Transitioning to Retirement
Overview
Transitioning to Retirement

Retirement is a significant life event and requires advanced, careful, and thoughtful planning. This overview provides key information to assist you with making decisions about your retirement.

Choosing a Retirement Date

Important dates to understand when considering when to retire include the normal retirement date, early unreduced retirement date and early reduced retirement date.

- **Normal Retirement Date (Age 65)**
  Your normal retirement date is the last day of the month in which you turn 65.

- **Early Unreduced Retirement Date (The “80 Factor”)**
  You can retire as early as age 60 if your age plus your eligibility service equal at least 80 points. This is known as the “80 factor”.

- **Early Reduced Retirement Date**
  If you don’t qualify for an early unreduced pension, you can still retire as early as age 55, but your pension will be reduced by a percentage for each year that you are under age 65.

To help you plan for retirement, use the [Pension Projection Tool](#). This tool allows you to run pension estimates to better understand how different retirement dates would impact your pension income.
Understanding your Retirement Income

One of the key considerations when planning for retirement are the financial decisions associated with this life event. There are three main sources that may contribute to your retirement income:

- **Government Benefits (CPP, OAS)**
- **Other Investments (RRSP, TFSA)**
- **University Pension Income (UPP and Pre-Conversion Benefits*)**

There are a number of resources that can assist you in understanding what contributes to your retirement income. Human Resources is committed to providing information on these areas, however, we are unable to advise on the best option to meet your needs. You may wish to seek assistance from a certified financial planner or certified financial advisor. Please note that the [Pension Projection Tool](#) can help you understand how your Pre-Conversion Benefits and UPP pension fits into your retirement income.

**Understanding my UPP pension calculation**

The UPP is a Defined Benefit Plan. This means that you are guaranteed a pension at retirement. The pension you receive is based on a formula that considers these components:

- **Your Best Average Earnings:** The average of your highest 48 months of pensionable earnings from the date you start participating in the plan and the date you leave or retire from Queen's University, up to a maximum pension under the *Income Tax Act*.
- **Credited Service:** The amount of continuous service during which you've contributed to UPP, including any service you transferred in.

*Effective July 1, 2021, the Revised Pension Plan of Queen's University (QPP) was converted to the University Pension Plan (UPP). If you were a member of QPP when it converted to UPP, you automatically became a member of UPP on that date.*

**The *Income Tax Act* sets out a maximum annual pension for Registered Pension Plans. Typically, you will be affected by this limit if your average annual salary is over $200,000 in 2024 (limit changes annually).
Understanding my Pre-Conversion Benefits Calculation

Your Pre-Conversion Benefits is a Hybrid Plan in which you receive the better of the Money Purchase benefit or Minimum Guarantee benefit.

- **Money Purchase (MP)** benefit is based on your and the university's contributions made to the plan up to and including June 30, 2021, and fund returns.
- **Minimum Guarantee (MG)** is based on your pensionable service up to and including June 30, 2021, and your Final Average Earnings.
- **Final Average Earnings** is the average of your highest 48 consecutive months of earnings between your hire date and the date you leave or retire from Queen's University.

Your Pre-Conversion Benefits from your QPP pension and your UPP pension are added, and you receive one total payment as your monthly university pension income.

Understanding Eligibility for Retiree Group Benefits

To be eligible to participate in the Retiree Group Benefits plan you must meet the following criteria:

- You must be a retiree of Queen's;
- You must be enrolled in the university benefits plan at the time you retire;
- You have a minimum of five years of continuous service in a benefits eligible position immediately prior to retiring;
- You are at least 50 years of age; and
- Your age plus service is equal to at least 65 (the "65 factor").

At time of retirement, you can enroll in the same benefits you had as an active employee immediately prior to retiring. Please note that some of these benefits change and/or are reduced when you transition to the Retiree Group Benefits plan and the cost-sharing of premiums are also different for Retiree Group Benefits.

Resources to get you Started

Queen's University offers the following resources to assist you with retirement planning.

- **Retirement Process Overview**: a visual guide to help you through the retirement process.
- **Quick Guide for UPP Members at Queen's**: understand how the pension benefits earned under both the Revised Pension Plan of Queen's University (QPP) and UPP work together to provide you with a secure benefit in retirement.
- **UPP Handbook**: summarizes key UPP details including contribution rates and how the UPP portion of your pension is calculated. Retirement-specific sections such as ‘When you can Retire’ (page 16) and ‘Starting your Retirement’ (page 17) are also included.
- **University’s Retirement Policy**: includes retirement information as well as details on pre-retirement part-time appointments and stepped retirement.

- **Pension Self Service**: an online platform where you can access important pension information including the Pension Projection Tool, Annual Statements, Pension Self Service Guide, Forms, and Personal Information.

- **Employee and Family Assistance Program (EFAP)**: TELUS Health One offers services and resources to inform your transition to retirement, including but not limited to the Retirement Planning Program.

- **Retirement Insights Information Sessions**: customized sessions for Queen’s employees that highlights areas that can prove challenging for new retirees, and resources that may help in planning for retirement.

- **QUFA Voluntary Phased Retirement Program**: provides a three-year phased retirement period with participants required to retire at the end of the period. The program is available to eligible Faculty, Librarians, and Archivists.
Disclaimer: The purpose of this document is to provide an informative summary for pension plan members. Should there be any conflict between this document and the pension plan or the benefits plan, the plan text governs.