

Retirement

Sample Retirement Letter

Your name

Your home address

Date

Gayle Stucke, Director of Education

Lambton Kent District School Board

200 Wellington Street,

Sarnia, ON N7T 7L2

Dear Ms. Stucke,

In compliance with the requirements of the Ontario Teachers' Pension Plan, I would like to inform you of my intention to retire, effective _____ "date", 20XX. According to normal Board practice, following my retirement, I will perform no further paid teaching duties.

My retirement is based on the understanding and agreement that the Board shall provide me with all salary, benefits and retirement gratuity due to me pursuant to The Education Act, Regulations, and the current Collective Agreement.

I would appreciate confirmation, in writing, of your acceptance of my intention and of the terms I have stated. I also give you permission to release any information that is required by the Ontario Teachers' Pension Plan in processing my pension.

(You may wish to add your personal remarks before signing this letter.)

Sincerely,

(your name)

copy: your principal

Retirement Planning

What documents do I need to retire from the plan?

To retire, you need a photocopy of your birth certificate and, if applicable: your spouse's birth certificate; your marriage certificate or official declaration of a common-law relationship (for same or opposite-sex partners); and a certificate of divorce or decree absolute or a separation agreement, if your marriage ended while you were a member of the plan.

If you can't find a birth or marriage certificate that was issued in Ontario, contact the Registrar General at 416-325-8305 or 1-800-461-2156. It can take three or more months to obtain replacement copies of misplaced documents, such as birth certificates, so begin retrieving your documents early. (Documents are available online - www.etfo.ca)

Countdown to Retirement

When a member has made the decision to retire, he/she is encouraged to submit their retirement letter in a timely manner. This is of benefit to other members for equitable job postings.

January – If you haven't already done so, consider registering for **iAccess**, the secure member website. You'll find important information there, including a calculator you can use to generate pension estimates and a presentation on survivor pension options.

Gather the documents required to support your retirement application. (See above) It often takes three months or more to replace misplaced birth or marriage certificates.

February – Contact the pension board for a pension application kit or download a copy from the publications area of the website at www.otip.com.

March/April – Complete and mail your pension application to the client services department.

Ontario Teachers' Pension Plan

5650 Yonge Street

Toronto, ON M2M 4H5

If you call the Pension Plan Board, it is worth noting the name of the client representative that you speak to in case you need to make further contact in the future.

Retirement Allowance Shelter

Revenue Canada's Position on sheltering retirement Allowances. More detailed information can be on the Revenue Canada Website by searching for the following Bulletin: IT-337R4. An excerpt is provided below as a starting point.

19. Paragraph 60(j.1) provides for a deduction for all or part of a retiring allowance included in a taxpayer's income and transferred to an RPP or to an RRSP under which the taxpayer is the annuitant. Transfers to an RPP however, may have certain adverse implications with respect to the taxpayer's "pension adjustment", which should be considered in advance of the transfer

20. The eligible portion of a retiring allowance, for the purpose of 19(b), is computed as the sum of: (a) \$2,000 times the number of years (see 22(a)) before 1996 during which the employee or former employee (referred to hereafter as the "retiree") was employed by the employer or a person related to the employer (see 22(b));

For those members planning to retire, multiply \$2000 by the number of years of employment pre-1995 with the board. For example, a teacher hired in 1975 could shelter \$40,000. (20 years X \$2000 per year)

Of course, any member who is retiring may access their entire gratuity (minus taxes, which will be automatically deducted) to use as they wish.

Teachers should note that there is no longer a requirement in the Collective Agreement to notify the school board about lump sum gratuity payment. This will be done automatically.