



Memorial University Pension Plan

Preparing for Retirement

A Guide for MUN Employees

Retirement is an important milestone, and Pension Services is here to help make the transition from employment to retirement as smooth as possible. This document outlines the key steps to follow, when to contact Pension Services, and the information required to begin your pension.

When should I contact Pension Services about retirement?

Employees are encouraged to contact Pension Services several months before their anticipated retirement date. Early discussions can help ensure sufficient time to review pension estimates, understand available options, and complete the necessary paperwork.

Contact Information

Email: pensions@mun.ca Telephone: (709) 864-2745

How far in advance should I start planning for retirement?

Ideally, employees should begin reviewing their retirement plans 6 to 12 months before their anticipated retirement date.

Starting the process early allows time to:

- Obtain and review a retirement pension estimate;
- Confirm pensionable service, pensionable earnings, and personal information;
- Gather any required supporting documentation;
- Consider tax and financial planning implications; and
- Discuss retirement plans with family members and financial advisors.

Employees who are considering retirement in the near future are encouraged to contact Pension Services to discuss their individual circumstances.

What does the retirement process look like?

Timing	Action
6-12 months before retirement	Begin retirement planning and request estimates
3-6 months before retirement	Confirm retirement date and notify Pension Services
Approximately 8 weeks before retirement	Receive retirement package
Approximately 4 weeks before retirement date	Return completed forms and supporting documents. Employees are encouraged to return completed forms as soon as possible. Waiting until four weeks before retirement is not required.
Retirement date	Pension commences
Around the 15th of each month	Pension payment issued

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Why is it important to contact Pension Services early?

Retirement is one of the most significant financial decisions an employee will make. Planning ahead allows you to:

- Understand available pension options;
- Confirm eligibility for retirement;
- Review estimated pension benefits;
- Discuss survivor benefits for a spouse or eligible cohabiting partner;
- Clarify how retirement timing may affect pension benefits; and
- Ensure all required forms and documents are completed before retirement.

Importantly, early planning can help avoid delays in commencing pension payments.

What should I do as I near retirement?

Employees should consider the following steps:

- Confirm their anticipated retirement date with their department and Human Resources;
- Request a retirement pension estimate from Pension Services;
- Review marital status and contact information on file;
- Gather any required supporting documentation; and
- Consider obtaining independent financial advice.

Can I receive pension estimates for different retirement dates?

Yes. Pension Services can provide pension estimates based on different retirement dates to help you understand how the timing of your retirement may affect your pension benefits.

Many employees find it helpful to compare retirement scenarios before making a final decision. For example, you may wish to compare the estimated pension payable if you retire:

- At your earliest eligibility date;
- In one or two years' time;
- At age 60, 62, or 65; or
- On another planned retirement date.

Comparing estimates can help you understand the impact that additional pensionable service, earnings growth, and age at retirement may have on your pension entitlement.

Employees are also encouraged to use the Pension Projection Tool available through the Pension Information portal on **my.mun.ca**. The tool allows members to generate pension projections for a variety of retirement dates and can be a useful resource for retirement planning.

Employees should be aware that pension estimates prepared by Pension Services are based on current pensionable earnings and do not include assumptions regarding future salary increases except for known step increases based on the employee's current band level. As a result, these estimates are generally most useful for employees who are nearing retirement.

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For retirement dates several years in the future, the Pension Projection Tool may provide a more realistic estimate because it allows employees to include assumed future salary increases. Pension Services estimates and the Projection Tool therefore serve different purposes and may produce different results.

Employees who are considering retirement in the near future, have complex circumstances, or would like assistance interpreting their results are encouraged to contact Pension Services for personalized pension estimates.

Before requesting an estimate, please be prepared to provide:

- Your employee number;
- Your anticipated retirement date(s); and
- Any specific retirement scenarios you would like Pension Services to review.

If you are considering different retirement dates, providing this information at the outset may help Pension Services prepare all requested estimates at the same time.

What happens to my pension if I continue working?

Many employees become eligible to retire before they actually leave employment. In general, continuing to work may increase your pension by:

- Adding additional pensionable service;
- Increasing pensionable earnings; and
- Reducing or eliminating any early retirement reductions that may otherwise apply.

Must I stop working to start receiving my pension?

Not necessarily. While most employees choose to begin their pension when they retire, it is possible to continue working after your pension starts in certain circumstances.

Under the **Income Tax Act (Canada)**, pension benefits from a registered pension plan must begin no later than the end of the calendar year in which a member reaches age 71. As a result, members who continue working beyond age 71 must start receiving their pension and stop making contributions to the pension plan.

This requirement does **not** mean that a member must retire. Employees may continue working while receiving their pension and employment income. The latest your pension can commence is December of the year in which you reach age 71.

Employees considering continued employment beyond age 71 are encouraged to contact Pension Services to discuss how these rules may apply to their individual circumstances.

How is my pension calculated?

Your pension is determined in accordance with the provisions of the **Memorial University Pensions Act** and is generally based on factors such as:

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- Pensionable service;
- Pensionable earnings; and
- Age at retirement.

For most employees, the annual pension payable at retirement is calculated as 2% of the average of the employee's highest five years of pensionable earnings multiplied by the employee's years of pensionable service.

For members who retire before age 65, this pension includes a temporary bridge benefit that is payable until age 65. As a result, pension payments are generally reduced at age 65 when the bridge benefit ceases.

Specifics on how the pension formula works can be found within the *Pension Plan Summary* or *Pension Plan FAQs* available on the Pension Services webpage.

What government benefits should I apply for?

Pension Services administers benefits under the MUN pension plan but does not administer Canada Pension Plan (CPP) or Old Age Security (OAS) benefits. Employees are responsible for applying for these benefits directly through Service Canada.

Information on CPP and OAS eligibility and application procedures can be found on the Service Canada website.

How do I request a retirement package?

Once you have selected a retirement date, you should notify Pension Services by email at pensions@mun.ca. At that time, you must also provide a copy of the retirement or resignation letter submitted to your department, confirming your final day on payroll. Your case will then be assigned to a Pension Specialist who will guide you through the retirement process and answer any questions you may have.

Upcoming retirements are prioritized by Pension Services. In most cases, your Pension Specialist will contact you approximately 8 weeks before your retirement date. This timing helps ensure that your retirement package reflects the most current salary and pensionable service information, minimizing the need for last-minute adjustments to your pension entitlement.

What information will be sent to me by Pension Services?

About 8 weeks prior to your retirement date, or later if Pension Services was not previously informed of your retirement, a Pension Specialist will send you a retirement package which generally includes the following:

- Application for Pension;
- Application for Group Insurance Continuation;
- Group Insurance Beneficiary Designation form (if applicable);

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- Canadian Revenue Agency TD1 and TD1NL forms;
- MUNPA Application;
- Retirement Benefit Statement;

The retirement package contains the forms and information required to commence your pension and, where applicable, continue certain benefits into retirement.

The completed forms, along with a copy of your birth certificate or passport, marriage certificate (if applicable), Principal Beneficiary's proof of age (if applicable), and a void cheque or Direct Deposit Form (if applicable), must be returned to Pension Services.

How do I apply for my pension?

To begin receiving your pension, you must submit the required retirement forms to Pension Services before your retirement date.

Employees are encouraged to contact Pension Services several months in advance of retirement to obtain the necessary forms, review their pension options, and ensure all required information is provided. Submitting completed forms in advance helps Pension Services process your application and establish pension payments without unnecessary delays.

The forms and documentation required will depend on your individual circumstances. Pension Services will advise you of any information needed and will be available to answer questions throughout the process.

What happens after I submit my retirement application?

Once all required forms and supporting documentation have been received, Pension Services will:

- Review and process your application;
- Confirm your pension entitlement;
- Establish your pension payroll record; and
- Arrange for direct deposit of your monthly pension payments.

Pension Services will contact you if any additional information is required.

What happens if I change my retirement date?

If your retirement plans change, please notify Pension Services as soon as possible.

Employees may revise their retirement date before retirement. However, once the retirement date has occurred and pension benefits have commenced, the retirement date cannot be changed retroactively.

If your retirement date changes after a retirement package has been prepared, Pension Services will need to recalculate your pension entitlement and issue a revised retirement

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package reflecting the new retirement date. A new retirement letter must be provided, and any forms previously completed and signed must be updated, re-signed, and returned to Pension Services before pension payments can commence based on the revised retirement date.

To avoid delays in the commencement of pension payments, employees should contact Pension Services as soon as possible if they are considering a change to their retirement date. Changes requested close to the retirement date may affect processing timelines and the timing of pension payments.

When will my pension payments begin?

Pension payments are issued once per month, typically on or around the 15th day of each month, and are deposited directly into your bank account.

Employees should be aware that pension payments are administered differently than payroll. While active employees are generally paid every two weeks, pensioners receive a single monthly payment from the pension plan.

Your first pension payment will normally be issued on the first monthly pension payroll following your retirement, provided all required documentation has been received and processed. Providing completed forms promptly can help avoid delays in commencing pension payments.

Pension benefits commence on your retirement date. If you retire partway through a month, your initial pension payment will generally be prorated to reflect the portion of the month following your retirement date. Thereafter, you will receive your full monthly pension entitlement.

Will my pension increase after retirement?

Pensions will be indexed each year in July for retirees and surviving Principal Beneficiaries who have reached age 65 on or before July 1 of that year. Indexation is not applied before age 65.

The amount of indexation is calculated as 60% of the annual change in the Consumer Price Index (CPI), to a maximum increase of 1.2% annually.

Pension Services will send a letter to you in July of each year after you turn 65, to explain the increase to your pension.

What happens to my group insurance benefits when I retire?

Employees who are eligible for post-retirement group insurance coverage will receive information as part of their retirement package. Any required elections should be completed and returned with the retirement forms.

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If you have questions regarding your current group insurance coverage or post-retirement insurance options, please contact the Department of Human Resources during regular business hours at (709) 864-2434. Alternately, you may go to my.mun.ca/employee to submit your inquiry via the HR Case Management channel.

Who is considered a Principal Beneficiary?

Survivor benefits may be payable to an eligible spouse or cohabiting partner following a member's death in retirement. The **Memorial University Pensions Act** refers to these individuals as a Principal Beneficiary.

In most cases, a Principal Beneficiary will be the member's spouse or eligible cohabiting partner. Survivor benefits may become payable to a Principal Beneficiary following the death of a retired member.

Under the **Memorial University Pensions Act**, a Principal Beneficiary is the **Spouse** of a member or, where applicable, the member's **Cohabiting Partner**.

Spouse

A Spouse is a person who:

- is married to the member;
- is married to the member by a marriage that is voidable and has not been voided by a judgment of nullity; or
- has gone through a form of marriage with the member, in good faith, that is void and is cohabiting or has cohabited with the member within the preceding year.

Cohabiting Partner

In relation to a member who has a Spouse, a Cohabiting Partner is a person who:

- is not the Spouse;
- has cohabited continuously with the member in a conjugal relationship for not less than three years; and
- is cohabiting or has cohabited with the member within the preceding year.

In relation to a member who does not have a Spouse, a Cohabiting Partner is a person who:

- has cohabited continuously with the member in a conjugal relationship for not less than one year; and
- is cohabiting or has cohabited with the member within the preceding year.

What benefits are paid if I die after starting my pension?

If you die after your pension has started, your Principal Beneficiary will receive a lifetime pension equal to 60% of the pension you were receiving at the time of your death.

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If there is no surviving Principal Beneficiary, a pension equal to 60% of your pension may be paid to your eligible dependent children. A child may qualify as a dependent until age 24 if they are attending school or a post-secondary institution on a full-time basis.

If there is no surviving Principal Beneficiary or eligible dependent child, a residual amount may be payable to your estate. This applies if your required pension contributions exceed the total pension and survivor benefits paid from the plan in respect of your pension.

Can I name another beneficiary to receive benefits?

No. Under the **Memorial University Pensions Act**, your Principal Beneficiary is automatically entitled to any survivor benefits payable under the pension plan. If you do not have a Principal Beneficiary at the time of your death, eligible dependent children may be entitled to benefits. If a residual amount remains payable from the pension plan, it will be paid to your estate. You may wish to discuss any estate planning implications with your legal advisor.

Retirement Checklist

Before retiring, consider completing the following:

- ☐ Request a pension estimate from Pension Services
- ☐ Confirm your intended retirement date
- ☐ Notify Pension Services of your retirement date by providing a copy of the retirement letter submitted to your department and Human Resources, confirming your final day on payroll
- ☐ Review your marital status and contact information on file
- ☐ Provide any outstanding supporting documentation
- ☐ Seek independent financial advice, if desired
- ☐ Submit all retirement forms to Pension Services

Important Note

This document provides general information only. If there is any discrepancy between this document and the provisions of the Memorial University Pensions Act or applicable legislation, the Act and legislation will govern.

Need help?

Please visit the Pension Services website:
<https://www.mun.ca/finance/pension-services/>

Or contact Pension Services at:
Email: pensions@mun.ca or Telephone: (709) 864-2745