Did you know that as a member of the NHRIPP, you are earning a pension while you work? Your pension is an important part of maintaining financial security when you reach retirement. This booklet describes who manages the plan, how your pension plan works, and what you need to know to make the most of your pension benefits. Whether you’re just beginning your career or you are a long-time plan member, we encourage you to review this booklet and understand the options available to you.

HAVE MORE QUESTIONS – CONTACT US!

For more information about your pension plan, please contact us:

By phone: (905)-889-6200 or 1-800-287-4816
By fax: 905-889-7313
By e-mail: information@nhripp.ca
Visit our web site: www.nhripp.ca

You can also write to us at:
Nursing Homes and Related Industries Pension Plan
105 Commerce Valley Drive West, Suite 310
Thornhill, Ontario L3T 7W3
# Table of Contents

## Quick facts about your Plan
- How to join the Plan 
- Contributions to the Plan
- Size of your pension
- When you can start your pension
- How your pension is paid
- If you have a spouse
- If you have a break in service before age 55
- If you have a break in service after you reach age 55
- If you die

## About the NHRIPP
- Who manages the Plan
- Professionals employed by the Board
- Plan changes
- If your employer leaves the Plan
- If the Plan ends
- Your responsibility under the Plan
- A note about privacy

## Three sources of retirement income
1. Workplace pension plans
2. Government programs
3. Personal savings

## How to join the Plan
- Joining the Plan
- Break in service
- Self-payments

## How the NHRIPP works
- Contributions to the Plan
  - The 50% rule
- How to calculate your pension
  - Past service pension
  - Current service pension
  - Pension examples
- Keeping track of your pension

## When you can retire
- At age 65
- Before age 65
- After age 65
- Working after retirement
Your pension payment options

- Some things to keep in mind .................................................. 21
- Choosing a pension that’s right for you ........................................ 23
  - If you don’t have a spouse ......................................................... 23
  - If you have a spouse ................................................................. 24
- How to apply for your pension .................................................. 24
- Your monthly pension payments ............................................... 25
- Income tax ............................................................................... 25
- Pension splitting income .......................................................... 25

Life events

- Break in service ........................................................................ 26
- Death ......................................................................................... 27
  - Before you retire ...................................................................... 27
  - After you retire ....................................................................... 28
  - Naming a child as a beneficiary ............................................... 28
- Disability .................................................................................... 29
- Divorce or separation ............................................................... 29
- Financial hardship ................................................................. 31
- Illness (less than two years to live) ........................................... 31
- Marriage or a new partner ...................................................... 31
- Maternity or parental leave ..................................................... 32
- Moving ..................................................................................... 32

Government programs

- Canada Pension Plan (CPP) .................................................... 33
- Old Age Security (OAS) .......................................................... 33
  - Applying for CPP and OAS ..................................................... 34
- Guaranteed Income Supplement (GIS) .................................... 34

Personal savings plans

- Tax-free savings account (TFSA) ............................................. 35
- Registered retirement savings plan (RRSP) ............................... 35

Pension dictionary ..................................................................... 37

The final word ........................................................................... 42

This handbook provides a summary of your pension plan in simple terms. It is not a legal document and does not cover every detail. A complete description can be found in the legal documents that govern the Plan. Every effort has been made to make this summary as accurate as possible. If there are any differences between the information in this handbook and the legal documents, the legal documents will govern. The pension laws of each province are different. The information provided in this handbook is based on the pension laws of Ontario, where the Plan is registered. If you work outside of Ontario and have any questions about the NHRIPP, please contact the Fund Office.
Congratulations!

Congratulations on becoming a member of the Nursing Homes and Related Industries Pension Plan (NHRIPP). Workplace pensions are becoming increasingly rare in Canada. As a member of the NHRIPP, you belong to a privileged group of employees who don't have to rely on government pensions and personal savings alone for your retirement income. When you retire from the NHRIPP, you will receive a pension payment each month for life *in addition* to any government pension or personal savings you may have. The amount of pension you will receive from the NHRIPP depends on how much you and your employers contributed to the Plan and the pension formula in effect while you have benefits in the Plan.

The NHRIPP began on January 1, 1989 to provide employees of nursing homes, retirement homes and employees in related industries with an additional source of retirement income. The Plan currently has hundreds of contributing employers and over 35,000 active members represented by the unions that participate in the Plan. It provides pensions based on a formula.

The NHRIPP is a target-benefit pension plan. A target-benefit pension plan is designed by pension professionals to provide a certain targeted level of benefits. However, because contributions to the NHRIPP are fixed by collective agreement, that level of benefits is not guaranteed. If the Plan develops a funding shortfall, benefit levels for all members, including retired members, may be reduced.

Whether you're just beginning your career or have been a long-time member of the NHRIPP, we urge you to take a few minutes to review this handbook and understand how the Plan works. After all, the better you understand your benefits, the easier it will be to put them to work for you.

*For the most up-to-date information, including any recent Plan changes, please see the handbook posted on the NHRIPP website ([www.nhripp.ca](http://www.nhripp.ca)).*

Please remember to keep us informed

Please notify us if there is any change in your personal information – including your employer, your mailing address, spousal status or beneficiary. To update your information, you can contact the Fund Office for the appropriate forms, or download them from the “Members” section of the NHRIPP website. Contact information for the Fund Office can be found on the inside front cover of this handbook.
Quick facts about your Plan

How to join the Plan – If you are a member of a participating union and have a job that requires your employer to make contributions to the Plan on your behalf, you automatically join the Plan on the first day of the month after you complete 975 hours with that employer (or less, depending on your collective agreement). You remain an active Plan member as long as you continue to be a member of a participating union and contributions continue to be made to the Plan on your behalf.

Contributions to the Plan – You and your employers contribute to the Plan. The contribution rate is set by your collective agreement. These contributions, together with investment income, are used to provide your pension benefits.

Size of your pension – Your pension is based on the total contributions made by you and your employers. The current pension formula is $1.55 of monthly pension for every $100 of contributions received on your behalf. The formula may change from time to time. You may also qualify for a past service pension (see page 15 for more details).

When you can start your pension – You can retire with a full pension at age 65. If you retire between ages 55 and 65, your pension will be reduced. This reduction is required because your pension will be paid for a longer period. You cannot start your pension before age 55. By law, pension payments must start no later than December 1st of the year in which you turn 71.

How your pension is paid – When you retire, you will receive a pension payment each month for life. Depending on the payment option you choose, benefits may also be paid to your spouse or other beneficiaries after you die.

If you have a spouse – If you have a spouse when you retire, you must choose a payment option that provides a pension to your spouse if you die first. Your spouse may sign a waiver refusing this pension.
If you have a break in service before age 55 – You may keep your benefits in the Plan and start your pension at a later date, or transfer the current value of your pension to a locked-in retirement savings plan, such as a locked-in registered retirement savings plan (RRSP).

If you have a break in service after you reach age 55 – Your benefits must remain in the Plan until you are ready to collect a pension.

If you die – If you die before your pension begins, your spouse, beneficiary or estate will receive a death benefit equal to the total current value of the pension you have earned. However, a recent court decision has created some uncertainty regarding a common-law spouse’s entitlement to death benefits. We recommend that if you have a common-law spouse, you name that person as your beneficiary for any death benefits from the Plan. If you die after your pension has started, death benefits (if any) will depend on the pension payment option you chose at retirement.

Be sure to check the pension dictionary on page 37 of this handbook for definitions.
### About the NHRIPP

**WHO MANAGES THE PLAN**

*Board of Trustees* – The Plan is governed by a Board of Trustees made up of individuals appointed by the Service Employees International Union (SEIU), the Canadian Union of Public Employees (CUPE), Unifor and the Ontario Nurses’ Association (ONA). The Board’s role is to act in the best interests of the Plan members and to ensure that the Plan is well managed. As of January 2013, the Trustees were:

<table>
<thead>
<tr>
<th>Trustees</th>
<th>Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzanne Saville, Chair of the Board of Trustees</td>
<td>SEIU</td>
</tr>
<tr>
<td>Jim Flynn, Chair of the Audit Committee</td>
<td>CUPE</td>
</tr>
<tr>
<td>John Van Beek, Chair of the Investment Committee</td>
<td>SEIU</td>
</tr>
<tr>
<td>Tim Cadeau</td>
<td>SEIU</td>
</tr>
<tr>
<td>Cathy Carroll</td>
<td>SEIU</td>
</tr>
<tr>
<td>Laura Gillis</td>
<td>Unifor</td>
</tr>
<tr>
<td>Gwen Hewitt</td>
<td>CUPE</td>
</tr>
<tr>
<td>Beverly Mathers</td>
<td>ONA</td>
</tr>
<tr>
<td>Carol McDowell</td>
<td>SEIU</td>
</tr>
<tr>
<td>Ricardo McKenzie</td>
<td>SEIU</td>
</tr>
<tr>
<td>Chantale Grenon-Nyenhuis</td>
<td>CUPE</td>
</tr>
<tr>
<td>Jody Powers</td>
<td>Unifor</td>
</tr>
<tr>
<td>Eulalee Robinson</td>
<td>SEIU</td>
</tr>
<tr>
<td>Richelle Stewart</td>
<td>SEIU</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternate Trustees</th>
<th>Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary DeMille</td>
<td>Unifor</td>
</tr>
<tr>
<td>Marlene Hemmings</td>
<td>SEIU</td>
</tr>
<tr>
<td>Mia Warwick</td>
<td>CUPE</td>
</tr>
<tr>
<td>Kapil Uppal</td>
<td>ONA</td>
</tr>
</tbody>
</table>

To view an up-to-date list of Trustees please visit [www.nhripp.ca](http://www.nhripp.ca). One of the Board’s key responsibilities is to choose experts to help run the Plan. Once it has
chosen these professionals, it’s up to the Board to manage them and monitor their performance.

The Board is also responsible for deciding how contributions are invested. To help guide its decisions, the Board – with help from the Plan’s investment consultant – has established a formal Statement of Investment Policies and Procedures, which sets out the Plan’s overall investment goals and strategies.

**Administrator** – The NHRIPP has a Fund Office that looks after the day-to-day activities of the Plan. These include recordkeeping, processing retirement benefit applications, and communicating with members. The Fund Office Manager oversees a support staff to assist in the operations of the Plan.

**Professionals currently employed by the Board of Trustees**

As providers may change from time to time, please refer to the website for the most up-to-date list of professionals employed by the Board of Trustees.

**Actuary**

Eckler Ltd. conducts regular Plan reviews, provides Plan design advice and helps with member communications.

**Auditor**

BDO Dunwoody LLP prepares the Plan’s annual financial statements.

**Custodian**

CIBC Mellon Global Securities Services Company holds the Plan’s funds in safekeeping.

**Investment consultant**

Eckler Ltd. assists with the Plan’s investment strategy, including selecting and monitoring its investment managers.

**Investment managers**

The services of professional money management firms are used to invest the fund, including:

Leith Wheeler Investment Counsel Ltd.
PJC Investment Counsel
Connor, Clark & Lunn Investment Management Ltd.
Hillsdale Investment Management Inc.
Manning & Napier Advisors Inc.
State Street Global Advisors, Ltd.
Standard Life Investment Inc.
Bentall Kennedy (Canada) LP
Walter Scott & Partners Limited

**Lawyer**

Sack Goldblatt Mitchell LLP provides legal advice to the Board.
**PLAN CHANGES**

Under the terms of the Plan, the Board of Trustees has the power to change the Plan at any time in accordance with Ontario's *Pension Benefits Act* and the federal *Income Tax Act*. This includes:

- changing the Plan in order to comply with pension legislation,
- increasing benefit levels if the Plan has more than enough funds, or
- reducing benefit levels for current and/or retired members, if the Plan does not have enough funds to pay for all the targeted benefits – or if contributions are reduced or discontinued.

**IF YOUR EMPLOYER LEAVES THE PLAN**

If your employer leaves the Plan, your membership will end unless you start working for another contributing employer and contributions are made on your behalf within eight months (please see “break in service” on page 26 for more information). If your employer leaves the NHRIPP before having made contributions for 15 years, your pension benefits may be adjusted based on the total contributions received from you and your employer. This means that pensions for all current and former employees (including retirees) may be reduced.

**IF THE PLAN ENDS**

The Board intends to keep the Plan running for many generations to come. However, if it became necessary to wind up (end) the Plan, all funds remaining after all expenses are paid would be used to provide benefits to Plan members. Benefit levels could be adjusted up or down at that time depending upon the funds available.

The Plan belongs to a special class of pension plan called a Specified Ontario Multi-Employer Pension Plan (SOMEPP). SOMEPP designation is available to multi-employer, target-benefit pension plans, in which contributions are fixed by collective agreement. Ontario makes special funding rules available to such plans in recognition of the fact that plans with numerous employers are less likely to wind up than plans with just one employer. The Plan now receives contributions from hundreds of employers.

As a SOMEPP, the Plan must be funded on a “going-concern” basis. That means it is funded on the assumption that it will continue indefinitely. The Plan is not required to be funded on a “solvency” basis. Solvency funding assumes that the Plan ended on a specific date and all benefits became payable then. In the unlikely event that the Plan ended while designated as a SOMEPP, pension benefits would likely have to be reduced.
**Your Responsibility under the Plan**

As a Plan member, we ask you to review the information that is provided to you (including this handbook and your annual pension statement) and to make sure your personal information is kept up to date. If you need help, we encourage you to contact the Fund Office or a fully qualified, independent financial adviser.

**A Note about Privacy**

It is impossible to administer your pension benefits without using personal information. However, the Board of Trustees is committed to protecting your privacy and has strict safeguards in place to protect your personal information from unauthorized access or use.

In addition, you have the right to see the information on file for you, and to update or correct it as necessary. For more information, please contact the Fund Office at (905) 889-6200 or 1-800-287-4816.

*If your employer leaves the NHRIPP before having made contributions for 15 years, your pension benefits may be adjusted based on the total contributions received from you and your employer. This means that pensions for all current and former employees (including retirees) may be reduced. Please contact the Fund Office for more information.*
To retire comfortably, experts say you will need to replace about 60%-80% of the income you earned while you were working. Where will that money come from? The three main sources of retirement income are:

1. **Workplace pension plans** (like the NHRIPP);
2. **Government programs**; and
3. **Personal savings**.

You will need to rely on all three sources.

1. **Workplace pension plans**
   A workplace pension plan, like the NHRIPP, is an important source of retirement income. The amount you receive from the NHRIPP will depend on any past service pension you may have, how much you and your employers contribute, and the pension formula in effect while you have benefits in the Plan.

2. **Government programs**
   Government programs include:
   - Canada Pension Plan (CPP),
   - Old Age Security (OAS) and,
   - Guaranteed Income Supplement (GIS) for low-income Canadians.

   Please refer to page 33 for more details.

3. **Personal savings**
   When combined with your NHRIPP and government pension benefits, your personal savings can help you reach your target retirement income. One of the best ways for you to save for retirement is a type of account called a "tax-free savings account" (TFSA). Registered retirement savings plans (RRSPs) are also an excellent option. TFSA and RRSPs are available at all of the major banks and other financial institutions.

   Please refer to page 35 for more details.
How to join the Plan

You must normally complete 975 hours with a contributing employer before you can join the Plan. That’s equal to about six months of work for most full-time employees. Note that some employers have a collective agreement that requires less than 975 hours to join the Plan. If you’re not sure how many hours you need under your collective agreement, contact the Fund Office.

Joining the Plan

The NHRIPP covers union members who work for contributing employers. A “contributing employer” is an employer that has been approved by the Board of Trustees and has signed a collective or participation agreement requiring it to make contributions to the Plan.

You will join the Plan on the later of:

• the date your employer becomes a contributing employer, or
• the first day of the month after you complete 975 hours with a contributing employer (or less depending on your collective agreement).

When you qualify to join the Plan, you will receive a welcome package from the Fund Office. In this package, you will find your pension number, a Members’ Handbook and a “Designation of Beneficiary” form. Please complete and return the beneficiary form to the Fund Office as soon as possible.

Once you are an active Plan member, you and your employer will make pension contributions to the Plan. Your contributions will automatically be deducted from your before-tax pay and sent to the administrator along with your employer’s contributions. These contributions are used to provide your pension benefits. See page 14 for more information.

A “contributing employer” is an employer that has been approved by the Board and has signed a collective or participation agreement requiring it to make contributions to the Plan.
Suzy started working at the Appleside Nursing Home on July 1, 2011. Appleside becomes a NHRIPP contributing employer on July 1, 2012.

Jill recently started working for the Rainbow Retirement Home, which is already a contributing employer of the NHRIPP.

Break in service
If you change jobs and begin working for a different contributing employer, you must normally complete another 975 hours with your new employer (or less, depending on the collective agreement) – before contributions for you will resume. If these hours are not completed within eight months, you will have a break in service. See page 26 for more information.
You will NOT have a break in service if you are still on a contributing employer’s payroll and you are on:

- sick leave;
- maternity/parental leave;
- workers’ compensation leave (WSIB);
- an approved leave of absence; or
- a layoff and subject to recall for up to 24 months under your collective agreement.

Special rules may apply for a grievance that goes beyond eight months.

**Self-payments**

You can make “self-payments” to keep your pension growing if you:

- stop working for a contributing employer; and
- are employed by another contributing employer before having a break in service.

You can also make self-payments during an approved leave of absence (for example maternity, parental, or workers’ compensation leave).

To arrange self-payments, please complete a “Request for Self-payment” form and return it to the Fund Office. This form can be found on the website at [www.nhripp.ca](http://www.nhripp.ca). The Fund Office will tell you the amount of your self-payments and how long the payments will last. Please contact the Fund Office for more information.

**Remember to notify the Fund Office if you take a leave of absence.**

You may arrange to make self-payments while you are on leave to keep your pension growing.

**Self-payments while on maternity leave**

In Ontario, it’s a good idea to make self-payments while you are on a maternity or parental leave. If you make self-payments, under Ontario legislation your employer must also make its share of contributions towards your pension. If you do not, your employer will not be required to make its contributions on your behalf. If you work outside of Ontario, please contact the Fund Office for details.
Pension plans are all about securing our financial futures, but few of us really know how they work. Apart from a few differences in the details, most pension plans work pretty much the same way.

Money in, money invested, money out. This is exactly how the NHRIPP works.

**Contributions to the Plan**

Your and your employer’s total contributions to the Plan are based on your pay. The contribution rate is set by your collective agreement. Any contributing employer you have worked for must report your total pay at the end of each month and send the required contributions to the Fund Office. These contributions are recorded, and the money is deposited in the pension trust fund along with contributions for other members.

Professional investment managers invest the pension fund in stocks, bonds, and other types of investments based on the guidelines established by the Board of Trustees, in consultation with their investment consultant. The trust fund is used to provide pensions to members and their beneficiaries, and to pay the expenses of operating the Plan.
**The 50% rule**
When you retire or leave the Plan, we will check to see if your contributions are worth more than 50% of the value of your pension. If they are, you will receive a refund of your excess contributions.

**HOW TO CALCULATE YOUR PENSION**
Your monthly pension is based on the following:

\[
\text{Past service pension} + \text{Current service pension}
\]

**Past service pension**
You will earn a past service pension of up to **$26.60 per month** for each year of service that you were working for an employer **before** it made its first contribution to the Plan (up to a maximum of seven years).

If you and your employer contribute a total of less than 8% of your pay in the last 12 months of your employment, your past service pension will be pro-rated.

**Past service – example:** Mary worked for Wallflower Retirement Home for more than seven years before it became a contributing employer. Based on the collective agreement, Mary and Wallflower contribute a total of 6% to the Plan in the last year of her employment. In this case, her past service pension will be pro-rated to 75% (6% ÷ 8%). The maximum past service pension Mary can earn is $139.65 ($26.60 x 7 years x 75%).

If you began working for a contributing employer after the date it made its first contribution to the Plan, you will not receive a past service pension.

**Keep in mind, to qualify for a past service pension, you must complete 24 continuous months of Plan membership or reach the age of 65, after your employer becomes a contributing employer.**
Current service pension

You start earning a current service pension on the date that you and your employer start contributing to the NHRIPP. Your current service pension is based on a formula applied to the total contributions received by the Fund Office on your behalf.

The current formula is $1.55 of monthly pension for every $100 contributed by you and your employers. The Trustees may change this formula from time to time, based on the financial health of the Plan.

Remember, pension benefits may increase or decrease depending on the financial health of the Plan.

Putting it all together – example:

Jessica starts working at Sunnyside Nursing Home on July 1, 2001. She has already completed 975 hours when the nursing home became a contributing employer on January 1, 2005. This means Jessica joins the Plan immediately so she and Sunnyside start making pension contributions to the Plan.

Since Jessica worked for Sunnyside for 3.5 years before it became a contributing employer, she has 3.5 years of past service credit with that employer.

Based on the collective agreement, Jessica and Sunnyside each contribute 4% of her pay to the Plan – for a combined contribution rate of 8%. This means she earns the maximum past service pension for the 3.5 year period.
Jessica stays in the Plan for 24 straight months after Sunnyside joined the NHRIPP, so she qualifies for her past service pension.

By the time Jessica retires on June 1, 2013, at age 65, she has a total of $18,700 in contributions. These contributions are used to calculate her current service pension.

Here is how Jessica's total monthly pension is calculated:

<table>
<thead>
<tr>
<th>Past service pension</th>
<th>Current service pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past service credit = 3.5 years</td>
<td>Total contributions received: $18,700</td>
</tr>
<tr>
<td>3.5 years x $26.60 = $93.10 per month</td>
<td>$18,700 ÷ 100 = $187</td>
</tr>
<tr>
<td></td>
<td>$187 × $1.55 = $289.85 per month</td>
</tr>
</tbody>
</table>

Jessica's total monthly pension:

<table>
<thead>
<tr>
<th>Past service pension</th>
<th>Current service pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>$93.10</td>
<td>+ $289.85</td>
</tr>
</tbody>
</table>

Total monthly pension $382.95

Jessica will receive a total pension of $382.95 per month when she retires at age 65. Jessica chooses the pension that will be paid for life, with a five-year minimum term. This means she will continue to receive a monthly pension for her entire life. But, if Jessica dies within the first five years of retirement (before receiving 60 monthly payments), her beneficiary will receive a one-time payment equal to the total payments left in the term.

Keep in mind that the actual monthly pension you receive may be higher or lower than the amount provided by the formula, depending on which pension payment option you choose and whether you retire before age 65. See “Your pension payment options” on page 21 to find out more.

**Keeping track of your pension**

Once a year, you will receive a detailed pension statement. This statement will show all of the contributions made on your behalf, and the amount of pension you have earned so far. Please check your statement carefully to make sure your information is correct and complete. If it is not correct, please contact the Fund Office immediately.
When you can retire

To receive an NHRIPP pension, you must first stop working for all contributing employers.

**At age 65**

You can retire with a full pension on the first of the month after you reach age 65.

**Before age 65**

Because not everyone wants to (or can) work until age 65, you can retire with a reduced pension as early as age 55. Under this option, your pension is calculated the same way as a pension at age 65, but is permanently reduced by 6% per year for each year you start your pension before age 65 (½% per month).

---

**Retiring before age 65 – example**

Mary has a spouse and selects the “60% spouse’s pension” option. Under this option, Mary’s monthly pension starting at age 65 is $400. If Mary retires **five years** early at age 60, her pension will be permanently reduced by 6% per year. Here’s how it is calculated:

Mary’s monthly pension would be reduced by **30%** ($5 \times 6\% = 30\%$)

If Mary retires 5 years early, her monthly pension would be permanently reduced by **$120** a month ($400 \times 30\% = $120$).

Retiring 5 years early, Mary will receive a monthly pension of **$280** beginning at age 60 ($400 – $120 = $280) for life.

This pension will be paid for Mary’s life, with 60% of her monthly pension continuing to her spouse after her death. In other words, if Mary dies, 60% of her pension, **$168** ($280 \times 60\% = $168), will continue to be paid to her spouse for life.
It's very important to note that early retirement reductions are based on your age when your pension starts, not when you stop working. The closer you are to reaching age 65, the smaller the early retirement reduction will be.

**After age 65**

On the other hand, because not everyone wants to (or can) retire by age 65, you also have the option to delay your retirement. In this case, contributions will continue as usual and your pension will continue to grow. Under current tax rules, you must start taking your pension no later than December 31st of the year in which you turn 71, even if you continue working.

**Working after retirement**

Under current pension law, you cannot *collect* a pension and *earn* pension benefits from the same plan at the same time.

**If you retire and return to work before age 65:** After you work 975 hours (or less, depending on your collective agreement), you have to stop collecting your monthly pension and you and your employer must start making contributions to the Plan.

**If you retire and return to work at age 65 or over**

Some employers have a collective agreement that requires them to contribute directly to your personal RRSP account instead of to the NHRIPP, if you retire and return to work after you turn 65. This allows you to return to work and earn contributions without stopping your pension. Under this arrangement, you are not allowed to make any personal contributions or self-payments to the Plan. However, this option is only available to members whose collective agreement permits it.

But in most cases, if you retire and return to work at age 65 or over, you have two options. You can either:

1. continue collecting your monthly pension payments and not re-join the Plan (you will not earn additional pension benefits from your new employer); or
2. stop your monthly pension after you work 975 hours (or less, depending on your collective agreement), and you and your employer can start making contributions to the Plan.

**An important decision**

Your retirement date can have a big impact on your monthly pension amount. If you retire early, your pension is reduced for two main reasons:

1. you won’t work as long, so the total contributions used to calculate your pension will be less, and
2. your pension will be paid over a longer period, so the monthly payments must be reduced to keep the same overall value.
**Working after retirement – example**

Amy retired as a caregiver at age 65. After enjoying two years of retirement and collecting her pension, Amy decides she wants to return to work. Amy now has two options:

1. Amy can continue collecting her monthly pension. In this case, she cannot re-join the Plan. This means that Amy's pension will continue to be paid the same as before. She will not earn any more pension benefits when she goes back to work.

2. Amy can stop her monthly pension after she works 975 hours. Amy can then re-join the Plan and earn more pension benefits while she works. When she is ready to retire again, her pension will be recalculated to include the additional contributions received by the Plan during her return to work.

To make her decision, Amy needs to consider:

- How many hours she will work
- How long she plans to return to work
- How much pension she is giving up

<table>
<thead>
<tr>
<th>Option</th>
<th>Things to consider</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Continue monthly pension + NOT earn new pension benefits</td>
<td>• Amy’s combined working income and monthly pension income may <strong>increase</strong> how much she must pay in <strong>income taxes</strong>.</td>
</tr>
</tbody>
</table>
| 2. Stop monthly pension + earn new pension benefits     | • Will the new pension benefits Amy earns **be more** than the amount she is giving up when she stops her current monthly pension?  
• Is it worth it for Amy to stop her current monthly pension to earn new pension benefits? |

When making this decision, please review your options carefully. It may not be worth it for you to end your pension (option 2) and give up hundreds (or even thousands) of dollars in retirement income if you return to work and earn a very small amount of additional pension from your new employer. If you have questions or need more information about the options, please contact the Fund Office.
Your pension payment options

Deciding when you want to retire is a big decision, but choosing how you want your pension paid is just as important. The payment option you choose will have an impact on the amount of your monthly pension and how much your spouse or beneficiary may receive after your death.

Some things to keep in mind

Here are some things to keep in mind before you choose a pension payment option:

1. **It is your responsibility to apply for your NHRIPP and government pensions.** You should apply for your NHRIPP pension *at least two months before* you plan to retire. Government benefits (Canada Pension Plan and Old Age Security) take longer to process, so you should apply for these *at least six months ahead of time*.

2. **Your pension will be paid for as long as you live.** It doesn't matter which option you choose; you will receive a pension from the NHRIPP for the rest of your life. However, the amount of your pension may be adjusted depending on the financial health of the Plan.

3. **You can’t change your payment option once you begin receiving your pension.** It’s extremely important that you take your time to learn about your options before you make a decision.

**Current value:** The current value – sometimes known as the “commuted” or “transfer” value – is the total value in today’s dollars of the lifetime pension you have earned and would receive at age 65 if you left your benefits in the Plan. In other words, it is the amount of money that must be set aside today to pay the pension you would receive at age 65. It is based on your age, pension earned to date and interest rates.
4. **If you have a spouse when you retire.** Pension law states that you must choose a payment option that provides a continuing pension to your spouse in the event of your death. Your spouse's pension must be at least equal to 60% of your pension, but you can increase it to 75% or 100% if you wish. If your spouse doesn't need a pension, it can be declined if you and your spouse both sign a legal waiver and submit it to the Fund Office before your pension begins to be paid. If a waiver is signed you can choose one of the other payment options and name your beneficiary.

5. **If you have a “small” pension.** If your pension is less than $25 per month at age 65, you will receive the total current value of your pension benefits in a single payment. If your pension is between $25 and $85 per month (in 2013), you can choose to receive it as a monthly pension or take the total current value in a single payment. When you take the current value out of the Plan, you will have two options. You can choose a one-time cash payment and pay tax, or transfer it to a non-locked-in registered retirement savings plan (RRSP).

---

Who is your “spouse”?

Under Ontario pension law, your “spouse” is the person who is living with you and is:

1. married to you, or
2. not married to you but has been:
   - in a conjugal relationship with you continuously for at least three years; or
   - in a relationship of some permanence with you if you are the parents of your own or an adopted child, as defined in the *Family Law Act*, (Ontario).

You can claim only one person as your spouse at any one time.

**NOTE:** If you work in a province other than Ontario, the definition of “spouse” may differ. Please contact the Fund Office for more information.
**Choosing a pension that’s right for you**

The following tables list the different pension payment options available to you – and the impact they might have on your monthly pension. *These examples assume you and your spouse are age 60 and you’ve earned a monthly pension of $500 from the NHRIPP.*

Your actual monthly pension will be based on the benefit you have earned (any past service pension plus current service pension) and both your own and your spouse’s age at retirement (see “When you can retire” on page 18).

<table>
<thead>
<tr>
<th>Pension payment option</th>
<th>Description</th>
<th>Paid to you each month</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lifetime pension with a minimum 5-year term</strong></td>
<td>Pension paid for your life. If you die before receiving 60 monthly payments, your beneficiary or estate will receive the current value of the outstanding payments, and no further benefits will be paid from the Plan.</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Lifetime pension with a minimum 10-year term</strong></td>
<td>Pension paid for your life. If you die before receiving 120 monthly payments, your beneficiary or estate will receive the current value of the outstanding payments, and no further benefits will be paid from the Plan.</td>
<td>$493</td>
</tr>
<tr>
<td><strong>Lifetime pension with a minimum 15-year term</strong></td>
<td>Pension paid for your life. If you die before receiving 180 monthly payments, your beneficiary or estate will receive the current value of the outstanding payments, and no further benefits will be paid from the Plan.</td>
<td>$483</td>
</tr>
<tr>
<td><strong>Lifetime pension (no minimum term)</strong></td>
<td>Pension paid for your life only. Monthly payments will stop when you die and no further benefits will be paid from the Plan.</td>
<td>$502</td>
</tr>
</tbody>
</table>

*Remember, if you have a spouse when you retire, you must choose a payment option with 60%, 75% or 100% of your pension continuing to your spouse. If you wish to choose a different payment option – or name a beneficiary other than your spouse – you and your spouse MUST sign a legal waiver and submit it to the Fund Office before your pension begins to be paid.*
If you have a spouse

<table>
<thead>
<tr>
<th>Pension payment option</th>
<th>Description</th>
<th>Paid to you each month</th>
<th>Paid to your spouse each month after your death</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>60% spouse's pension</strong></td>
<td>Pension paid for your life with 60% continuing to your spouse for his or her lifetime after your death.</td>
<td>$476</td>
<td>$285</td>
</tr>
<tr>
<td><strong>75% spouse's pension</strong></td>
<td>Pension paid for your life with 75% continuing to your spouse for his or her lifetime after your death.</td>
<td>$469</td>
<td>$352</td>
</tr>
<tr>
<td><strong>100% spouse's pension</strong></td>
<td>Pension paid for your life with 100% continuing to your spouse for his or her lifetime after your death.</td>
<td>$459</td>
<td>$459</td>
</tr>
<tr>
<td><strong>50% spouse's pension (With a signed waiver)</strong></td>
<td>Pension paid for your life with 50% continuing to your spouse for his or her lifetime after your death.</td>
<td>$480</td>
<td>$240</td>
</tr>
</tbody>
</table>

Keep in mind that the amount of your pension may increase or decrease depending on the financial health of the Plan.

**How to apply for your pension**

To begin your monthly pension, please call the Fund Office at least two months before your planned retirement date. The Fund Office will confirm your mailing address and send you an information package that includes a statement of your estimated pension. This information will be helpful when you choose your pension payment option.

Once you have reviewed everything in your package, you will need to complete the required forms and return them to the Fund Office.

When you retire, you will also need to provide photocopies of proof of age (a valid driver’s license, passport, citizenship certificate, or your birth or baptismal certificate) for both you and your spouse.
YOUR MONTHLY PENSION PAYMENTS

Your pension is deposited directly to your bank or other personal account on the first business day of each month. If you retire outside of Canada, your pension will be paid by cheque and mailed to you. To avoid missing payments, please make sure to let the Fund Office know of any changes in your address or banking arrangements.

INCOME TAX

Income tax may be deducted from your pension each month before it is paid to you. The amount that is deducted is based on your estimated income. When it comes time to file your tax return, you will see how accurately your income has been estimated.

1. If you have to pay a large lump sum when you file your return, your income has been underestimated and you may want to have more tax deducted from your monthly pension payments in the future. If you decide there is too little tax being deducted from your pension, you can change this amount (within limits) at the end of the year by contacting the Fund Office.

2. If, on the other hand, you find you are receiving a large tax refund from the government each year, your income is being overestimated, and you may be deducting too much tax from your pension payments. In this case, you may contact the Fund Office.

PENSION SPLITTING INCOME

You can split up to 50% of your pension income with your spouse. This means that your spouse can report up to half of your pension income on his or her tax form.

Pension income splitting doesn't affect how or to whom your pension income is paid. It's simply a way for you to reduce your individual income taxes. All you need to do is submit Form T1032, Joint Election to Split Pension Income, available from the Canada Revenue Agency, and complete an additional line on both your own and your spouse's tax returns.

If you are thinking about changing your tax deduction, or splitting your pension income, we recommend that you first speak with an accountant or qualified financial advisor.
Life Events

Break in service

You will have a break in service if:

• you don’t find a new job with a contributing employer within eight months of leaving your previous contributing employer,
• you start working for a new contributing employer but you work less than 975 hours within eight months of leaving your previous job, or
• your employer leaves the Plan and you don’t find a new job with another contributing employer within eight months.

You will NOT have a break in service if you are still on a contributing employer’s payroll and you are on:

• sick leave;
• maternity/parental leave;
• workers’ compensation leave (WSIB);
• an approved leave of absence; or
• a layoff and subject to recall for up to 24 months under your collective agreement.

If you are 55 or older and have a break in service, your benefits must remain in the Plan until you are ready to collect a pension.

If you are under age 55 and have a break in service, you can choose to:
1. keep your benefits in the Plan until you are ready to collect your pension; or
2. transfer the current value of your pension benefits out of the Plan.

After the 8-month period has passed, the Fund Office will send you an information package that includes a statement of your options.

Special rules may apply for a grievance that goes beyond eight months.

If you leave and transfer your benefits out of the Plan, no pension will be paid at retirement unless you rejoin the Plan and earn additional benefits.
The current value of your pension is “locked in” by law and must be transferred to one of the following:
1. a special type of RRSP called a locked-in retirement account (LIRA), which must eventually be used to provide a retirement income; or
2. an insurance company to buy an annuity that will guarantee a lifetime income when you retire; or
3. your new employer's registered pension plan if that plan allows such transfers.

All of these transfers are tax free.

In 2012, the government introduced new rules for Ontario pension plan members whose employment ends involuntarily and without cause when their age plus service equals 55 or more. Under these rules, if you choose to transfer your pension out of the Plan, the current value of your pension would include the value of subsidized early retirement benefits you would have received if you stayed in the Plan. These “grow in” benefits are optional for multi-employer plans like the NHRIPP and our Trustees have opted out of the new rules.

**Death**

**Before you retire**

If you die before your pension begins (and you have not already withdrawn your pension due to terminal illness), your spouse, beneficiary or estate will receive a death benefit from the Plan. The death benefit is equal to the value of your pension at your date of your death. However, a recent court decision has created some uncertainty regarding a common-law spouse's entitlement to death benefits. We recommend that if you have a common law spouse, you name that person as your beneficiary for any death benefits from the Plan.

If you have a spouse, he or she can:
- take the death benefit as a lifetime pension starting immediately;
- leave the death benefit in the Plan and take a lifetime pension starting at age 65
- transfer the death benefit to a personal RRSP; or
- take the death benefit as a taxable one-time cash payment.

Once you have a break in service, any contributions you earned from your previous contributing employer(s) will stay in the Plan until you are ready to receive them as pension payments at retirement.

If you are under age 55 and have a break in service, you can choose to transfer the current value of your pension benefits out of the Plan instead of waiting to collect a pension at retirement.
Your spouse may waive his or her right to the pre-retirement death benefit by completing and signing a waiver before your death. Contact the Fund Office for more information.

If you don’t have a spouse, or your spouse signed a waiver, the death benefit will be paid as a taxable lump sum to your beneficiary, or to your estate, if you have not named a beneficiary.

Rules for pre-retirement death benefits may differ if you work in a province other than Ontario.

If your beneficiary is someone other than your spouse, the death benefit is taxed as income and paid in a single sum.

After you retire
If you die after your pension begins, your spouse, beneficiary or estate may receive a death benefit from the Plan, depending on the pension payment option you choose at retirement.

If you don’t name a beneficiary, or your beneficiary is not living, any death benefit from the NHRIPP will be paid to your estate – and may be subject to probate fees, estate taxes and creditors.

Naming a child as beneficiary
If you decide that you would like to name your child or other minor as a beneficiary, there are some important steps you need to take.

1. If you have a spouse, he or she must sign a waiver giving up the right to the Plan’s death benefit.
2. You should appoint a trustee or guardian to look after the minor’s benefit until he or she is 18 (a lawyer can help you choose and appoint this person).

If you don’t appoint a trustee, the Plan can pay the benefit to a legal guardian who has been appointed by the court. If the court does not appoint a guardian, current Ontario law states that any amount above $10,000 must be paid to the Accountant of the Superior Court who will hold the money until the minor reaches age 18. At that point, the minor can withdraw the funds by filing an affidavit proving his or her age and paying the administration fee.
**DISABILITY**

If you are receiving disability benefits from the Workplace Safety & Insurance Board (WSIB) due to a work-related injury that happened while working for a contributing employer, the Plan will cover your employer’s contributions for a maximum of 12 months. These contributions will be based on your average weekly pay in the last four weeks you worked and the contribution rate in effect on that date.

During your absence from work, you can also choose to make contributions to the Plan through the self-payment option. Please contact the Fund Office for more information.

Keep in mind, if your disability is a result of a non-work related injury, contributions will not be made on your behalf, but you may choose to make self-payments to keep your pension growing. See page 13 for more information.

**DIVORCE OR SEPARATION**

If you and your spouse are separated from each other and you die before starting your pension, your spouse will not qualify as your spouse under Ontario pension law, even if you are still legally married (see page 41 for definition of spouse). This means that he or she will not get any death benefit from the Plan unless he or she is specifically named as your beneficiary. If you do not wish to name him or her as your beneficiary, no waiver is required. Simply complete a beneficiary form with the name of your new beneficiary(ies) and submit it to the Fund Office. A recent court decision has created some uncertainty regarding a common-law spouse’s entitlement to death benefits. We recommend that if you have a common-law spouse, you name that person as your beneficiary for any death benefits from the Plan.

Your pension is considered a family asset. This means that any pension you earn while you and your spouse are married or living as a common-law couple may have to be divided based on any separation or divorce agreement.

Even if you're not legally married, you may still have to consider your pension in any division of assets.

The actual amount that your former spouse receives from the Plan will depend on your separation or divorce agreement; or court order. You should send a certified copy of the agreement to the Fund Office who will check to make sure that it complies with the law and the terms of the Plan.

Keep in mind that it is not the contributions that are split, but the pension earned on those contributions.

*The Trustees strongly recommend that you get independent legal advice on how your separation or divorce may affect your pension benefits.*
What you need to do if you divorce or separate

The following information applies to Ontario residents only. If you live outside of Ontario, please contact the Fund Office for more information.

If you filed for the division of your pension before January 1, 2012, your former spouse can't begin receiving his or her share of your pension until you leave the Plan, retire, turn age 65 or die — whichever comes first.

If you file for the division of your pension after January 1, 2012, and you also have a court order or settlement agreement dated after January 1, 2012, your former spouse must receive an immediate payment – but not before the value of your pension is calculated. Here’s what you need to do:

1. First, we strongly recommend that you consult a family lawyer for information about the separation/divorce process and how it relates to your pension benefits.
2. Go to the Financial Services Commission of Ontario (FSCO) website at www.fsco.gov.on.ca. Click on Forms > Pension Forms > Family Law to download the instructions and complete an Application for Family Law Value (FSCO Family Law Form 1). If you are a retired member, you'll need to complete FSCO Family Law Form 6 (instead of Form 1).
3. If you are/were legally married to your spouse, you or your spouse may complete this form. If you are/were in a common-law relationship, only you may complete this form.
4. You must submit the application to the Fund Office with all required documentation (see Form instructions) and a cheque for $678 ($600 + HST) payable to the Nursing Homes and Related Industries Pension Plan. Do NOT send your application to FSCO. Please refer to the inside cover of this handbook for our mailing address.
5. The Administrator will send you and your former spouse a statement within 60 days showing the current value of your pension that could be divided.
6. Once an agreement about your family assets – including your pension – has been reached, your former spouse may apply for a share of your pension benefits. Your former spouse will need to provide a certified copy of the court order, family arbitration award or domestic contract and complete the required form. Your former spouse will get a one-time payment that is locked in and must be transferred to another locked-in plan or account. If you are already retired, your former spouse will receive a monthly pension. Either way, your pension will be adjusted to account for the payout to your former spouse.

For information about the separation process and how it relates to your pension benefits, please consult your lawyer.
Financial hardship

Pension regulators are very strict when it comes to unlocking pension savings. But if you're in a serious financial crunch, you can contact the Financial Services Commission of Ontario (FSCO) to apply for a financial hardship withdrawal.

To unlock your funds, you must be under age 55, end your membership with the Plan and transfer the current value of your pension to a locked-in account. You must also complete FSCO Form 6 (available on the FSCO website, www.fsco.gov.on.ca), if you want to withdraw money from your locked-in account (LIRA, LIF or LRIF).

To qualify for a financial hardship withdrawal from a locked-in account, at least one of the following must apply:

1. your expected annual income is low (under $34,067 in 2013);
2. you are at risk of eviction from your home or rented residence;
3. you need money to pay for the first and last month's deposits on a residence you wish to rent;
4. you need money to pay for medical treatment for you, your spouse or any dependants of either of you; or
5. you need money for residential renovations, alterations or construction to accommodate use of a wheelchair or other needs related to a disability or illness (affecting you, your spouse, or any dependants of either of you).

If you are over age 55, this option is not available to you.

Different rules apply for unlocking your pension if you work outside of Ontario. Please contact the Fund Office for more information.

Illness (less than two years to live)

It’s probably not something you want to think about, but it’s important to know that you can take your pension benefits out of the Plan if you become terminally ill. If you have less than two years to live, you could make a request to withdraw the entire current value of the pension you have earned from the NHRIPP as a single payment.

To apply for a withdrawal, you must complete a “Shortened-life Expectancy” form available from the Fund Office. Your doctor must complete a section of the form confirming that you have less than two years to live.

Marriage or a new partner

Because your spouse has certain rights under the Plan, it is very important that you keep the Fund Office informed of any changes in your marital status. If you have a new spouse (by marriage or common-law) after your pension begins, he or she will not qualify for any pension benefit after your death (unless named as the beneficiary for any remaining term payments).
**Maternity or Parental Leave**

You can choose to make self-payments during your leave, to keep your pension growing.

In Ontario, it’s a good idea to make self-payments while you are on a maternity or parental leave. If you make self-payments, under Ontario legislation your employer must also make their share of contributions towards your pension. If you don’t make self-payments your employer is not required to make its contributions on your behalf.

If you work in a province outside of Ontario, please contact the Fund Office for details.

**Moving**

If you move to another province or country, it is very important that you keep the Fund Office informed of any changes in your address or personal information.

You may be able to unlock your pension benefits if you are not a resident of Canada and at least 24 months have passed since you left the country and you are under age 55. Please refer to FSCO Form 5 (available at [www.fsco.gov.on.ca](http://www.fsco.gov.on.ca)) to see if you qualify. For more information, please contact the Fund Office.
Government programs

The two main government programs are the Canada Pension Plan (CPP) and Old Age Security (OAS). There is also a Guaranteed Income Supplement (GIS) for people receiving OAS who have an income below a certain level.

**Canada Pension Plan (CPP)**

CPP is a federal government program. All working Canadians over the age of 18 are required to contribute to the CPP if their pay is above the basic exemption ($3,500 in 2013).

Your contributions are matched by your employer. You can start taking your CPP retirement pension anytime between ages 60 and 65. If you start before age 65, your payments will be reduced because you will receive more of them. Between 2012 and 2016, the reduction for CPP benefits will gradually increase from 6% per year to 7.2% per year. This means that, by 2016, if you retire before age 65, your CPP benefits will be reduced by 7.2% for each year that you retire early (maximum 36% reduction). Depending on your health and personal financial situation, it might make sense to start your government pension early. On the other hand, you can also delay your CPP pension until you reach age 70. In this case, your CPP pension will increase for each year that you delay your benefits. If you retire after age 65, your CPP benefits will increase by 8.4% for each year you retire late (maximum 42% increase).

The pension that you receive from the CPP is paid in addition to your NHRIIPP pension. The amount of CPP pension you receive depends on how much and for how long you contribute. In 2013, the maximum monthly pension you can get from the CPP at age 65 is about $1,013. CPP is indexed for inflation, which means that pensions are adjusted each January based on the increase in the Consumer Price Index.

**Old Age Security (OAS)**

OAS is another federal program. It provides a basic pension for almost every senior. Beginning April 2023, the starting age for OAS benefits will increase gradually from age 65 to 67. The change will not affect you if you were at least age 54 on March 31, 2012 (born on or before March 31, 1958). If you were born between April 1, 1958...
and January 31, 1962, you will qualify for OAS between the ages of 65 and 67. Anyone born on or after February 1, 1962 will be eligible at age 67.

As of July 1, 2013, you can choose to delay your OAS benefits for up to five years. This means you can postpone collecting your OAS benefits and receive a higher, actuarially adjusted, annual government pension. Keep in mind that this change does not affect CPP benefits. You can still apply for CPP anytime from age 60 to 70.

There are two ways to qualify for a full OAS pension. If you were at least 25 years old on July 1, 1977, you need 10 years of Canadian residence to qualify. Otherwise, you need 40 years of residence after age 18. If you don't qualify for a full OAS pension, you may still receive a partial one if you have at least 10 years of residence.

The maximum monthly OAS benefit is about $546 (as of January 2013). Your OAS benefit will be limited if your annual net income is greater than $70,954 (in 2013). OAS is indexed for inflation every three months (January, April, July and October).

**In 2013, the combined maximum CPP and OAS retirement pension is roughly $1,559 per month.**

**Applying for CPP and OAS**

CPP and OAS don't automatically start when you are eligible. You must file an application with Service Canada. If you spent some of your adult years living outside of Canada, depending on the country, these years may be included under an international agreement.

If you would like more information on OAS or CPP benefits, or would like to receive an application kit, contact Service Canada at 1-800-277-9914 or go to [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) where you can download the forms directly.

**Guaranteed Income Supplement (GIS)**

Guaranteed Income Supplement (GIS) is a government program that provides additional support to low-income individuals living in Canada. People who receive OAS and have an income below a certain level (in 2013, $16,560 for singles or a combined income of $21,888 for couples) can apply for this tax-free supplement.

You must apply for the GIS benefit and renew your application each year when you file your income tax return. If you would like more information on GIS benefits, contact Service Canada at 1-800-277-9914 or go to [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca) where you can download the forms directly.

*For current year rates, please refer to [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).*

*Need more information? Contact the Fund Office.*
Personal savings plans

Personal savings are the best way to close any gap between your retirement income goals and your combined government and NHRIPP pension. Tax-free savings accounts and registered retirement savings plans are two popular ways to save, but the Trustees recommend that you obtain independent financial advice about what’s right for you.

**Tax-free savings account (TFSA)**

All Canadian residents aged 18 or over can contribute up to $5,500 a year to a tax-free savings account (TFSA). Like an RRSP, a TFSA lets you save and invest your money without having to pay tax on your investment income or capital gains.

Here are the main differences between a tax-free savings account and a registered retirement savings plan:

- You can take a tax deduction on the contributions you make to an RRSP, but withdrawals are counted as taxable income in the year you withdraw the money.
- You cannot take a tax deduction on any contributions you make to a TFSA, but withdrawals are tax free.
- When you make a withdrawal from a TFSA, contribution room equal to the withdrawal is restored the following year.

The $5,500 per year TFSA contribution limit will increase in line with inflation (in $500 increments). Unused contribution room can be carried forward for as long as you wish.

**Registered retirement savings plan (RRSP)**

Another way to save for retirement is a registered retirement savings plan (RRSP). You can visit any major financial institution and ask to open an RRSP account. Any contributions you make to an RRSP come straight off your taxable income (up to government limits) and can greatly reduce the amount of income tax you pay. The money you leave in your RRSP, including investment income, grows tax free until it is withdrawn.
Tax law limits the amount that you may put aside tax free in an RRSP each year. The current limit is:

- **18% of your previous year’s “earned income”**, up to the maximum dollar limit shown in the table below; minus
- your pension adjustment (PA).

<table>
<thead>
<tr>
<th>Year</th>
<th>RRSP contribution limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$23,820</td>
</tr>
<tr>
<td>2014 and later</td>
<td>Indexed, based on increases in the Average Industrial Wage</td>
</tr>
</tbody>
</table>

Please note: For current year rates, please refer to [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).

For purposes of RRSP contribution limits, “earned income” is defined as your total income including employment income, alimony payments received, and business or rental income. Earned income is reduced by any alimony payments made and business or rental losses.

Your available RRSP contribution room for the year is shown on your annual income tax Notice of Assessment. If you contribute less than the maximum to an RRSP in any year, you may carry forward your unused contribution room to future years.

**Here’s an example of how much you can contribute to an RRSP:**

In 2012, your salary was $30,000, and you and your employers contributed a total of $2,400 to the NHRIPP. Based on the Canada Revenue Agency limits, your RRSP contribution room (the amount you can contribute to your RRSP) for 2013 is as follows:

\[
\begin{align*}
18\% \times $30,000 & : \quad $5,400 \\
\text{Minus 2013 pension adjustment (PA):} & \quad $2,400 \\
2013 \text{ contribution room} & \quad $3,000
\end{align*}
\]

In this example, you can contribute $3,000 to an RRSP in 2013. This amount does not include any unused room you may have carried over from previous years.

It is important to keep track of your RRSP contributions to avoid over-contributing. Tax law allows a lifetime over-contribution limit of $2,000. Amounts above this limit are subject to a 1% monthly penalty.
**Pension dictionary**

**975 hours**
You must normally complete 975 hours with a contributing employer and belong to a participating union before you can join the Plan. Note that some employers have a collective agreement that requires less than 975 hours to join the Plan. Contact the Fund Office for more information.

**Active Plan member**
You are an active Plan member if you have joined the Plan and are working for a contributing employer that is required to make contributions on your behalf.

**Actuary**
An actuary is an expert in the mathematics of risk. The Plan’s actuaries advise the Board of Trustees on the design and funding of the Plan based on calculations involving estimates of future interest rates, retirement ages, work levels, life expectancy, etc.

**Administrator**
The NHRIPP has a Fund Office that looks after the day-to-day administration of the Plan. This includes recordkeeping, processing retirement benefit applications and answering members’ questions.

You can contact the Fund Office by:
Phone: (905)-889-6200 or 1-800-287-4816
Fax: 905-889-7313
E-mail: information@nhripp.ca
Visit our website: www.nhripp.ca
You can also write to us at:
Nursing Homes and Related Industries Pension Plan
105 Commerce Valley Drive West, Suite 310
Thornhill, Ontario L3T 7W3

**Annuity**
An annuity is a steady stream of income that you buy from an insurance company. There are many different forms of annuities, but “locked-in” funds, such as those from the NHRIPP, can only be used to buy a “life” annuity. Payments from a life annuity may start anytime you choose after you reach age 55 and will continue for your life. You can also arrange to provide continuing payments after your death to a spouse or other beneficiary.
Beneficiary

This is the person you name to receive your pension benefits in the event of your death. If you name more than one person as your beneficiary, your death benefits from the Plan will be divided according to your instructions.

If you have an eligible spouse, he or she is automatically your beneficiary, unless your spouse signs a waiver. However, a recent court decision has created some uncertainty regarding a common-law spouse's entitlement to death benefits. We recommend that if you have a common-law spouse, you name that person as your beneficiary for any death benefits from the Plan.

If you do not have a spouse – or your spouse signs a waiver – you may name anyone as your beneficiary.

If your beneficiary is a minor, you should consider appointing a trustee or guardian to look after the child's benefits. Otherwise, your death benefits will be held in trust by the courts until the child reaches age 18.

If you do not name a beneficiary, death benefits will be paid to your estate.

Board of Trustees

The Board is made up of individuals who are responsible for managing the Plan. They are appointed by the participating unions.

Break in service

A period of at least eight months in which no pension contributions are made to the NHRIPP on your behalf. Special rules may apply for a grievance that goes beyond eight months.

If you are under age 55 and have a break in service, you can choose to transfer your benefits out of the Plan. See page 26 for more information.

Canada Pension Plan (CPP)

CPP is a government program that provides you with retirement income. You can start taking your CPP pension as early as age 60 with a reduced benefit or wait until you reach age 65 for your full benefit.

Contributing employer

An employer that joins the NHRIPP and makes pension contributions to the Plan on your behalf based on its collective agreement. The Board of Trustees must approve all contributing employers.
<table>
<thead>
<tr>
<th><strong>Current value</strong></th>
<th>The current value – sometimes known as the “commuted” or “transfer” value – is the total value in today’s dollars of the lifetime pension you have earned and would be entitled to receive at age 65 if you left your benefits in the Plan. It is the amount of money that must be set aside today to provide your future pension.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Early retirement</strong></td>
<td>You can retire as early as age 55. Your monthly pension will be reduced by ½% each month before you reach age 65.</td>
</tr>
<tr>
<td><strong>Guaranteed Income Supplement (GIS)</strong></td>
<td>GIS is a government program that provides additional support to low-income OAS recipients living in Canada. You must be eligible for an OAS pension to receive this tax-free supplement.</td>
</tr>
<tr>
<td><strong>Late retirement</strong></td>
<td>You can continue working and delay retirement past age 65. Under current tax rules, you must start your pension by the end of the year in which you turn age 71, even if you continue working for a contributing employer.</td>
</tr>
<tr>
<td><strong>Life income fund (LIF)</strong></td>
<td>A LIF works much like a LIRA (see below), but is designed to provide a retirement income. You may contribute to a LIF as early as the calendar year before you reach age 55, but you must start withdrawing your funds by the end of the second year after your LIF is established. Annual minimum and maximum withdrawal limits apply. Within the first 60 days of transferring your funds to a LIF, you can apply to your financial institution to “unlock” and withdraw up to 50% of your funds in cash. These funds are taxable unless you transfer them to an RRSP or RRIF (registered retirement income fund). If you don’t apply within the first 60 days of the transfer, there will be no other opportunity to unlock this money.</td>
</tr>
<tr>
<td><strong>Locked-in registered retirement account</strong></td>
<td>Also known as a locked-in retirement account (LIRA). A LIRA works the same way as a registered retirement savings plan (RRSP), except that amounts in a LIRA are “locked in” and must be used to provide a retirement income (cannot be taken out as cash except under special circumstances).</td>
</tr>
<tr>
<td><strong>Minor</strong></td>
<td>A minor is a child who is under the age of 18.</td>
</tr>
<tr>
<td><strong>Old Age Security (OAS)</strong></td>
<td>OAS is a government program that provides you with retirement income starting at age 65.</td>
</tr>
<tr>
<td><strong>Pension adjustment (PA)</strong></td>
<td>Your PA is the total amount that you and your employer contribute to the NHRIPP for the previous year. It is used to calculate your RRSP contribution room.</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Registered retirement savings plan (RRSP)</strong></td>
<td>This is a type of account that lets your savings grow tax free. Your contributions to an RRSP also reduce your annual income tax (unless contributions are transferred in from another registered plan). If you withdraw money from an RRSP, tax is deducted first. When you retire, you may use your RRSP to provide a retirement income.</td>
</tr>
</tbody>
</table>
| **Self-payments** | To keep your pension growing, you can make “self-payments” if you:  
  - stop working for a contributing employer, and  
  - are employed by another contributing employer before having a break in service, or  
  - are on an approved leave of absence (for example maternity, parental, or workers’ compensation leave). |
| **Small pension** | If your pension is less than $25 per month at age 65, you will receive the total current value of your pension.  
If your pension is between $25 and $85 per month (in 2013) at age 65, you can choose to receive it as monthly pension payments or take the total current value.  
When you take the total value, you will have two options. You can choose a one-time cash payment and pay tax, or transfer it to a non-locked-in registered retirement savings plan (RRSP).  
Please contact the Fund Office for more information. |
| **Specified Ontario Multi-Employer Pension Plan (SOMEPP)** | The Plan belongs to a special class of pension plan called a Specified Ontario Multi-Employer Pension Plan (SOMEPP). SOMEPP designation is available to multi-employer, target-benefit pension plans, in which contributions are fixed by collective agreement. Ontario makes special funding rules available to such plans in recognition of the fact that plans with numerous employers are less likely to wind up than plans with just one employer. The Plan now receives contributions from hundreds of employers. |
As a SOMEPP, the Plan must be funded on a “going-concern” basis. That means it is funded on the assumption that it will continue indefinitely. The Plan is not required to be funded on a “solvency” basis. Solvency funding assumes that the Plan ended on a specific date and all benefits became payable then. In the unlikely event that the Plan ended while designated as a SOMEPP, pension benefits would likely have to be reduced.

Under Ontario pension law, your spouse is the person who is living with you, and is:

a) married to you; or

b) not married to you but has been living with you in a:
   - conjugal relationship continuously for at least three years, or
   - relationship of some permanence if you are the parents of your own or an adopted child.

You can claim only one person as your spouse at any one time. Your spouse is automatically your beneficiary for any pre-retirement death benefit, unless he or she signs a waiver before your death.

If you have a spouse when you retire, you must choose a payment option that provides a pension to your spouse in the event that you die first – unless you and your spouse submit a signed waiver to the Fund Office before the first pension payment is made.

The WSIB is an Ontario government agency that works with employers and employees to reduce workplace accidents and illnesses. If you experience a work-related injury, the WSIB has programs that support your medical and financial needs. For more information, visit www.wsib.on.ca.
THE FINAL WORD

This handbook provides a summary of the key facts about your Nursing Homes and Related Industries Pension Plan, which is registered with both the Financial Service Commission of Ontario and the Canada Revenue Agency under registration # 0996983. A complete description can be found in the legal documents that govern the Plan. These are available for review in the Fund Office and online on the NHRIPP website. Every effort has been made to provide an accurate summary. However, if there are any differences between the information contained in this handbook and the legal documents, the legal documents will govern.

Please refer to the NHRIPP website (www.nhripp.ca) for the most up-to-date information about the Plan.
Remember to **STAY IN TOUCH**

If you change your personal information or switch employers, don’t forget to call us at **905-889-6200** or toll-free at **1-800-287-4816**.

You can also send an e-mail to information@nhripp.ca. Keeping in touch with us is the best way to make sure you don’t miss out on any pension benefits you have earned.