This newsletter is designed to present York employees, former employees and retirees with useful general information pertaining to their pension & benefits. Please keep in mind that as this newsletter is distributed to different groups with different entitlements, (for example former employees no longer have benefits), that all articles may not pertain to you and your situation.

**The Early Retirement “Penalty”**

The normal retirement date under the York University Pension Plan is the July first coincident with or immediately following your 65th birthday. You may however choose to retire as early as age 55. Should you decide to retire early, your pension would be reduced. This reduction is often (and incorrectly) viewed as a penalty.

Suppose Margaret is 55 years old and entitled to an annual pension of $24,000 at her normal retirement date. If Margaret decides to retire early at age 55 her annual pension would be reduced by $10,800 leaving an annual pension payable of $13,200. Let’s assume Margaret lives to the average age for a female in Canada which is 84 years according to Stats Canada, and that she does not receive an increase in her pension. By retiring at age 55 and receiving her annual pension of $13,200 for a total of 29 years (age 55 to 84) she will have received pension payments totaling $382,800.

If Margaret decides to retire at age 60 her annual pension would be reduced by $3,600 leaving an annual pension payable of $20,400. By retiring at age 60 and receiving her annual pension of $20,400 for a total of 24 years (age 60 to 84) she will have received pension payments totaling $489,600.

By retiring at age 65 and receiving her annual pension of $24,000 for 19 years, she will have received pension payments totaling $456,000. So you can see from this example that the early retirement reduction is in fact a reduction to account for the longer period of time the pension will be payable and that it is not a “penalty.”

Here’s how the reduction works with the York University Pension Plan: If you retire between ages 60 and 65, your minimum guaranteed benefit will be reduced by 0.25% (the bare minimum required by the Income Tax Act) for each month between your actual retirement date and age 65. If you retire between ages 55 and 60, your minimum guaranteed benefit will be reduced by 0.5% per month between your actual retirement date and age 60 and by 0.25% for each month between age 60-65 (or 15%).
On Friday May 25th, Stats Canada released a report on pension plans in Canada. Here are some of the key details.

**Participation of women continues upward trend**

The participation of women in Registered Pension Plans (RPP) continues its long-term upward trend. Their membership increased 1.0% to 3,028,730, breaking the three-million mark for the first time ever. Among men, it rose 0.4% to 3,037,020. Men accounted for 50.1% of total membership, while the percentage of women rose to a record level 49.9%. In the early 1970s, men accounted for almost 75% of total membership in RPP’s.

**Defined Benefit Plan membership declining**

In 2010, more than 4,484,000 employees were in a defined benefit pension plan, down 1.0% from 2009. They accounted for 74% of employees with an RPP, compared with more than 84% a decade earlier. Membership in defined contribution plans, the other most frequent type, increased 0.8% to 969,210. These plans accounted for 16% of all RPP membership. Nearly 85% of members in defined contribution plans were in the private sector.

**Hybrid Plan membership increasing**

Hybrid plans (like the York University Pension Plan) continued their upward trend. In 2010, more than 612,530 employees belonged to these plans, up 15% from 2009. In 2010, these hybrid plans accounted for about 10% of total pension plan membership.

**Question:**

Who does my family contact in the event of my death?

**Answer:**

A family member should contact your department as well as the Pension & Benefits office. The Pension & Benefits office will then prepare any necessary paperwork and will send it to your home address with the understanding that someone will be monitoring your mail and take the necessary steps to have any relevant paperwork completed.

For further information, please call (416) 736-2100 ext 27572 or email askpb@yorku.ca
Sun Life Alert

Suspected fraud identified – Brampton medical clinic

In August 2011, we alerted you to fraud allegations involving eight health care facility service providers located in Brampton, Mississauga and Toronto, Ontario.

We have now identified a ninth health care facility service provider – the Lisa Street Doctor’s Office located in Brampton – that allegedly may be committing fraud, with this behaviour believed to be impacting some plan members.

Sun Life’s Investigative Services Unit together with law enforcement are investigating this matter.

How does this affect you?

As a result of this suspected fraud and the ongoing investigation, Sun Life will not reimburse you (or your spouse and dependents) for any services or treatment that you receive on or after June 7, 2012, that are provided by the Lisa Street Doctor’s Office.

In addition, as of August 8, 2011, we continue to deny claims for any services or treatment that are provided by any of the following eight health care facilities:

- Sarwarmed Medical and Health Clinic (Brampton)
- Conestoga Foot Clinic Inc. (Brampton)
- Dynamic Footcare & Therapy Inc./Happy Feet are Healthy Feet! (Brampton)
- Malton Foot and Ortho Clinic (Mississauga)
- Gore Health Centre (Brampton)
- Dynamic Optical (Brampton)
- Woodbine Foot and Orthotics Clinic Inc. (Toronto)
- Castlemore Optical Inc. (Brampton)

Next Steps

Sun Life’s Investigative Services Unit continues to investigate this matter – and will examine whether other clinics/facilities may be involved in suspected fraudulent activity. In the event that other clinics/facilities may be involved, we will let you know of this as soon as information becomes available.

Questions?

Please contact Sun Life’s Customer Care Centre at 1-800-361-6212.

Extended Health Care & Dental Costs for York University

The total cost to York University of claims in 2011 were $28,717,185. This represents an 8.8% increase from 2010’s claims total of $26,388,240. In 2011 extended health care claims cost York University $17,419,983. This represents a 12.6% increase from the $15,475,914 cost in 2010. The cost to York University for dental claims in 2011 totaled $11,297,202. This represents a 3.5% increase from the $10,912,326 cost in 2010.

REMINDER: You should obtain a predetermination on any item or service if you are relying on coverage and/or are not wanting to pay for it yourself.

For further information, please call (416) 736-2100 ext 27572 or email askpb@yorku.ca
Need More Information?

Information provided in this newsletter is of a general nature. Should you require further information that specifically pertains to you please contact the Pension & Benefits office by e-mailing askpb@yorku.ca or call 416-736-2100 extension askpb (27572) between 9:00 am and 4:00 pm Monday to Friday. For Fridays from June 1 up to and including Labour Day weekend the phones will be answered until 3:00 pm.

In the event the information contained herein conflicts with the applicable contract, policy or guideline, the terms of the contract, policy or guideline will prevail.

Here are just a few websites you can access to gain more information:

- Sun Life’s Plan Member services: [www.sunlife.ca/member](http://www.sunlife.ca/member)
- York University Retirement Planner: [www.yorku-ret.ca](http://www.yorku-ret.ca)
- York’s Pension & Benefits Office: [www.yorku.ca/hr/units/cpb/pensionbenefits.html](http://www.yorku.ca/hr/units/cpb/pensionbenefits.html)
- York’s HR Self Service: [https://hrselfserve.yorku.ca/psp/HR91PRD/?cmd=login](https://hrselfserve.yorku.ca/psp/HR91PRD/?cmd=login)
- York’s Retirement Planning Centre: [www.yorku.ca/retire](http://www.yorku.ca/retire)

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