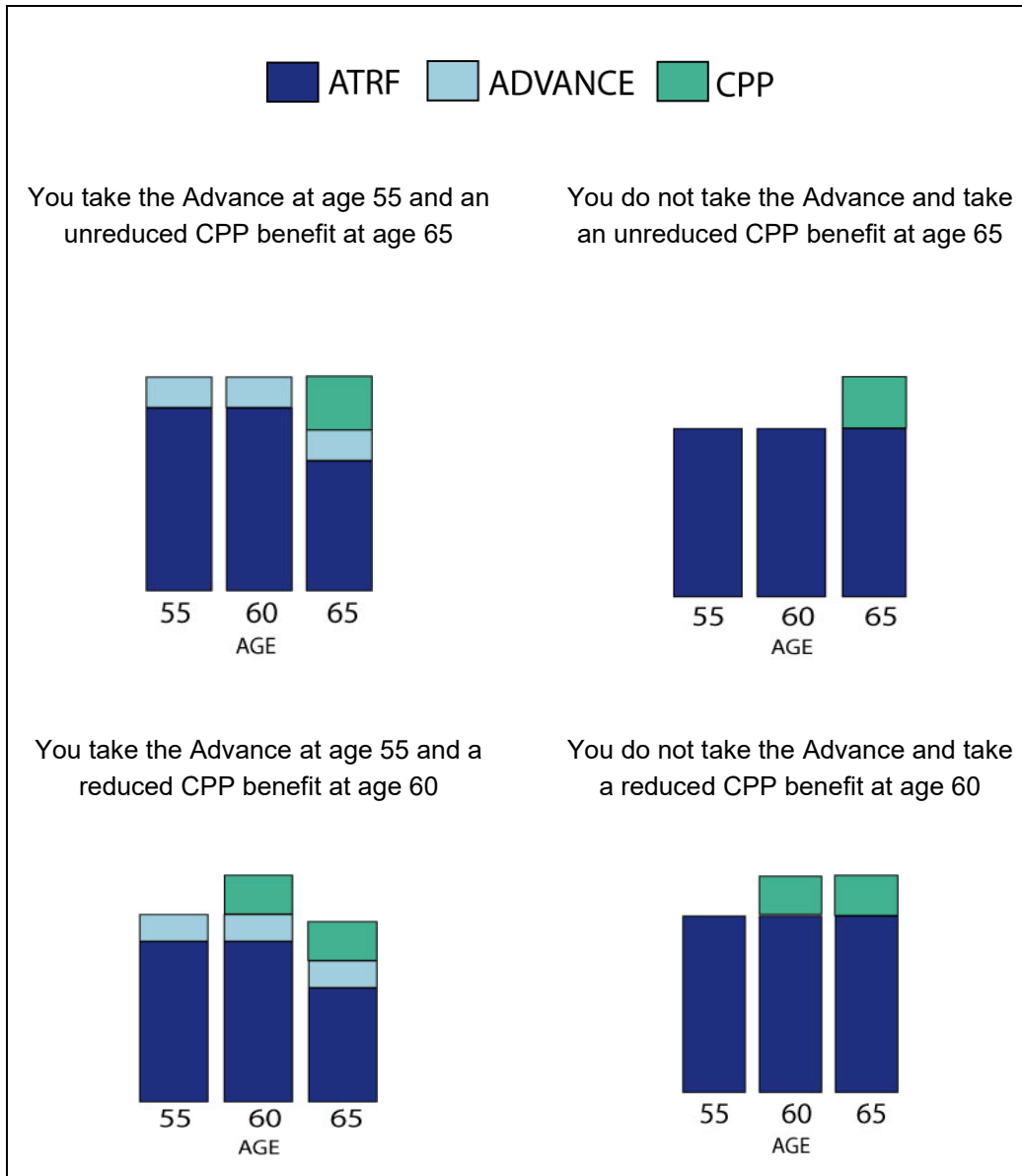
What You Need to Consider

You may only choose the Advance & Reduction Option when you choose your pension option – you cannot choose to add it after your pension has been granted.

- The Advance & Reduction Option cannot be changed or cancelled once your pension payments begin.
- The Advance & Reduction Option is calculated to be cost-neutral resulting in no monetary benefit or cost to the Plan.
- The Advance amount is calculated to have an equivalent actuarial value as the Advance at the time of pension commencement.
- The Reduction amount is an estimate of your CPP benefit at age 65 based on your pensionable service under the Plan.
- If you live longer than what is expected based on the calculation assumptions, the total amount of the total dollar amount of the Reductions may exceed the total dollar amount of the Advances paid to you.
- Advances are considered as income and are taxed accordingly. Choosing the Advance will not affect your CPP benefits which are paid directly from the Government of Canada.
- Cost-of-living adjustments are applied annually to the Advance starting at pension commencement and to the Reduction starting at age 65.
- The Advance & Reduction Option stops at your death and does not continue to any surviving nominee, beneficiary, or estate.



Advance & Reduction Option Illustration



For More Information on Choosing Your Pension Option

We're here to help!

Contact a Pension Counsellor at the ATRF office:

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