
Introduction

You may be able to consolidate your pension assets in the Ontario Teachers' Pension Plan. This could allow you to retire earlier with a larger pension.

Eligibility requirements

We participate in two pension transfer agreements. One covers major public sector pension plans in Ontario and the other covers teachers' pension plans in every province. Deadlines and other conditions apply. For more information on these transfer agreements, please read the following fact sheets, available in the Member Reference Library in the Resources section of our website at www.otpp.com:

- *Pension Transfers (Major Ontario pension plans)*
- *Interprovincial Transfers (Teacher pension plans)*

If you don't qualify to transfer pension assets under these agreements, you still may be able to consolidate your pension assets by buying back credit for service in another pension plan registered in Canada.

Cost

To qualify to buy back credit for other employment:

- Your former pension plan or financial institution must be willing to transfer your funds to this plan, without conditions that conflict with Ontario pension legislation, this plan's provisions and the *Income Tax Act*.
- **For service before 1992:** you still must have funds in the other pension plan and the funds must be available to transfer directly to the Ontario Teachers' pension plan.
- **For service after 1991:** you must not be entitled to a benefit from or have contributions in the other plan for the same period you wish to purchase, unless you transfer these funds to the Ontario Teachers' pension plan as part of your purchase.

Buying credit under the "other employment" provision is expensive. That's because the cost is based on the expected future improvement in your Ontario Teachers' pension due to the buyback. The cost reflects such things as your salary, your credit and the features of this pension plan, such as early retirement options, inflation protection and survivor benefits.

Because the Ontario Teachers' Pension Plan tends to offer better benefits than most other pension plans, you'll likely have insufficient funds in your former pension plan to purchase the same amount of credit in this plan. Usually the difference is substantial.

To help you decide whether or not to proceed with a buyback, we'll provide you with a cost quote and an estimate of how much credit your transferred funds will buy in this plan.

Not enough funds?

If the cost to buy back is more than the funds available for transfer, you have the opportunity to pay for the difference.

**Not enough funds?,
cont'd.**

For example, let's assume Maria contributed to her former pension plan for eight years and she has \$30,000 available to transfer. Let's also assume that it will cost \$120,000 to buy the same eight years of credit in this plan. Maria can:

- Pay the \$90,000 difference and receive eight years of credit in this plan.
- Pay none or only some of the difference and receive less than eight years of credit.

Credit is one of the key factors used to calculate your pension.

You have 60 days after the transfer of funds to pay the difference. If you miss the deadline:

- For service before 1992, you forfeit the opportunity to buy back the credit.
- For service after 1991, you can buy back all or part of the credit after the deadline.

However, the cost will be based on the expected improvement in the future value of your pension at the time you plan to make payment.

Word of caution

Before you decide to buy back credit, make sure you weigh the costs and benefits. Since the cost is based on the expected improvement in your pension, the cost can vary significantly over time and from one person to another. Generally, the longer you take to complete the payment, the more it'll cost because the value of your pension grows with increases in your age, salary and other factors.

Buying back credit for other employment is not always your best financial choice. For example, if you leave teaching before you qualify for an unreduced pension, the cost of the buyback may be greater than the actual increase in your pension value.

Next steps

1. To get a cost estimate, you and your former pension plan must complete the attached form, *Other Employment – Application for buying credit*. Forward the form to us along with a copy of the termination benefit statement from your former pension plan, if available.
2. We'll provide you with a quote to buy back the credit, along with estimates of the improvement to your pension.
3. After reviewing the cost and pension estimates, you decide whether or not to proceed with the buyback.
4. If you decide to proceed, ask your former pension plan or financial institution to transfer your funds to the Ontario Teachers' Pension Plan.

Instructions

1. Complete Part A of this form.
2. Ask your former pension plan administrator to complete Part B of this form.
3. Forward the completed form to us, along with a copy of the benefit option form you received from your former pension plan when you terminated plan membership. If you don't have this document, ask your former pension plan for a copy.

Part A Applicant completes

Name <i>last</i>	<i>first</i>	<i>initial</i>
<hr/>		
Address <i>street</i>	<i>city</i>	
<hr/>		
<i>province</i>	<i>postal code</i>	
<hr/>		
Telephone <i>home</i>	<i>work</i>	
<hr/>		
Signature		
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Part B Pension plan administrator completes

Section 1: Pension plan information

Name of your pension plan _____ Your pension plan's registration number* _____

Type of pension plan: Defined benefit Defined contribution

* Return this form, uncompleted, to the applicant if your plan is not registered as a defined benefit or defined contribution pension plan under the *Income Tax Act*. Other retirement savings arrangements, including deferred profit sharing plans, are ineligible for the transfer of assets.

Section 2: Eligibility

1. Period of applicant's membership in your plan:

<table border="1"> <tr> <td>yy</td><td>yy</td><td>mm</td><td>dd</td> </tr> </table>	yy	yy	mm	dd	to	<table border="1"> <tr> <td>yy</td><td>yy</td><td>mm</td><td>dd</td> </tr> </table>	yy	yy	mm	dd
yy	yy	mm	dd							
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2. Is the applicant entitled to a benefit from your pension plan now or in the future?

Yes No

▶ **If yes:** Is 100% of the benefit available to transfer now? Yes No

Valuation date:

yy	yy	mm	dd
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Transfer amount: _____

▶ **If no:** Date the termination benefit was paid to the member

yy	yy	mm	dd
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3. The Ontario Teachers' Pension Plan is a registered pension plan (registration number 0345785). All the transferred funds will be used to provide defined benefits for the applicant. We'll administer the amount transferred in accordance with the *Pension Benefits Act* of Ontario and the *Income Tax Act*.

Are you willing to transfer funds to the Ontario Teachers' Pension Plan based on the above conditions? Yes No ▶ **If no:** Please return this form, unsigned, to the applicant.

