

Joining the CAAT Pension Plan

Information for Other than Regular Full-Time Employees working in Ontario Colleges

January 2017

OPSEU members in either CAAT Academic or CAAT Support who are not employed on a regular full-time basis can now join the CAAT Pension Plan when they are hired, or at any time following their date of hire. Joining the CAAT Pension Plan can help you build a stable, predictable retirement income while you work.

Do I have to join right away?

No, the choice is yours. You can join right away, you can join at a later date (so long as you continue to be employed by a college or other employer that participates in the Plan), or you can choose not to join at all.

What happens if I don't join right away?

You do not make pension contributions to the pension plan.

Your employer does not make equal pension contributions to the pension plan.

You do not start earning pensionable service in the CAAT Pension Plan.

Is there a downside to not joining right away?

Yes. Some of the downsides of not joining right away are:

1. You will not be gaining valuable pensionable service in the CAAT Pension Plan;
2. No matching contributions from the employer will be made to the Plan on your behalf;
3. It will likely be more expensive to purchase your pensionable service at a later date.

If you join the plan at a later date and wish to buy pensionable service for time you worked for a CAAT Plan employer before you joined the plan as a member, you will be required to pay at least 100% of the actuarial cost of the purchase yourself.

How much does it cost?

Contributions to the pension plan are based on the CPP's Years Maximum Pensionable Earnings (YMPE). In 2017, the YMPE will be \$55,300. Members will contribute 11.2% on their pensionable earnings below \$55,300 and 14.8% on pensionable earnings above that amount. These contributions are tax deductible. Also, if you are a non-regular full time employee who has joined the Plan, you contribute on earnings with any participating CAAT Pension Plan employer for so long as you remain a member of the plan.

The following table provides an illustration of estimated contributions for different pensionable earnings for the year 2017, assuming in each case that the member works 50% of full-time equivalent hours and earns 0.5 of a year of pensionable service with only one employer throughout the year.

Pensionable Earnings	Annualized Earnings (based on 50% of full-time hours)	Contribution amount below the YMPE	Contribution amount above the YMPE	Total Contributions
\$20,000	\$40,000	\$2,240	\$0	\$2,240
\$30,000	\$60,000	\$3,096.80	\$347.80	\$3,444.60
\$40,000	\$80,000	\$3,096.80	\$1,827.80	\$4,924.60
\$50,000	\$100,000	\$3,096.80	\$3,307.80	\$6,404.60
\$60,000	\$120,000	\$3,096.80	\$4,787.80	\$7,884.60
\$70,000	\$140,000	\$3,096.80	\$6,267.80	\$9,364.60

The college matches the contributions that you make to the plan. The matching contributions by the employer do not attract any tax to you.

Every year the YMPE is adjusted by the Canada Pension Plan, so the contribution amounts above will change slightly in 2018 based on the 2018 YMPE, but the % of contributions are not scheduled to change.

What if I join the plan and then change my mind?

Once you sign up, you are required to continue to contribute to the plan while you continue working at any participating employer (i.e. any Ontario college or other participating employers.)

What if I join, but don't end up working for the college for that long?

It will depend on whether you are reemployed at a college again. The CAAT pension plan has a 24 month extension of membership. This means that if you leave the college system and are reemployed at a college or other participating employer within 24 months of your termination, you are required to start contributing to the pension plan again upon reemployment. (It's important in this case that you let your new employer know that you are a member, so that contributions can recommence.)

If you are away from the college system or other participating employers for more than 24 months, you will be sent a termination option form. If you are not eligible to retire at the time, you will have options to transfer the value of your pension to:

- another registered pension plan (so long as they agree to accept the transfer);
- a Locked-in Retirement Account (LIRA), or a Life Income Fund (LIF); or

- an insurance company for the purchase of a life annuity, payable at the time you would be entitled to pension payments.

But you don't need to transfer out of the Plan. You can keep your pension in the Plan, and receive lifetime income in retirement. This is called a deferred pension. Your deferred pension is the pension you earned up to the date you terminated your employment. Your pension remains in a secure, fully funded pension plan, ready for you when you retire.

It doesn't matter how far away you are from retirement – your pension will be waiting for you when you're ready to collect it. In fact, your pension will continue to grow, receiving inflation protection increases, when they apply, even before you start collecting it. If inflation protection increases were granted during the 24-month membership extension, those will be part of your deferred pension too. Not only that, but you'll also have all the other advantages of a lifetime pension, such as survivor benefits for your spouse.

However, members will receive a cash payout (or a non-locked in transfer) if the value of their annual pension is less than 4% of the YMPE (\$2,212 in 2017), or the commuted value of the pension is less than 20% of the YMPE (\$11,060 in 2017).

Where can I get more information?

You can get detailed information on the CAAT Pension Plan's website at:

<https://www.caatpension.on.ca/en/members/part-time>

The website has information on how the pension benefit is calculated, features of the plan, contribution rates and even shows example of contributions and benefits for both faculty and support members.

You can also call the CAAT Pension Plan at (416) 673-9000 or 1-866-350-2228 or email at

member@caatpension.on.ca.