

# University of Victoria Staff Pension Plan Early Retirement Fact Sheet

## 1. If you are at least 55 years of age

If you leave UVic after reaching 55 years of age, you will have the following options<sup>1</sup>:

- a) Select an immediate pension, which means you can start receiving your pension right away.

If you select this option, the reductions shown in Table 1 below will apply, based on your age when you leave your employment:

Table 1 Reductions for an immediate pension						
Age	55	56	57	58	59	60
% Reduction*	15	12	9	6	3	NIL

For example, if you are 55 years of age and eligible for an annual pension of \$25,000, then a  $25,000 \times 15\% = \$3,750$  reduction would apply to start receiving your pension right away.

These reductions are permanent, which means they will affect the amount you will receive for your lifetime. They are also pro-rated per month for partial years.

- b) Defer your pension, which means you would start receiving your pension at a later date. Please refer to the next section for more information on this option, including applicable reductions.

## 2. If you are not yet 55 years of age

If you leave UVic prior to reaching 55 years of age, you will have the following options<sup>1</sup>:

- a) Select a commuted value: a lump sum amount of money that needs to be set aside today, at current market interest rates, to provide enough funds to pay for a pension at retirement. This calculation takes your age into account. In most cases, this lump sum would be transferred on a locked-in basis, and other restrictions may apply.
- b) Defer your pension, which means you would start receiving your pension at a later date. A deferred pension will be paid, at the earliest, after you reach 55 years of age.

Applicable reductions are described on the next page.

The approximate reductions shown in Table 2 apply to a deferred pension, based on your age when your pension payments begin.

<b>Table 2</b>											
<b>Reductions for a deferred pension</b>											
<b>Age</b>	55	56	57	58	59	60	61	62	63	64	65
<b>% Reduction</b>	45	42	38	35	31	26	22	17	12	6	NIL

For example, if you are less than 55 years of age and eligible for an annual pension of \$25,000, then an approximate reduction of  $25,000 \times 26\% = \$6,500$  would apply to begin your pension at age 60. The deferred annual pension would therefore be  $\$25,000 - \$6,500 = \$18,500$ .

These approximate reductions are permanent, which means they will affect the amount you will receive for your lifetime. They are also pro-rated per month for partial years, and. In any event, there are no reductions if you defer the pension to age 65.

<sup>1</sup> Some exceptions apply.