

## THE UNIVERSITY OF WINNIPEG

# RETIREMENT GUIDE

### For Defined Contribution Plan Members

This guide provides answers to questions most frequently asked by University employees preparing for their retirement.

#### **1. HOW MUCH NOTICE SHOULD I GIVE OF MY INTENT TO RETIRE?**

UWFA - Six months notice (may be waived by mutual agreement between the employee and the University)

UWFA-COLLEGIATE - Five months written notice.

AESES, IUOE, and EXCLUDED - As much notice as is possible to assist the department with planning, but 10 working days is the minimum.

TERM employees should refer to their employment agreement for any specific reference to a notice period.

NOTE - The above notice periods are the minimum requirement to assist the department with planning for your replacement.

#### **2. WHO SHOULD I NOTIFY OF MY INTENT TO RETIRE?**

UWFA - area Dean/Vice President (Students)/University Librarian, as appropriate.

UWFA-Collegiate - Dean

AESES, IUOE, EXCLUDED, TERM – Supervisor

A copy of the retirement notices should also be provided to Human Resources.

#### **3. DO I HAVE TO NOTIFY SUN LIFE FINANCIAL OF MY RETIREMENT?**

No. Human Resources will notify Sun Life Financial of your approaching retirement date. Authorization to settle your pension account will be provided to Sun Life by Human Resources a few weeks prior to your actual retirement date since you cannot settle your pension entitlement until after your pay has ended, and your last pension contribution has been submitted by the University to Sun Life.

#### **4. WHAT WILL BE MY PENSION OPTIONS AT RETIREMENT?**

Sun Life will provide you with the details of your pension entitlement and your available options. You will have the choice of leaving your pension funds with Sun Life Financial or transferring to a Locked-In Retirement Account (LIRA), or a Life Income Fund (LIF) with a financial institution of your choosing.

#### **5. WHAT TAX CREDITS CAN I CLAIM AFTER I RETIRE?**

In addition to the basic personal tax credit, all individuals who are in receipt of regular pension payments are entitled to a pension tax credit (\$1,000 provincial tax credit and

\$2,000 federal tax credit). When you reach age 65, you may be entitled to an age-related tax credit, as long as your net retirement income is below a certain amount. Other credits may apply and you need to review the tax credit forms carefully at the time you retire, and periodically thereafter.

NOTE - If you will be receiving income from more than one source and/or will be engaging in post-retirement employment (at the University of Winnipeg or elsewhere) you need to ensure that you are claiming all tax credits against ONLY ONE source of income. Claiming the same tax credits against more than one source of income, will result in an incorrect amount of tax being withheld and you may end up owing a significant amount of income tax at the end of the year.

## **6 . WHEN SHOULD I APPLY FOR MY GOVERNMENT BENEFITS?**

You should apply for your Canada Pension Plan retirement benefits six months in advance of the date on which you wish the payments to commence. To qualify for the commencement of CPP retirement benefits you must be at least age 60. If you are under age 65 at the time your CPP payments commence, your CPP pension will be reduced, and if you are over age 65 at the time your CPP payments commence, your CPP pension will be increased. To apply for your CPP pension, or to get more information on the CPP, call Service Canada at 1-800-277-9914 or go to:

<https://www.canada.ca/en/services/benefits/publicpensions/cpp.html>

If you are age 65 or over at the time of CPP application, you may apply for Old Age Security benefits at the same time. Your OAS benefits will be subject to a “claw back” if your NET income is in excess of a specified amount (for the 2020 taxation year the claw back starts at \$79,054, with full claw back at \$128,137).

## **7. I AM TAKING EARLY RETIREMENT. SHOULD I APPLY FOR MY CPP BENEFITS NOW OR SHOULD I WAIT UNTIL I REACH AGE 65?**

Collecting CPP benefits upon early retirement versus delaying receipt of these benefits until a later date is a personal decision, and if you cannot decide which option is in your best interest, you should consult with a professional financial planner. In making your decision, you may wish to consider the value of the CPP pension payments you would be foregoing due to the delayed payment start date versus the increased payments you will receive from a later date.

## **8. SHOULD I APPLY FOR MY CPP BENEFITS EVEN THOUGH I DO NOT PLAN TO RETIRE?**

As of January 1, 2012, you no longer have to have an interruption in your earnings in order to start collecting CPP benefits between the age of 60 and 65, however, you will have to continue to pay into the CPP if you continue working. If you are at least age 65 when you start collecting CPP retirement benefits, you may choose to continue paying into the CPP or cease making further contributions. Collecting CPP benefits while still

working is a personal decision and there are many considerations. If you are not sure whether collecting CPP benefits while still working is in your best interest, you should consider consulting with a professional financial adviser.

### **9. WILL MY HEALTH COVERAGE CONTINUE BEYOND MY RETIREMENT DATE?**

No. All group benefits coverage, including health coverage (Dental, Extended Health, Vision, etc.), ends at the time of retirement. However, there is a group Retiree Plan available through Manitoba Blue Cross; for information on the group Retiree Plan please contact Mark Betcher at [m.betcher@uwinnipeg.ca](mailto:m.betcher@uwinnipeg.ca). Individual health coverage may be obtained directly through Manitoba Blue Cross or another organization. If you would like to obtain information on the Blue Cross individual plans, please visit the Blue Cross website at <http://www.mb.bluecross.ca>

### **10. CAN I CONVERT MY LIFE INSURANCE TO AN INDIVIDUAL POLICY?**

If your group term life insurance ceases on or before you attain age 65, you may convert your group term life insurance coverage, with no medical evidence, to an individual policy within 31 days of the termination of your group coverage (subject to conversion minimum and maximum). The plans available under the conversion provisions are:

1. One Year Term policy that can be exchanged prior to its expiry date for a life insurance policy as described in 2 or 3 below,
2. A non-convertible term insurance policy that provides level term insurance to age 65, or
3. A term to age 100 policy that provides lifetime coverage with no forfeiture options.

The rate charged on a converted group policy may be higher than the rate you would pay for an individual policy that you obtain on your own, due to the “no medical evidence” conversion provisions. For this reason, if you are in good health at the time of retirement, it may be in your best interest to obtain the services of an insurance broker who can ensure that you are paying the lowest possible rate for your life insurance.

### **11. DO I AND MY DEPENDENTS CONTINUE TO QUALIFY FOR THE TUITION SCHOLARSHIP PROGRAM AFTER I RETIRE?**

No. Eligibility for the Tuition Scholarship Program ends upon retirement. However, as eligibility for the Program is determined on the first day of classes, a Tuition Scholarship may be claimed after the date of retirement if eligibility was confirmed at the commencement of the class.

## **12. WILL I CONTINUE TO ENJOY BASIC UNIVERSITY LIBRARY PRIVILEGES AFTER I RETIRE?**

Yes. You may continue to access the resources of the University of Winnipeg Library following retirement, provided that at the time of retirement you send a letter to the University Librarian requesting extension of library privileges.

## **13. DOES THE UNIVERSITY OFFER FINANCIAL EDUCATION?**

Yes. The University offers comprehensive financial planning education seminars, usually on an annual basis. The seminars are open to all regular employees of the University and are offered through the Human Resources office. The purpose of the seminars is to increase overall financial knowledge in the following areas:

- General understanding of investments and financial planning strategies
- Preparing for retirement
- Review of estate issues

## **14. IS THERE AN ASSOCIATION FOR UNIVERSITY RETIREES?**

Yes. The University of Winnipeg Retirees Association welcomes as members all retired academic and support employees who are eligible to receive benefits from the University of Winnipeg Trusteed Pension Plan. It also welcomes associates who are involved with the University in any way and wish to support it.

For information on the University of Winnipeg Retirees Association Inc. please go to <http://www.uwinnipeg.ca/index/hr-uwra>

## **OTHER QUESTIONS?**

Please contact: Mark Betcher, Manager, Pay & Benefits  
204-786-9890 ([m.betcher@uwinnipeg.ca](mailto:m.betcher@uwinnipeg.ca))

Tarun Kumar, Pension Plan Administrator  
204-786-9280 ([t.kumar@uwinnipeg.ca](mailto:t.kumar@uwinnipeg.ca))

Sun Life Financial  
Customer Care Centre  
1-866-733-8612

Or, visit the Sun Life Website at  
[www.sunlife.ca/member](http://www.sunlife.ca/member)