

2024-2025

# YOUR TRAF PENSION

SEMINAR



TEACHERS' RETIREMENT ALLOWANCES FUND

SERVING TEACHERS PAST • PRESENT • FUTURE



Welcome to the Teachers' Retirement Allowances Fund's *Your TRAF Pension* seminar. We thank The Manitoba Teachers' Society for organizing this seminar and providing us with an opportunity to meet with you today. The goal of this seminar is to acquaint you with basic information about your TRAF pension plan that will help you make informed retirement decisions throughout your career.

Visit [traf.mb.ca](http://traf.mb.ca) for regular updates and to review important information and resources. Members are encouraged to register for Online Services. Registration is required prior to submitting your pension application, so register as early in your career as possible to take advantage of the many available tools and information that can assist you with your retirement planning.

Your Online Services account allows you to:

- View your annual statements.
- Review important correspondence.
- Watch digital presentations, including ones on the topic of *Preparing for Your Retirement* or *Maximizing Your Pension*.
- Try the pension estimator.
- Share documents with TRAF through our secure online platform.
- Update your beneficiary designation.
- Manage certain service purchases.
- Keep your account profile updated so correspondence continues to reach you.

Please feel free to contact us by phone or email if you have any questions about this seminar or would like to discuss your pension. Our regular business hours are 8 a.m. to 5 p.m. Monday through Friday, and generally one Saturday a month during the school year. In July and August, our hours are 8 a.m. to 4 p.m.

This seminar is designed for TRAF members of all ages. However, if you are planning to retire within the next year, we also encourage you to attend a *Preparing for Your Retirement* seminar and to contact our office to set up a time to discuss your personal situation with one of our Member Services Specialists.

We look forward to assisting you with your pension questions throughout your career.

**SERVING TEACHERS**  
**PAST • PRESENT • FUTURE**



# Your TRAF Pension

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2024 – 2025

## Agenda

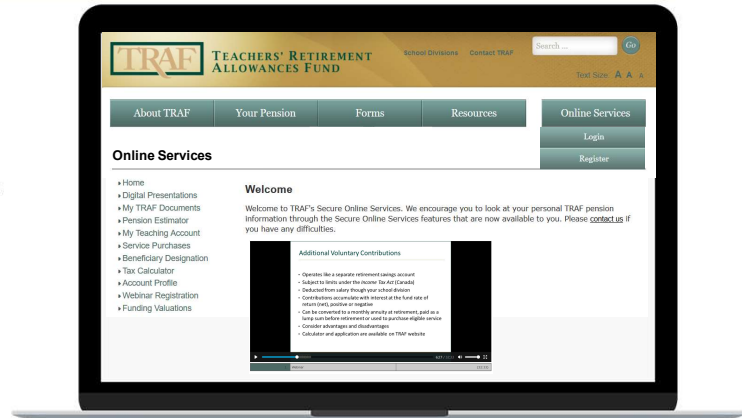
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- The benefits of registering for Online Services
- TRAF plan basics
- Maximizing your pension
- Key life events

## The benefits of registering for Online Services

### Key features include:

- Annual statements
- Pension estimator
- Share documents with TRAF
- Apply for pension online
- Tax calculator
- Beneficiary designation(s)
- Digital presentations
- Pension details and T4A (after retirement)



Watch the digital presentation on  
"Your TRAF Pension"

## TRAF Plan Basics

## Required contributions

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- All eligible full-time, part-time, term and, in certain cases, substitute teachers must contribute to TRAF

### TRAF contributions based on annual salary of \$70,000

|  |                |   |       |   |                    |
|--|----------------|---|-------|---|--------------------|
| Earnings up to YMPE*                   | \$68,500       | x | 8.8%  | = | \$ 6,028.00        |
| Earnings over YMPE*                    | <u>\$1,500</u> | x | 10.4% | = | <u>\$ 156.00</u>   |
| Total Earnings                         | \$70,000       |   |       |   |                    |
| <b>Total annual TRAF contributions</b> |                |   |       | = | <b>\$ 6,184.00</b> |

\* YMPE is the year's maximum pensionable earnings under the Canada Pension Plan.

## Required contributions

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- Contributions are deducted from pensionable earnings based on the number of pensionable days in a month and, therefore, fluctuate
- Contributions are not deducted in July and August if you have no pensionable days in these months

## Additional voluntary contributions (AVCs)

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- Operates like a separate retirement savings account
- Subject to maximum limits under the *Income Tax Act* (Canada)
- Deducted from salary through your school division
- Contributions accumulate with interest at the fund rate of return (net), positive or negative
- Can be converted to a monthly annuity at retirement, paid as a lump sum before retirement or used to purchase eligible service
- Consider advantages and disadvantages
- Calculator and application are available at [traf.mb.ca](http://traf.mb.ca)



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## Calculating your pension

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- TRAF is a defined benefit pension plan, which means your pension is based on:
  - Average pensionable salary
  - Years of pensionable service
- The pension is not determined by your contributions and investment income



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## Pensionable salary

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- Salary rate (full-time equivalent)
  - Includes administrative allowances
  - Excludes pre-tax benefits, car allowance, summer or night school earnings
  - Includes “deemed” salary while receiving disability benefits
- Average salary is based on the best five<sup>1</sup> years of salaries in the last 12 years prior to retirement

<sup>1</sup> Best seven years for service prior to July 1980. This can be converted to the best five-year average to increase your pension. Contact TRAF for more information.



## Pensionable service

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Pensionable service is credited for actual days worked.

### Service that counts

- Employment covered by TRAF. For example:
  - Teachers, clinicians, principals and superintendents
  - The Faculty of Education at a Manitoba university
  - The Manitoba Department of Education
  - The Manitoba Teachers’ Society (MTS)
  - Manitoba School Boards Association (MSBA)
- Personal business days with full or partial pay, or while receiving disability benefits
- **Purchased service**
- **Transferred service**

### Service that does not count

- Deferred salary leave
- Unpaid personal and sick leaves
- Leaves not provided for under *The Teachers’ Pensions Act*



## Eligibility

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- Depends on a number of variables:
  - The date your contract is terminated with your employer
  - Age
  - Qualifying service

## Pensionable vs. qualifying service

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### **Pensionable service**

- The actual time spent working (full time, part time, under a term contract, and substitute service for which you made contributions) or in receipt of certain group disability benefits
- Determines the amount of your pension before adjustments for early retirement or plan option

### **Qualifying service**

- Service as a TRAF member credited to the end of the last month in which there is pensionable service
- Determines entitlement to a reduced or unreduced pension and any applicable early retirement penalty (ERP) and offsetting bridging benefit



## Eligibility

- Normal retirement – age 65
  - Unreduced pension (no minimum qualifying service requirement)
- Early retirement – age 55 to 65
  - Less than 10 qualifying years – actuarially reduced
  - 10 or more qualifying years – may be subject to a lifetime ERP (if pension starts before age 60 and age and qualifying service total less than 80), plus offsetting bridging benefit, payable to the earlier of age 65 or death
- Postponed retirement – after age 65
  - Unreduced pension (no minimum qualifying service requirement)
  - Pension must start no later than the end of year member turns age 71

### July 2024 statistics

Average retirement age: **59.5**

Approximately **20.7%** retired at age 55

Approximately **39%** retired at age 60 or older

Average monthly gross pension: **\$3,423**

Average pensionable service: **25.5 years**



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## Automatic pension commencement

### If you are at least 65 and have at least 15 years of qualifying service:

- Your pension will start automatically once both conditions are met
- No requirement to terminate your contract from your employer
- Contributions cease (and are no longer allowed)
- Pensionable service accrual ceases
- Not subject to teaching after retirement rules

### Unless you elect to continue contributing past age 65<sup>1</sup>, then:

- Contributions continue to be deducted from your salary
- Pensionable service continues to accrue
- Can start pension any time after age 65 without terminating your contract
- Pension paid is the greater of the accrued pension or the actuarial equivalent of the age 65 pension

<sup>1</sup> Mandatory election form required.



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## Pension formula examples

- Assume a member:
  - Retired in June 2024
  - With 28 years of qualifying service
  - With 28 years of pensionable service
  - With a five-year average pensionable salary of \$95,000
- Based on the pension formula, the monthly base pension for this member would be \$3,548<sup>1</sup> (\$42,582 per year)
- The following examples show the impact of a change in average salary and pensionable service

<sup>1</sup> Reductions for relationship breakdown, early retirement and offsetting bridging benefit, if applicable, are applied at this stage; all plan options are calculated as a percentage of the base pension (Plan A).



## Pension formula examples

### Impact of higher average salary

| Pensionable Service | 5-Year Average Salary | Monthly Base Pension |
|---------------------|-----------------------|----------------------|
| 28 years            | \$95,000              | \$3,548              |
| 28 years            | \$97,000              | \$3,641              |
| Increase in pension |                       | \$93                 |

- Qualifying service would be 28 years



## Pension formula examples

### Impact of additional years of pensionable service

| Pensionable Service | 5-Year Average Salary | Monthly Base Pension |
|---------------------|-----------------------|----------------------|
| 28 years            | \$95,000              | \$3,548              |
| 30 years            | \$95,000              | \$3,802              |
| Change in pension   |                       | \$254                |

- Qualifying service would be 28 and 30 years, respectively



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## Pension formula examples

### Impact of working part time (example at 50%)

| Pensionable Service      | 5-Year Average Salary | Monthly Base Pension |
|--------------------------|-----------------------|----------------------|
| 28 years (full time)     | \$95,000              | \$3,548              |
| 14 years (50% part time) | \$95,000              | \$1,774              |
| Difference in pension    |                       | \$1,774              |

- A full-time equivalent salary is used to determine the pension for a part-time member
- This member will have 28 years of qualifying service for eligibility purposes (not 14 years)
- This member accumulates half of the pensionable service of a full-time member
- This member will be paid half the pension of a full-time member



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# Maximizing Your Pension

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(Through service purchases and transfers)

Watch the “Maximizing Your Pension” digital presentation in your Online Services account to learn more



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## Types of service purchases

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- Maternity/Parental/Adoption leave
- Substitute teaching service
- Educational leave
- Reinstatement of refunded service
- Other eligible past service



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## Service purchases

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- Visit [traf.mb.ca](http://traf.mb.ca) to apply online
- Complete an application for cost information and an estimate of the increase to your pension
- Payments including interest (if applicable) can be made by:
  - RRSP transfer (in most instances)
  - Cheque (may be tax deductible)
  - Transfer of your additional voluntary contributions, if applicable
- **Don't delay:** Consider these options early in your career

## Service transfers

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- Combines service from pension plans for which TRAF has a reciprocal agreement (includes provincial teacher plans and certain other plans)
- Complete a Service Transfer Application available at [traf.mb.ca](http://traf.mb.ca) and forward a copy to both pension plans
- **Don't delay:** Service transfers generally take up to one year to complete

**Note:**

If you transfer your TRAF service to another plan, return to TRAF and then request a service transfer back to TRAF, you may not receive full credit for your original TRAF service.

# Key Life Events

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## Relationship breakdown

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- Spouse/partner entitled to a portion of the commuted value earned between the date the relationship started and the date of separation<sup>1</sup>
- Date of separation will determine the amount that may be divided and the options available:
  - **Before October 1, 2021:** Options are to divide 50%, trade net difference or not divide.
  - **On or after October 1, 2021,** there is more flexibility: Options are to divide up to 50% or not divide.
- Relationship breakdown can also affect your pension after retirement
- Contact TRAF promptly to ensure matter is settled

<sup>1</sup> Generally applies if you separated from your married spouse on or after January 1, 1984 or from your common-law partner on or after June 30, 2004. May also apply to other situations. Contact TRAF for details.



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## Death

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### Before pension starts

- Spouse/partner may waive entitlement
- Designate your beneficiary(ies) through Online Services
- Check your annual statement

### After pension starts

- Based on plan option selected at retirement



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## Keep your contact information up to date

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- Log in to your Online Services account periodically to ensure your Account Profile and contact information is up to date
- A current email address ensures you continue to receive email correspondence from TRAF, such as notification that your annual statement or *The Link* newsletter is available
- Current contact information will be required for the electronic deposit of pension payments



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## Contact us

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TEACHERS' RETIREMENT  
ALLOWANCES FUND

**Website:** [www.traf.mb.ca](http://www.traf.mb.ca)

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

**Phone:** 204-949-0048

**Toll-free:** 800-782-0714

**Fax:** 204-944-0361

**Johnston Terminal**

**330 – 25 Forks Market Road**

**Winnipeg, Manitoba**

**R3C 4S8**

*Visit [traf.mb.ca](http://traf.mb.ca) for updates regarding business hours,  
and available Saturdays to schedule an appointment.*





# ADDITIONAL VOLUNTARY CONTRIBUTIONS

## INTRODUCTION

As a contributing member, you may choose to make tax-deductible additional voluntary contributions (AVCs), which are deducted by your employer from your salary. These contributions do not provide you with additional service but are rather like a separate retirement savings account, subject to certain limits.

AVCs accumulate with interest at TRAF's rate of return (which may be positive or negative). The balance in the account can be:

- Converted to an annuity at retirement (not eligible for cost of living adjustments) that supplements your TRAF pension,
- Used to purchase eligible service such as substitute service or educational leaves, or
- Withdrawn as a lump sum in cash, less withholding taxes, or transferred on a tax-deferred basis to your RRSP any time before you retire.

AVCs cannot remain in the plan once your pension benefit has been paid.

## WHAT ARE THE LIMITS?

You can make AVCs to TRAF up to the lesser of:

- 18% of your salary, or
- The Money Purchase Limit as prescribed by the *Income Tax Act*

less your pension adjustment (before AVC contribution).

Making AVCs this year will reduce your allowable RRSP contribution room next year by the same amount.

## WHY SHOULD I MAKE ADDITIONAL VOLUNTARY CONTRIBUTIONS?

Planning for your retirement is a very personal matter. AVCs are one option for increasing your retirement income.

## ADVANTAGES

- You can take advantage of TRAF's comprehensive investment program and low administrative costs.
- You participate in TRAF's investment opportunities.
- Contributions are made through payroll deduction by your employer.
- You can increase your retirement income on a tax-effective basis.

## DISADVANTAGES

(COMPARED TO AN RRSP CONTRIBUTION)

- TRAF's investment strategy is focused on the long-term funding objectives of the pension plan and may not be consistent with your investment objectives and risk tolerance.
- With an RRSP contribution, you can tailor your investments to meet your personal investment objectives and risk tolerance, particularly as you near retirement.
- RRSP contributions are available for other uses such as the Home Buyers' Plan and Lifelong Learning Plan.

## HOW DO I MAKE ADDITIONAL VOLUNTARY CONTRIBUTIONS?

AVCs are deducted from your salary up to the permitted limits under the *Income Tax Act*. You may increase, decrease or stop your payroll deduction at any time.

You will need to use the Additional Voluntary Contribution Calculator to:

- Determine the amount you can contribute, and apply to have AVCs deducted from your pay. The application form is part of the calculator.
- To apply, you must complete the application contained in the Additional Voluntary Contribution Calculator, and print, sign and submit one copy of this form to your employer's payroll office and one signed copy to TRAF.

You must reapply each calendar year. You should also review your AVC deductions during the year if you have a significant change in earnings to ensure you do not overcontribute.

The Additional Voluntary Contribution Calculator and application form are accessible on our website.

## FOR MORE INFORMATION

- Register for [Online Services](#) to access your personal account.
- Log in to your Online Services account to watch the digital presentation on Making Additional Voluntary Contributions.
- Consult with a professional advisor to determine if making AVCs is right for you.
- Log in to your Online Services account to view your annual statement. If you have made AVCs, they will be shown under the Contributions & Interest section of your statement.

# ONLINE SERVICES

## INTRODUCTION

Online Services is quick, secure and easy to use. Once registration has been processed, simply log in to your Online Services account to access your personal TRAF pension information and the features noted below.

Register at [traf.mb.ca](http://traf.mb.ca) to join the thousands of members who are experiencing the benefits of Online Services.

## FEATURES FOR ACTIVE AND DEFERRED PLAN MEMBERS

Deferred plan members are former members who no longer contribute to the plan but still have contributions remaining in the plan.

- **Annual statements** – View current and past statements that include projected gross monthly pension estimates at age 55, 60 and 65, your termination benefit and pre-retirement survivor's benefit.
- **Pension estimator** – Active members only: Experiment with a variety of pension variables such as planned retirement age or date, salary and other factors to instantly see what your monthly pension amount might be if you retire between the ages of 55 and 65. You can also view amounts if you are considering integrating with CPP and/or OAS.
- **Apply for pension** – Complete your pension application online up to one year in advance. You must be registered for Online Services in order to apply for your pension. Your application must be printed, signed and uploaded using "Share Documents."
- **Share documents** – Easily share documents with us, including your pension application and other supporting documents, on our secure online platform.
- **Digital presentations** – Learn about your pension plan by reviewing recordings of digital presentations on various topics.
- **Beneficiary designation** – Designate or update your beneficiary.
- **Tax calculator** – See how much tax will be deducted from your pension whether you reside in Manitoba or in another province.
- **Newsletters and communications** – Receive news and updates from TRAF.
- **Teaching account** – View your yearly salary, service and contributions as well as purchase and transfer records.
- **Contact information update** – Keep your information updated to ensure important correspondence continues to reach you.

## FEATURES FOR RETIRED MEMBERS

- **Pension correspondence** – View documents such as your T4A and pension change notices, which are issued whenever there is a change to the amount of your pension payment.
- **Pension account** – Review your personal information, such as your selected plan option and pension history including gross amounts, deductions and your net deposits, as well as your current tax credits and accumulated cost of living adjustments (COLA).
- **Share documents** – Easily share documents with us by uploading them to our secure online platform.
- **Tax calculator** – Determine how much tax TRAF is required to withhold from your gross monthly pension.

CONTINUES ON NEXT PAGE >

- **Newsletters and communications** – Receive periodic updates from TRAF by email, including notification that *The Horizon* newsletter is available.
- **Teaching account** – View the history of your yearly salary, service and contributions as well as purchase and transfer records.
- **Contact information update** – TRAF must have your current mailing address, email and phone number in order for you to receive electronic deposit of your pension payments.

## HOW TO REGISTER

1. Visit TRAF's website at [traf.mb.ca](http://traf.mb.ca) and click the "**Online Services**" button. Then, click the "**Register**" button.
2. Complete the steps and click "**Submit**" to finish your registration. It will be processed within two business days.
3. Once your registration has been processed, you will receive an email from TRAF that includes your user ID. The user ID is unique to you and cannot be changed. Save this user ID for your records, as it will be required to access Online Services.

## LOGGING IN FOR THE FIRST TIME

1. Once you've received your user ID, visit TRAF's website at [traf.mb.ca](http://traf.mb.ca) and click the "**Online Services**" button. Then, click the "**Log In**" button.
2. Enter your user ID *and* password and click "**Log In.**"
3. A pop-up window will appear outlining three steps:
  - Verify your email address.
  - Set a new password.
  - Set up email for multi-factor authentication (MFA).Click "**Continue.**"
4. Verify your email address. An email will be sent to you. Open your email and copy the verification code you have received. Enter that code into the space provided. Your email address is now verified.
5. Set up a new password that follows the guidelines outlined on your screen. Click "**Confirm.**"
6. Review and accept the Terms and Conditions.
7. Set up email as your MFA method. A new email will be sent to you. Open your email and copy the new verification code you have received. Enter that code into the space provided. Your email address is now set up as your MFA method.

In addition to entering your user ID and password, you will now be asked to verify your identity through email each time you log in to Online Services for an added layer of security.

## OPTIONAL STEP

At any time, you can choose to change your MFA method.

1. Once logged in to Online Services, click "**Account Profile**" and choose the "**Multi-factor Authentication**" tab.
2. Choose one of the four options:
  - Email me.
  - Text me.
  - Call me.
  - Use my authenticator app.
3. Follow the instructions to set up a different method.

Now, each time you log in to Online Services, you will enter your user ID and password and then verify your identity through your preferred method.

If you require assistance, contact us and our Online Services support team will walk you through this process.

# SHARE DOCUMENTS WITH TRAF

## INTRODUCTION

You can easily share certain important documents with TRAF. Here's how:

All files are completely secure and can only be accessed by you and TRAF.

## STEP 1: REGISTER FOR OR LOG IN TO ONLINE SERVICES

Visit [traf.mb.ca](http://traf.mb.ca) and click the "Online Services" button. Log in using your user ID and password. Or register now for access to share documents.

## STEP 2: CLICK "SHARE DOCUMENTS"

After registering and logging in, you will have access to a page called "Share Documents." Find it in the menu on the left-hand side of your screen.

We can accept PDF, PNG, JPG and JPEG files. This could include scanned images or photos taken with a camera, phone or other device.

## STEP 3: UPLOAD YOUR FILE

Click "Browse" to find the file on your computer. Add a description and then click the "Share file with TRAF" button.

You will receive an email when your file is uploaded. Please call or email us if you have any questions.

## TIPS TO ENSURE YOUR DOCUMENT GETS ACCEPTED

- Understand your document's requirements.
- Ensure all sections of the document are complete and, if required, signed and dated.
- Only share documents that have clear, legible print.
- If attaching photos of documents, ensure it is a high-quality, readable and well-lit image.
- Ensure all four corners are visible in the picture.

This is not a legally binding document. It does not in any way alter the pension plan terms as established by *The Teachers' Pensions Act* and other applicable legislation. TRAF will administer the pension plan based on the applicable law, facts and policies in effect at the time it makes any particular decision. Decisions are subject to appeal under TRAF's *Member Appeal Policy* which is available at [traf.mb.ca](http://traf.mb.ca).



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