



# Disability benefits and your pension

For members earning a pension in DBplus



If, during your membership in the Plan, you stop working due to a disability leave and start receiving disability benefits, the CAAT Pension Plan has options that will enable you to continue to earn a pension.

*A detailed legal description of the provisions of the Plan can be found in the Plan Text, which can be accessed at your employer's Human Resources department or downloaded from our website. Should the information in this booklet, our website or any other source differ from the Plan Text, the Plan Text will govern.*

*Effective July 2020*



# Continuing to earn a pension during a period of disability

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During a period of disability leave, you are entitled to continue to earn a pension.

The information in this booklet applies to you if you are earning a pension in DBplus, and are on a leave and receiving either:

- Long-Term Disability (LTD) benefits through your employer's insurance, or
- Benefits under the workers' compensation plan of your jurisdiction of employment.

Read on for details about your options.

# What happens to the pension you are earning in DBplus?

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You have the option to make contributions during the period you are receiving disability benefits.

- If you choose to contribute, your employer will also make contributions on your behalf, at the applicable rate.
- Your contributions will be based on the actual disability income you receive from a qualifying insurance provider.
- Your pension will continue to grow as if you were working (based on the contributions from you and your employer, the annual pension factor, plus increases based on the average industrial wage – a measure of wage inflation in Canada – when granted.)

## **The decision to make contributions for the disability leave period is a one-time decision**

- If you choose not to make contributions or earn a pension benefit during the period you are receiving disability benefits, you will not be able to opt in at a later date, and you will not be able to purchase the period of leave in the future.
- If you do not contribute during this period, so long as you remain an active member of the Plan, the pension you earned up until the beginning of your leave will continue to receive increases based on the average industrial wage, when they are granted.

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If you are receiving benefits under Ontario's Workplace Safety and Insurance Act, you do not contribute to DBplus during the first 12 months. Your pension will continue to grow as if you and your employer had contributed, based on your deemed earnings and contributions. You must choose whether or not to continue contributions after this 12-month period.

### **What action do you have to take?**

Your employer will work with you to ensure you have the information you need to make a decision about continuing to contribute to the Plan during the period you are receiving disability benefits. Once you have made the decision to contribute or not, your employer will submit your election form to the Plan on your behalf.

# When do disability accruals end?

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Your employer will notify the Plan when your period of disability is over. Your workplace disability benefits are considered to have ended for the purposes of the Plan when you:

## Return to work after a disability

If you stop receiving disability benefits and return to active employment, you and your employer will resume contributing to the Plan based on your actual earnings.

## Terminate your employment

If you stop receiving disability benefits and do not return to work with your employer or if you accept a lump sum settlement from the insurance provider, and you have not reached age 65 (called normal retirement age), you will be considered to have terminated your employment. At that point, you begin the 24-month extension of membership period.

If your employment is terminated by your employer while you are accruing a pension benefit under a disability provision of the CAAT Pension Plan, you will remain a member of the Plan and continue to earn a pension as if you were still employed, **as long as you continue to receive workplace disability benefits.** If you stop receiving these benefits and you are under age 65 (your normal retirement age), you stop earning a pension and start the 24-month extension of membership period from the date your benefits end.

The CAAT Pension Plan may contact you periodically under this scenario to confirm your workplace disability benefits are continuing.

Read more about your options during the 24-month extension of membership period on our website.

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## Retire

If your period of disability continues until you reach age 65 (your normal retirement age), you must start your pension on that date.

When you become eligible for an early retirement pension, you can choose to begin collecting the benefit you earned in the CAAT Pension Plan. You may want to speak to your employer's human resources representative to help you understand what the impact would be on your disability benefits if you start to collect your pension before age 65.

## Die while receiving LTD or workers' compensation benefits

If you die while accruing a pension in the CAAT Pension Plan and receiving disability benefits, you are considered to have died as an active Plan member and your surviving spouse or beneficiaries will be eligible to receive the applicable death benefit.

# Keeping you informed about your pension during disability leave

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During your disability period, you will continue to receive Annual Pension Statements. Each year you will also receive from the CAAT Pension Plan T4A slips that you will use to file your annual income tax return.

If you have chosen to contribute during your disability period, your employer will collect these contributions from you, and remit them on your behalf to the Plan, along with the applicable employer contributions.

It is important to remain in contact with your employer and the CAAT Pension Plan during your disability period, even if there is a chance you will not return to work. If your marital status changes or you would like to update your beneficiary information, please contact the CAAT Pension Plan as you will need to complete a Member Change of Information form. If you move, make sure to provide your employer with your new address.

# Sources of disability benefits

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## **Workers' compensation disability benefits**

Each jurisdiction in Canada has some form of workers' compensation plan to provide benefits such as a "full loss of earnings benefit" to support workers who have lost income due to a work-related injury or illness.

## **Long-Term Disability (LTD) insurance benefits**

LTD benefits offered by group insurance plans are meant to provide you with income following an illness or accident that renders you unable to work. You normally qualify for LTD benefits if you are employed and covered by an LTD plan. Your benefit and coverage are dependent on the provisions of your insurance carrier and the terms of your plan.

## **Other sources**

Disability income may come from one or several sources depending on your individual circumstance. Veteran's Affairs Canada, Employment Insurance and the Canada Pension Plan all provide some form of disability or sickness benefit based on eligibility. These benefits, however, have no impact on your CAAT Pension Plan benefits. For more details, contact your employer's Human Resources representative.

# Questions about disability benefits and your DBplus pension

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## **How does the CAAT Pension Plan find out I'm on a disability leave?**

Your employer will notify the Plan.

## **How do I notify the CAAT Pension Plan that I wish to contribute for my leave?**

Your employer will provide you with a form to complete to opt in to making pension contributions.

## **How do I know how much my contributions will be while I'm on disability leave?**

Your employer will calculate your contributions, based on the amount you are receiving through your disability benefits, and the contribution rate that applies to you. Your employer will also contribute at the applicable rate.

## **How soon do I have to decide if I want to contribute during my disability period?**

You have 30 days from the date you first receive disability benefits to opt in to making contributions.

## **I was on a period of short-term disability before my LTD started. Can I make contributions on those earnings too?**

If you are receiving earnings in respect of a period of short-term disability you and your employer are required to contribute to the CAAT Pension Plan. During this time you will contribute as usual, so no additional action is required by you.

## **I have been waiting to start receiving my disability benefits for longer than 30 days. Can I still make contributions for the entire period?**

Yes. You must notify your employer of your wish to make contributions in respect of this period.

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**If I choose not to contribute during the period of disability, can I still purchase it when I return to work?**

No. You must make contributions during the disability leave period in order to have it included for your pension.

**I'm receiving income from other sources during my disability leave period. Can I contribute on those as well?**

Your contributions are based only on the earnings you receive from a workers' compensation program or an employer-sponsored long-term disability insurance program. Income received from other sources is not considered pensionable earnings under DBplus.

**How to reach us**

**Email:** [info@dbplus.ca](mailto:info@dbplus.ca)

[www.caatpension.ca](http://www.caatpension.ca)



**DBplus**



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