JACFA NEWS

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Syndicat des Professeurs-res du Cégep John-Abbott College

www.johnabbott.qc.ca/~jacfa

From Barbara's desk

A couple of months ago we decided that an issue of the JACFA News dedicated entirely to retirement and pension-related themes would be an excellent opportunity to present, in one compact form, much of the information a large of number of our faculty would find useful. The decision of when to go into retirement is a difficult one. We derive a great deal of satisfaction, enjoyment, and energy from our interaction with the Abbott students. It is not easy to leave that behind and welcome a new phase of life. Many factors must be taken into consideration before that step is taken and we hope we will address a number of them in this issue. If we have left anything out, let us know and we will answer your concerns at the earliest opportunity.

We are happy to inform you that Monique Hins from CARRA will be giving a presentation to faculty on pensions Wednesday, January 16 from 9:00 to 12:00. If you have not attended one of her previous sessions, rest assured that you can look forward to a clear, informative, and realistic presentation.

Not only is retirement the concern of senior faculty, it is directly of interest to junior faculty who will be assuming their posts. We have included information about modes of gradual retirement which are available to us through our collective agreement.

Do not forget our General Assembly on Wednesday, December 12. It will be held in the Studio Theatre in Casgrain basement. At that time, we will be electing three permanent substitutes to Academic Council and the three members of the Financial Review Committee. A full agenda will appear in your mailbox shortly. After the meeting, we will adjourn to the Vieux Kitzbühel for our annual holiday luncheon. A number of our recent retirees will be celebrated and presented with a little momento of their years as Abbott faculty.

Best wishes for a happy conclusion to this semester and a jolly, restful break!

GRADUAL RETIREMENT

JACFA and the College have a local agreement allowing teachers who have reached age 65 to participate in a voluntary gradual retirement program. Teachers can reduce their workload and, at the same time, receive pension payments for which they are eligible. The annual workload of the teachers must fall between 0.25 ETC and 0.90 ETC. Also, the program must end with the full retirement of the teacher, no later than December 30 of the year in which the teacher reaches age 69. The total amount of annual salary and pension benefits cannot exceed the salary the teacher would have received on the last day of their participation in the pension plan. The teacher's seniority and experience continue to be credited, and since the teacher is receiving a pension, they stop accumulating pension credits, and no longer pay pension premiums.

The deadline for submitting a request to participate in the program is April 15, for the Fall semester, and October 15 for the Winter semester. For more information, contact a JACFA representative. The full text of the Gradual Retirement Agreement is available on the JACFA website.

In this issue...

PENSION CALCULATION

RREGOP (Régime de Retraite des Employés du Gouvernement et des Organismes Publics) was created in 1973. The annual contribution to RREGOP is 5.35% of your admissible salary, which is set by the portion of your basic salary which exceeds the exemption granted in consideration with the QPP (which was set at $13,160 in 2000). Your contribution to QPP is thus 5.35% of $13,160, which is $704. A teacher with a salary of $50,000 would contribute 5.35% of $36,840, which is $1,970.94.

What is the relation between RREGOP and QPP?

RREGOP is integrated with the Quebec Pension Plan. This has two consequences: the first is that an exemption is applied to your RREGOP contributions (see above for details). The second is that, as a result, your retirement pension under RREGOP is reduced the month following your 65th anniversary, when you start receiving QPP. Note that you may receive your pension from QPP at the age of 60, without a reduction of the RREGOP pension until 65. However, your QPP pension will be reduced permanently by a factor of 6% (0.5% per month) each year prior to your 65th birthday.

How will CARRA calculate the reduction that will affect your RREGOP pension?

Your pension will be reduced according to the following formula:

years ✗ MPE ✗ 0.7% ✗ QPP reduction

Where **years** is the number of years used to calculate your pension, **MPE** is the average maximum. pensionable earnings for your last five years of earnings ($37,600 in 2001), 0.7% is the annual integration rate and **QPP reduction** is the permanent reduction of your QPP if you have any.

How is the pension calculated?

The RREGOP pension (without penalty) will be calculated according to the following simple formula:

2% ✗ Average Salary of 5 best years ✗ years of contributions.

For part-time teachers, CARRA will do the calculations as if you were working full-time (for the average salary). The maximum number of years of contributions is 35 years. However, there is an exception for people who have worked and contributed for more than 35 years as of December 31 1995 and stopped contributing thereafter: they will receive a pension according to all the years worked up to that date.

When can I retire without penalty?

You can retire without penalty when you meet one of the two following conditions:
1. You must be at least 60 (no matter the number of years of service); or
2. You must have 35 years of service (no matter your age).

When can I retire in any case?

You can retire with penalty if you are at least 55.

In this situation (between 55-60), your pension will be reduced permanently by a factor of 0.33% (4% per year) for each month between your actual retirement and the first date of retirement without penalty.

Examples:

Max does not want to work too long. He started teaching at 32 and he retires at 57. He thus worked 25 years, full-time.

Number of years of contributions: 25
Average salary of the 5 best years: $58,000
His pension before the penalty:

2% ✗ $58,000 ✗ 25 = $29,000.

Max retired 36 months before his actual first date without penalty.
So the percentage is given by (0.33 ✗ 36)%= 12%
He will thus be penalized by 12% of $29,000, that is $3,480.

Max's permanent pension for one year:

$29,000 - $3,480 = $25,520 (44% of his salary).

Susan retires at 65. She started working when she was 30 but has worked part-time (50%) for the first 5 years while she was completing her PhD. She was not permanent at that time and could not participate in a reduced workload plan. During her fifties however, she took a year's sabbatical and participated in a reduced workload program: she worked half time for 3 years. Her number of years of contribution to RREGOP will not be affected.

Number of years of contributions: 32.5
Average salary of the 5 best years: $61,500

Susan's permanent pension for one year:

$$2\% \times \$61,500 \times 32.5 = \$39,975$$

Since she is 65 and will get the QPP, the RREGOP reduction will be:

$$32.5 \cdot \$37,600 \cdot 0.7\% = \$8,554$$

With the integration, Susan will receive $31,421 from RREGOP and $8554 from QPP for a grand total of $39,975.

She also probably qualifies for the Old Age Security pension of $442.66 per month

Do you qualify for Old Age Security?

Normally, if you meet the conditions in either of the two categories below, you qualify for a full pension:

Category 1
You lived in Canada for at least 40 years after turning 18.

Category 2
You meet the three conditions below:
1. You were born on or before July 1, 1952.
2. Between the time you turned 18 and July 1, 1977, you lived in Canada for some period of time.
3. You lived in Canada for the 10 years immediately before your application was approved.

Old Age pensioners with an individual net income above $55,309 must repay part or all of the maximum Old Age Security pension amount. The repayment amounts are normally deducted from their monthly payments before they are issued. The full OAS pension is eliminated when a pensioner's net income is $90,195 or above. Note that OAS is indexed to the CPI every three months.

Is my pension indexed to the cost of living?

For QPP and OAS, the answer is yes. For RREGOP the answer is yes, partially. The RREGOP pension is indexed according to the following table:

Years of contribution	Indexation
A. Before July 1st 1982	**CPI**
B. July 1 1982 - January 1 2000	**CPI-3%**
C. After January 2000	**Max. between CPI-3% and 50% of CPI**

Calculation of Susan's indexation in 2002 (CPI is 1.9%)

Periods	Years worked	Portion of the pension	Index rate	Indexed Pension
A	17	$16435.60	1.9%	$16747.88
B	13.5	$13051.80	0%	$13051.80
C	2	$1933.60	0.95%	$1951.97

Calculation of Susan's pension in 2002

RREGOP pension	$31,751.65	(an increase of 1.05%)
Indexed QPP	+ $8,716.53	
Indexed OAS	+ $5,412.85	
Susan's yearly pension	= $45, 881.03	

Susan's yearly pension in 2001 was $45,286.92. The global indexation is 1.31%.

If you are a member of the Teacher's Pension Plan (TPP), most of the information in this issue applies to you. The major differences have to do with contributions rates and elligibility. For further information contact a JACFA representative and/or come to the CARRA information meeting on January 17.

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welcomes your contributions on any collective matters.

Contact Barbara DeLorenzi at local 5505 for submissions. Deadline for the next issue is January 30, 2002.

RETIREMENT AND INSURANCE

What happens to your insurance when you retire? It depends... on your age and the plan:

Insurance Plan	*If you are under 65 years old*	*If you are over 65 years old*
Health Insurance		
Drugs	When you retire, you may remain in the JACFA plan (deductible $25 for individuals, $50 for families, then you pay 20% up to $3750. All eligible drug costs are reimbursed over $3750). Premiums are $87.29 per month for individuals and $176.06 for families.	You have the choice of remaining in the JACFA plan (drug coverage costs $60 per month) or joining the Québec universal drug plan. Its premiums are $385 per year (payable on your tax return). Under this plan, you pay the first $8.33 per month for drugs, then 25% up to the monthly maximum, which is $16.66 to $62.49, depending on your income.
Hospitalization and Paramedical coverage	The JACFA plan coverage is 100 % for semi-private hospitalization, and 80% for medical / professional supplies or services (with varying per visit and annual maximums).	The JACFA plan covers these expenses and costs $56.96 for individuals and $166.97 for families per month.
Life Insurance	Your life insurance expires 31 days after you retire. You have the option during this period of converting your insurance to an individual policy with Maritime Life for the lesser of the amount you were covered for or $200,000, without submitting evidence of health.	At age 65, employee life insurance coverage reduces to a maximum of 100% of your salary or $75,000 (whichever is lower). At 70, it reduces to $10,000 and at 75, $5,000. All life insurance coverage ends when you retire.
Travel Insurance	All coverage ends when you retire.	
Long Term Disability	Benefits terminate when you retire. Since you are covered by salary insurance for up to two years, you may want to cancel your LTD coverage two years before you know you will retire.	LTD insurance terminates at age 65 whether you retire or remain employed. You may want to cancel coverage when you reach 63 years of age, since you will not be able to benefit from it.
AREF (FNEEQ Retirees Association)	An alternative to the JACFA plan is offered by the *Association des retraitées et retraités de l'enseignement de la FNEEQ* (AREF). Membership in the organization costs $30 per year. For more detailed information, visit their website at: *http://www.francophone.net/aref/aref/*	
	Offers travel (including cancellation) and health insurance (drugs and paramedical). The monthly cost is $76.33 for individuals, $206.06 for families, and $152.65 for couples. Life insurance is also available.	Offers travel (including cancellation) and paramedical health insurance (no drug coverage). The monthly cost is $28.08 for individuals and $63.01 for families. Life insurance is also available.

All rates are current and do not include tax. We will be renewing our insurance **February 1, 2001.** If you have any questions, please **contact Stephen Bryce at the JACFA office (5506).**

BUYING BACK YEARS OF SERVICE

If in the past you took unpaid leaves while employed in the Quebec public sector, it may be possible to have these periods taken into account for pension purposes by paying CARRA for the premiums not collected, plus accumulated interest. This must be done before retirement, by completing and submitting to CARRA form 727 (available from human resources), with all pertinent documentation attached. CARRA will then calculate the total cost to the individual of the period covered by the buy-back. There are a number of restrictions on buy-backs due to the application of governmental fiscal rules. It is important to note that simply asking for the cost of a buy-back does not commit you to going forward.

PLEASE NOTE: If at all possible, we urge you to delay any commitment to buying-back years of service until the Winter semester. Under the provisions of the collective agreement, a provincial committee is currently completing negotiations to improve the conditions for buying back years of service. This should lower the cost to the applicant.

WORK REDUCTION LEAVE VS PROGRESSIVE RETIREMENT

If you wish to reduce your workload while still accumulating full pension credit in the years before actual retirement, it is possible to take "progressive retirement". With the employer's agreement, progressive retirement can last from 12 to 60 months. You must work at a minimum of 40% of your normal workload, and you must retire at the end of the period.

HOWEVER, if you are interested in progressive retirement, we encourage you instead to ask for a leave under Art. 5-14.00 of the collective agreement (Voluntary Program on Workload Reduction). The provisions are less restrictive, and you can accomplish the same reduction of your workload in the years before retirement. Again, it is important to submit a written request to the College before May 15 for the Fall semester, and before November 15 for the Winter semester.

VARIA

Addresses
CARRA: www.carra.gouv.qc.ca/
Old Age Security Website:
www.hrdc-drhc.gc.ca/isp/common/home.shtml

Monique Hins (CARRA): January 16, 9:00-12:00. Location TBA.

General Assembly: December 12, 9:30-12:00 in the Studio Theatre (Casgrain 0018)

Goodbye Catherine Party: Wednesday December 5, 3-5 in the Lounge.

Grade Submission Deadline: January 2 at noon.

Next Academic Council: December 7, 1:00 in the Boardroom

Check the JACFA website for the results of the Insurance Survey.

SOCIAL

Kirk MacGeachy (and the Gossages) entertained faculty gathered in the Lounge on November 7. They played several songs, some of which were from Kirk's latest CD: ***Moon on the Ocean***. Delightful!

JACFA

invites you to the

Faculty Christmas Luncheon

on Wednesday December 12th at 12:30

At

Le Vieux Kitzbühel

Please join your fellow members for our annual luncheon at the Vieux Kitzbühel.In addition to celebrating the end of the semester and a new holiday season, we will take the opportunity at that time to honour our recently retired colleagues:

Barbara Barry
Robert Chadwick
Kevin Gearey
Frank Hofmann
Dieter Loerick
Robert Mearns
David Solway
John Thompson
Barbara Touchie-Lamoureux
Lorna Townson
Janet Wood

Directions
To
"Le Vieux Kitzbühel"

Take Highway 20 West to Ile Perrot
At the first traffic light after crossing the bridge, turn left on Boulevard Perrot (there is a Dairy Queen on the south-east corner).
The restaurant is located at 550 Boulevard Perrot, 1.6 km from Highway 20 (on the left hand side)
Our reservation is for 12:30 p.m.

Please be sure to arrive on time
(Parking is quite limited, so you may want to carpool)