

PENSIONWISE

A PUBLICATION FOR ONTARIO TEACHERS

WINTER 2017



Tips for
new teachers
Kara Dymond on
landing her dream job

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FOR YOUR LEAVE

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TOP 4 REASONS TO PAY FOR YOUR LEAVE

It's a popular time of year for financial planning. Paying for your leave is an investment worth considering. Here are four reasons why:

1

It's as close to a guaranteed investment as you can get.

If you make \$78,000 a year and pay around \$10,000 towards a leave, then you'll stand to collect about \$1,880 on average more each year during your retirement. If you're like most members, you'll likely collect your pension for more than 30 years, so that \$10,000 you invest today could ultimately pay out an additional \$56,000 over your lifetime.

2

The credit you'll add to your pension will increase in value as your salary increases.

We use your best five years' salary and the time you spent teaching (your credit) to calculate your pension. The cost of your leave is based on your current earnings, but the credit you'll add to your pension is based on the average of your best five years' salary. So your pension benefit's value reflects the higher salary you'll likely earn in your last years of teaching.

3

It's cheaper than working an extra year to make up for the time you took off earlier in your career.

Contributions to your pension are a percentage of your salary. Since you'll likely be earning a higher salary at the end of your career, it's cheaper to pay for a leave now based on your current earnings than to work the extra year and pay contributions on higher earnings. Of course there may be other reasons why you may choose to work an extra year and receive another year's salary.

4

You'll likely reap the benefits of that extra credit for much longer than it takes to recoup the cost.

If you're like most members, the cost of a \$10,000 leave is recouped within the first seven years of your retirement. If you collect a pension for more than 30 years (as most of our members do), you'll likely benefit from a higher pension for many more years than it took for you to recoup the cost of the leave.

DID YOUR LEAVE END LAST YEAR?

Let us know if you plan to pay for your leave. Call us (1-800-668-0105) by April 28. If you're registered for an online account, sign in and tell us your plans in the Buyback Centre (do this by April 30).

SPARKING BRIGHT LIGHTS



Kara Dymond traded the bright lights of a career in the performing arts for a career in the classroom.

A teacher's long-term prospects of financial security are more favourable than those in the performing arts, but there's still a lot of uncertainty at the beginning of a teaching career. Kara worked through the uncertainty that comes with occasional teaching to find her full-time dream job teaching kids with autism.

Kara worked various jobs in the theatre business, but it wasn't until she developed a drama program for students with high-functioning autism that she had an 'ah-ha!' moment.

"Students who normally didn't share a joke with one another now had positive interactions and sustained eye contact. They became very aware of the messages sent by facial expressions and body language and tone of voice," she says. "I saw these students come alive and have fun with one another."

Kara weighed her options in theatre versus the classroom. "It definitely was in the back of my mind that having a pension is an added level of security for me in the future."

As any new teacher knows, the start of a teaching career still has a lot of uncertainty.

Of the working teachers who are under age 30, nearly 60% are occasional.

Kara's been teaching for more than five years now, and cites perseverance and a bit of luck in landing her first long-term occasional (LTO) position, which then led to a full-time permanent position. Her advice to fellow new teachers? Find the area of teaching you're passionate about and become an expert in it. She has taken numerous certificate programs, attended countless conferences on autism and learning, obtained her master's degree and is now working towards a PhD in the area of teaching kids with autism.

"The more tools you have at your disposal, the more you learn. And then when you go for the job interviews in that area, it sets you apart."

New to teaching? Here are 3 things you need to know about your pension:

- 1** Working 10+ days in a school year earns you a year towards your 85 factor.
- 2** With every hour you work, your pension amount grows bigger. Download our Classtime app to keep track of where and when you work.
- 3** Teaching summer school can help you hit the maximum allowed in a school year to earn credit (generally 194 days).

You contribute to the plan on your very first paycheque. Sign up for an Ontario Teachers' online account to understand the role your pension will play in your financial future. All you need is an email address. Check out our 'New and occasional teachers' Pinterest board for tips on maximizing your pension.

A photograph of stadium lights at night, with the lights glowing brightly against a dark sky. The lights are arranged in a tiered structure, typical of a sports arena.

GEARING UP YOUR

Visit www.otp.com/docs to see a list
of documents we'll need to pay your pension

You've worked your entire career for this moment, and just like any championship, you'll need to prepare for it.

You want to make sure you're warmed up and in great shape before the main event.

Every year we see about 3,000 teachers retire in July. If you're planning on being one of them, then the earliest you can apply for your July pension is in March.

Whether you're one month or three years away, think of this time leading up to hitting "submit" on your pension application as your pre-season.

The warm-up

Over the course of a season, players get hurt, traded and sent up and down to the minor leagues. Throughout your career we're betting you experienced a few shake-ups along the way too. Maybe you got married, divorced, had a baby or your spouse died?

It's important that your profile in your Ontario Teachers' online account is up-to-date to reflect any of these changes in your life.

Visit your Document Centre and check to see what you may need to add to your profile. We'll need proof of your birthdate, proof of marital status, your married or common-law spouse's birth certificate, and if applicable, your separation agreement or

divorce certificate. If you're collecting a CPP disability pension we'll need your Notice of Entitlement or Notice of Denial.

Upload your documents directly to the Document Centre anytime.

Take a look at your profile under Your Pension in your online account. Do we have your current personal email address on file (you won't have access to your school board email account after you retire)? Is your mailing address up to date? Has there been a change in your marital status? You can update these at any point during your career.

Check to see if you have any leaves from within the past five years that are eligible to buy back. Sign in to your online account and visit the Buyback Centre to see if there is a leave you can pay for, and the impact it'll have on your retirement. You'll maximize the value of your pension by paying for them.

Taking care of the fans

Your loved ones are your biggest supporters and have cheered you on throughout your teaching career.

When you apply for your pension, you'll be asked to confirm a survivor pension level. Almost half of retirees opt for the default 60% survivor pension level, and more than a third choose to lower it to 50%. If you choose to lower your survivor pension to 50%, we'll need a waiver form signed by your spouse before you retire.

FOR MOMENT

Once you apply for your pension, if you selected 60% or higher, the deduction to your pension is permanent, even if your spouse dies before you.

Consider the 10-year pension guarantee option. If you die before collecting 10 years' worth of pension payments, this option provides 100% of your CPP-adjusted pension to your eligible spouse for the balance of the 10 years at a minimal cost.

Game time

The surge of excitement that comes as you approach that monumental moment won't pay your bills.

To set up the direct deposit for your pension, have your financial institution's information and your bank account number handy when you apply. You can find all of the information we'll need on a cheque.

You can apply for your pension before you resign. Make sure you give your employer a resignation letter before your intended retirement date. Don't be worried about us informing your employer of your resignation. Unless you are receiving long-term income protection benefits, or are currently on a leave, we won't contact your employer.

It's important to note we can't backdate a pension application. To ensure you don't lose any pension payments, make sure you give your employer a resignation letter before your resignation date.

The resignation date on your pension application must be the same date you include in your resignation letter.

When you're ready, don't forget to hit "submit" when you apply for your pension. You can work through the pension application at your own pace, but we won't start processing your application until the final buzzer sounds when you hit "submit."

Postseason

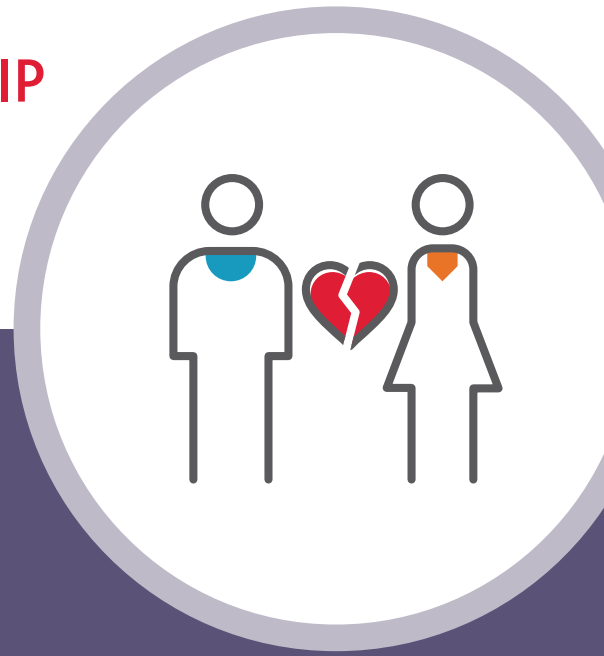
Capturing the ultimate prize is one thing, but you want to enjoy your post-career too.

While we don't offer health and dental coverage, some employers extend health coverage to pensioners. If your employer doesn't, or you wish to shop around, there are three independent organizations who also extend this type of coverage. They're ARM Retiree Health Plan, The Retired Teachers of Ontario, and Ontario Teachers' Insurance Plan. Contact them directly for details and to arrange for coverage.

Consider the social implications of retirement. Connect with us and your colleagues through www.facebook.com/myOTPP, follow us on www.Pinterest.com/myOTPP and subscribe to www.YouTube.com/OTPPinfo. You'll get tips from fellow retirees on adjusting to retirement.

ENDING A SPOUSAL RELATIONSHIP

We answer your FAQs



While you have to include the valuation of your family assets, you don't have to include it in your separation agreement to equalize you and your ex-spouse's property.

Q: How will a separation affect my pension?

A: We'll calculate the value of your pension you accumulated while you and your ex-spouse were together. We'll report this value to you and your ex-spouse as a lump sum, known as the Family Law Value (FLV). You and your ex-spouse can negotiate if and how this lump sum is used to equalize your obligations to one another.

Q: How much will my ex be entitled to?

A: If you choose to use your pension to equalize your obligation, your ex-spouse is entitled to a maximum of 50% of the value of your pension accrued during your spousal period, regardless of how long you were married. You'll see this reflected as an FLV reduction on your future Statement of Pension Benefits.

Q: Can I just sign in to my Ontario Teachers' account and see the value of my pension?

A: No, those figures are based on your entire career. Your FLV is the value of your pension during a specific time frame, the start and end of your spousal relationship.

Q: How do I get my FLV?

A: You have to fill out three forms (available on www.otpp.com, in the 'Ending a spousal relationship' section). They can be complicated and a bit overwhelming so we'd like to work with you to fill them out to ensure they're complete and accurate. If you submit them and we find an error or if there is missing information, we have to start from square one again. Once we have completed and accurate forms, we're required to provide your FLV within 60 days. Let us know if you have a court or important meeting date. We'll work with you to meet your deadlines.

Q: How much does this cost?

A: There is no charge to have us work with you to complete the forms, or for us to provide your FLV.

Check out the
Ending a Spousal Relationship – myOTPP 101
board on www.pinterest.com/myOTPP
for more information, including our popular
Facebook Live Q&A video

DIGITAL BRIEFS

Keep up-to-date with plan news, as it happens.



Subscribe in your online Ontario Teachers' account



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There's more to choosing a retirement date than just finances. Members of our Facebook community shared their non-money-related reasons for deciding the time was right to go.



GREGORY: Completing cancer treatment for the second time. Clear for 6 years now 😊

SHELLEY: The birth of my granddaughter ❤️

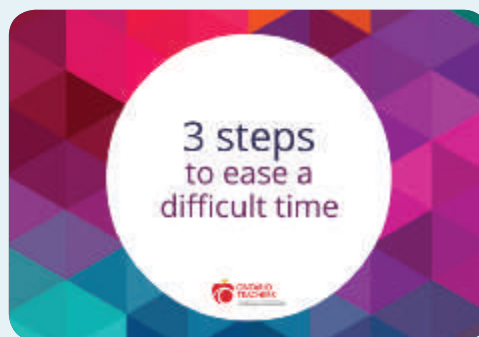
TERRY: Exhaustion

BIBI: I retired the year all 135 grade 7 & 8 students I taught French to were the best ever. I retired on a high, and I've never regretted it. I could have stayed longer and increased my pension, but I have what money can't buy: great memories.

Join us on Facebook Live!

Our new series, myOTPP 101, tackles topics that span your career, from joining the plan to retirement preparation, and everything in between.

Like our Facebook page to join our Facebook Live Q&A sessions, and follow our Pinterest board to delve into the content hubs we're creating for each topic. So far we've covered Preparing for Retirement, Your Statement of Pension Benefits, and Ending a Spousal Relationship. We'll be adding a new topic each month, so stay tuned!



Check out www.otpp.com/whatsnew for tips on ensuring your affairs are in order so we'll be better able to assist your loved ones should you become incapacitated or upon your death.

NEWS BRIEFS

April 6, 2017
**Save
the Date!**

Come to our annual meeting and meet one-on-one with a specialist about your pension. You'll also be able to hear plan leaders discuss our 2016 performance.

Here are the details:

Thursday, April 6, 2017

4:45 p.m. – 7 p.m.

The Carlu, 444 Yonge St., Toronto

RSVP at

[www.otpp.com/
annualmeeting](http://www.otpp.com/annualmeeting)

Can't make it? Watch the event at www.otpp.com/webcast or follow along on Twitter (#otppagm17)

Pensionwise is published for members of the Ontario Teachers' Pension Plan.

We appreciate your comments about anything you read in *Pensionwise*.

Please email: member_communications@otpp.com

This newsletter does not create any right to benefits. Your entitlements and those of your survivors are and will be governed by the language of the pension plan text. The information contained in this newsletter is not intended to be relied upon in relation to any particular circumstance.

Ce bulletin est disponible également en français.

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