

RETIREMENT AFTER AGE 65 – BENEFIT COVERAGE

With the new provincial (Ontario) legislation (Bill C-211) eliminating mandatory retirement at age 65, the following are the ramifications with regard to the Benefit Coverage for someone working beyond age 65:

These benefits will stay the same:

1. Extended Health Care
2. Dental
3. Pension - beyond age 65, members will continue to contribute to the pension plan, and accrue service credits accordingly until their retirement date. Income Tax regulations require that they begin to receive a pension by the end of the year in which they reach age 69.

These benefits will change:

1. LTD - coverage ends at age 65
2. Group Life Insurance Coverage - After 65, reduces to \$60,000 from \$100,000.

Also, please know that all Manulife benefits cease at age 70. At that time, an employee may elect coverage under the retired group for health and dental.

For the Canada Pension Plan (CPP) there are 2 options if somebody works beyond age 65:

1. Choose to collect CPP at age 65 and continue working without making further contributions

OR

2. Choose to defer CPP, continue making contributions and realize a half percent increase for each month over 65, to age 70 (which equates to a maximum 30% increase).

A person cannot make CPP contributions and collect CPP payments at the same time.

For Old Age Security (OAS), payments would be available to those eligible starting at age 65, regardless of employment status.