

# KNOW YOUR AGREEMENT

## RETIREMENT BENEFITS

There have been many questions about Retirement Benefits and your rights in the PEA Main Agreement. This attempts to answer those questions. Please note that the information provided here has the possibility of changing over time. Members should always obtain professional advice in all tax and retirement matters. [www.pea.org/system/files/Retirement\\_Benefits.pdf](http://www.pea.org/system/files/Retirement_Benefits.pdf)

### **Is it true that, in your last year before retirement, once you work even just a few days into a new calendar year, you can collect all your annual vacation leave?**

Yes, you can collect the entire vacation entitlement in the year that you are retiring providing you qualify to retire. This benefit arises from the collective agreement clause 21.07.

### **When would my vacation pay be paid?**

The collective agreement under 21.07 says that “the employer will make every effort to make this payment on the employee’s last working day, but in any case will not delay payment beyond the time limitation imposed by Employment Standards Act.” This Act states that “an employer must pay all wages owing to an employee within 6 days after the employee terminates the employment.”

### **Can I use those paid leave days up to the day you actually collect your pension from the pension fund?**

Yes, if you take the vacation as time rather than just get paid out, the vacation days then actually earn pension service as both you and the employer contributes to the pension plan during the vacation.

### **What is archived vacation?**

This is vacation that exceeded the maximum of 10 days of vacation that could be carried over at any time. It can only be cashed out upon termination or at specific times agreed to in bargaining. It has the value it had in the year it was earned.

### **Can I take archived vacation as leave?**

Archived vacation cannot be taken as leave time and will be paid out at the rate at which it was earned.

### **Does the rule that applies to vacation and retirement also apply to the OSS, that once I work even just a few days into a new year, I can collect all my OSS?**

No, unfortunately, it doesn’t apply to OSS as there is no special clause that allows the full OSS entitlement to happen in the retirement year as it does with vacation. Article 15.02 states that OSS is a percentage of 7% of basic salary earned for each calendar year.

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### **Do I earn OSS while I am on Pre-Retirement Leave?**

Unfortunately, no. While it is earned during other vacation periods it is not earned when an employee is not returning to work. The employer's rationale for refusing to allow it to be earned in that period is that it considers that OSS is earned by being at work as it is considered payment or time off in lieu of overtime.

### **What is Article 32.09 Retirement Allowance?**

You are eligible for Article 32.09 if you have at least 20 years of service. You would get a retirement allowance of one month's full salary for that 20 years. Then you get an additional one-fifth of a month for each year above 20 years to a maximum of 30 years.

### **Do I have to fill out a form to get the Retirement Allowance and go on Pre-Retirement Leave?**

Yes, there is the Paid Absence Prior to Retirement form. Once it has been filled out and signed and the leave has started, no further adjustments will be made to the leave for reasons of illness or other circumstances, other than death.

### **What is Pre-Retirement Leave?**

This means that the retiring member can opt to take the Retirement Allowance as paid leave or as cash. If it is opted to be taken as paid leave it must be taken immediately prior to retirement.

### **How can I find out what my Retirement Allowance entitlement will be?**

#### Employees Service Entitlement

20 years	21.75 days
21 years	26.10 days
22 years	30.45 days
23 years	34.80 days
24 years	39.15 days
25 years	43.50 days
26 years	47.85 days
27 years	52.20 days
28 years	56.55 days
29 years	60.90 days

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30 or more years      65.25 days

Your retirement allowance entitlement can be confirmed by BC Government Financial Management Division. They do this service in any event for employees considering retirement. To track, update or review your service requests and history, visit AskMyHR at [www.gov.bc.ca/myhr/contact](http://www.gov.bc.ca/myhr/contact).

### **What if I worked for the Public Service and then left and returned again. Will the service I had before I left be counted for the purpose of the Retirement Allowance?**

Yes, the allowance is calculated based on completed years of cumulative (not continuous) service. While breaks in service are not counted, periods of auxiliary and part-time service are included. Periods of part-time service are prorated.

### **What if I elect to take the Retirement Allowance in cash?**

If you prefer to receive cash for your retirement allowance, you will receive payment in the month following your last day on payroll. The payment is subject to withholding tax deductions.

Payment Amount	Withholding Tax
\$5,000 or less	10%
\$5,001 - \$15,000	20%
\$15,001 or more	30%

### **How can I lessen the tax?**

Avoid the withholding tax by directing all, or a portion, of the allowance to an RRSP or RPP. You can direct your allowance to:

- a Registered Retirement Savings Plan (RRSP) in accordance with Canada Revenue Agency (CRA) rules (currently \$2,000 per year of contributory service pre-1996); or
- an RRSP in accordance with CRA statement of accumulated RRSP contribution room (a copy of the latest tax assessment notice is required to confirm the available room).

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### **Can I do contract work while I am on Pre-Retirement Leave?**

The employer's view of Pre-Retirement leave is that once you have started this leave, the normal employment relationship is considered to be modified; you are no longer committed to the employer to return to work, and the employer is no longer committed to provide you with work. While working for others is not considered conflict of interest by itself, paid employment of any nature while on pre-retirement leave is subject to the Standards of Conduct. Refer to the sections on Conflict of Interest and Outside Remunerative and Volunteer Work.

### **What does 32.13 Relocation at Time of Retirement mean?**

If an employee has been relocated to an isolated location by the employer or moved there due to winning a competition, they can have their moving costs of all their household goods and effects paid for by the employer when they retire. The employee must give 6 months' notice prior to retirement that they wish to relocate elsewhere in the Province.

In order to be eligible the employee must be eligible for a pension (55 years old). They must have served a minimum of 3 years in the isolated location. The list of isolated locations is found in Information Appendix C of our Collective Agreement. Severely isolated locations are found in Information Appendix G. The employee has to move to the new location within 3 months of retirement (the month they cease to be actively employed in the Public Service).

### **When can I expect my pension to start and how much will I get?**

The Public Service Pension people are the right people to ask about all your pensions questions. The pension calculator allows you to feed in different retirement dates to see what monthly amounts you would qualify for. <https://pspp.pensionsbc.ca/>

### **What happens if I'm on Long Term disability when it comes time to retire?**

An employee in receipt of long term disability benefits will be considered an employee for purposes of pension benefits and will continue to be covered by group life, extended health, dental and medical plans. Employees also remain eligible for Article 32.09 – Retirement Allowance and Pre-Retirement Leave provided the employee has completed 20 years of service prior to receipt of long term disability benefits and they otherwise meet the requirements of Article 32.09.