



Retirement Ages & Early Retirement Considerations

WHEN CAN I RETIRE?

It may be a simple question that a lot of working-age adults ask themselves, but there are a lot of factors that go into the answer.

With the elimination of mandatory retirement in British Columbia in 2007, employees now have a lot more flexibility when it comes to choosing their retirement age.

The UBC Staff Pension Plan allows employees to start their pension as early as age 55, and as late as age 71. Age 65 is our **Normal Retirement Age**. If you retire earlier than age 65, it is considered **Early Retirement**, and if you retire later than age 65, it is considered **Delayed Retirement**.

It is important to know that no matter what age you start your pension, your pension will be paid for your lifetime. If you have a spouse, your pension will also be paid for your spouse's lifetime. Your pension amount may be adjusted, however, depending on what age you want to retire. This is to account for the longer or shorter period over which you would be expected to receive pension payments.

NORMAL RETIREMENT: AGE 65

For pension purposes, normal retirement is based on the age of 65.

DELAYED RETIREMENT: AFTER AGE 65

You may choose to delay starting your pension until age 71; however, you must start your pension by December 1 in the year you turn age 71 even if you continue to work at UBC.

EARLY RETIREMENT: AGES 55 TO 64

Your pension will be adjusted for each year that you retire before age 65 to account for the longer period you will be receiving a pension. An early retirement reduction factor of 4% for each year will be applied to any pensionable service accrued up to and including December 31, 2011. Effective January 1, 2012, an actuarially equivalent early retirement reduction factor will be applied to pensionable service accrued on and after January 1, 2012.

$$\text{Age 65} - \text{Your Retirement Age} = \text{Years of Reduction}$$

$$\text{Years of Reduction} \times \text{Percentage Reduction} = \text{Total Reduction Factor}$$

SPECIAL EARLY RETIREMENT (BRIDGE BENEFIT): AGES 55 TO 64

You are eligible for Special Early Retirement if you:

- joined the SPP before January 1, 1992, and
- have at least 20 years of Plan membership at your retirement date.

If you are eligible based on the criteria above, you will be entitled to a **bridge benefit** in addition to your lifetime pension if you retire before age 65. This benefit is paid from your early retirement date to age 65. The bridge benefit is a temporary pension which is equal to the lesser of your Best Average Pensionable Earnings and

the Average YMPE, multiplied by:

1. 0.7% multiplied by Pensionable Service after December 31, 1965 to June 30, 2009, plus
2. 0.2% multiplied by Pensionable Service on and after July 1, 2009.

If you retire at or after age 60, your early retirement pension and your bridge benefit will not be reduced. If you retire before age 60, however, your lifetime pension and bridge benefit will be reduced by 3% for each year that your early retirement date precedes age 60.

EARLY RETIREMENT REDUCTIONS

The following table illustrates the applicable percentage reduction on your pension based on date of membership, years of service and early retirement age. Pension calculations are complex and you may have pensionable service with more than one applicable percentage reduction. If you are approaching retirement, it is best to contact the Pension Administration Office to request a retirement package, which will show you an illustration of your pension benefits.

YEARS OF SERVICE	PERCENTAGE REDUCTION	CALCULATION FOR RETIREMENT AT AGE 55	CALCULATION FOR RETIREMENT AT AGE 63
DATE OF MEMBERSHIP BEFORE JANUARY 1, 1992; QUALIFIED FOR SPECIAL EARLY RETIREMENT (SER), ALL SERVICE	3% PER YEAR	SPECIAL EARLY RETIREMENT (SER) REDUCTION: AGE 60 - AGE 55 = 5 YEARS 5 YEARS X 3% = 15% REDUCTION	NO REDUCTION (REDUCTION ONLY OCCURS IF YOU ARE UNDER AGE 60)
DATE OF MEMBERSHIP BEFORE JANUARY 1, 1992; NOT QUALIFIED FOR SPECIAL EARLY RETIREMENT (SER), ALL SERVICE	3% PER YEAR	REDUCTION: AGE 65 - AGE 55 = 10 YEARS 10 YEARS X 3% = 30% REDUCTION	REDUCTION: AGE 65 - AGE 63 = 2 YEARS 2 YEARS X 3% = 6% REDUCTION
DATE OF MEMBERSHIP AFTER DECEMBER 31, 1991; SERVICE FROM JANUARY 1, 1992 TO DECEMBER 31, 2011	4% PER YEAR	REDUCTION: AGE 65 - AGE 55 = 10 YEARS 10 YEARS X 4% = 40% REDUCTION	REDUCTION: AGE 65 - AGE 63 = 2 YEARS 2 YEARS X 4% = 8% REDUCTION
DATE OF MEMBERSHIP AFTER DECEMBER 31, 1991; SERVICE AFTER DECEMBER 31, 2011	ACTUARIAL EQUIVALENT REDUCTION FACTOR	VARIABLE	VARIABLE

Choosing your retirement age is a very personal decision. If you are starting to think more seriously about retirement, we recommend speaking with your financial advisor to talk about your goals with respect to retirement savings, and potential timelines for these goals. You can visit the [Retiring page](#) on the UBC Human Resources website for a variety of retirement considerations. As well, we encourage you to make an appointment with us at the Pension Administration Office. We can have a conversation with you about your options, estimates, and other considerations.

CHECKLIST

If you know when you will retire:

- Review your estimated pension figures on [myPension](#), or ask the Pension Administration Office to supply you with an illustration of your benefit.
- Schedule a Retirement Information Session (RIS) if you are within a year of retirement.
- Notify the Pension Administration Office of your retirement date if you know when you plan to retire.
- Contact us by phone, email, or set up an appointment in person if you have further questions.

HELPFUL LINKS

RETIRING

staff.pensions.ubc.ca/life-events/retiring

UBC HUMAN RESOURCES

www.hr.ubc.ca/retiring/

This information sheet has been compiled by the Staff and Pension Board Members of The University of British Columbia Staff Pension Plan from information provided to them. If there is any inconsistency between the contents of this document and the pension plan trust or legislation, the trust and legislation will prevail.

Last update: March 7, 2017