

Shortened life expectancy benefits (for pensioners)

Overview

If you face a shortened life expectancy, you may be able to receive a lump-sum benefit in lieu of further pension payments. The benefit is the present value of four months' pension, plus the value of any death benefit that may be payable.

To qualify for a shortened life expectancy benefit, you need to verify a life expectancy of less than two years. If you have a spouse, he or she must consent to the withdrawal because a spouse forfeits the right to survivor benefits if you take a shortened life expectancy benefit. The value of the survivor pension is included in the benefit you receive.

Once you receive the benefit, no further entitlements are provided under the plan, even if you live longer than expected. If you die before you receive a shortened life benefit, the plan's usual post-retirement death benefits will be paid instead.

If someone will be applying or requesting personal information on your behalf, specific documentation is required. Please see the checklist on the next page.

Definition of eligible spouse and dependent children

If you haven't already done so, contact us for an estimate of the payment you will receive and the monthly survivor pension your eligible spouse or dependants will forfeit if you take a shortened life expectancy benefit.

Eligible spouse

Your spouse is your married or common-law partner. A common-law partner must have lived with you in a conjugal relationship for:

- at least three continuous years; or
- a shorter period if you're the parents of a child.

To be eligible for a survivor pension, you and your spouse must not be living separate and apart when your pension starts. If you subsequently separate or divorce, your spouse remains eligible to receive a survivor pension.

Please contact us if:

- You retired or stopped working in education before 1990 as different rules may apply.
- You became a spouse after you started to receive your pension and directed us, in writing, to provide your new spouse with a survivor pension.
- You have a former spouse who is entitled to a portion of your survivor benefits (as assigned in a separation agreement or court order).

Dependent children

Your dependent children must be reliant on you for support at the time of your death and be:

- under age 18; or
- 18 to 24 years of age and enrolled in full-time, continuous education since age 18 or since your date of death, whichever occurred later; or
- disabled, having been disabled without interruption since the date of your death.

"Living separate and apart" means you are no longer sharing a spousal relationship (i.e., having joint finances, sharing a conjugal relationship) and intend to terminate your relationship.

You can be living separate and apart without a formal separation agreement and/or in the same residence.

If an eligible child is disabled, let us know as soon as possible as it may increase the value of your shortened life expectancy benefit.

Definition of eligible spouse and dependent children, cont'd

If you have more than one dependent child, your benefit is divided equally and paid to each child for as long as he or she remains eligible for benefits.

The rules concerning eligibility for dependent children are complex. For more information, contact our Client Services department.

Payment options and tax implications

Shortened life expectancy benefits can be:

- taken in cash (payable in the form of a cheque or direct deposit to your bank account);
- transferred to an RRSP, up until the end of the calendar year in which you turn age 71 (or age 69 if you turned age 69 before 2007);
- transferred to a Registered Retirement Income Fund (RRIF); or
- a combination of these options.

Cash payments are subject to withholding tax and may require additional tax payments when you file your income tax return.

If you choose to transfer funds to an RRSP or RRIF, it's important to understand that the *Income Tax Act* limits the amount that can be transferred on a tax-sheltered basis. Any excess amounts are paid in cash and subject to withholding tax.

How to apply for a shortened life expectancy benefit

If you decide to apply for a shortened life expectancy benefit, use this checklist to ensure your application is complete.

Required documents:

- Application for Withdrawal from the Pension Plan* (for pensioners)
- Physician's Statement of Shortened Life Expectancy* (the date the physician, who must be licensed in Canada, signs the statement is the date we use to calculate the value of the benefit)
- Copy of your birth certificate, Canadian passport or Ontario driver's license*

Supplemental documents (if you have an eligible spouse):

- Spousal Consent to Pension Withdrawal* (for pensioners)
- Copy of your spouse's birth certificate, Canadian passport or Ontario driver's license*
- Copy of your marriage certificate or *Statutory Declaration of Common-law Relationship**

Supplemental document (if you want to transfer funds to your RRSP):

- Direct Transfer Request* form

Supplemental documents (include one of the two documents if someone is contacting us on your behalf):

- Power of Attorney for Property* (if you cannot personally sign the application)
- Written authorization (to release your personal information to a third party assisting with the application process)

* Contact us to determine if we already have these documents on file – you may not need to include them in your application.

Please forward all documentation to us as soon as possible to avoid delays in processing your application.

Application for Withdrawal from the Pension Plan *based on shortened life expectancy (for pensioners)*

Complete this form to apply for a withdrawal of the commuted value of your pension due to shortened life expectancy. The *Physician's Statement* and, if applicable, the *Spousal Consent to Pension Withdrawal*, must also be included with your application.

Member information

Name *last* *first* *middle*

Note: The commuted value of your pension is calculated from the date of the *Physician's Statement*.

SIN* or Ontario Teachers' Account Number

Date of birth

____-____-____-____-____-____

yyyy	mm	dd

Address *street*

city

province

postal code

Telephone *home*

work

Are you currently receiving a CPP disability pension? Yes No

If **yes**, please forward a copy of your CPP Notice of Entitlement.

* Providing your SIN is optional. Ontario Teachers' is requesting your SIN for identification purposes. Ontario Teachers' will not use your SIN for any other purpose other than plan administration as set out in the Ontario Teachers' privacy policies.

Eligible survivors

Check (✓) one of the following:

- I didn't have an eligible spouse on the date I received my first pension payment.
- I had an eligible spouse on the date I received my first pension payment, but he or she has since died.
- I had an eligible spouse on the date I received my first pension payment, he or she is still living and consents to this withdrawal from the pension plan.

Do you have any dependent children who are disabled? Yes No

If **yes**, it may increase the value of your shortened life expectancy benefit.

Definition of eligible spouse

Your spouse is your married or common-law partner. A common-law partner must have lived with you in a conjugal relationship for:

- at least three continuous years; or
- a shorter period if you're the parents of a child.

To be eligible for a survivor pension, you and your spouse must not have been living separate and apart on the date you received your first pension payment. If you subsequently separated or divorced, your spouse remains eligible to receive a survivor pension.

Please contact us if:

- You retired or stopped working in education before 1990 as different rules may apply.
- You became a spouse after you started to receive your pension and directed us, in writing, to provide your new spouse with a survivor pension.
- You have a former spouse who is entitled to a portion of your survivor benefits (as assigned in a separation agreement or court order).

If you die before the payment is made, the usual post-retirement benefits will be paid instead.

"Living separate and apart" means you are no longer sharing a spousal relationship (i.e., having joint finances, sharing a conjugal relationship) and intend to terminate your relationship.

You can be living separate and apart without a formal separation agreement and/or in the same residence.

Eligible survivors, cont'd.

If you have more than one dependent child, your benefit is divided equally and paid to each child for as long as he or she remains eligible for benefits.

Definition of dependent children

Your dependent children must be reliant on you for support at the time of your death and be:

- under age 18; or
- 18 to 24 years of age and enrolled in full-time, continuous education since age 18 or since your date of death, whichever occurred later; or
- disabled, having been disabled without interruption since the date of your death.

The rules concerning eligibility for dependent children are complex. For more information, contact our Client Services department.

Payment options

Your banking information will be used only to pay your benefit.

Please send:

- the entire amount to my bank (void cheque required); or
- the maximum allowable amount under the *Income Tax Act* to my RRSP (our *Direct Transfer Request* form required) and any balance to my bank (void cheque required); or
- \$_____ to my RRSP (our *Direct Transfer Request* form required) and any balance to my bank (void cheque required).

Required documents

We may require other documents. We'll contact you if necessary.

To process your application, we immediately require the documents listed below. **Do not delay** your application for documents **not** listed here, e.g. bank or RRSP information. We will contact you for other documents if we need them.

- Application for Withdrawal from the Pension Plan*
- Physician's Statement of Shortened Life Expectancy*
- Spousal Consent to Pension Withdrawal* (if applicable)

Signature

By signing below:

- I understand that no further pension payments, and/or survivor benefits, will be paid to me or anyone else (spouse, disabled child) from the pension plan and that the Ontario Teachers' Pension Plan will be discharged from liability by making this payment in accordance with my direction and the Ontario *Pension Benefits Act*; and,
- I attest that all the information contained in this application is true.

I apply to withdraw all of the commuted value of my pension from the Ontario Teachers' Pension Plan.

Dated this _____ day of _____, _____ year

Note: This application is only valid if we receive it within 60 days of the date it's signed.

Signature of member

Name of witness (please print)

Signature of witness

Address of witness street

city

province

postal code

Physician's Statement of Shortened Life Expectancy

for pension withdrawal

Introduction

As a physician licensed to practise medicine in a jurisdiction in Canada, you may complete the Physician's Statement below in order to provide your opinion for the purposes of the member's application for withdrawal of pension. Complete the statement below if, in your opinion, the individual pension plan member has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

Physician's statement

In my opinion, my patient,

Name of patient (please print)

has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

Dated this _____ day of _____, _____.

day month year

I am a physician licensed to practise medicine in a jurisdiction in Canada.

Physician's signature

Physician's name *(please print)*

Physician's address

Spousal Consent to Pension Withdrawal

*based on shortened life expectancy
(for pensioners)*

Instructions

You should get advice from a lawyer about your rights and the legal consequences of signing the consent below.

If you are satisfied consent should be given, then, in the presence of a witness (someone who is not the pension plan member), please complete, sign and date the form. Also have your witness sign and date the form.

The consent is **only** valid for the purposes of the member's application if we receive it within 60 days of the date it's signed.

Member information

Name *last* _____ *first* _____ *middle* _____

SIN* or Ontario Teachers' Account Number _____

** Providing your SIN is optional. Ontario Teachers' is requesting your SIN for identification purposes. Ontario Teachers' will not use your SIN for any other purpose other than plan administration as set out in the Ontario Teachers' privacy policies.*

Consent

I am the spouse of the above-named member and am entitled to a pension benefit under the Ontario Teachers' Pension Plan. I understand that:

- (a) the member is applying to withdraw all of the commuted value of his or her future pension payments and that the member cannot do so without my consent; and
- (b) I may have a right to receive payments if the member dies; but
- (c) if this withdrawal is made from the Ontario Teachers' Pension Plan, ***I will lose any right to payments.***

I consent to the member's application to withdraw all of the commuted value of the member's future pension payments from the Ontario Teachers' Pension Plan.

Dated this _____ day of _____, _____.

day month year

Name of member's spouse *last* _____ *first* _____ *middle* _____

Signature of member's spouse _____

Telephone _____

Name of witness *last* _____ *first* _____ *middle* _____

Signature of witness _____

Telephone _____

For the definition of spouse, please see the next page.

The consent is only valid if we receive it within 60 days of the date it's signed.

The pension plan member cannot be a witness.

Definition of eligible spouse

“Living separate and apart” means you are no longer sharing a spousal relationship (i.e., having joint finances, sharing a conjugal relationship) and intend to terminate your relationship.

You can be living separate and apart without a formal separation agreement and/or in the same residence.

Your spouse is your married or common-law partner. A common-law partner must have lived with you in a conjugal relationship for:

- at least three continuous years; or
- a shorter period if you’re the parents of a child.

To be eligible for a survivor pension, you and your spouse must not be living separate and apart when your pension starts. If you subsequently separate or divorce, your spouse remains eligible to receive a survivor pension.

Please contact us if:

- You retired or stopped working in education before 1990 as different rules may apply.
- You became a spouse after you started to receive your pension and directed us, in writing, to provide your new spouse with a survivor pension.
- You have a former spouse who is entitled to a portion of your survivor benefits (as assigned in a separation agreement or court order).

This form may be used by an applicant to transfer the commuted value of pension benefits from the Ontario Teachers' Pension Plan (the "plan") – Registration Number 0345785 – to a LIRA, LIF, RRSP or RRIF. For any other type of payment or transfer, contact us for assistance. We cannot process a transfer if this form is not completed correctly. Please refer to the definitions on the next page for explanations of terms used in this form.

Part A – Provide complete information for the applicant. The applicant is the person who is requesting a transfer.

Part B – Indicate the type of transfer being requested by checking box 1, 2 or 3. You must also select the applicable receiving account (LIRA, LIF, RRSP or RRIF). If you're a member, refer to the *Termination Option Application* we provided to identify your options.

Part C – Provide complete information for the financial institution and receiving account.

Part D – For transfers to a LIRA/LIF only, this part must be completed by the financial institution at which the LIRA/LIF is established.

**Part A:
Applicant Information**

Name <i>last</i>	<i>first</i>	<i>initial</i>
SIN*	Telephone	
Address <i>street</i>	<i>city</i>	
<i>province</i>	<i>postal code</i>	

* Collection of your SIN is authorized by law for the purpose of reporting income to the Canada Revenue Agency. Ontario Teachers' will not use your SIN for any purpose other than for plan administration as set out in the Ontario Teachers' privacy policies.

**Part B:
Type of Transfer –
Applicant Direction
and Certification**

Please check box 1, 2 or 3. You must also select the applicable receiving account (LIRA, LIF, RRSP or RRIF).

- I am a member** and have terminated my membership in the plan. Pursuant to section 42 of the Ontario *Pension Benefits Act* (PBA), I wish to transfer the commuted value of my pension benefits to the receiving account identified below. I understand that any amount of the commuted value that exceeds the transfer limit as defined by the federal *Income Tax Act* (ITA) will be paid to me in cash, subject to withholding taxes.

Receiving account options: LIRA or LIF or RRSP or RRIF

- If you're entitled to a locked-in commuted value transfer, select LIRA or LIF
- If you're entitled to a non locked-in lump sum pension value, select RRSP or RRIF

- I am the former spouse of a member.** I am entitled to receive a share of a member's pension due to the breakdown of a marriage or common-law relationship and I wish to transfer this share to:

Receiving account options: LIRA or LIF

- I am the surviving spouse** who is entitled to receive death benefits in respect of a deceased member and I wish to transfer these death benefits to:

Receiving account options: RRSP or RRIF

Ensure you select **one** receiving account to which you would like your funds transferred. We can't process your request unless a button is selected.

If you select a LIRA or LIF, the financial institution identified in Part C must certify the transfer by completing Part D.

I certify that:

- the information I've provided in Parts A, B and C of this form is true and complete in every respect; and
- I'm entitled to receive the transfer of pension benefits from the plan that I've requested above.

Furthermore, I agree that you may contact my financial institution directly, without first obtaining my permission, if you need to confirm any information on this form necessary to complete my transfer.

	yyyy	mm	dd
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Applicant Signature

Date

**Part C:
Receiving Account
Information**

*Complete based on
what you selected in
Part B.*

Name of Financial Institution	Receiving Account Number
Address <i>street</i>	<i>city</i>
<i>province</i>	<i>postal code</i>
Telephone (<i>inc. extension if applicable</i>)	Email

**Part D:
Financial Institution
Certification
(for transfers to
LIRA/LIF only)**

*This part must be
completed by the
financial institution
identified in Part C.*

We certify that:

- the information contained in Part B (type of receiving account) and Part C of this form is correct and complete;
- the receiving account meets the requirements prescribed by the PBA;
- transferred funds will be subject to locking-in to the extent indicated by the plan (refer to letter sent by plan administrator) and as required by the PBA; and
- amounts subject to locking-in shall not be used to provide retirement income to the applicant before he or she is eligible (refer to letter sent by plan administrator).

Name of Authorized Person	<i>title</i>
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Signature of Authorized Person	Date
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Telephone (<i>inc. extension if applicable</i>)	Email
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Definitions

Commuted value – the lump sum you would need today to replace your future pension, as determined by the plan’s administrator.

Financial institution – a bank, trust company, insurance company, credit union or similar entity which is permitted under the ITA and/or the PBA to enter into an agreement with an applicant to establish a LIRA, LIF, RRSP or RRIF account.

LIF – a Life Income Fund that meets prescribed requirements under the PBA.

LIRA – a Locked-in Retirement Account that meets prescribed requirements under the PBA.

Locking-in – rules under the PBA restricting or prohibiting withdrawals from a LIRA or a LIF.

Member – a person who is or was a member of the plan, including a former member, retired member or deceased member.

RRIF – a Registered Retirement Income Fund approved as such under the ITA.

RRSP – a Registered Retirement Savings Plan approved as such under the ITA.

Receiving account – a LIRA, LIF, RRSP or RRIF account established by an applicant with a financial institution to which a transfer of pension benefits is to be made from the plan.

Spouse – in relation to a member, a spouse is a married or common-law partner. A common-law partner must have lived with the member in a conjugal relationship for at least three continuous years, or a shorter period if they’re the parents of a child.

Transfer limit – the maximum amount prescribed under the ITA that can be transferred directly on behalf of a member from the plan to a LIRA or a LIF. Any amount exceeding the transfer limit must be paid to a member in cash, subject to withholding taxes.