

SFU Admin/Union Pension Plan – FAQs

Contributions

Do I contribute?

No, you are not required to make any contributions; the University is responsible for funding the Plan.

May I make voluntary contributions to the Plan?

Yes, you can make contributions by payroll deduction. These contributions are credited with the same rate of return as the pension fund earns. The contributions, less withholding tax, can be withdrawn at any time.

May I contribute to the Plan and an RRSP at the same time?

Yes - however, the amount you may contribute is limited by the pension you earn in the Plan.

Beneficiaries

Who is my beneficiary?

Your spouse, if you have a spouse. If you do not have a spouse or if your spouse has signed a waiver form, you may name a living individual, a charitable entity, your estate, or a combination. If no designation is made, your estate will be named as your beneficiary.

Leaves During Employment at SFU

What if I go on a personal unpaid leave of absence?

You continue as a member of the Plan; however, you do not accrue pensionable service during your leave. Once you return from your leave, you start accruing pensionable service.

What if I go on maternity/parental leave of absence?

You continue as a member of the Plan and continue to accrue pensionable service during your leave.

What if I am disabled and receiving long term disability benefits?

You continue as a member of the Plan and continue to accrue pensionable service while you are disabled.

Leaving SFU before Retirement (prior to age 55)

I'm leaving the University today. What happens now?

HR will receive a copy of your separation notice. Within 60 days of your termination date, you will be mailed an information package. This package will contain the calculation of your pension benefits and all the necessary documents to be completed.

Before leaving SFU, ensure HR is aware of any change to your address so that you can receive your pension information package.

What do I receive if I leave the University?

You will be eligible to receive a monthly pension on or after age 55 or you can choose to take the commuted value of the pension.

What does a commuted value mean?

Commuted Value is the lump sum present value of the pension benefits to which you are entitled under the Plan. The value is calculated in accordance with pension legislation and takes into account several variables such as life expectancies and interest rates at the time.

What does locked-in mean?

Locked-in means that funds must be used to provide a stream of income for life (starting no earlier than age 55) in an approved financial vehicle such as a life annuity or Life Income Fund (LIF). It does not mean that the funds must stay in the Plan.

How soon can I have my money?

If you choose a lump sum payment (commuted value) from the Plan, the timing of the transfer depends on when you submit your signed documentation to HR. Generally, the payment will be processed within 2 weeks of receiving the signed documentation.

Retiring from SFU

When can I retire?

The earliest you can retire is age 55; however, if you retire before age 65, your pension may be reduced due to early retirement.

What happens to my pension if I decide to work past age 65?

You continue as a member of the Plan until you elect to retire. However, your membership in the Plan will automatically terminate on November 30th of the year in which you reach age 71 at which time you must elect to commence a pension or transfer the commuted value.

How much pension will I receive?

Your pension benefit is based on your salary and service. It can only be determined accurately at the time of your retirement based on your actual earnings and how long you were a member of the Plan.

What is Magic 80 or the Rule of 80?

If your age plus your pensionable service totals 80, you can retire with an unreduced pension. However, if you are age 60 and you have at least 10 years of pensionable service, you are also entitled to retire with an unreduced pension. So Magic 80 is only relevant for employees who want to retire before age 60.

How soon can I have my money after I retire?

It all depends on when HR receives all of your paperwork for the option you elected.

If you choose to receive a monthly pension benefit from the Plan, your first pension payment will be the first of the month following your retirement date. This is providing we have received your signed paperwork by the 15th of the month in which you are retiring. For example, given a September 8th retirement, the first pension payment will be made on October 1st if HR receives all the paperwork by September 15th.

If you choose the lump sum option, your payment will be processed within 2 weeks of receiving your paperwork, or 2 weeks after your retirement date if later.

Are my monthly pension benefits adjusted for inflation?

Yes, your monthly pension benefits are adjusted for inflation each January 1st after you retire. The inflation adjustment for pensioners is 100% of inflation (Consumer Price Index - CPI) to a maximum of 3.0%. For example, if the change in the CPI from October 2012 to October 2013 was 3.2%, pensioners would receive an inflation adjustment of 3.0%. The first adjustment following your retirement date will be pro-rated based on the number of months since your retirement.

Death Benefits**What happens if I die before retirement?**

If you die while you are still working at SFU, your spouse or beneficiary receives the value of your earned pension. Your spouse will receive a lump sum transfer from the Plan. Most or all of this amount may be required to be transferred to a locked-in RRSP. Your beneficiary must receive this death benefit as a taxable cash benefit.

Pension Projector**What is the Pension Projector?**

The Pension Projector is a customized tool for active members of the Plan to have the ability to calculate pension estimates for retirement planning.

How can I access the Pension Projector?

Access this tool by logging on using your employee ID from the SFU home page under the Faculty and Staff tab, Financial Services.