



KEEPING TRACK OF YOUR RETIREMENT SAVINGS

A message from your Trustees

Over the past few decades, the average life span of Canadians has steadily increased. That means many of us will be able to count on up to 30 years or more of retirement. It takes planning to build up the money to cover the cost of receiving a pension for longer. That's why you should know how much pension you're accruing while you work, and what effect your retirement age will have on the amount of your monthly pension (details on page 2).

Your Annual Pension Statement plays a key role in helping you plan for your retirement. The statement shows how much pension you have accrued up to the end of 2017. It also gives you the opportunity to review the address and beneficiary information in your file every year, and make updates as needed.

Remember: Once you retire, your pension will be paid monthly for your lifetime. Depending on the payment option you choose, benefits may also be paid to your spouse or your beneficiaries after you die.

Ideally, your path to retirement will be a smooth one. But sometimes, that path takes an unwanted turn, and you find yourself needing funds for unexpected expenses. There are two special cases – financial hardship and serious illness – when your NHRIPP pension might be able to help.

As members collect pensions for more years than they did in the past, the cost of providing those pensions has increased. Rest assured, your Plan's Trustees and their expert advisors are working together to keep your Plan financially healthy for many years to come.

This issue of *NHRIPP Now* highlights important details in your pension statement, discusses special cases when you can unlock your pension early and provides answers to frequently asked questions from members.

STATEMENTS ARE ON THE WAY!



Your Annual Pension Statement has been mailed and should be in your hands now. If you haven't received your statement, please contact InBenefits (the Fund Office).

If you have any questions about your statement, you can find a lot of useful information in the *NHRIPP Members Handbook*, available at www.nhripp.ca. You can also e-mail us anytime at information@nhripp.ca.

Si vous préférez recevoir ce bulletin en français, veuillez communiquer avec l'Administration du régime.

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UNDERSTANDING YOUR PENSION STATEMENT

Important details you need to know



Your Annual Pension Statement is a personalized document that shows the amount of pension you have accrued so far. This gives you a valuable yearly outlook on how your pension is growing.

Statements are mailed out at the end of May each year – if you haven't received it, be sure to contact InBenefits.

InBenefits can't send you your statement if it can't find you! If you move, it's crucial that you let InBenefits know right away so it can update its records. You'll find complete contact details on page 4 of this newsletter.

Here are a few key areas of your Annual Pension Statement that you should keep in mind as you read through it:

- **Earliest retirement date** – The first day of the month after your 55th birthday. If your 55th birthday falls on the first day of the month, that is your earliest retirement date. Note that your pension will be reduced by approximately 6% for each year (0.5% for each month) you start to collect it before age 65, because it will be paid over a longer period.
- **Normal retirement date** – The first day of the month after your 65th birthday. If your 65th birthday falls on the first day of the month, that is your normal retirement date. It's also the date you qualify for an unreduced pension.
- **Member and employer contributions** – Your statement outlines all contributions made by you and your employer, and received by InBenefits in 2017. You'll be given credit for contributions only if they are actually received by InBenefits.
- **Current service** – You will be credited with one month of current service for each full month of continuous participation in the Plan.
- **Past service** – This is a benefit only some Plan members receive. To be eligible, you must have been employed by your first contributing employer before and on the date it made its first contribution to the Plan. You'll find more details on past service on page 4.
- **Spouse/beneficiary information** – The person or people who will receive your pension benefits if you die. If InBenefits doesn't have a spouse or other beneficiary on file for you, please complete, sign and return the original *Designation of Beneficiary Form* to InBenefits. See the last Q&A on page 4 for how to obtain the form. This helps ensure the right individual(s) receives the money they need in the event of your death.

UNFORESEEN SITUATION? YOUR PENSION CAN HELP

Special cases when you can unlock your retirement savings early



It takes years of saving to build up the money the average Canadian will need once they stop working. To protect your retirement income, pension regulators are very strict about how and when you can access your retirement savings before you retire. However, there are two special cases when your NHRIPP benefits may be available to you.

1. Financial Hardship

If you are an Ontario resident under age 55 and are facing serious financial hardship, as defined below, you may be eligible for a financial hardship withdrawal. To make such a withdrawal, you must end your membership in the Plan, which means **ending all employment that requires contributions to the Plan** and completing the eight-month break in service requirement, and have transferred the current value of your pension benefits to a financial institution.

To qualify for a financial hardship withdrawal from a locked-in account (like the NHRIPP), at least one of these conditions must apply:

1. Your expected annual income is low (under \$37,267 in 2018).
2. You are at risk of eviction from your home or rented residence.
3. You need money to pay for the first and last month's deposits on a residence you wish to rent.
4. You need money to pay for medical expenses for you, your spouse or dependents, including, residential renovations, alterations or construction to accommodate the use of a wheelchair or other needs related to a disability or illness (affecting you, your spouse or your dependents).

Your financial institution will let you know if you qualify to withdraw the money, and how much you're allowed to take out of your account based on your financial situation.

Once you have terminated your membership and completed the eight-month break in service, you can transfer the current value of your pension to a locked-in account (LIRA, LIF or LRIF) at your financial institution. You must then apply to the financial institution that holds your locked-in account to access these funds. NHRIPP and InBenefits do not authorize financial hardship withdrawals: that must be done by your financial institution.

Under Ontario law, if you are over age 55, a financial hardship withdrawal is not available to you.

Different rules apply for unlocking your pension if you contributed to the Plan while working outside of Ontario. Please contact InBenefits for more information.

2. Serious Illness (less than two years to live)

A serious illness isn't something you want to think about, but knowing you can take your pension savings out of the Plan if you become terminally ill can provide some peace of mind. This money can offer financial flexibility to cover medical expenses and living costs.

If you have less than two years to live, you can request to withdraw the entire current value of the pension you have accrued in the NHRIPP as a single payment. To apply for a withdrawal:

- You must complete a *Shortened-life Expectancy Form* (available from InBenefits).
- Your doctor must complete a section of the form, confirming that you have less than two years to live.
- With your application, you must include proof of age (used to calculate the cash value of your pension) and a copy of any court order or separation agreement (if you have one or more former spouses). If you have a current spouse, he or she must also give written consent before you can unlock your pension funds.

Once InBenefits receives your application, it will confirm the cash value of your pension and ask how you'd like to be paid. You can receive the money as a taxable cash payment, or make a tax-sheltered transfer to your RRSP or other registered account.

Keep in mind, your eligibility for Shortened Life Expectancy and Financial Hardship are determined by your province's pension law and the policies of its pension regulator.



Wondering how many years of retirement you'll be able to enjoy?

The following statistics will give you an idea:

- The average Canadian's life span has increased by about six years since the NHRIPP was introduced, from 77 years in 1990 to 83 years in 2017. *
- Canadian females live an average of five years longer than males – 84 years for females versus 79 years for males in 2017.
- There are 9 female NHRIPP members for every 1 male member.
- If you are age 65 today, you can expect to live to an average age of 88.
- NHRIPP members retire from the Plan at an average age of 64.

* Source: Statistics Canada

YOU ASKED, WE ANSWERED



When planning for retirement, there are a lot of different factors to consider, and it's not always easy to remember everything you need to know. That's why InBenefits recently introduced a permanent call centre, which allows us to respond to your questions faster and more efficiently.

Simply call us at **905-889-6200** or **toll-free at 1-800-287-4816 (Monday to Friday, 8 a.m. to 5 p.m. EST)**. All calls received through the call centre are recorded to ensure quality control.

Your questions and concerns are important to us. In this issue of *NHRIPP Now*, we've included some frequently asked questions about the Annual Pension Statement to help you better understand your pension benefits.

Q. IS MY MONTHLY PENSION BASED ON TOTAL EMPLOYEE AND EMPLOYER CONTRIBUTIONS?

A. Yes – your total contributions are used to determine your monthly pension benefit at your normal retirement age (age 65). The current formula of \$1.55 in monthly pension for every \$100 in contributions received is applied to your total contributions to determine how much money you will receive each month as pension after you retire. This amount will be reduced if you retire before your normal retirement date, to take into consideration the extra payments you will receive.

Q. WHY IS "INTEREST ON CONTRIBUTIONS" SHOWN ON THE STATEMENT?

A. Pension legislation requires "interest on employee contributions", at a minimum, to be shown on the annual statement. Interest on employee contributions is used for purposes of the "50% rule" only – this calculation is intended to ensure members don't fund more than 50% of the value of the pension they accrued.

If your employee contributions plus calculated interest equal more than 50% of the current value of your pension, this difference or "excess" may be refunded to you as a taxable lump sum, used to provide you with a larger pension or transferred on a tax-sheltered basis to your RRSP, another registered account or another pension plan.

YOU ASKED, WE ANSWERED *(continued from page 3)*

Q. DO I QUALIFY FOR A “PAST SERVICE” BENEFIT?

A. If you worked for your first contributing employer when it began contributing to the Plan, you may be entitled to receive a past service benefit. You may receive a past service pension of up to \$26.60 per month for each year of your service with that employer before it began contributing to the Plan, up to a maximum of seven years.

Please note the following rules around past service:

1. You are only eligible to receive past service with your first contributing employer.
2. If your employer started contributing to the NHRIPP **on or before June 1, 2016**, you must complete 24 continuous months of Plan membership, or turn age 65, to receive all past service for which you are eligible.
3. If your employer started contributing to the NHRIPP **after June 1, 2016**, you will receive **up to two years** of past service once you complete 24 months of continuous membership or reach age 65. If you are eligible, you will receive another year of past service for each additional year of continuous Plan membership you complete, to a maximum of five additional years.
4. If you and your employer together contribute less than 8% of your pay during the last 1,950 hours of your employment in the nursing homes industry, your past service pension will be pro-rated accordingly.

Q. WHAT ARE “SELF-PAYMENTS”?

A. Self-payments are additional pension contributions you may make voluntarily to keep your pension growing in one of the following cases:

- You stop working for a contributing employer, and become employed by another contributing employer before having a break in service; or
- You are on a layoff or an approved leave of absence (such as sick leave, maternity or parental leave, workers’ compensation leave, layoff with recall rights, etc.).

InBenefits will need to be advised by you or your employer if you are on an approved leave of absence and have chosen to continue employment. InBenefits will contact you to confirm if you’d like to make self-payments or not. Then, you’ll need to complete an *Election to Contribute Form* and return it to InBenefits.

If InBenefits’ records do not indicate that you have made any voluntary self-payments, the number under self-payments in your statement will be \$0.

Q. MY ANNUAL PENSION STATEMENT SHOWS NO BENEFICIARIES ON FILE. WHAT HAPPENS TO MY PENSION IF I DIE?

A. Under Ontario pension law, your eligible spouse is automatically your sole beneficiary – unless he or she has waived this entitlement by completing the appropriate form and providing it to InBenefits. But it’s important to also have a designated beneficiary(ies) in case your spouse dies before you, or if you don’t have a spouse.

If there are no beneficiaries listed in your records and you don’t have a spouse on your date of death, your pre-retirement death benefit will be payable to your estate and may be subject to estate taxes and/or probate fees.

To update your beneficiary information, go to **www.nhrpp.ca > Enter site > Life Events > Change/name a new beneficiary**. Click on **Designation of Beneficiary** to download the *Designation of Beneficiary Form*. Complete, sign and return the original form to InBenefits.

KEEP IN TOUCH

Got a question about your Plan? Contact us!



Email: information@nhrpp.ca



In Toronto: 905-889-6200 (Option 1)
Outside Toronto: 1-800-287-4816



Fax: 905-889-7313



You can also access Plan information online anytime at www.nhrpp.ca

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Final word

This newsletter provides summary information about the Nursing Homes and Related Industries Pension Plan in simple terms. It is not intended to be comprehensive or to provide advice. If there are any differences between the information provided in this newsletter and the legal documents that govern the Plan, the legal documents will apply.