

Benefits provided by

HEALTHCARE BENEFIT TRUST



BENEFIT FROM EXPERIENCE

EARLY RETIREMENT INCENTIVE BENEFIT

FOR MEMBERS OF THE COMMUNITY, FACILITIES AND HEALTH SCIENCE PROFESSIONAL BARGAINING ASSOCIATIONS

Your Offer and Next Steps

ERIB is a voluntary program, jointly administered by the Healthcare Benefit Trust (HBT), the Health Employers Association of BC (HEABC) and your Union.



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What is the Early Retirement Incentive Benefit (ERIB)?

ERIB is a **voluntary** program under your collective agreement that allows eligible employees to retire early and receive a lump sum payment to make up for expected pension income lost as a result of retiring prior to age 65.

Your ERIB Lump Sum Offer

You have received this package because you are eligible to receive the ERIB benefit. This package outlines the process and the amount of the ERIB lump sum you will receive, if you choose to accept ERIB and retire early. The details of how the ERIB lump sum calculation is completed and your pension income estimate are outlined in your offer letter. If you have questions about the calculation and your lump sum offer, please contact HBT at erib@hbt.ca or 604.678.8923 (toll-free 1.888.736.2087).

Is ERIB right for you?

Retiring early may be right for some people and may not be right for others. The following steps are recommended to assist in your decision making about your offer and early retirement:

1. Review your offer.
2. Review the guide: *ERIB - Factors to Consider & Recommended Checklist*.
3. Review the Retirement Application Package from your pension plan.
4. Discuss your offer, *Detailed Calculation Guide* and *Factors to Consider & Recommended Checklist* with a financial advisor.

A list of [contacts](#) is provided on page 7 to address some of the questions you may have.

What happens if I accept the ERIB Offer?

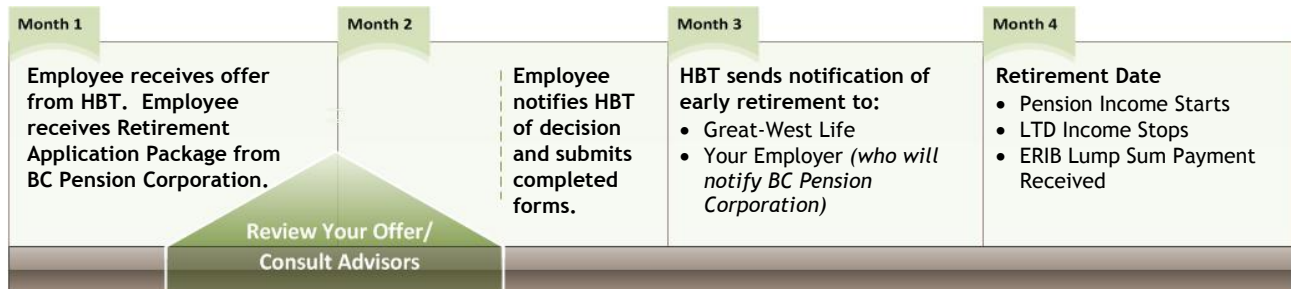
- You will resign from your employment.
- You will retire early.
- Your LTD benefit from Great-West Life (GWL) will stop.
- Your pension income will start.
- You will receive the lump sum presented in your ERIB offer.

What happens if I want to decline the ERIB Offer?

- Your LTD benefit will continue up to age 65, provided you meet the definition of disability.
- Notify HBT that you want to decline the ERIB offer. Call: 604.678.8923 or 1.888.736.2087.
- You may be contacted by HBT in the future regarding your eligibility for ERIB.

How long does the ERIB process take?

Your ERIB offer and early retirement will be processed once HBT receives your completed application package. HBT will coordinate the retirement process for you by notifying all necessary parties of your decision. A detailed outline of the ERIB process follows:



1. You Receive your ERIB Offer

Your offer advises you that you are eligible for ERIB and lets you know the amount of the lump sum payable to you under ERIB. The package also includes the forms you need to complete and mail if you decide to accept the offer.

2. You Receive a Retirement Application Package

Approximately 2 weeks after you receive your ERIB offer you will receive a Retirement Application Package from BC Pension Corporation (MPP or PSPP). It will include your pension estimate, options and all forms required to complete your pension application, should you choose to retire early.

3. Review your ERIB Offer and Retirement Application Package

It is recommended that you return your ERIB application to HBT within 6 weeks of your offer date. If you need more time to review with a financial advisor or to make your decision, please contact HBT as soon as possible. Depending on the length of additional time you need, HBT may have to revise the calculations in your offer and your projected retirement date due to processing times required by your pension plan. See page 7 for [contact information](#).

4. Notify HBT of your Decision to Accept the Lump Sum Payment Offer

If you decide to accept the lump sum payment offer, you must complete and submit forms to HBT and BC Pension Corporation.

- a) Complete HBT's four coloured forms and return in the envelope provided:
 - i. Application: LTD Early Retirement Incentive Benefit (ERIB) (*blue*)
 - ii. Notice of Retirement (*purple*)
 - iii. Payment Options (*yellow*)
 - iv. Agreement and Release (*green*)
- b) Complete the forms in the Retirement Application Package from BC Pension Corporation and return in the envelope provided.

5. HBT Coordinates the Early Retirement Process and Payment

Once HBT and BC Pension Corporation receive your completed forms, your early retirement will be processed as follows:

- a) **HBT will notify your employer to process your early retirement.**
HBT notifies your employer that you have accepted your ERIB offer and provides a copy of your signed Notice of Retirement. Your employer will then complete and submit the required pension forms to BC Pension Corporation to process your pension.
- b) **HBT will notify Great-West Life (GWL) to terminate your LTD benefit.**
HBT notifies GWL to terminate your LTD benefits at your retirement date. GWL will then send you a letter confirming your LTD will cease on your retirement date.
- c) **HBT will confirm with BC Pension Corporation that your pension application has been processed.**
HBT will contact BC Pension Corporation to confirm that they have processed your pension application. At that point, a cheque will be processed within 7 business days for the payment amount indicated. Initial payment dates may be later than indicated if the pension processing is delayed.

6. Your Retirement Income Starts

Your retirement date would be the last day of the month in which you choose to retire. Your pension goes into effect on the first of the month, following your retirement date. Your LTD income will continue until the end of the month in which you retire, on a prorated basis. You will not receive LTD income in subsequent months.

7. You Can Expect to Receive:

- Last LTD payment.
- First pension payment, 30 days after your pension effective date.
- Lump sum ERIB payment, 30 days after your pension effective date.
- T4A for the applicable tax year of the payment(s), by the required distribution date (February).
- Any subsequent T4As and T5s if you decide to defer any portion of the lump sum ERIB payment at the required distribution date in subsequent tax years.

Some Questions You May Have ...

1. Will my pension income be reduced if I retire early?

Your pension may be reduced if you retire early. You will receive the ERIB lump sum payment to make up for expected income reductions due to early retirement. See ERIB Lump Sum Detailed Calculation Guide for more information.

2. How long does the reduction in my pension for early retirement last?

The early retirement pension reduction affects your monthly pension for as long as you or your survivor collects your pension. The lump sum you will receive under the ERIB is expected to make up for this reduction for the entire period.

3. Can I work after I retire?

Yes. You should contact your pension plan for information about employment. See page 7 for [contact information](#). If you are receiving a CPP Disability Benefit you should contact *Human Resources Development Canada* for more information about employment. Toll-free: 1.800.277.9914.

You may also want to speak with your employer or union representative.

4. Who receives the lump sum payment?

You do. The lump sum payment is paid directly to you by HBT. You may choose to receive the lump sum over one, two or three years.

5. Is my lump sum payment taxable?

Yes. Your payment is taxable and will be subject to the following tax withholding guidelines for **lump sum payments** as required by the Canada Revenue Agency (CRA):

- 10% on amounts up to and including \$5,000;
- 20% on amounts over \$5,000 up to and including \$15,000; and
- 30% on amounts over \$15,000.

Taxes withheld will be remitted to CRA on your behalf. The amount is only payable to you and it cannot be transferred into an RRSP. It is advisable that you speak with a financial advisor about your options and the tax implications.

6. Can I use some of the lump sum incentive to buy back pensionable service while I was on LTD?

Contact your pension plan to determine if this is an option for you. See page 7 for [contact information](#).

7. **Who should I contact for more information about my pension? Can I purchase health benefits through my pension plan?**

Contact your pension plan. See page 7 for [contact information](#).

8. **Am I eligible for continued Extended Health benefits if I go on pension?**

Yes. You may be entitled to continue to receive extended health benefits, and dental benefits where applicable, through your employer on a 50/50 cost share basis, **until age 65**. Contact your employer or union representative for further details about your entitlement to health benefits.

If you do not want to receive health benefits through your employer, you can contact your pension provider for more information about benefits available to you. See page 7 for [contact information](#).

9. **Are extended health benefits available to me if I retire in another province?**

Yes. Please contact your employer or your pension provider about health benefits available to you if you currently reside in another province or plan to move out of province. See page 7 for [contact information](#).

10. **What happens to my deferred lump sum payment(s) if I die before receiving the full amount?**

The balance of the lump sum will be paid to your estate.

11. **When will I get my last LTD payment?**

Depending on your LTD payment schedule, you will receive the last full month's payment on your regular pay date. For any days remaining in the month in which you retire, a prorated payment will be sent on or before the start of your retirement. For more information, please contact GWL. See page 7 for [contact information](#).

12. **How much will my last LTD payment be?**

This will depend on the remaining benefit due, based on your retirement date. You will either receive your full benefit amount or a prorated amount. For any days remaining in the month in which you retire, a prorated payment will be sent on or before the start of your retirement. For more information, please contact GWL. See page 7 for [contact information](#).

Contact List and Resources

HEALTHCARE BENEFIT TRUST (HBT)

Website: www.hbt.ca
 Email: erib@hbt.ca
 Vancouver: 604.678.8923
 Toll-free: 1.888.736.2087

CANADA PENSION PLAN (CPP)

To receive your CPP retirement pension, you must apply directly to Human Resources Development Canada.
 Website: www.servicecanada.gc.ca
 Toll-free: 1.800.277.9914

BC PENSION CORPORATION

MUNICIPAL PENSION PLAN (MPP)

Website: www.mpp.pensionsbc.ca
 Email: mpp@pensionsbc.ca
 Victoria: 250.953.3000
 Toll-free: 1.800.663.8823

PUBLIC SERVICE PENSION PLAN (PSPP)

Website: www.pspp.pensionsbc.ca
 Email: pspp@pensionsbc.ca
 Victoria: 250.953.3033
 Toll-free: 1.800.665.3554

MEDICAL SERVICES PLAN (MSP) OF BC

Website:
www.health.gov.bc.ca/msp/index.html

ICBC

BC Lower Mainland: 604.661.2800
 Elsewhere in BC,
 Canada and the U.S. 1.800.663.3051

WORKSAFEBC

[Claims Call Centre](#)
 Phone: 604.231.8888
 Toll-free: 1.888.967.5377
 Fax (Toll-free): 1.888.922.8807

UNIONS

BCGEU www.bcgeu.ca Phone: 604.291.9611 TF: 1.800.663.1674	IUOE www.iuoe882.ca Phone: 604.294.5266 TF: 1.888.668.1606
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BCNU www.bcnu.org Phone: 604.433.2268 TF: 1.800.663.9991 (# 2313) Email: erib@bcnu.org	UFCW www.ufcw1518.com Phone: 604.526.1518 TF: 1.800.661.3708
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HEU www.heu.org Phone: 604.438.5000 TF: 1.800.663.5813	UPN www.upnbc.org Phone: 604.931.2471 TF: 1.877.931.2471
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HSA
www.hsabc.org
 Phone: 604.517.0994
 TF: 1.800.663.2017

GREAT-WEST LIFE

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 Toll-free: 1.888.292.4111
 Email: Vancouver.DMSO@gwl.ca
 Langley: 604.455.2700
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 Email: Langley.DMSO@gwl.ca