Frequently asked questions about working beyond normal retirement for PEA employees

These are some of the questions and answers you may have about retirement if you are a PEA staff member. They have been developed by the University Human Resources Department.

What is my Normal Retirement Date?
Your normal retirement date (NRD) is July 1st coinciding with or following your 65th birthday.

Do I have to retire?
As of January, 2008, the law in British Columbia will prohibit mandatory retirement. In the absence of giving notice to retire, your supervisor or manager will assume you will continue working as usual. You may receive a notice from the Pension or Benefits Offices advising you that your normal retirement date is approaching and requesting you to let them know by a certain date if you intend to retire, so that certain administrative procedures can be completed in a timely way.

What if I want to retire?
If you want to retire, you must do so by giving notice to your supervisor/manager in writing. In addition, it is helpful and much appreciated if you can let your supervisor or manager know as soon as you are certain of your plans, even if that is some time away. Please send a copy of your written notice to both the Pension Office (2nd floor of the Administrative Services Building, Room B278) and the Benefits Office (C/O Human Resources).

What benefits will I receive if I keep working past my normal retirement date?
Most benefits for PEA staff members are listed in Articles 17 and 18 of the PEA Collective Agreement. All these benefits are included in plans that currently terminate on the staff member’s normal retirement date (NRD). The University and the PEA have not yet reached an agreement on a package of benefits for staff members working past normal retirement. The University has carefully examined what benefit provisions it should make available to staff members working past their normal retirement date. The University also wants to maintain the important principle that the elimination of mandatory retirement should maintain a fair distribution of the cost of benefit plans between age groups within the (employee) population.

The University will, without prejudice to its interpretation that benefit plans cease at NRD, continue to extend all the listed benefits to eligible staff members working past normal retirement:

- MSP
- EHB
- Dental
- Basic Group Life* and Voluntary Optional Group Life Insurance
- Member and University contributions to the University Pension Plan

The benefits listed above will be provided until the earlier of when you retire, or, when you receive University pension benefits, either voluntarily or as required by law (currently, under the Income Tax Act, a staff member must begin taking her/his pension at the end of the year in which sh/e turns 71). Staff members working past normal retirement will no longer be eligible for Long Term Disability coverage and benefits; and at that time, Basic Group Life Insurance will be available only at one times annual salary (*reduced from one and one half times salary); and also Sick Leave Benefits will be limited to a total of 6 months in any two adjacent years (see below).
The University will continue this arrangement on a trial period for three years (until December 31, 2010), unless the University and the PEA negotiate a different package of benefits.

**Why is there no LTD past 65?**
LTD provides income security to 65 (normal retirement date) for people during the period of their expected working life. At age 65 it is the social expectation that pension arrangements provide that income security and replace LTD. There is a concern that extension of the program to those beyond 65 would unduly increase costs. Insurance carriers are not providing any (affordable) LTD plan coverage past normal retirement date.

**How does sick leave work for regular staff members working past normal retirement?**
If you work past your normal retirement date, you will be eligible for paid sick leave benefits (approved by your supervisor under procedures in Article 17 of your contract). The University will formally track paid sick leaves longer than one week, and, you will be limited to a total of 6 months of leave in any two adjacent years (from July 1 to June 30). This means that your sick benefit entitlement in any year will be calculated by subtracting from 6 months, the total number of months’ (or part months’) of sick leave taken in the immediately preceding year.

Note that Long Term Disability (LTD) benefits taken in the year immediately preceding the staff member’s NRD will be counted as sick leave for these purposes.

For example:
- If you had taken 2 months of sick leave in 2006, you would have 4 (6 – 2 = 4) months sick leave remaining in 2007.
- If you used 4 months’ six leave in 2007, you would have 2 (6 – 4 = 2) months available in 2008.

**What about my pension after normal retirement date?**
Until the age set by statute (currently 71) you will continue to pay into your pension plan as will the University, just as before normal retirement date. At the statutory age, you must begin drawing your pension and can no longer contribute to it. Your other benefits will also end at this date.

**What if I am in a PEA Term appointment?**
If you are working in a term position (i.e. you have an appointment with a stated end date) and are entitled to any benefit plan(s) listed above, your eligibility for these benefits will not change if you are employed in a term position after you turn 65. Basic Group Life Insurance coverage will be reduced to one times salary where this is appropriate; and there is no LTD Plan coverage for Term appointments. The same sick leave benefit limits will apply when a Term staff member qualifies for the benefits of a regular staff member, following 3 years of contiguous term appointments.

Please consult your Collective Agreement for details of your eligibility for benefits, or, if you have any questions, please contact the Benefits Office or a PEA Representative.