



Disability benefits and your pension

For members earning a pension in DBprime



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

This information applies to you if you are earning a pension in DBprime, 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.

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

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

What happens to the pension you are earning in DBprime?

You will continue to earn a pension in DBprime while you are receiving long-term disability benefits or full loss of earnings benefit from a workers' compensation plan.

- During your period of disability, you stop contributing to the CAAT Pension Plan and your employer also stops contributing to the Plan on your behalf. During this period, you continue to earn pensionable service.
- Your pension will continue to accrue at a tiered rate of 1.3% and 2% for the duration of the disability period. (1.3% on earnings below the YMPE and 2% on earnings above the YMPE.) Deemed earnings are used for the purposes of determining the pension you accrue during the disability period. Deemed earnings are based on the salary you were receiving from your employer right before you started collecting your disability benefits, adjusted from time to time.
- At retirement, your pension will be calculated using your Highest Average Pensionable Earnings, which will be the five years your earnings were the highest (including years of deemed earnings).

What action do you have to take?

Your pension accrual is automatic: you don't have to do anything. Your employer will work with you to ensure you have the information you need and notify the Plan if your situation changes.

When do disability accruals end?

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.

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.

If you 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

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.

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

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.

How to reach us

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DBprime



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