

FAQ – Retirement Incentive Program

1. Who is eligible?

Vested unionized employees of Health PEI who are eligible to retire and access their pension as defined by the Public Sector Pension Plan (PSPP) are eligible for this incentive. Employees who are at least 55 years of age and have two years of continuous service from the date they begin to contribute into the plan are eligible to retire and access their pension per the PSPP.

The Public Sector Pension Plan outlines, "Normal retirement age" in the Plan is 65 years old, but you can retire as early as your 55th birthday or as late as the end of the year in which you turn 71. The age at which you decide to retire and the years of service you have accumulated will determine if your pension will be subject to a reduction or not.

Unreduced pension

If you wish to have an unreduced pension you must work until you have 32 years of pensionable service OR work until the age of 62.

Reduced pension

You are eligible to start drawing your PSPP pension as early as age 55 but it will be subject to an early retirement reduction unless you have 32 years of pensionable service.

Your retirement date can have an effect on the amount of pension you receive, as outlined on this page. Please review <https://www.peipspp.ca/active-members/pre-retirement-considerations>.

2. Why is there an application to apply?

The application centralizes the process, this allows us to capture and maintain a record of who is applying for the program so applications are reviewed consistently.

3. Why is there a deadline to apply?

There is a deadline to apply to help us identify who will be participating in the Program for 2023. This will assist with planning process to ensure we are actively recruiting into key areas where retirements will occur. An Employee's planned retirement date could occur at any time in 2023 after the application is opened.

4. When does my Program Term for the Retirement Incentive begin?

The Program Term for the Retirement Incentive would begin on the Employee's planned retirement date. For example, if the Employee's planned retirement date was December 1, 2023 and they agreed to a six (6) month Return in Service Agreement, their Program Term would begin on December 1, 2023 and end on June 1, 2024.

5. Can casual staff participate in the Retirement Incentive?

No, only permanent full and part time employees who are eligible to retire can participate in the Retirement Incentive.

6. What are the Program Terms for the Retirement Incentive?

The intention of the Program is to retain those employees past their planned retirement date, to participate in the Program employees must agree to a six (6) month or one (1) year Return In Service Agreement.

7. What happens at the end of the Program Term?

At the end of the Program Term, the Employee retires.

8. What is included in the hours used to calculate the proration of the retirement incentive?

The calculation of incentive hours will include time worked plus paid time off from the utilization of paid banks (ie. Sick, Vacation etc..).

9. How is the Retirement Incentive calculated?

The incentive is prorated to a maximum of 975 hours for six (6) month and 1950 hours for one (1) year Program Terms. For example, an employee who signed up, was eligible for the Program worked 975 hours during a six (6) month Program Term, they could receive up to 100% of the incentive. In this case, it would be $100\% \times \$2500 = \2500 .

10. When will the incentive be paid?

Upon the Employee's retirement the incentive will be paid on or prior to their last pay with Health PEI.

11. Why is the payment made at the end of the Program?

Advance payments could put Employees into an overpayment situation if they are unable to meet the terms of the agreement. If this were to occur, Employees would be required to repay a portion or the full amount received. Payments at the end of the Program eliminates this possibility.

12. Am I eligible for the program if I am on a leave of absence?

Yes, however the Employee is required to sign up for the program prior to the application deadline. Applications will be vetted for eligibility. Incentive payments can only be made when the Employee has actively returned to work or on their final pay. Payments will be prorated based on the Employee's hours worked within the Program Term.

13. If the Employee goes on a leave of absence during the program term what happens?

The Employee would still be eligible to participate in the program. Incentive payments can only be made when the Employee has actively returned to work or on their final pay. Incentive amount is prorated to hours worked within the Program Term.

14. Are Employees still eligible for a Retirement Incentive under this Program if they voluntarily leave employment with Health PEI or if their employment is terminated for just cause prior to the end of the Term?

No, Employees would not be eligible for a payment under this Program. The exception to this is when an Employee is faced with extenuating circumstances or hardship and cannot reasonably complete the agreed upon return in service agreement. Employees who are faced with extenuating circumstances and are unable to complete their Program Term are required to contact their Human Resources Coordinator. Employees who are faced with extenuating circumstances, receive approval from the Employer to be released from their Return In Service Agreement, and have completed at least six (6) months of their Program Term would receive a prorated incentive amount based on their hours worked in the associated Program Term.

15. What is an extenuating circumstance?

Extenuating circumstances occur when an Employee faces a hardship and would not be able to reasonably complete their Program Term under this incentive.

16. What happens if the Employee takes another job within Health PEI during the Program Term of the retirement Incentive?

Movement is permitted providing the Employee accepts a position in UPSE, PEINU, CUPE or IUOE bargaining units.

17. What happens if the Employee holds two positions in Health PEI and is participating in the Retirement Program?

The calculation of Retention Incentive payments will be prorated based on hours worked in the UPSE, CUPE, IUOE, and PEINU bargaining units only. Therefore, the Employee would be able to use hours worked in any of those bargaining units towards the calculation of their Retirement Incentive.