

Retirement

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What's my 'normal retirement date' ... and, if mandatory retirement is over, why does the Collective Agreement still refer to it?

Although Ontario no longer has mandatory retirement, the Agreement still refers to your 'normal retirement date' – namely, the 1st of July following your 65th birthday, or on it, should the dates coincide. While it's not the deadline for your retirement, your 'normal retirement date' does play a part in establishing windows of eligibility for retirement options.

Note: as you read the questions and answers below, attend to whether 'normal retirement date' or 'retirement date' (i.e., the actual date on which you retire) is referenced.

How much notice am I required to give of my planned retirement date?

You can retire on 1 January or 1 July upon 9 months' written notice (or less with approval from your Dean / Principal / University Librarian and the VP Academic). In the event of a notification of amendment to the Pension Plan, the notice period for retirement may be less than 9 months if, following the notification of the Pension Plan amendments, the 9 month notice period would not enable you to retire on a 1 July or 1 January prior to the implementation of the Pension Plan amendment.

How do I get help in figuring out the details of my retirement?

It is crucial that you seek financial and other advice prior to retiring. YUFA members have free access to these sources of retirement advice:

- York Retirement Planning Centre: This Centre, supported in part by YUFA, offers members extensive programming and advice on a range of retirement issues. Through the Centre, you may also obtain up to \$850 of independent financial counselling paid for by the Employer. If you like, the Centre will provide a list of recommended fee-for-service consultants.

- York Benefits & Pensions advisors: If you have a question about your pension or York's Pension Plan, you can contact your advisor in Human Resources.
- And of course, you can always contact YUFA.

Will I be a member of the bargaining unit after I retire?

YUFA is responsible for bargaining the terms and conditions of retirement for all members including retirees. These are detailed in Article 14 of the Collective Agreement. Only those engaged in paid post-retirement work remain voting members of YUFA, and ordinarily YUFA can only grieve on behalf of those members engaged in paid work. By joining the Association of Retired Faculty and Librarians (ARFL), you become an associate member of YUFA with the right to receive communications from YUFA and to attend YUFA meetings, but not to vote.

When is the earliest I can retire?

Once you're 55, you can receive a pension from the York Pension Fund.

Can I ease into retirement before my 'normal retirement date'?

Tenured members 55 and up who have at least five years of active service at York can elect, in writing, to go on 'irrevocable reduced load.' This is a workload and salary reduction of 20% to 80% of what's normal, while the Employer maintains all benefits, including making both your and its pension contributions, at 100%, i.e., as if you were on full load.

You can then further reduce your workload and salary, up to 80% of what's normal, with 9 months' notice and the agreement of your Dean / Principal / University Librarian. Year-to-year increases in workload and salary are not an option.

You can stay on irrevocable reduced load for up to 10 years or till the 30th of June in the year that your pension payments must, by law, begin – whichever comes sooner.

When am I eligible for an early retirement payout?

The 1st of January or July after you turn 60 until your 'normal retirement date' is the window for receiving a payout for early retirement. To be eligible you must be tenured and have been at York for a minimum number of years ranging from 2 to 8, depending on your age.

What's in the early retirement package?

Here's the formula:

[average salary of members your age in your stream] x [number of years from retirement to 'normal retirement date'] ÷ 5

... where 'stream' is Professorial, Alternate, or Librarian, and number of years includes fractions, e.g., if you retire 6 months before your normal retirement date, then 0.5 is your number of years.

Your early retirement package may also include other things, such as special arrangements for benefits, pension top-up, leaves, etc. This all becomes part of the written 'voluntary separation agreement' that you may negotiate with the University.

Is there a penalty if I fail to give the Employer 9 months' notice of my early retirement?

Big time! Unless there is an agreement to the contrary with the Employer, your 'number of years' in the above formula would be docked by 0.5. So, if people your age in your stream are earning \$100,000 on average, you'd lose out on \$10,000!

$$\$100,000 \times 0.5 \div 5 = \$10,000$$

However, in the event of a notification of amendment to the Pension Plan, the notice period for retirement may be less than 9 months if, following the notification of the Pension Plan amendments, the 9 month notice period would not enable you to retire on a 1 July or 1 January prior to the implementation of the Pension Plan amendment.

What are my options if I have unused sabbatical credits when I'm nearing my 'normal retirement date'?

See Article 14.05(a) and Appendix R of the Collective Agreement. For an explanation of sabbatical credits, see the Sabbatical FAQs.

What if I have unused graduate supervision credits as I near retirement?

You can use them as course release before you retire or be paid out at the Overload rate, subject to Appendix O (7).

Do I have to do any paperwork to get my York pension?

Yes. Notify your unit of your impending retirement; in turn, they'll notify York Human Resources.

What will my pension be?

For dollar estimates of what your pension will be if you retire at ages 55, 60, and 65, refer to the Pension Statement that Human Resources sends you annually. For more estimates at other times and ages, you may also use York's online Pension Estimator. Read on or consult the York Pension Plan booklet for a brief summary of how your pension is determined.

All members of the York Pension Plan have a Money Purchase account, which is the sum of all your and the Employer's monthly contributions over the course of your career at York, plus interest earned through investments.

When you retire, the account is usually converted into a monthly pension to be paid to you for the rest of your life. The size of your pension depends on the amount of the contributions, the performance of the Fund's investments, and the number of years actuaries predict you will live.

If you retire at your 'normal retirement date' and the annual pension from your Money Purchase account falls below ...

[Credited years of service] x [1.9% of (the average of best 5 years of earnings – YMPE) + 1.4% of the average YMPE for those same 5 years]

where YMPE is the 'Year's Maximum Pensionable Earnings' as determined by Canada Revenue Agency (2012=\$50,100)

... then your pension will be topped up to this amount. This is known as the Minimum Guaranteed Benefit.

Note that if you retire prior to your 'normal retirement date,' the Minimum Guaranteed Benefit is reduced as follows:

- 0.25% for each month your retirement age precedes 65, up to 60 months, plus,
- 0.5% for each month your retirement age precedes 60.

Do I have other pension options on retirement?

The 'normal form' of pension is life only for a member without a spouse or a 50% pension for a deceased member with a surviving spouse. These forms are only used to calculate the Minimum Guaranteed Pension and you may elect at retirement an optional form of pension which ranges from life only to 100% pension for a surviving spouse. Note that Ontario pension regulations require at least a pension of 60% for a surviving spouse unless this provision is specifically waived by the spouse. Choosing an optional form of pension will usually mean a lesser pension overall. You can also choose to take your money out of the York Pension Fund by transferring the balance in your Money Purchase account, along with an amount equal to any Minimum Guaranteed Benefit to which you are entitled, to a 'locked-in' RRSP or similar life income vehicle. Please get financial advice when contemplating such a move. For more information about these and other pension options, consult the Pension Plan booklet or contact a York Pension & Benefits Counsellor.

If I should die before my spouse or other beneficiary and after I retire, what will their pension benefits be?

If you have an eligible spouse, that person will receive a pension based on the options discussed above. If you have chosen to receive a pension for a guaranteed period and die within that period, the named beneficiary will receive a lump-sum death benefit.

Who is an 'eligible spouse'?

For pensions, an 'eligible spouse' is a person of the same or opposite sex, who at the time of pension commencement is:

- legally married to you, or
- living with you in a conjugal relationship continuously for at least three years, or
- living with you in a conjugal relationship of some permanence wherein you are the natural or adoptive parents of a child.

If I had a pension plan with a previous employer, what should I do?

First, contact a York Pension & Benefits Counsellor to find out if you can transfer money into the York Pension Fund from your previous fund. Such transfers aren't always possible and may take some time to arrange. Second, contact your previous employer to find out whether you can transfer money out.

If both answer 'yes', get financial advice about whether a transfer would benefit you. It'll generally depend on such factors as the two pension formulae, how much money you and your previous employer had contributed, how long you worked there, and the relative performance histories of the two funds.

You must do all this within 12 months of coming to York.

What benefits do I get as a retiree?

As you may know, your health and dental benefits are substantially reduced after retirement. For example, your prescription drug reimbursement will fall from 100% to 80% and \$20,000 lifetime maximum for out-of-country medical expenses, per eligible member. The Post Retirement Benefits Program booklet is on the York Human Resources Website.

Effective 1 May 2013, the major restorative dental benefit for retirees will be improved and will be at parity with active YUFA members, i.e., up to 85% of the cost (previously 50%) up to a maximum of \$1,250 per year per plan member.

Can I get a PER and other supports for my post-retirement work?

All retirees have the title 'emeritus,' access to library services; York University affiliation for external grant application purposes; and email privileges, subject to availability.

For the following supports, you must have tenure / a continuing appointment, have been at York for at least five years, and have elected designation as ‘Senior Scholar’ up to 6 months after retirement:

- an annual professional expense reimbursement (PER, Article 25.08) for a maximum period of 15 years, ending no later than 10 years after your ‘normal retirement date’
- eligibility for conference travel funds
- use of an office (sometimes shared), if available
- access to secretarial services, if available
- laboratory / studio space, if available
- computing services, if available.

What is my entitlement to paid post-retirement work?

If you had tenure / a continuing appointment and at least five years ‘active service’ at York, you’re entitled to paid post-retirement teaching / librarian work.

Note: For those who retire after their normal retirement date, the clock runs out on these entitlements when you reach age 71. Faculty members: whether you intend to teach or not, also be sure to give 9 months’ notice until your entitlement is used up.

How does serving on a graduate student’s supervisory committee figure into entitlements to paid post-retirement teaching?

If you’re a principal supervisor of a Master’s thesis or doctoral dissertation, then for each year of each such supervision, you’ll be paid 1/6th of either the enriched full-course pay rate or the prevailing CUPE 3903 Unit 2 Course Director rate, depending on how much post-retirement teaching you’ve already done. This work counts toward the entitlements summarized in the previous question.

More info?

Your Collective Agreement, Article 14 (retirement), clauses 26.02 (pensions), 26.12 (free tuition), and Appendix O (7) (unused graduate supervision credits)

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