

# TTC Pension Plan



# Membership Guide

ALWAYS THERE FOR OUR MEMBERS — TODAY AND FOR A LIFETIME





## About the TTC Pension Plan

The Toronto Transit Commission Pension Fund Society was incorporated in 1940. Today, it is known as the TTC Pension Plan (TTCPP). It is a defined benefit pension plan that provides members with a secure retirement income for life. As a member, you contribute to the Plan and your employer makes equal contributions that are collectively invested and managed by external investment managers.

TTCPP is jointly sponsored by the Toronto Transit Commission (TTC) and the Amalgamated Transit Union (ATU) Local 113, which have an equal say on matters that impact current and future retired members. The Board of Directors is appointed by the Plan sponsors to administer and manage the assets of the Plan.

The terms of the Plan are set out in the TTCPP Bylaws, which are amended from time to time. In this governance model, both the members and employers share the responsibility for the operation of the Plan. The top strategic priorities of the Plan's directors are the security and stability of the Plan and equity among members.

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Some Plan-related terms used in this booklet are outlined in the *Glossary of Pension Terms* at the back of this booklet. The first mention of these terms appears in ***bold italics***.

# The Benefits of Being a Member

Your pension is an important part of your retirement. As a member, you earn a secure lifetime pension. When you retire, you will receive a monthly income that starts in retirement and is paid to you for the rest of your life.

Your employer matches your pension contributions and automatically deducts your contributions from each pay. Contributions you and your employer make every month are invested in the Plan.

Build your retirement income while you are working. The defined benefit formula means that when you retire, you will receive a pension based on your best four years of pensionable earnings, and you do not have to worry about complex investments, the volatility of the markets or outliving your pension. Our commitment is to keep your pension stable and secure.

The Plan offers valuable survivor benefits to protect your spouse. This benefit provides your spouse with a monthly lifetime pension upon your death. If you do not have an eligible spouse as defined by TTCPP Bylaws and the *Pension Benefits Act*, a guarantee-period benefit is available.

The Board will review in detail the financial position of the Plan to determine if it is fiscally responsible and affordable to grant benefit changes such as:

- A base-period formula update for calculating your pension that will be the average of your best four years of pensionable earnings to the formula in effect when you retire.
  - Review of the **survivor benefit date**, which may follow in parallel with this formula update.
- Ad hoc annual inflation protection. When you retire, the impact of inflation on your pension will be partially offset by the Plan's ad hoc inflation protection. This enhancement acts much like a payroll increase.





**STRENGTH**

**Pension strength comes from a solid financial position with a focus on the needs and expectations of members.**

# Life Event Changes and Your Pension

From the time you become a member of the Plan until the time you leave, life events will inevitably occur. Over time, your pension could become your most valuable asset, and TTCPP will be with you through all of the stages of your life and career. TTCPP is committed to keeping pensions stable and secure for current and future retired members.

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## Automatic membership

If you are a **full-time employee**, membership is mandatory upon completion of six months of **continuous service**. You begin to accrue **credited service** as soon as your employer

deducts pension contributions from your pay. As part of your Plan enrolment package, we will also include a beneficiary designation card for you to complete.

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## Optional membership

If you are a part-time or temporary employee, membership in TTCPP is optional after six months of continuous service. You must contact us and request a membership application form if you are interested in becoming a member. Your

enrolment in the Plan will be for the pay period ending in which your application is received. You cannot backdate your application and your membership cannot be cancelled.

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## Contributing to your pension

Each pay period, Plan members contribute a percentage of their earnings to the Plan, and these contributions are matched by your employer. Your contributions are based on a percentage of your earnings and are tax deductible. You pay no income tax on the matching contributions.

### What does it cost?

- 9.25% of your earnings up to the **year's maximum pensionable earnings** (YMPE)
- Plus, 10.85% of your earnings above the YMPE

When you become a member of TTCPP, as soon as you start contributing to the Plan, your entitlements are **vested** and you have earned a right to receive a pension benefit.

### Additional contributions

You cannot increase your contributions to the Plan except as a result of reduced earnings described below.

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## Change in job status

Throughout your employment, there may be reasons for your job status to change, which may have an impact on your pension. These changes could be a layoff, reduction of hourly rates, unpaid leave of absence, purchase of leave of absence, or periods of absence due to illness or injury.

### Layoff

If you are laid off, you will not accrue continuous or credited service for this period of time. This may impact the date you are eligible to retire and will also impact your pension entitlement. Your annual entitlement statement will reflect the impact the period of layoff has on your pension. An exception to this rule is that if your period of layoff occurred before July 1, 1996, you will receive continuous service only for your period of layoff.

### Reduced earnings

You may experience a reduction in your rate of earnings as a result of:

- a change in job status because of a reduction in staff,
- ill health or
- changes in your job evaluation.

You can elect to include the amount of your reduced earnings in your TTCPP contributions. This means that although your rate of earnings has decreased, you are still making contributions at your higher rate of earnings.



When we calculate your pension benefit, it will be based on your higher contributory earnings, not your lower rate of pay.

To qualify for this option, you must be within 10 years of eligibility for an unreduced pension and have accumulated a minimum of five years at the higher job status. Please note that this election must be made within 90 days of your reduction in earnings.

### Leave of absence

At some time during your career, you may need to take a leave of absence from work. This may be to go back to school, start a family, recover from illness or injury, or for many other reasons. What's important to understand is the potential impact to your pension these leaves may have. There is a provision to protect your credited service and pensionable earnings for some categories of leave (protected leave), while other categories of leave will not accrue credited service and may be repurchased.

### Protected leave

These include pregnancy, parental leave, Workplace Safety and Insurance Board (WSIB), and long-term disability. During one of these types of leave, contributions to TTCPP are not required, and your pensionable earnings will be built up (for the purposes of calculating your pension). This means that they are determined on the base salary you received right before you began your leave. This provision is effective for any period of protected leave of more than two consecutive weeks.

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## Change in marital status

### Getting legally married or becoming common law

If you get married or have been living with your partner for three years or more, it is very important that you complete a new beneficiary card. This card confirms your spousal status and allows you to designate who will receive any pension benefits that may be payable upon your death. It is very important that you keep this card updated anytime you have a change to your marital status or beneficiary.

### Going through separation or divorce

In the case of separation or divorce, the Ontario *Family Law Act* treats pensions earned during the period of marriage as a family asset. The value of the pension you earned during your spousal relationship must be included in the calculation of the net family property. There is no requirement to divide your pension, only to consider its value in the division of all family property.

### Other leaves

If you take a leave of absence that is not protected under TTCPP Bylaws, you may elect to repurchase the applicable credited service by contacting TTCPP and requesting an estimate of the repurchase cost.

### Purchase of leave of absence

To purchase your credited service for a leave of absence, you will be required to pay the amount of contributions you would have made to the Plan during the period of leave, plus the amount your employer would have contributed (if applicable). This amount is calculated based on the wages you would have earned during the leave. You must contact TTCPP and make the election within 30 days of your return to work from the leave. The amount must be paid in a lump sum within 90 days of the date your original election was made.

You may elect to purchase other periods of service. The cost of purchasing this service is the full actuarial cost, based on your age and earnings level when you make the purchase. The election to purchase this period of credited service must be made within 180 days from the date on which you became re-enrolled as a member of the Plan. You then have 30 days from the quote date to pay the amount in a lump sum.

If you are considering taking a leave of absence or if you are currently on one and want to understand any potential impacts to your pension, or what your options and deadlines are for repurchasing, contact us with your questions.

As of January 1, 2012, TTCPP, as Plan administrator, is required by the *Pension Benefit Act* to calculate the valuation of your pension due to marriage breakdown. Either you or your former spouse may initiate the request for TTCPP to calculate your Family Law Value (FLV). The FLV is an actuarial calculation of the value of your pension accrued during the period of your spousal relationship.

Once you receive your FLV report, you and your former spouse will decide whether or not your pension will be divided as part of the equalization of your net family assets. Your former spouse is entitled to a maximum of 50% of the FLV. If it is decided that the pension is going to be divided at source, your former spouse would transfer the single lump-sum value out of the Plan. If you and your former spouse agree not to split the pension, you may exchange it for other assets during equalization.

For more information regarding the FLV process, please visit our intranet site or contact TTCPP for an application form and the required documents.

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## Leaving your employer before qualifying for retirement

If you are contemplating leaving your employer, are under age 50, and have less than 29 years of continuous or credited service, you may contact TTCPP to have a **termination** estimate completed. This estimate does not obligate you to do anything and is strictly confidential.

If you leave your employer, you need to contact us as soon as possible so there will be no delay in processing your benefit. TTCPP will give you an estimate of the value of your pension entitlement and all the necessary forms required to proceed with your termination benefit.

**The following are the options available to you upon leaving (terminating):**

### Option 1 – Transfer

You may elect to transfer the **commuted value** (CV)\* of your accrued pension entitlement. The CV is the current lump-sum dollar value of your future pension benefit and is vested and **locked-in**. You may transfer this amount to your new employer's registered pension plan (RPP) or to a locked-in retirement vehicle, which could be a locked-in retirement account (LIRA), a life income fund (LIF), a locked-in retirement income fund (LRIF) or a life annuity.

### Option 2 – Defer

You may elect to leave your pension entitlement with TTCPP and receive a deferred monthly pension when you are eligible to retire.

**Additionally, if applicable, you may be eligible to receive a refund of your excess contributions:**

If your total contributions plus interest exceeds 50% of the commuted value, the balance will be refunded to you as follows:

- If you elect **Option 1** and transfer the commuted value\* to a locked-in arrangement, the refund of your excess contributions may be transferred to a nonlocked RRSP or refunded to you directly by cheque or electronic funds transfer, less income tax.
- If you elect **Option 2** and leave your pension with TTCPP as a deferred pension, you must take the refund of excess contributions (if applicable) as a direct payment to you, less income tax. You cannot transfer to a nonlocked RRSP.

### Your deferred pension at retirement

If you have elected Option 2, to receive a deferred pension, it becomes payable at age 60 unless you apply to receive it earlier. A deferred pension includes the benefits of a regular pension such as survivor benefits (but excludes health and life insurance), and your pension will grow with conditional inflation protection, subject to affordability after the commencement of your pension. It is very important that you notify TTCPP of any address changes so that we can send you periodic statements.

The earliest you can start your pension is at age 50. If you start your pension before age 60, it will be reduced on an actuarial equivalent basis because it will be paid for a longer time than if you waited to age 60 and this will be a permanent reduction. When you decide to start collecting your pension, you must contact us in order to receive and complete the appropriate documentation.

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\*The *Income Tax Act* outlines a maximum transfer value, which allows the member to transfer up to a capped maximum of CV to an RPP and the remainder must be taken in cash, less income tax.



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## Returning to work

If you are rehired as a regular Plan member, you may elect to repurchase your previous pension service if you meet the following criteria:

- Your period of absence from the most recent date of leaving was less than 24 months and
- Your prior period of credited service was at least 24 months.

In order for you to repurchase your previous pension service, you would repay the full amount of any required

contributions and interest that were refunded to you at the date of leaving. This also includes any commuted value that was transferred out plus interest on these amounts to the date of repayment.

If you are interested in making this repurchase election, please contact TTCPP and we will forward the necessary documents to you. You must make this election within 90 days of becoming a regular member of the Plan.

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## Shortened life expectancy

This option allows members who have a life expectancy of less than two years to commute the value of their pension. This would provide you with the option to receive a single lump-sum payout of your pension. Regular members, former members who have left their employer and are entitled to a vested monthly pension in the future, and retired members are entitled to apply for this option.

You must supply satisfactory medical evidence that your illness or injury reduces your life expectancy to less than

two years. If you have a spouse, they must waive their right to any applicable survivor benefits as well. The calculation of the commuted value is based on accepted actuarial practice. TTCPP can provide you with an estimate of how much your benefit will be.

Contact TTCPP to apply for this option. We will provide you with the necessary documentation that must be completed by your physician. The application requesting the shortened life expectancy payment must be approved by the Board.

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## Preretirement survivor benefit

TTCPP provides survivor benefits to help your loved ones maintain financial security in the event of your death before you retire. Depending on your TTCPP membership status and your marital status, the benefit will vary.

**Preretirement death benefits are paid in the following order to you:**

### Eligible spouse

Unless a previous election was already made, your spouse would be entitled to an immediate 60% joint and survivorship pension if you are not separated at the time of your death.

TTCPP Bylaws define the meaning of a spouse as a person:

- (a) to whom a member is married, providing that the member is not living separate and apart from that person
- (b) with whom the member is living together in a conjugal relationship:
  - i. continuously for a period of not less than three years, or
  - ii. in a relationship of some permanence, if the member and their spouse are the parents of a child, as set out in section 4 of the *Children's Law Reform Act* at the time a determination of spouse is required.

The benefit is calculated at the date of death as if you had retired on a full unreduced pension. If you had elected an optional form of pension, such as a 100% joint and survivorship, prior to your death, then the pension is paid according to that election.

Your spouse will have the option of electing to receive the monthly pension for their lifetime or a lump-sum commuted value of the survivor pension.

### **Designated beneficiary**

If you are single or separated at the time of your death, your beneficiary is entitled to an automatic 10-year guarantee with respect to your post-1986 pension. Your benefit is calculated at the date of death as if you had retired on a full unreduced pension. If you had elected a 15-year guarantee option prior to your death, then the pension is paid according to that election. In regards to your pre-1987 pension, the benefit paid would be a refund of your contributions plus interest.

### **Estate**

If you do not have an eligible spouse or designated beneficiary when you pass away, your preretirement death benefit will be paid to your estate.

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### **Additional protection for your loved ones**

Regardless of your age or service, you can elect an optional form of pension: a 15-year guarantee or an increase of the 60% survivorship option. It becomes effective immediately once the form is signed, but it may be cancelled at any time prior to your pension starting. If you do cancel your optional

form of pension in favour of a less costly benefit, there is an actuarial charge based on the period of time you had this protection in place. Contact TTCPP to request this election change.

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### **Death benefit calculation**

If you want to know what your death benefit would be based on your current marital status and the current pension formula, contact TTCPP.



**SECURITY**

**Pension security comes from a thoughtful, risk-managed Plan design that empowers the Board to provide benefit updates when affordable.**



# Retirement

It's important to have a solid retirement plan in place, and it's never too early to start the process. The TTC Pension Plan has helpful planning resources available for members.

## Attend a pension webinar



TTCPP offers pension webinars to all Plan members and their spouses. These valuable sessions provide an overview of the Plan, including important Plan features and benefits, retirement planning, and how life events can affect your pension. You can register for upcoming webinars at [www.ttcpp.ca/resources/forms-and-seminars](http://www.ttcpp.ca/resources/forms-and-seminars).

## Get an estimate



When you are 50 years old or have 29 years of service, you can request a pension estimate. We can forecast your estimate up to six months in advance. It is a detailed summary of what your entitlement would be upon retirement and it provides you with all the options and benefits available to you.

## Visit the TTCPP website



Our website, [www.ttcpp.ca](http://www.ttcpp.ca), is an excellent source of information about your pension, forms, publications and more.

## Make an appointment



Once you have requested or received an estimate, make an appointment with us to review your estimate. You do not have to be retiring to do this and all information discussed is completely confidential.

## Use the Pension Estimator



As a Plan member, you can estimate your pension by using the Pension Estimator on [www.ttcpp.ca](http://www.ttcpp.ca). You can calculate as many estimates (scenarios) as you wish without any limitation to your projected retirement date.

## Contact us



Have questions? We're here to help. Email us at [membercare@ttcpp.ca](mailto:membercare@ttcpp.ca) or call us toll-free in Canada and the U.S. at 1-800-663-6820, Monday to Friday, 8 a.m. to 4 p.m., Eastern Time.

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## Eligibility rules

Other factors to keep in mind are the eligibility rules that determine if your pension will be calculated on an unreduced or reduced basis. You become eligible for a pension when you reach the following thresholds for retirement:

### Normal retirement – Unreduced pension

To be eligible for an unreduced pension, you must:

- have 30 years of service, regardless of age; or
- be at least 60 years of age, regardless of service; or
- have 29 years of service and age plus service equals 80.

### Early retirement – Reduced pension

Early retirement eligibility with a reduced pension applies if you are:

- at least 50 years old with less than 29 years of service

There is a **permanent reduction** to your base monthly pension, based on your age at the time of retirement.

If you start your pension between the ages of 50 and 55, the reduction will be 5% for each year that you start your pension before age 60, based solely on your age.

If you start your pension between the ages of 55 and 60, TTCPP will compare your age and service and apply the 5% per year early retirement reduction factor to the lesser of the two. For example, if you retire at age 56 with 27 years of service, you are four years away from age 60 and two years away from 29 years of service. Your early retirement reduction would be 10% because you are two years away from 29 years of service.

OR

- under age 51 with 29 or more years of service

The **permanent reduction** to your base monthly pension is not based on age or service. If you have 29 years of service and you are under age 51, the reduction factor will be a maximum of 3%, but it can be lower if you are closer to 51.

### Compulsory retirement

You must start your pension by December 31st in the year in which you turn age 71 according to the Plan Bylaws and the *Income Tax Act*. TTCPP will remind you at the beginning of the year in which you turn age 71 and will provide you with the information needed to set up your pension payments.

Note: Although you are required by law to commence your monthly pension and stop making pension contributions to the Plan, you are **not** required to stop working for this pension to commence.

### Postponed retirement

If you are entitled to an immediate pension when you leave your employer, you have the option to postpone your retirement and start it at a later date.

If you elect to start your pension at age 60, there will be no early retirement reduction factor applied to your pension.

You can choose to start your pension at any time before the end of the year in which you turn age 71, but we cannot have your pension backdated without special approval from the Canada Revenue Agency.

### Maximum pension

The *Income Tax Act* does impose a maximum on members of a registered pension plan such as the TTCPP. Although these rules are complex, the maximum would only impact members with average earnings that meet the high threshold, which adjusts from year to year. TTCPP tracks this information for the member.

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## Decision made – Ready to retire

Now that you have a good, solid plan for retirement in place, you want to begin the process but you have a few questions. We are here to help.

### Do I have to complete documentation to start my pension?

Yes. Please email or call us at least six weeks before your retirement date so that we can prepare your retirement package with your options. Email us at [membercare@ttcpp.ca](mailto:membercare@ttcpp.ca) or call us toll-free in Canada and the U.S. at 1-800-663-6820, Monday to Friday, 8 a.m. to 4 p.m., Eastern Time.

When you contact us, we'll ask you for your name, contact information (telephone number, email address and mailing address), badge number, and retirement date. We'll also ask about your marital status, and if you have a spouse, we'll ask for your spouse's date of birth.

At this time, we'll inquire as to whether you want your retirement package securely emailed or mailed to you. At this time we also recommend that you book an appointment with us in advance to finalize the required paperwork before you start your retirement.

### Do I have to sign a resignation form?

Yes. In order for your pension to start, you must complete a Resignation to Retire on Pension form. This form advises your employer of your intention to retire and the date you want your pension to start. You can either complete this form at your work location or with TTCPP staff during your appointment.

### Once I have completed my resignation can I change my mind?

If you have completed your resignation form but your pension has not started, you can change or cancel your retirement date if your department agrees to the change. We would require written notification and approval from your department to make this change.

### What documentation do I need?

You must provide your proof of age, and if you have a spouse, your spouse's proof of age. We will also ask you to provide confirmation of your bank information. When you call to set up your appointment, we will advise you of the required documentation.

### How and when will I receive my pension?

We will pay you on the 15th of each month by direct deposit.

### Will I have to pay tax on my pension?

Yes. Your pension is taxable and we deduct the tax at source each month for you. We will also provide you with an estimate of your tax when you complete your pension documentation.

### Can I continue my health benefits when I retire?

Information regarding the benefits available when you retire are outlined in Greenshield's *My Benefit Plan* booklet. The benefits available and associated costs are determined by your employer, not TTCPP.





**STABILITY**

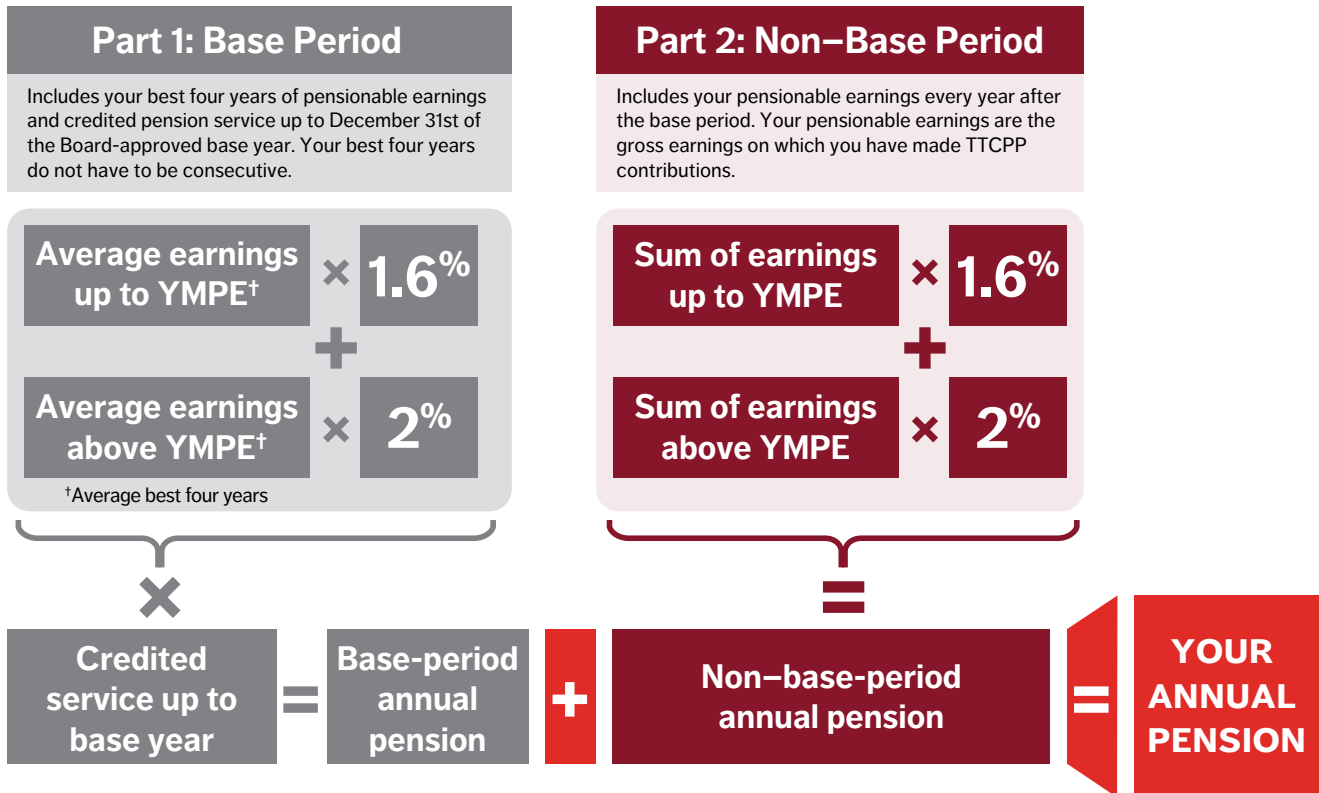
**Pension stability comes from a robust governance structure and more than 80 years of delivering on our pension promise to provide a pension benefit for life.**

## How much pension will you receive?

The basic formula for calculating your pension uses your years of service and your best four years of pensionable earnings in the Plan. The more time you spend as a contributing member of the Plan, the higher your pension will be.

The formula consists of **two parts**: the base-period calculation and the non-base-period calculation. Although it's important to note that you do receive credit for the entire period of time you have been contributing, the base-period portion of your calculation has the largest impact on how much pension you will receive.

### Calculating your pension



### Small pension rule

The small pension rule applies to you if your annual pension at age 60 is calculated to be less than 4% of the YMPE or the commuted value is less than 20% of the YMPE in the year of termination.

This generally occurs for members with short credited service in the Plan.

If applicable, this rule unlocks the commuted value and allows the pension to be transferred out in cash, less withholding tax, or to a registered retirement saving plan (RRSP), subject to the maximum transfer value.



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## Electing survivorship – Guarantee options

If you pass away in retirement, your loved ones are protected. Prior to starting your pension, you must elect one of two options outlined below. Once your pension has started, the option you have elected cannot be changed. It is very important that you understand how the options work and the impact they have on your pension before you retire.

### Survivorship option

A survivorship option will provide your surviving spouse with a monthly lifetime pension upon your death. How much your spouse receives is based on the percentage of survivorship you elected: 60%, 66  $\frac{2}{3}$ %, 80% or 100%. The percentage of the survivor pension is calculated on your basic pension only including any indexation increases.

If you have a spouse when your pension starts, the *Pension Benefits Act* requires that you elect at least a 60% survivorship option; this is called a Normal Form pension. You may elect a higher percentage of survivorship, but the minimum amount is 60%. Your earned pension will be reduced to provide a survivorship option. This is a permanent reduction to your base pension. The reduction applied will be based on your age and your spouse's age. The reduction for the 60% survivorship option is applied only to the pension you have earned after the survivor benefit date.

Once your pension has started, the option you have elected cannot be changed. Therefore, your monthly basic pension would remain at the reduced rate. You cannot transfer this survivorship to any other beneficiary; it is only payable to your spouse named at pension commencement.

### Life-only guaranteed 10- or 15-year option

At retirement, if you do not have an eligible spouse as defined by TTCPP Bylaws and the *Pension Benefits Act*, a guarantee period option is available in the form of a 10- or 15-year life-only option. It means that if your death were to occur before 120 or 180 monthly payments have been made, your beneficiary will receive any remaining balance of your basic pension. Your beneficiary can elect to take the base pension in a monthly form or they can elect to receive a lump-sum payment. If your death were to occur after the 120 or 180 monthly payments have been made to you, there will be nothing further payable to your beneficiary.

There is no cost for you to provide a 10-year guarantee, but your earned pension will be reduced if you elect a 15-year guarantee. This reduction is based on your age at retirement and is a permanent reduction to your lifetime pension.

If you have a spouse at the time your pension starts, and you both agree to elect the guarantee-period option, your spouse will have to waive their right to the 60% joint and survivor option before you can elect a guarantee-period option. Once your spouse has waived their right, you can name anyone, including your spouse, as beneficiary. The spousal waiver form must be signed in the presence of a TTCPP staff member.

Before your pension starts, you can change your option. However, there may be a penalty applied to your earned pension. Once your pension has started, you cannot change the option you had chosen, regardless of your circumstances. Therefore, it is very important that you fully understand how the options work before your pension starts.

If you elect a guarantee period when you retire, your beneficiary designation is transferable. If you want to change your beneficiary, even after you have retired, you may do so.



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## Bridge benefit

If your pension starts prior to age 65, you will automatically receive the **bridge benefit**. The bridge benefit is payable to you each month until age 65 or death, whichever occurs first, and is subject to cost-of-living increases. This benefit is only payable to you, the retired member, and would not become payable to your beneficiary. There is no requirement to pay back the bridge benefit to TTCPP as there is with the level reduction. There is no cost associated or a requirement to pay any amount back for the bridge benefit.

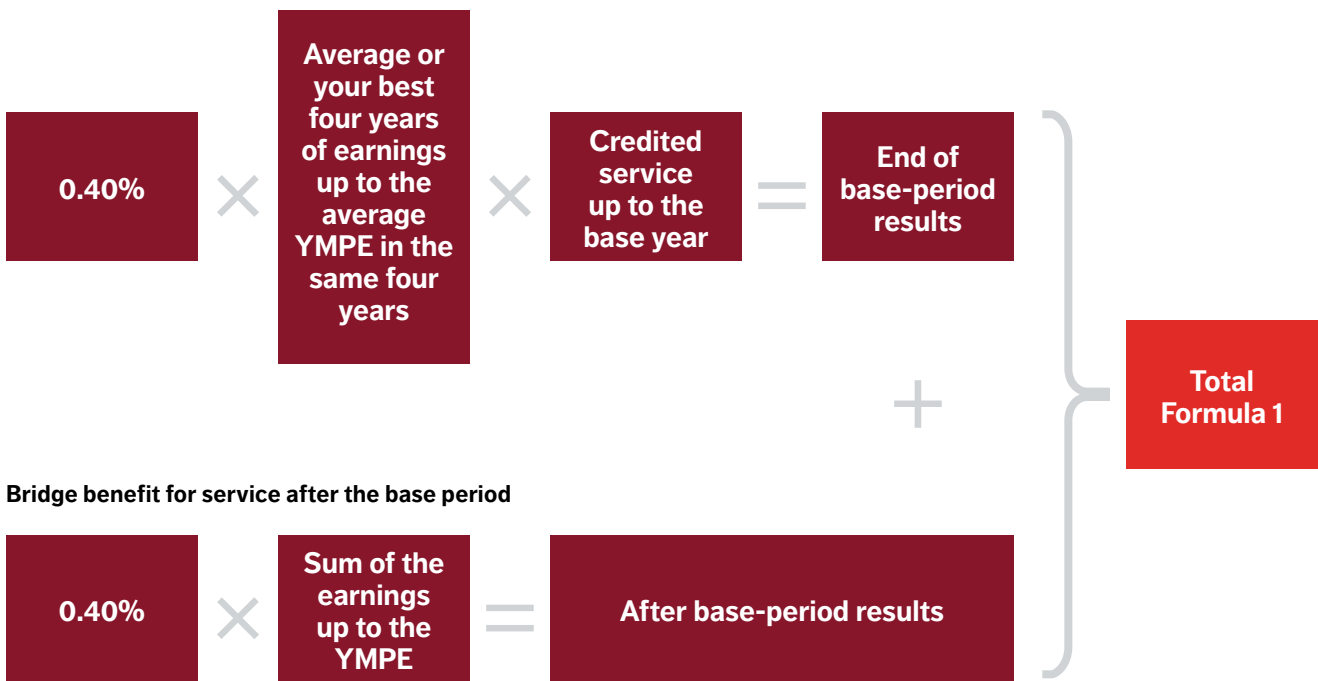
### Bridge benefit pension formula (payable to age 65)

There are two types of formulas the TTCPP uses to determine the bridge amount. TTCPP will perform both calculations and will provide you with the higher result of the two formulas.

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#### Formula 1

Bridge benefit for service to the end of the base period



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#### Formula 2

Minimum bridge benefit using the minimum bridge factor of \$143.20



The formula that yields a higher result will be used for your bridge benefit, which is payable to you until you reach age 65.



**GROWTH**

**Pension growth comes from a 10-year annualized return that has exceeded benchmarks and liabilities.**

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## Level income option

The level income option is an optional benefit that is intended to supplement your income until you reach age 65 and must be elected before your pension starts. The level income is paid by the TTCPP directly until you reach age 65, at which time your basic pension will be reduced. Both the level income and the reduction are subject to cost-of-living increases. You can elect the level income option on your future Old Age Security (OAS) pension, **Canada Pension Plan** (CPP) pension, or both.

At age 65, your TTCPP pension will be reduced by the maximum government rates for OAS and CPP that were in effect when you retired, plus any indexing approved by TTCPP. This will be deducted from your pension each month until the date of your death. Remember, this reduction is for **your** lifetime. Upon your death, the level income portion of your pension will stop and will not affect the guarantee or survivorship option payable to your spouse or beneficiary.

Taking the level income option does not preclude you from applying for early CPP directly from the government.

The earliest you can elect CPP is at age 60. The early retirement reduction applied will be based on your age at the time of your application. Your income will not level out. If you elect the level income option on CPP from TTCPP, at age 65 when we reduce your income for the levelling, we will be basing the reduction on the maximum CPP in effect when you retired. But, if you elected early CPP from the government, you may not be receiving the maximum; therefore, your overall income could decrease significantly. If you are planning to elect the level income option on CPP and take your early CPP from the government, you need to understand the impact this will have on your income at age 65.

For more information regarding Government of Canada pension plans, including the Canada Pension Plan and Old Age Security, please visit [www.canada.ca/en/services/benefits/publicpensions.html](http://www.canada.ca/en/services/benefits/publicpensions.html) or call 1-800-277-9914 toll-free within Canada and the United States.

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## Inflation protection

TTCPP helps offset the negative impact of inflation by providing conditional inflation protection increases. These are periodic enhancements to your monthly pension that help reduce the erosion of the purchasing power in retirement. When deemed actuarially affordable, the Board may grant an ad hoc cost-of-living increase to our retired members' monthly pension, usually retroactive to January 1st of the year of Board approval.



# Retirement Survivor Benefit

The death benefit paid to your spouse or beneficiary is dependent on the survivorship or guarantee-period option you elected at retirement.

At retirement, if you elected the survivorship option, then your survivorship benefit payment is payable only to the spouse you were married to at retirement. If your spouse predeceases you, nothing further is payable. In the event you remarry after retirement, there is no entitlement to a survivor pension for the new spouse.

If you elected the life-only guarantee option, then the residual balance of any guarantee option can be paid as either a monthly pension or can be converted into a lump-sum value. However, if the guarantee period has ended, then nothing further is payable.

# Glossary of Pension Terms

## Bridge Benefit

This is a temporary supplemental benefit payable to all retiring members up to age 65. The bridge benefit is not payable to your beneficiary.

## Canada Pension Plan (CPP)

The CPP is a federal government program that provides retirement pensions, disability benefits and survivor benefits to contributing members. To receive a benefit from CPP, you must apply directly to them. If you have questions regarding these benefits or if you would like an estimate of your CPP benefit, please call 1-800-277-9914. You can also receive information, application forms and other details at [www.canada.ca/en/services/benefits/publicpensions.html](http://www.canada.ca/en/services/benefits/publicpensions.html).

## Commutated Value (CV)

The commuted value of your pension is the current lump-sum dollar value of your future pension benefit.

## Continuous Service

The length of time accumulated from your last date of entry to employment. It is counting your total number of years, months and days you have been in continuous employment, and can be used in determining your eligibility for early unreduced retirement.

## Credited Service

The length of time during which you have made contributions to the Plan. Your credited service is counting your total number of years, month and days that your employer reported pensionable earnings. The credited service is used in the calculation of your pension entitlement.

## Full-time Employee

An employee of the Toronto Transit Commission (TTC), the Amalgamated Transit Union (ATU) Local 113, or TTCPP who works full-time for whom membership in TTCPP is mandatory after completing six continuous months of service.

## Locked-In

This refers to a legal requirement that vested pension benefits must be used to provide a lifetime retirement income and cannot be released as an immediate cash payment.

## Survivor Benefit Date

The survivor benefit date determines the cost of providing a lifetime survivorship to an eligible spouse. The reduction for a 60% survivorship option is applied only to the pension you have earned after the survivor benefit date.

## Termination

Termination of membership means that you have stopped making contributions to TTCPP because your employment has ended with the employer who had been matching your contributions. Your employment could end because of your dismissal, resignation, retirement or death.

## Vested

Vesting is when a member has earned the right to receive a pension based on their membership and credited service in TTCPP. As of January 1, 2012, for service after 1986, your pension benefits are immediately vested as soon as you become a contributing member.

## Year's Maximum Pensionable Earnings (YMPE)

The YMPE is set each year by the federal government. Your contributions to CPP are based on this amount.

For more information, visit [www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/pspa/mp-rrsp-dpsp-tfsa-limits-ympe.html](http://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/pspa/mp-rrsp-dpsp-tfsa-limits-ympe.html).

# Connect With Us

**Our team is committed to delivering on the pension promise:**

**Providing a financially secure retirement for our members by delivering a pension for life at a reasonable cost. Supporting our members with responsiveness, open communication and hands-on service, now and throughout their retirement.**

We are here to answer any questions or concerns you may have.



Visit [www.ttcpp.ca](http://www.ttcpp.ca) for information, forms and other helpful resources



Email us at [membercare@ttcpp.ca](mailto:membercare@ttcpp.ca)



Call us toll-free within Canada and the U.S. at 1-800-663-6820,  
Monday to Friday, 8 a.m. to 4 p.m., Eastern Time

This Membership Guide is a summary of the benefits outlined in the TTCPP Bylaws. Where the information in this guide differs from what is contained in the TTCPP Bylaws, the TTCPP Bylaws at the relevant time will govern. Contact TTCPP to obtain a copy of detailed Plan benefit information.





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