



SECTION:	Retirement
INDEX NO.:	R700-101
TITLE:	Retirement Dates - PBA ss. 10(1), 35(1), 35(3), 35(4) and s. 41
APPROVED BY:	Superintendent of Financial Services
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This policy replaces R700-100 (Normal Retirement Date) as of the effective date of this policy.

Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 (FSCO Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or Regulation 909, R.R.O. 1990 (Regulation), the FSCO Act, PBA or Regulation govern.

*Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at www.fSCO.gov.on.ca. All pension policies can be accessed from the **Pensions** section of the website through the **Pension Policies** link.*

The purpose of this policy is to review the PBA provisions regarding retirement date or age.

Normal Retirement Date

As a minimum standard under the PBA the normal retirement date is the date or age specified in the pension plan as the normal retirement date of members. The PBA requires every plan to specify a normal retirement date. Section 10(1) of the PBA specifies the documents that create and support a pension plan shall set out the normal retirement date under the plan. Section 35(1) requires this date be no later than one year after the member reaches age 65. A member has the right to retire and begin receiving an unreduced pension at the normal retirement date, if the member so chooses. The PBA does not require a pension plan member to cease employment and begin receiving a pension at the normal retirement date or age. A former member or other person who is entitled to a deferred pension is also eligible to begin receiving an unreduced pension at the normal retirement date.

Early Retirement

Section 41 of the PBA permits a plan member to terminate employment and begin receiving a pension at any time within the 10 year period prior to the normal retirement date. The method of adjusting the pension for early payment (if any) is set out in the plan documents. It may range from no reduction to a full actuarial reduction to reflect the number of years the member retires before the normal retirement date. A former member or other person who is entitled to a deferred pension is also eligible to begin receiving an early retirement pension within this time period. The method of any actuarial reduction must be set out in the plan.

Postponed Retirement

Under section 35(4) of the PBA a member who continues employment after reaching the normal retirement date set out in the plan, and who is not receiving a pension under that plan, is entitled to continue membership and accrue pension benefits under the plan. Where a plan sets a limit on the amount of the pension benefit or the number of years of employment or membership that can be taken into account in calculating the pension benefit, this may impact on the member's ability to accrue further pension benefits.

As set out in section 35(3) a member who continues employment and membership in the plan after reaching the normal retirement date under the plan is entitled, on retiring from that employment, to receive:

- (a) the pension benefit payments to which the member would have been entitled had the member commenced receiving pension at the normal retirement date; and
- (b) any additional benefits accrued under the plan that result from the member's employment during the period following the normal retirement date.