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From Faye's Desk

While many have claimed that life begins at retirement it might be more fitting for this issue of our newsletter to listen to the sage advice of George Foreman (yes, of boxing and grilling fame): "The question isn't at what age I want to retire, it's at what income." This issue of the **JACFA News** will attempt to answer both questions by beginning with a primer on what to consider before retiring, such as buying back years of service, spousal benefits, the timing of your retirement and the integration of our public sector plan, RREGOP with the Quebec Pension Plan (QPP).

You will also find articles about progressive and gradual retirement versus a work reduction (5-14.00) leave. This issue also outlines the sources of pension income such as RREGOP and QPP, as well as your eligibility for Old Age Security (OAS).

It will also be important for you to consider your insurance options once you retire: there is a plan for retirees from FNEEQ colleges from the *Association des retraité(e)s de l'enseignement de la FNEEQ* (AREF) available without proof of insurability as long as you sign up within 30 days of your retirement.

Finally, we have included a supplemental insert that simulates the case of two virtual teachers, Rita Rement and Jacques Fanous. These simulations were generated by a software program that JACFA owns and we can run it for you. Just give us 30-days notice, a copy of your CARRA statement, three projected retirement dates, and if possible, your latest QPP statement and we will produce a pension income projection statement for you. In the meantime, if you have any other questions about retirement, contact our office at local 5506.



SPECIAL RETIREMENT ISSUE

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 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 if You Die

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 60 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 the 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% (5 x 6%), for those who choose to take their QPP at age 60. 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.”

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...Some Things to Consider...

(continued from page 2)

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 cheque 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 to retire 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 7.06% of your admissible salary, which is set by the portion of your basic salary which exceeds \$14,735 (the exemption granted in consideration with the QPP).

Your contribution to the QPP is 4.95% of \$14,735 which is \$729.38.

A teacher with a salary of \$55,000 would contribute to RREGOP 7.06% of \$40,265, which is \$2,842.71.

Parental Leave: Can I Buy Back my Pension Credits?

Since 1989, women on maternity leave collect pension credits for their 20 weeks (now 21 weeks since Jan. 1, 2006). 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.

"Since 1989, women on maternity leave collect pension credits for 20 weeks (now 21 weeks since Jan. 1, 2006)."

CompuPension:

an On-line Tool That 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 CompuPension. As security is a prime concern, access to personal files requires a personal access code. You will also be able to apply for your Quebec pension on-line in the near future. For more information, search for CompuPension at the government webpage:

<http://www.rrq.gouv.qc.ca/>



Where Will My Income Come From 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:

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

Note: If you retire before you turn 60 and you do not have 35 years of credited service, your pension is reduced by a penalty of 4% per year.

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

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

MPE = Maximum Pensionable Earning

Example 1:

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: **\$61,000**
- His pension before the penalty: **2% x 25 x \$61,000 = \$30,500**

Jeff retired 36 months before his actual first date without penalty. He is thus penalized permanently by 12% of \$30,500, that is:

\$3,660

- Jeff's annual pension is therefore: **\$30,500 - \$3,660 = \$26,840** per year (44% of his salary).

If he takes his QPP pension at 60, it will be reduced by 30% (60 months x 0.5%).

Example 2:

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 a non-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 the reduced workload program: she worked half-time for 3 years. Her number of years of contribution to RREGOP are not affected.

- Number of years of contributions: **32.5**
- Average salary of the 5 best years: **\$67,500**
- Susan's annual pension: **(2% x 32.5 x \$67,500) = \$44,200**
- Since she is 65 and will get the QPP, the RREGOP reduction will be: **(32.5 x \$40,500 x 0.7%) = \$9,213**
- With the integration, Susan will receive **\$34,987** 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 \$491.93 per month.

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 \$62,144 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. If you meet the conditions in either of the two categories below, you qualify for a full pension.

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:

Periods	Years of contribution	Indexation
A	Before July 1, 1982	Consumer Price Index (CPI)
B	Between July 1, 1982 and January 1, 2000	CPI - 3%
C	After January 2000	CPI - 3% or 50% of CPI, whichever is higher

Calculation of Susan's indexation in 2006 - \$30,762

Periods	Years	Portion	Index	Total
A	10	10,765	2.3%	11,012
B	17.5	18,839	0%	18,839
C	5	5,382	1.15%	5,463

Susan's indexed RREGOP pension in 2006 is \$35,314. With the indexed QPP (fully indexed every year = 2.3% in 2006) of \$9,425, she now receives \$44,739.

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 contribution rates and eligibility.

"You automatically qualify for full Old Age Security if you have lived in Canada for 40 years after turning 18."

Pension Income Projections

A few years ago, JACFA purchased a software program (RR6W) that allows us to run various scenarios of pension income for future retirees. If you wish to receive 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, three projected retirement dates and, if possible, your latest QPP statement. It will normally take us a maximum of 30 days to provide you with a pension income projection.

For this special issue of the JACFA News, we have created two different scenarios for two virtual teachers: Jacques Fanous and Rita Rement. These examples highlight the type of information generated by the software. We have included parts of what the software generates. This simulation will give you an idea of what you will receive if you ask for a pension income projection.

Note that the software uses 2% for salary and pension indexation.

Basic Information About the Two Future Retirees

Rita Rement:

60 years old (born August 1946), 30 years of service (on her last CARRA statement in December 2004), has a Ph.D. and wishes to retire in February 2007.

Jacques Fanous:

56 years old (born January 1950), 26 years of service, holds a Master's degree. He does not know when to retire.

Rita Rement Key Information

If Rita retires next semester, she will have 32.473 years of pensionable service (includes the 90-day bank). Her pension income would be 64.95% of her average salary of her 5 best years: \$44,136.

If she takes QPP right away, her total pension (QPP + RREGOP) would be: \$43,069 (in 2007, she would receive some pay and a one-month vacation), \$52,092 (2008), \$52,558 (2009), \$52,030 (2010), \$53,749 (2011), \$53,158 (2012), etc.

There is a drop in 2011 and 2012 due to the integration of QPP with RREGOP, but this reduction will be compensated because Rita will turn 65 (August 2011) and OAS will kick in. She will receive from OAS \$2729 in 2011, \$6680 in 2012, etc.

Also the program gives a chart comparing her net employment income and pension should she remain working. Her salary of \$69,696 would represent a net pay of \$1,655.60 every two weeks, compared to a yearly pension of \$51,682.89 with a net value of \$1,465.84, which corresponds to 88.5% of her projected employment income.

(See next 2 pages).

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File of: Mrs. Rita Rement

Date of retirement: 2007/02/15

<u>INCOME :</u>	<u>EMPLOYMENT</u>		<u>PENSION</u>	
Salary:	69696,60\$			
Pension:				
Pension plan:			44136,40\$	
Life annuity (1,1%):			0,00\$	
Temporary pension (age 65):			0,00\$	
Quebec pension plan (QPP):			7546,49\$	
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>69696,60\$</u>		<u>51682,89\$ (74,2%)</u>	
<u>DEDUCTIONS :</u>				
Pension plan:	3860,52\$			
Quebec pension plan:	1950,30\$			
Employment insurance:	596,70\$			
Union dues:	1045,45\$			
Other deductions:	237,12\$			
<u>Total deductions:</u>	<u>7452,97\$</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:	9036\$	9555\$	9036\$	9555\$
Age exemption:	0\$	0\$	0\$	0\$
Married exemption:	0\$	0\$	0\$	0\$
Pension contributions (all plans)...	8190\$	8190\$	0\$	0\$
Person living alone:		0\$		0\$
Pension income exemption:	0\$	0\$	1000\$	0\$
<u>TAXABLE INCOME :</u>	<u>64791\$</u>	<u>65836\$</u>	<u>51683\$</u>	<u>51683\$</u>
Other expenses (net):	0\$		0\$	
<u>ANNUAL NET INCOME :</u>	<u>43046\$</u>		<u>38112\$</u>	
<u>NET INCOME : 26 pay periods</u>	<u>1655,60\$</u>		<u>1465,84\$ (88,5%)</u>	

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

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

Mrs Rita Rement

--> **Earliest (without reduction) on 2007/02/15**

Year	Pension	Life annuity (1,1%)	Temporary pension	Credits	SPP	QPP	OAS	TOTAL
2007*	36780\$	0\$	0\$	0\$	0\$	6289\$	0\$	43069\$
2008	44395\$	0\$	0\$	0\$	0\$	7697\$	0\$	52092\$
2009	44707\$	0\$	0\$	0\$	0\$	7851\$	0\$	52558\$
2010	45021\$	0\$	0\$	0\$	0\$	8008\$	0\$	53030\$
2011*	42852\$#	0\$	0\$	0\$	0\$	8169\$	2729\$	53749\$
2012	38146\$#	0\$	0\$	0\$	0\$	8332\$	6680\$	53158\$
2013	38414\$#	0\$	0\$	0\$	0\$	8499\$	6814\$	53726\$
2014	38684\$#	0\$	0\$	0\$	0\$	8669\$	6950\$	54302\$
2015	38956\$#	0\$	0\$	0\$	0\$	8842\$	7089\$	54887\$
2016	39229\$#	0\$	0\$	0\$	0\$	9019\$	7231\$	55479\$
2017	39505\$#	0\$	0\$	0\$	0\$	9199\$	7376\$	56080\$
2018	39783\$#	0\$	0\$	0\$	0\$	9383\$	7523\$	56689\$

* = 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.

Explanation of content of columns:

Retirement pensions: The amounts of the pension paid by CARRA excluding, where applicable, the 1,1 % revaluing of certain credits or the paid-up annuity.

Life annuity (1,1%): A life annuity from the revaluing of certain years of service with reduction, where applicable, and determined using the accepted formula.

Temporary pension: The amounts of temporary pension paid as revaluation of certain pension credits or a paid-up annuity with reduction, where applicable, and payable to the age of 65.

Credits: Pension credits, with actuarial reduction, where applicable.

SPP: Amounts of annuities from supplemental pension plan with actuarial reduction, where applicable.

NOTE: An inflation rate of 2.00% has been used in the calculations. The amounts are therefore approximate and may vary considerably.

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

Jacques Fanous Key Information

Jacques would retire with a full pension on December 31, 2013. The earliest dates he can retire are January 1, 2010 (no reduction) and October 10, 2006 (with a reduction). The date is October 10 because we ran the scenario on that date. Of course, the earliest one can retire (with a reduction) is at the age of 55, which was the case for Jacques on January 2, 2005.

The Jacques Fanous simulation is just a part of what the program would generate. Please note that this simulation contains two page 3s. These pages are particularly interesting as they show the impact of taking QPP before 65 and QPP at 65. Have fun!

Retirement options for: Mr. Jacques Fanous

Description	Date of retirement	Age	Pens. service	Salary (aver.)	% (total)	% life annuity (incl.)	Pension income
Retirement with 70%	2013/12/31	64,0	35,000	71971\$	70,00	N/A	50380\$
Earliest with no reduction	2010/01/01	60,0	31,004	66389\$	62,01	N/A	41166\$
Earliest with reduction	2006/10/10	56,8	27,777	60785\$	48,33	N/A	29379\$
Age 65 or more	2015/01/02	65,0	36,004	73417\$	70,00	N/A	51392\$ @

Percentages and amounts of pension for each year from the earliest to full pension (max. 12 years).

Description	Date of retirement	Age	Pens. service	Salary (aver.)	% (total)	% life annuity (incl.)	Pension income
Earliest with reduction	2006/10/10	56,8	27,777	60785\$	48,33	N/A	29379\$
	2007/10/10	57,8	28,777	62606\$	52,37	N/A	32789\$
	2008/10/10	58,8	29,777	64444\$	56,58	N/A	36460\$
	2009/10/10	59,8	30,777	66038\$	60,94	N/A	40243\$
*	2010/10/10	60,8	31,777	67500\$	63,55	N/A	42899\$
*	2011/10/10	61,8	32,777	68874\$	65,55	N/A	45150\$
*	2012/10/10	62,8	33,777	70251\$	67,55	N/A	47458\$
*	2013/10/10	63,8	34,777	71657\$	69,55	N/A	49840\$
*	2014/10/10	64,8	35,777	73090\$	70,00	N/A	51163\$
*	2015/10/10	65,8	36,777	74551\$	70,00	N/A	52186\$ @
*	2016/10/10	66,8	37,777	76042\$	70,00	N/A	53230\$ @
*	2017/10/10	67,8	38,777	77563\$	70,00	N/A	54294\$ @

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

* = with no reduction

@ = before the integration with QPP

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

Mr Jacques Fanous

--> Earliest (without reduction) on 2010/01/01

Year	Pension	Life annuity (1,1%)	Temporary pension	Credits	SPP	QPP	OAS	TOTAL
2010*	41166\$	0\$	0\$	0\$	0\$	7679\$	0\$	48846\$
2011	41392\$	0\$	0\$	0\$	0\$	7833\$	0\$	49225\$
2012	41619\$	0\$	0\$	0\$	0\$	7990\$	0\$	49609\$
2013	41847\$	0\$	0\$	0\$	0\$	8149\$	0\$	49997\$
2014	42077\$	0\$	0\$	0\$	0\$	8312\$	0\$	50389\$
2015*	34684\$#	0\$	0\$	0\$	0\$	8479\$	7089\$	50252\$
2016	34874\$#	0\$	0\$	0\$	0\$	8648\$	7231\$	50753\$
2017	35065\$#	0\$	0\$	0\$	0\$	8821\$	7376\$	51262\$
2018	35258\$#	0\$	0\$	0\$	0\$	8998\$	7523\$	51778\$
2019	35451\$#	0\$	0\$	0\$	0\$	9177\$	7674\$	52302\$
2020	35646\$#	0\$	0\$	0\$	0\$	9361\$	7827\$	52834\$
2021	35841\$#	0\$	0\$	0\$	0\$	9548\$	7984\$	53373\$

* = 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.

Explanation of content of columns:

Retirement pensions: The amounts of the pension paid by CARRA excluding, where applicable, the 1,1 % revaluing of certain credits or the paid-up annuity.

Life annuity (1,1%): A life annuity from the revaluing of certain years of service with reduction, where applicable, and determined using the accepted formula.

Temporary pension: The amounts of temporary pension paid as revaluation of certain pension credits or a paid-up annuity with reduction, where applicable, and payable to the age of 65.

Credits: Pension credits, with actuarial reduction, where applicable.

SPP: Amounts of annuities from supplemental pension plan with actuarial reduction, where applicable.

NOTE: An inflation rate of 2.00% has been used in the calculations. The amounts are therefore approximate and may vary considerably.

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

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

Mr Jacques Fanous

--> Earliest (without reduction) on 2010/01/01

Year	Pension	Life annuity (1,1%)	Temporary pension	Credits	SPP	QPP	OAS	TOTAL
2010*	41166\$	0\$	0\$	0\$	0\$	0\$	0\$	41166\$
2011	41392\$	0\$	0\$	0\$	0\$	0\$	0\$	41392\$
2012	41619\$	0\$	0\$	0\$	0\$	0\$	0\$	41619\$
2013	41847\$	0\$	0\$	0\$	0\$	0\$	0\$	41847\$
2014	42077\$	0\$	0\$	0\$	0\$	0\$	0\$	42077\$
2015*	34684\$#	0\$	0\$	0\$	0\$	12112\$	7089\$	53885\$
2016	34874\$#	0\$	0\$	0\$	0\$	12354\$	7231\$	54460\$
2017	35065\$#	0\$	0\$	0\$	0\$	12602\$	7376\$	55043\$
2018	35258\$#	0\$	0\$	0\$	0\$	12854\$	7523\$	55634\$
2019	35451\$#	0\$	0\$	0\$	0\$	13111\$	7674\$	56235\$
2020	35646\$#	0\$	0\$	0\$	0\$	13373\$	7827\$	56846\$
2021	35841\$#	0\$	0\$	0\$	0\$	13640\$	7984\$	57465\$

* = 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.

Explanation of content of columns:

Retirement pensions: The amounts of the pension paid by CARRA excluding, where applicable, the 1,1 % revaluing of certain credits or the paid-up annuity.

Life annuity (1,1%): A life annuity from the revaluing of certain years of service with reduction, where applicable, and determined using the accepted formula.

Temporary pension: The amounts of temporary pension paid as revaluation of certain pension credits or a paid-up annuity with reduction, where applicable, and payable to the age of 65.

Credits: Pension credits, with actuarial reduction, where applicable.

SPP: Amounts of annuities from supplemental pension plan with actuarial reduction, where applicable.

NOTE: An inflation rate of 2.00% has been used in the calculations. The amounts are therefore approximate and may vary considerably.

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

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Pension income for 12 years if retirement on the date indicated.**Mr Jacques Fanous****--> Earliest (with reduction) on 2006/10/10**

Year	Pension	Life annuity (1,1%)	Temporary pension	Credits	SPP	QPP	OAS	TOTAL
2006*	7345\$	0\$	0\$	0\$	0\$	0\$	0\$	7345\$
2007	29415\$	0\$	0\$	0\$	0\$	0\$	0\$	29415\$
2008	29561\$	0\$	0\$	0\$	0\$	0\$	0\$	29561\$
2009	29708\$	0\$	0\$	0\$	0\$	0\$	0\$	29708\$
2010*	29855\$	0\$	0\$	0\$	0\$	1920\$	0\$	31775\$
2011	30003\$	0\$	0\$	0\$	0\$	7833\$	0\$	37836\$
2012	30152\$	0\$	0\$	0\$	0\$	7990\$	0\$	38141\$
2013	30301\$	0\$	0\$	0\$	0\$	8149\$	0\$	38451\$
2014	30452\$	0\$	0\$	0\$	0\$	8312\$	0\$	38764\$
2015*	24327\$#	0\$	0\$	0\$	0\$	8479\$	7089\$	39895\$
2016	24448\$#	0\$	0\$	0\$	0\$	8648\$	7231\$	40327\$
2017	24569\$#	0\$	0\$	0\$	0\$	8821\$	7376\$	40766\$

* = 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.

Explanation of content of columns:

Retirement pensions: The amounts of the pension paid by CARRA excluding, where applicable, the 1,1 % revaluing of certain credits or the paid-up annuity.

Life annuity (1,1%): A life annuity from the revaluing of certain years of service with reduction, where applicable, and determined using the accepted formula.

Temporary pension: The amounts of temporary pension paid as revaluation of certain pension credits or a paid-up annuity with reduction, where applicable, and payable to the age of 65.

Credits: Pension credits, with actuarial reduction, where applicable.

SPP: Amounts of annuities from supplemental pension plan with actuarial reduction, where applicable.

NOTE: An inflation rate of 2.00% has been used in the calculations. The amounts are therefore approximate and may vary considerably.

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

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 a 0.25 workload and 0.90 workload.

Please note that until further notice, you must work each semester during a gradual retirement, ie. you can't work full time in the fall semester and take the winter semester off.

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 (not including QPP 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.

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.

Progressive Retirement with the QPP

If you are between the ages of 60 and 65, you can reduce your workload by 20% or more AND receive an early retirement pension from the Quebec Pension Plan. This option may be interesting to a certain number of people, but there are several important issues of which you should be aware.

QPP is not the main source of pension income that we are eligible to receive. The bulk of our pension earnings come from our employer plan, either RREGOP or TPP/RRE. Therefore the amount of pension income you can receive under this plan is limited. Since you will be taking your QPP pension before you reach age 65, the regular permanent reduction applies. If you begin at age 60, your QPP pension will be reduced by 30%. For the year 2006, the maximum monthly amount taken at age 60 is \$591.21, reflecting the 30% reduction. If your age is 65, without the reduction, the monthly amount is \$844.58. Also, once you start collecting your QPP, you cannot accumulate more years of service under this plan.

Despite these factors, you may be in a position to consider this option. If the QPP progressive retirement plan interests you, it is strongly recommended to ask QPP to provide you with a simulation of your future retirement pension in order to help you consider your options. This can be done through the Human Resources Department.

Insurance Options

Approaching Retirement

As you get closer to retirement, you should give some thought to your insurance coverage. There is a plan for retirees from FNEEQ colleges from the *Association des retraité(e)s de l'enseignement de la FNEEQ* (AREF) available without proof of insurability as long as you sign up within 30 days of your retirement. **This plan also covers faculty on gradual retirement.**

Here are some features you should note in each plan:

FNEEQ Plan (Employees)		
Coverage	Employees Under 65	Employees Over 65
Drugs	Coverage ends when you retire or go on gradual retirement. Covers 80% of eligible drug claims (90% for generic drugs) up to \$1000 per year and 100% thereafter.	
Paramedical expenses	Coverage ends at retirement. Covers hospitalization (semi-private room) at 100%, ambulances and professional services at 80% with per visit and annual maximums, etc.	
Travel	Coverage ends when you retire. Trip cancellation and medical expenses for trips up to 180 days.	
Life Insurance	Optional. Basic life covers two times annual salary. Coverage ends at retirement.	Optional. Basic life reduces: <ul style="list-style-type: none"> • To one times salary at 65 • To \$10,000 at 70 Coverage ends at retirement.
Dependent Life	\$10,000 for spouse, \$4000 for dependent children. Coverage ends at retirement.	
Supplementary Life	Rates vary by age (significant increases after 55)	Not available over age 70
Long-term Disability	Benefits terminate at age 65 or when you retire. Employees should cancel coverage at age 63 (we have two years of short-term salary insurance under our contract) or two years prior to planned retirement without actuarial penalty (35 years service or age 60).	

2006 Health Insurance Monthly Rates Comparison

Category	FNEEQ Plan (Employees)	AREF Plan (Retirees)
Single Health <65	70.40	108.03
Monoparental Health <65	119.60	183.47
Couple Health <65	140.75	215.87
Family Health < 65	190.23	291.40
Single Health >65	Same as < 65*	32.16 +
Monoparental Health >65	Same as < 65*	64.32 ++
Couple Health >65	Same as < 65*	64.32 ++
Family Health > 65	Same as < 65*	64.32 ++

* includes drug coverage

+ plus \$158.40 if drug coverage is added

++ plus \$316.80 if drug coverage is included

Note: 9% Quebec insurance tax must be added to all rates.

For more complete information, the insurance booklet for both the AREF retiree plan and the FNEEQ plan for employees is available on the JACFA website: www2.johnabbott.qc.ca/~jacfa — look under **Insurance**

Insurance Options

(continued from page 14)

Approaching Retirement

AREF Plan (Retirees or Gradual Retirement)		
Coverage	Retirees Under 65	Retirees Over 65
Drugs	Covers 75% of eligible drug claims up to \$2400 per year and 100% thereafter.	You can: <ul style="list-style-type: none"> • Join the Quebec Drug plan (pay the \$538 premium on your income tax and be reimbursed 72% up to the monthly maximum of \$73.42 and 100% thereafter); OR • Pay \$158.40 for single or \$316.80 per month for couple or family to maintain AREF drug coverage (rarely a worthwhile option).
Paramedical expenses	Covers ambulances, hospitalization (semi-private room), professional services at 80% with per visit and annual maximums (usually the same or lower than the FNEEQ plan)	
Travel	Trip cancellation and medical expenses for trips up to 180 days	
Life Insurance	Up to annual salary can be transferred at retirement without proof of insurability.	Up to \$5000 can be transferred at retirement without proof of insurability.
Dependent Life	\$10,000 for a spouse under 65 and \$4000 for dependent children.	\$4000 for a spouse aged 65-69, \$2000 for 70 and over, and \$4000 for dependent children.
Supplementary Life	Available for retiree and spouse up to 8 blocks of \$5000 (maximum \$40,000).	Available for retiree and spouse for one or two blocks of \$5000 (maximum \$10,000).

2006 Life Insurance Monthly Rates Comparison

Category	FNEEQ Plan (Employees)				AREF Plan (Retirees)	
	<65		65+		<65	65+
Basic Life* per \$1000	0.2977		0.2678		0.52	
Dependent Life	1.73				\$1.91	\$4.61
Supplementary Life	Male		Female		Male	Female
	Smoker	Non-smoker	Smoker	Non-smoker		
50-54	0.371	0.249	0.167	0.14	2.200	1.183
55-59	0.611	0.394	0.334	0.212	3.939	2.135
60-64	0.962	0.665	0.492	0.327	6.254	3.120
65-69	1.499	0.919	0.771	0.514	10.848	5.905
70-74	n/a	n/a	n/a	n/a	16.478	9.915
75-79	n/a	n/a	n/a	n/a	25.272	16.635
80+	n/a	n/a	n/a	n/a	41.880	32.830

* in FNEEQ plan for employees under 65, includes a Accidental Death benefit which can double coverage.



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CSN

fneeq

Fédération nationale des
enseignantes et enseignants
du Québec

FONDACTION

FONDACTION is an RRSP investment 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. As you are probably aware, it is possible to contribute to FONDACTION's RRSP through payroll deductions at source. You will receive an immediate tax deduction of approximately 70%. For example, if your annual salary is \$50,000 and you contribute \$2,500 to your RRSP per year, your net pay will be reduced by \$30.41. The 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 as the February 28 RRSP deadline approaches. Should you need more information or if you are interested in contributing to FONDACTION, please contact the JACFA representative (Michel Milot, extension 5803, email michel.milot@johnabbott.qc.ca).

**** A FONDACTION representative will be at the College in P-105 on Monday, November 6, 2006 to answer all your questions. ****

Please Mark These Dates in Your Calendar

**November 9
2:30 to 5:30 p.m.**

Roy Piperberg's Vernissage in the Faculty Lounge

**December 13,
before Luncheon**

Tentative date for the next General Assembly in P-204

**December 13,
at 12:00 p.m.**

Christmas Luncheon at the Vieux Kitzbühel