

UBC FACULTY PENSION PLAN TERMINATION OPTIONS MATRIX

	LEAVE FUNDS IN THE PLAN	CASH WITHDRAWALS	RRIF-TYPE PAYMENTS	TRANSFER TO OTHER REGISTERED PLANS						
EXPLANATION OF OPTION	Funds continue to be invested in the Faculty Pension Plan. This is permitted until December 1 of the year you reach age 71.	May withdraw all or a portion of the non locked-in account balance. All withdrawals are reported as taxable income.	Funds remain invested and you receive a percentage of the funds as income payments, subject to legislated minimums.	May transfer all or portion of the funds to a registered plan(s) with a financial institution or new employer in Canada.						
ELIGIBLE FUNDS	All or part of your total account balance.	All or part of your non locked-in account balance.	All or part of your non locked-in account balance.	All or part of your total account balance.						
INVESTMENT CONTROL	You continue to control the investment of your account using the FPP investment options.	You allocate the fund(s) your withdrawal is to be made from.	You continue to control the investment of your account using the FPP investment options.	Check with financial institution or new employer.						
INCOME AMOUNT	Cash withdrawals are permitted from your non locked-in funds.	Cash withdrawals are permitted from your non locked-in funds. Note: They do not qualify for pension income splitting with a spouse for Canadian income tax purposes.	Depends on the amount of your non locked-in funds and your need for income from this source. It is subject to legislated minimums and investment performance.	Income from non locked-in funds can commence at anytime. Income from locked-in funds can commence anytime after age 55.						
TAXATION	Funds remain sheltered from tax while they remain in the Plan.	Considered as taxable income. For residents of Canada, rates of tax withholding at source for each payment are: <table border="0"> <tr> <td>Up to \$5,000</td> <td>10%</td> </tr> <tr> <td>\$5,001-\$15,000</td> <td>20%</td> </tr> <tr> <td>\$15,001 and over</td> <td>30%</td> </tr> </table>	Up to \$5,000	10%	\$5,001-\$15,000	20%	\$15,001 and over	30%	All income payments are fully taxable. Funds remain sheltered from tax while they remain in the FPP but are taxable when withdrawn.	Funds remain sheltered from tax while they remain in the new registered plan but are taxable when withdrawn.
Up to \$5,000	10%									
\$5,001-\$15,000	20%									
\$15,001 and over	30%									
CHANGE TO ANOTHER OPTION	Yes - at any time. Or, you may choose FPP income options at retirement. Please see the Retirement Options Matrix for more information.	Yes - on any remaining account balance.	Yes, you may collapse your RRIF-Type payments agreement to purchase another retirement product either externally or within the Plan.	Check with financial institution or new employer.						

For up-to-date account information, please access your UBC FPP account on the Sun Life website, mysunlife.ca/ubcfpp.

March 2020



THINGS TO THINK ABOUT

FACULTY PENSION PLAN OPTIONS

- Your access to investment funds within the Plan does not change.
- Management and administration fees are usually lower.
- Eliminates the need to move your assets out of the Faculty Pension Plan.
- You can transfer registered funds into the Plan to consolidate your registered plans.
- You have access to Faculty Pension Plan income options at retirement.

FINANCIAL INSTITUTIONS OPTIONS

- You gain access to more investment options and can establish a fully “self-directed” plan.
- Management and administration fees are usually higher.
- Professional investment advice is often available to you.

IF YOU BECOME A NON-RESIDENT OF CANADA

Leaving your Funds Invested in the Plan

You will continue to receive any pension correspondence to the home and/or email address on record. It is important to keep Sun Life informed of any address changes.

Withdrawing Cash

If you have non locked-in funds and are making a cash withdrawal, you will pay tax based on Non-Resident tax rates depending on your country of residence. It will be deducted at source from your gross payment amount.

Transferring your Funds to other Registered Plans

You may only transfer your funds to a registered plan(s) with a financial institution or employer in Canada. There is no reciprocal transfer provision that permits tax sheltered transfers between registered plans to other countries.

Unlocking your Locked-in Account Balance

After you have been residing outside of Canada for two years or longer, you can remove the locked-in restriction of your Post 1992 funds by establishing non-residency status with Canada Revenue Agency (CRA). To establish non-residency, you will need to complete a NR73 form and file it with CRA. Once your application has been evaluated, you will receive a letter confirming the effective date of your non-residency. You can then send a copy of the letter to Sun Life at the following address and request the removal of the locked-in restriction: **Sun Life, Group Retirement Services, PO Box 11001, Stn CV, Montreal QC, H3C 3P3.**

Canadian Government Income Security Programs

Even though you will be a non-resident of Canada, you may be entitled to apply for Canada Pension Plan (CPP) payments from age 60 and Old Age Security Pension (OAS) payments at age 65. As well, Canada has agreements with several countries that provide social security plans with similar benefits to Canada. These agreements allow for the co-ordination of two countries' social security programs and make the benefits portable between the countries. As an example, most social security programs require contributions during a minimum number of years. Under these agreements, periods of residence in Canada or contributions to the CPP may be used to satisfy the eligibility conditions of the other country's social security system. Further information on these programs can be obtained by visiting the Government of Canada website at canada.ca, and then choose **Benefits > Public pensions.**

The appropriate forms are available on the UBC FPP website at faculty.pensions.ubc.ca and at mysunlife.ca/ubcfpp.

