

Subject: Effect of Re-employment Amendments on OECA

The change in the definition of “re-employed pensioner” will have an impact on the operations of Association, including the unit and OTBU level, where a retiree receives remuneration for any purpose.

To be clear effective September 1, 2010 there will exist no third party arrangements, whatsoever, which will allow a retiree in receipt of a pension from the OTPP to be shielded from the re-employment provisions of the OTPP. That means the 95/20 day limits will apply and should the re-employed pensioner continue to be employed beyond the month in which the 95th/20th day is reached the re-employed pensioner will be subject to the penalty provisions under the Plan.

A copy of the notice to employers provided by the OTPP follows.

If you have any questions about this please do not hesitate to contact the provincial office.

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Sent: May 10, 2010 4:43 PM
To: m.jarvis@oecta.on.ca
Subject: Re-employment amendments announced

Good afternoon,

We have received confirmation that the Ontario Teachers' Federation and Ontario government have agreed to several amendments concerning re-employment in education. These amendments, which will occur in two stages, will help simplify the application of re-employment rules.

Effective September 1, 2010

Expanded definition of re-employed pensioner

The definition of “re-employed pensioner” will expand to include any work for compensation. Therefore, if you hire a pensioner for either a teaching or non-teaching position, whether done on an employment, self-employment or third-party basis, they will be subject to re-employment rules and regulations. Also note that you can't make arrangements with pensioners to forgo compensation to circumvent the rules (no change from current

guidelines).

The revised definition will ensure that all members, pensioners and employers are on the same page when it comes to determining what counts as re-employment service.

Effective September 1, 2012

Employers to report re-employment service

Keeping track of re-employment service will be shared among all parties involved – pensioners, employers and Teachers'. While employers will report all re-employment service, no contribution remittance is required. The prospective effective date will enable you to ensure your systems are prepared for this new reporting requirement.

New single-tier limit of 50 days

The limit for re-employment is changing to 50 days per school year throughout a pensioner's retirement. You still will not be required to deduct and remit contributions if they exceed the new 50-day limit.

We will send a pension bulletin with additional details later this week.