



# Ontario Teacher's Pension Plan

Maternity/Parenting Buy Backs

OSSTF District 20 TBU  
1/15/2013

## Maternity/Parenting Leaves



### What are the benefits of buying back an absence?

- Maximizes the actual time that the member has contributed to the pension plan
- The more credit you accumulate, the greater your pension
- Missing one year's credit now means one less year of credit when calculating your pension at retirement
- May require you to work longer to reach the 85 factor

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### To Buy Back or Not to buy Back?

You should have or set up an account with OTPP– access through personal login – enrolment required through OTPP -

iAccess Web: Secure member website – Buyback Centre

- tools to calculate cost of buyback – simply enter the start and end dates of your leave

### Who needs to be Informed?

- Employer needs to be informed of the due date through a medical note
- Employer then transfers that information to the TPP
- Member will then be contacted by TPP to let them know about the buyback opportunity

### What's the Cost?

- Estimated cost of the buyback will be calculated on the TPP i-Access site
- Tax implications with regards to your buy back
- Deadlines for repayment with/without penalty (interest)

### How do I Pay?

- OTPP will provide confirmed costs of buyback (approximately 45 days after the leave starts)
- Lump sums (all or part of the total cost)
- Electronic bill payment through the bank
- Interest begins to accrue on any outstanding balance beginning at the end of the leave

### What about Taxes?

- If there are still outstanding balance at the end of the leave the OTPP will e-mail to confirm your intention to pay the outstanding balance (by confirming your intention you

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will secure your eligibility to receive a pension adjustment for the leave as opposed to a past service pension adjustment).

- Meaning – Pension adjustment will not be conditional on the member having sufficient RRSP room (requires approval of CRA). To avoid the complication of the CRA approval you simply call OTPP and confirm your intention to pay off the outstanding balance.
- *NOTE: the member's current RRSP contribution room will be reduced by the amount of the pension adjustment (PA). This reduction is permanent, even if you subsequently decide not to complete the buyback.*

### What about RRSPs?

- If the member elects to use RRSPs to pay off the remainder of the buyback- You download (i-Access Website) the Direct Transfer Forms (T2033) Complete the forms and take to your financial institution – they will complete the form and send it directly to OTPP – the buyback is completed

### What if you do not declare your intent to buy back?

- Members have five years to complete the buyback at the end of the leave with OTPP
- The member will be reminded on i-Access web prior to the expiration period for the buy back by OTPP
- PSPA will be required to complete the buyback at the end of the five year period
- If you choose not to finish the buyback you forfeit the remainder of the opportunity, but you will receive credited and qualifying service for what you have already purchased