

JACFA NEWS

From Barbara's Desk

This issue is a keeper! For those of us with a comfortable seniority, this perhaps represents the most important issue of the year. So put on your reading glasses, if you need them, and give this JACFA News a good read. You are sure to find relevant and useful mate-

rial to assist you in making decisions about retirement. If we have failed to provide the answer to a specific question or if you would like a print out of your individual pension scenarios, please see us at the JACFA Office. For the latter, you must

bring along your latest CARRA statement.

For those with many years to go before retirement, this issue will acquaint you with the sort of questions you will have to face as your career here draws to a close. This is a time of turn-over among the faculty: older teachers are passing the torch to younger ones. It is our hope that issues of JACFA News such as these will demonstrate to our newer colleagues how the Faculty Association attempts to respond to the concerns of our membership and that it will encourage you to participate more fully in your union.



Our honoured retirees and JACFA President at Christmas luncheon on Dec. 17, 2003. From left to right, Kong Fah Lee, Stan Asher, Barbara De Lorenzi, Leslie Dickie, Harry Wilson, Halina Napier, and Allan Fabris.

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Special Retirement Issue

INSIDE, you'll find everything you need to make wise retirement decisions now.

- You'll see pension simulations for a variety of retirement situations.
- You'll discover your insurance options approaching retirement.

Progressive Retirement vs. Work Reduction Leave

If you wish to reduce your workload while still accumulating full pension credits 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; however, 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), as the provisions are less restrictive, and you can accomplish the same

purpose of reducing your workload in the years before retirement. You must submit a written request to the College before May 15 for the fall semester, and before November 15 for the winter semester.

Some Things to Consider before Retiring ...

Buying Back Years of Service

An important factor in determining the amount of money you will receive after you retire is the number of “years of credited service” that you have accumulated. This number is indicated on your CARRA statement.

However, due to past leaves of absence, part-time work, or various other reasons, you may have years of service that have not been credited and that you may be eligible to “buy back”. To find out more, you can request that Human Resources submit a form to CARRA, which will then provide you with a written estimate of how many years you are eligible to buy back and what the cost will be. There is no obligation to actually pay for the buy back, but there are two important factors to be aware of: 1) there is usually a delay of a few months to get the information from CARRA, and 2) you cannot buy back years after you have retired.

Pension Credits

A “pension credit” is actually an annuity paid when you retire for years that are not eligible as normal years of credited service. These are, for example, years before 1973 during which you were employed by an institution that is currently covered by the RREGOP pension plan. The cost of purchasing these pension credits is quite low and is generally a good value for the money spent. Pension credits are NOT counted as years of service to determine the

amount of your pension. You can obtain information on eligibility, cost, and amount of pension credit, by filing a request with CARRA, through Human Resources.

Benefits Payable to a Spouse in the Event of Death

The usual benefit to your spouse is 50% of your integrated pension (minus the pension credits). However, you have an option of increasing this amount to 60%. BUT, if you choose the 60% option, you must indicate this choice when you apply for your retirement pension. It cannot be done after you retire. Also, if you choose this option, your pension will be permanently reduced by 2%.

Choosing When to Retire

This decision obviously involves many personal issues that vary according to each individual situation. Note that in Quebec there is no legal mandatory retirement age. However, here are some options offered in RREGOP.

If you have accumulated 35 years of credited service, you can retire without penalty whatever your age.

If you are sixty years old or older, you can retire without penalty. Your pension amount will be determined by the number of years of credited service that you have accumulated.

If you are aged 55-59 and have less than 35 years of credited service, you can

retire, but with a permanent reduction in your pension amount. This reduction is equivalent to 4% per year and is applied to the period between the date you retire and the date you would have been eligible to retire without penalty. So, for example, if you choose to retire at age 58, your RREGOP pension will be permanently reduced by 8%.

If you are aged 55-59, you also have the possibility of retiring with a deferred pension, which means that you notify CARRA that you will wait until age 65 to collect your pension, thereby avoiding the penalty.

Integration with the Quebec Pension Plan (QPP)

Everyone who works in Quebec also contributes to the Quebec Pension Plan. At age 65, the amount you receive, if you are retired, from RREGOP or TPP is reduced and integrated with the amount you will receive from QPP. HOWEVER, between the age of 60 and 65 you have a choice of whether or not to receive your QPP pension. If you choose to take your QPP before age 65, you will receive it in addition to your full RREGOP or TPP pension (again, until age 65), but it will be reduced permanently by 6% per year. The maximum reduction is 30%, for those who choose to take their QPP at age 60 (5x6%). Although individual circumstances may differ, we normally encourage members to take their QPP early, despite the reduction.

“The cost of buying back these pension credits is quite low and is generally a good value for the money spent.”

“Since 1989, women on maternity leave collect pension credits for their 20 weeks.”

Notification of Employer and Deadlines

When you decide to retire, you must notify the college and CARRA within a reasonable delay. Earlier is better. CARRA is notified by the college, and it normally takes a three to four-month notice to ensure that your first pension check arrives during the first month of retirement. In terms of the College, Art. 5-1.06 states “A permanent professor may resign, effective the following teaching year, by giving written notice to the College not later than April 1.” If at all possible, we encourage you to respect this deadline. However, since slavery was abolished in the British Empire in the 1830s, nobody can force you to work against your will. JACFA believes that legally you can resign at any time. This may, however, cause delays in receiving your pension and serious inconvenience to your department.

How are my pension contributions calculated?

The annual contribution to RREGOP (Régime de Retraite des

Employés du Gouvernement et des Organismes Publics) is 5.35% of your admissible salary, which is set by the portion of your basic salary which exceeds \$14,175 (the exemption granted in consideration with the QPP). Your contribution to QPP is thus 4.95% of \$14,175, which is \$701. A teacher with a salary of \$55,000 would contribute to RREGOP 5.35% of \$40,825, which is \$2184.

Parental Leave: Can I buy back my pension credits?

Since 1989, women on maternity leave collect pension credits for their 20 weeks. However, once they switch to parental leave, they stop accumulating pension credits. You can, however, buy these credits back interest-free if you do so within six months of returning to work.

How do part-time teachers calculate their pensions?

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.

It Pays to Retire Gradually!

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 workloads 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 31 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 his or her participation in the pension plan. The teacher's seniority and experience continue to be credited, and since the teacher is receiving a pension, he or she will 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.

Where Will I Receive My Income When I Retire?

You can receive income from a combination of the following sources:

- RREGOP or TPP
- Quebec Pension Plan (QPP)
- Federal Old Age Security Pension(OAS)
- Registered Retirement Savings Plans (RRSPs)

How Much Will I Receive from RREGOP and QPP?

How is my pension calculated?

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

$$2\% \times \text{Number of years of contribution} \times \text{Average salary of your best five years}$$

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

$$\text{Number of years of contribution} \times \$40,500 \text{ (MPE)} \times 0.7\% \times \text{QPP Reduction (0.5\% per month)}$$

MPE = Maximum Pensionable Earning

Example:

Jeff started teaching at age 32 and he retires at 57. He worked full-time for 25 years.

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

$$2\% \times \$58,000 \times 25 = \$29,000$$

Jeff retired 36 months before his actual first date without penalty. He will thus be penalized permanently by 12% of 29,000, that is \$3,480

Jeff's permanent pension is $29,000 - 3,480 = \$25,520$ per year (44% of his salary).

If he takes his QPP pension at 60, it will be reduced 60 months \times 0.5% QPP reduction.

Example:

Susan retires at 65. She started when she was 30, but worked part-time (50%) for the first 5 years while she was completing her Ph.D. She was not permanent at that point and could not participate in a reduced workload plan. During her fifties, however, she took a year-long professional development leave and participated in 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: \$61,250

Susan's permanent pension for one year

$$2\% \times \$61,250 \times 32.5 = \$39,975$$

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

$$32.5 \times \$40,500 \times 0.7\% = \$9,213$$

With the integration, Susan will receive \$30,762 from CARRA and \$9,213 from QPP.

Since Susan has lived in Canada for 40 years after turning 18, she also qualifies for the Old Age Security pension of \$462.21 per month.

“You automatically qualify for a full pension if you have lived in Canada for 40 years after turning 18.”

Do I Qualify for Old Age Security?

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:

- You were born on or before July 1, 1952.
- Between the time you turned 18 and July 1, 1977, you lived in Canada for some period of time.
- You lived in Canada for the 10 years immediately before your application was approved.

Old Age pensioners with an individual net income above \$57,879 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. Note that OAS is indexed to the Consumer Price Index (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:

Calculation of Susan's indexation in 2004 (CPI was 1.31% in December 2003)

Susan's RREGOP pension in 2004 is \$30,929. With the indexed QPP (fully indexed every year) of \$9,507.82, she now receives \$40,436.

How is my pension affected if I belong to TPP?

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 eligibility.

Periods	Years of contrib
A	A. Before July 1, 1982
B	B. Between July 1 1982 1, 2000
C	C. After January 2000

How Much Money Will I Receive When I Retire?

The following four pages present two examples of pension income for retired college teachers. This information was generated by using a software program that JACFA has purchased to enable us to project pension income at retirement for our members. If you wish to obtain a similar statement for yourself in anticipation of making a pension decision in the

near future, please bring a photocopy of your latest CARRA statement, and if possible your latest QPP statement, to the JACFA office. You will need to provide us with some other basic information, and it will normally take up to 30 days to provide you with your document.

Meanwhile, please examine the following example of Rita

Rement, a 60-year old teacher in RREGOP, with 30 years of service and scholarship 19, who wishes to retire in August 2004. This projection assumes an annual indexation of 2%, and an annual wage increases of 2.5%. Rement has decided to take her QPP at age 60 with the reduction.

Pension income for 12 years if retirement on the date indicated.

Mrs Rita Rement

--> Earliest (without reduction) on 2004/08/15

Year	Pension	Life annuity (1,1%)	Temporary pension	Credits	SPP	QPP	OAS	TOTAL
2004*	16734\$	0\$	0\$	0\$	0\$	6839\$	0\$	23573\$
2005	40268\$	0\$	0\$	0\$	0\$	6976\$	0\$	47244\$
2006	40588\$	0\$	0\$	0\$	0\$	7115\$	0\$	47703\$
2007	40911\$	0\$	0\$	0\$	0\$	7258\$	0\$	48168\$
2008	41236\$	0\$	0\$	0\$	0\$	7403\$	0\$	48639\$
2009*	32623\$#	0\$	0\$	0\$	0\$	7551\$	6250\$	46424\$
2010	32882\$#	0\$	0\$	0\$	0\$	7702\$	6375\$	46959\$
2011	33144\$#	0\$	0\$	0\$	0\$	7856\$	6502\$	47502\$
2012	33407\$#	0\$	0\$	0\$	0\$	8013\$	6632\$	48053\$
2013	33673\$#	0\$	0\$	0\$	0\$	8173\$	6765\$	48611\$
2014	33940\$#	0\$	0\$	0\$	0\$	8337\$	6900\$	49177\$
2015	34210\$#	0\$	0\$	0\$	0\$	8503\$	7038\$	49752\$

* = The amounts indicated for this year take into account the number of months for which benefits are paid.

= Amounts at retirement take into account integration with the QPP.

File of: Mrs. Rita Rement

Date of retirement: 2004/08/15

<u>INCOME:</u>	<u>EMPLOYMENT</u>		<u>PENSION</u>	
Salary:	63927.00\$			
Pension:				
Pension plan:			40161.39\$	
Life annuity (1,1%):			0.00\$	
Temporary pension (age 65):			0.00\$	
Quebec pension plan (QPP):			6839.03\$	
Old Age Security (OAS):	0.00\$		0.00\$	
Pension credit and SPP:			0.00\$	
Other income:	0.00\$		0.00\$	
<u>Total income:</u>	<u>63927.00\$</u>		<u>47000.42\$ (73.5%)</u>	
<u>DEDUCTIONS:</u>				
Pension plan:	2661.73\$			
Quebec pension plan:	1831.50\$			
Employment insurance:	760.50\$			
Union dues:	958.91\$			
Other deductions:				
<u>Total deductions:</u>	<u>6212.64\$</u>		<u>0.00\$</u>	
<u>TAXES:</u>				
<u>CREDITS or EXEMPTIONS:</u>	<u>Fed.</u>	<u>Prov.</u>	<u>Fed.</u>	<u>Prov.</u>
Basic personal exemption:	8012\$	9150\$	8012\$	9150\$
Age exemption:	0\$	0\$	0\$	0\$
Married exemption:	0\$	0\$	0\$	0\$
Pension contributions (all plans)...	6213\$	6213\$	0\$	0\$
Person living alone:		0\$		0\$
Pension income exemption:	0\$	0\$	1000\$	0\$
<u>TAXABLE INCOME:</u>	<u>60306\$</u>	<u>61265\$</u>	<u>47000\$</u>	<u>47000\$</u>
Other expenses (net):	0\$		0\$	
<u>ANNUAL NET INCOME:</u>	<u>40424\$</u>		<u>34639\$</u>	
<u>NET INCOME: 26 pay periods</u>	<u>1554.78\$</u>		<u>1332.28\$ (85.7%)</u>	

NOTE: These calculations are provided as an indication only. You should check with CARRA before taking any action.

When Should I Retire?

The second example is of Jacques Fanous, who was born January 1, 1943. He started teaching at John Abbott College in 1976 (January 1 to make calculations simple). He worked full-time. On December 31, 2001, he had 26 years of service according to his CARRA statement. Here are the different scenarios he might consider.

Retirement options for: Mr. Jacques Fanous

Description	Date of retirement	Age	Pens. service	Salary (aver.)	% (total)	% rente viagère (inclus)	Pension income
Retirement with 70%	2010/12/31	68.0	35.000	69357\$	70.00	N/A	48550\$ @
Earliest with no reduction	2004/08/21	61.6	28.642	60787\$	57.28	N/A	34821\$
Earliest with reduction							
Age 65 or more	2008/01/02	65.0	32.004	65362\$	64.01	N/A	41837\$ @

He retires at 65:

--> Age 65 (or over) on 2008/01/02

Year	Pension	Viagère (1,1%)	Rente temporaire	Crédits	SPP	QPP	OAS	TOTAL
2008*	33219\$#	0\$	0\$	0\$	0\$	10878\$	6309\$	50407\$
2009	33492\$#	0\$	0\$	0\$	0\$	11150\$	6467\$	51109\$
2010	33767\$#	0\$	0\$	0\$	0\$	11429\$	6629\$	51824\$
2011	34044\$#	0\$	0\$	0\$	0\$	11715\$	6794\$	52553\$
2012	34323\$#	0\$	0\$	0\$	0\$	12008\$	6964\$	53295\$
2013	34604\$#	0\$	0\$	0\$	0\$	12308\$	7138\$	54051\$
2014	34888\$#	0\$	0\$	0\$	0\$	12616\$	7317\$	54821\$
2015	35175\$#	0\$	0\$	0\$	0\$	12931\$	7500\$	55605\$
2016	35463\$#	0\$	0\$	0\$	0\$	13254\$	7687\$	56405\$
2017	35754\$#	0\$	0\$	0\$	0\$	13586\$	7879\$	57219\$
2018	36047\$#	0\$	0\$	0\$	0\$	13925\$	8076\$	58049\$
2019	36343\$#	0\$	0\$	0\$	0\$	14274\$	8278\$	58895\$

The earliest date he can retire without reduction is now at age 61. However, he will wait until August and he decides to collect QPP: immediately.

--> Earliest (without reduction) on 2004/08/21

Year	Pension	Viagère (1,1%)	Rente temporaire	Crédits	SPP	QPP	OAS	TOTAL
2004*	11607\$	0\$	0\$	0\$	0\$	2628\$	0\$	14235\$
2005	34911\$	0\$	0\$	0\$	0\$	8081\$	0\$	42992\$
2006	35180\$	0\$	0\$	0\$	0\$	8283\$	0\$	43463\$
2007	35451\$	0\$	0\$	0\$	0\$	8491\$	0\$	43941\$
2008*	27923\$#	0\$	0\$	0\$	0\$	8703\$	6309\$	42935\$
2009	28138\$#	0\$	0\$	0\$	0\$	8920\$	6467\$	43525\$
2010	28355\$#	0\$	0\$	0\$	0\$	9143\$	6629\$	44127\$
2011	28573\$#	0\$	0\$	0\$	0\$	9372\$	6794\$	44739\$
2012	28793\$#	0\$	0\$	0\$	0\$	9606\$	6964\$	45364\$
2013	29015\$#	0\$	0\$	0\$	0\$	9846\$	7138\$	46000\$
2014	29238\$#	0\$	0\$	0\$	0\$	10093\$	7317\$	46648\$
2015	29464\$#	0\$	0\$	0\$	0\$	10345\$	7500\$	47308\$

Suppose he retires in August 2004 but waits until he is 65 to collect QPP :

--> Earliest (without reduction) on 2004/08/21

Year	Pension	Viagère (1,1%)	Rente temporaire	Crédits	SPP	QPP	OAS	TOTAL
2004*	11607\$	0\$	0\$	0\$	0\$	0\$	0\$	11607\$
2005	34911\$	0\$	0\$	0\$	0\$	0\$	0\$	34911\$
2006	35180\$	0\$	0\$	0\$	0\$	0\$	0\$	35180\$
2007	35451\$	0\$	0\$	0\$	0\$	0\$	0\$	35451\$
2008*	27923\$#	0\$	0\$	0\$	0\$	11314\$	6309\$	45546\$
2009	28138\$#	0\$	0\$	0\$	0\$	11596\$	6467\$	46201\$
2010	28355\$#	0\$	0\$	0\$	0\$	11886\$	6629\$	46870\$
2011	28573\$#	0\$	0\$	0\$	0\$	12184\$	6794\$	47551\$
2012	28793\$#	0\$	0\$	0\$	0\$	12488\$	6964\$	48245\$
2013	29015\$#	0\$	0\$	0\$	0\$	12800\$	7138\$	48953\$
2014	29238\$#	0\$	0\$	0\$	0\$	13120\$	7317\$	49675\$
2015	29464\$#	0\$	0\$	0\$	0\$	13448\$	7500\$	50411\$

To collect his full pension (35 years, 70%) he must wait until December 31, 2010:

--> Full pension on 2010/12/31

Year	Pension	Viagère (1,1%)	Rente temporaire	Crédits	SPP	QPP	OAS	TOTAL
2010*	0\$#	0\$	0\$	0\$	0\$	0\$	539\$	539\$
2011	38637\$#	0\$	0\$	0\$	0\$	13824\$	6629\$	59089\$
2012	38968\$#	0\$	0\$	0\$	0\$	14169\$	6794\$	59932\$
2013	39302\$#	0\$	0\$	0\$	0\$	14523\$	6964\$	60790\$
2014	39639\$#	0\$	0\$	0\$	0\$	14887\$	7053\$	61579\$
2015	39979\$#	0\$	0\$	0\$	0\$	15259\$	7125\$	62363\$
2016	40322\$#	0\$	0\$	0\$	0\$	15640\$	7199\$	63161\$
2017	40667\$#	0\$	0\$	0\$	0\$	16031\$	7276\$	63975\$
2018	41016\$#	0\$	0\$	0\$	0\$	16432\$	7356\$	64804\$
2019	41368\$#	0\$	0\$	0\$	0\$	16843\$	7439\$	65649\$
2020	41722\$#	0\$	0\$	0\$	0\$	17264\$	7524\$	66510\$
2021	42080\$#	0\$	0\$	0\$	0\$	17695\$	7613\$	67388\$

Finally, his pension was calculated according to :

Average salary on 2004/08/21

Year	Annual salary	Pensionable service	Pensionable salary
2004	64049.88\$	0.638	40863.82\$
2003	62794.00\$	1.000	62794.00\$
2002	61263.00\$	1.000	61263.00\$
2001	59769.00\$	1.000	59769.00\$
2000	58311.00\$	1.000	58311.00\$
1999	57834.00\$	0.362	20935.91\$
TOTAL :		5.000	303936.73\$
		Average salary:	60787.35\$

My Insurance Options Approaching Retirement

As you get closer to retirement, you should give some thought to your insurance. Some features in the JACFA plan change when you reach 65 years of age, and the plan no longer covers retirees. There is, however, a plan for faculty retirees from FNEEQ colleges available (the AREF plan) without proof of insurability as long as you sign up within 30 days of your retirement.. Here are some features you should note in *each plan*:

JACFA Insurance Plan	Employees Only Under 65	Employees Only Over 65
Drugs	<p>Coverage ends when you retire.</p> <p>If your spouse reaches 65 before you do, s/he has to go on the Quebec drug plan (they are still covered for paramedical expenses under the JACFA plan).</p>	<p>While still working, you can:</p> <ul style="list-style-type: none"> - join the Quebec drug plan (you must pay the \$460 annual fee, pay up to the deductible of \$9.60 per month, you are then reimbursed 72% up to the monthly maximum (\$69.92) and the annual maximum of \$839, 100% thereafter); or - pay an additional monthly charge (\$100 single/mono-parental, \$200 couple/family) to stay on JACFA plan for drug coverage until you retire. <p>Coverage ends when you retire.</p>
Paramedical expenses	Coverage ends when you retire	
Travel	<p>Medical expenses are covered up to 90 days per trip.</p> <p>Coverage ends when you retire.</p>	
Life Insurance	<p>Life insurance expires 31 days after you retire.</p> <p>You can convert to an individual policy with Industrial Alliance for the lesser of either the amount you were previously covered for or \$200,000, without submitting proof of insurability. You should compare the cost with other insurance available privately.</p>	<ul style="list-style-type: none"> - At age 65, employee life reduces to a maximum of \$100% of your salary. - At age 70, it reduces to \$10,000. - At age 75, it reduces to \$5,000. <p>All life insurance coverage ends 31 days after retirement.</p>
Long-Term Disability	<p>Benefits terminate when you retire. Coverage should be terminated at age 63 or two years prior to retirement, since short term disability benefits last two years and LTD coverage ends at age 65.</p>	LTD coverage ends at age 65.

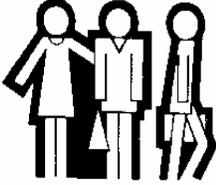
AREF Plan (Association des retraite (é)s de l'enseignement de la FNEEQ)	Retirees under 65	Retirees over 65
Drugs	Covers 75% of eligible drug claims up to \$2400 and 100% thereafter.	You can: - join the Quebec drug plan (you must pay the \$460 annual fee, pay up to the deductible of \$9.60 per month, you are then reimbursed 72% up to the monthly maximum (\$69.92) and the annual maximum of \$839, 100% thereafter); OR - pay an additional charge (\$170.39 single or monoparental, \$299.58 couple or family) per month to stay on the AREF drug plan.
Paramedical expenses	Covers hospitalization, fewer professional services (i.e. no coverage for massage therapy), lower per visit and annual maximums than the JACFA plan (i.e. physiotherapy maximum is \$20 per visit, \$400 per year).	
Travel	Cancellation insurance and medical coverage up to 180 days.	
Life Insurance	At retirement you can transfer without proof of insurability from the JACFA plan. The limit is one times annual earnings.	At retirement you can transfer without proof of insurability from the JACFA plan. The limit is \$5000.

Monthly Rates Comparison (2004)

Category	JACFA plan (Employees)	AREF Plan (retirees)
Single <65	77.43	97.05
Monoparental <65	119.30	164.83
Couple <65	154.86	193.94
Family <65	183.94	261.79
Single 65 and over	42.94*	29.90+
Monoparental 65 and over	77.91*	--
Couple 65 and over	85.88**	--
Family 65 and over	108.19**	67.17++
* plus \$100 if drug coverage is included + plus \$170.39 if drug coverage is included		
** plus \$200 if drug coverage is included ++ plus \$299.58 if drug coverage is included		

FONDACTION

FONDACTION is a development fund that was created by the CSN in 1996. It is an ethical fund with a mission to promote, maintain and create jobs with investments made in our community.



JOHN ABBOTT COLLEGE
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Phone: 457-6610 ext 5506
E-mail: jacfa@johnabbott.qc.ca

As you are probably aware, it is possible to contribute to **FONDACTION**'s RRSP through payroll deductions (deduction at source). You will receive an immediate tax deduction of approximately 70%. For example, if you wish to contribute \$2,500 to your RRSP per year, your net pay will be reduced by \$30.41. This calculation is based on an annual salary of \$50,000.

The provincial Liberal government has introduced a ceiling of \$80 million for contributions to workers funds (**FONDACTION**-CSN, Fond de Solidarité FTQ), which will limit the availability of shares. Although this ceiling will have no effect on those who benefit from the deduction at source offered by the College, it might be impossible to invest lump sums in the next few weeks.

Should you need more information or if you are interested in contributing to **FONDACTION**, please contact the JACFA representative (Michel Milot, extension 5803, e-mail

michel.milot@johnabbott.qc.ca).

We're on the web!
Johnabbott.qc.ca/~jacfa

On-line Tool Enables Quebecers To Calculate Retirement Income

The Quebec government has created an on-line program that lets you calculate how much you will receive from the federal Old Age Security pension and the Quebec Pension Plan (QPP). It will also consider company or public sector pension plans, as well as RRSPs.

The Régie des rentes du Québec, which administers the QPP, spent two years developing the program entitled SimulRetraite. Marc Landry, director of the project, stated that security is a prime concern; therefore, access to the personal files will require a CAP or code d'accès personnel. He also stated that you will be able to apply for your Quebec pension on-line in the near future.

For more information, contact the government webpage at:

www.rrq.gouv.qc.ca/an/services/15_09_05_09.htm

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et des enseignants du Québec