

# How Pension Benefits Have Evolved

YEAR	EVENT
1917	<ul style="list-style-type: none"> <li>• Pension plan created for Ontario teachers.</li> <li>• Forty years of service required to qualify for maximum annual pension of \$1,000.</li> <li>• Pension formula: 1.67% X years of credit X career-average salary.</li> <li>• No death benefits and no refund of contributions for teachers who leave before retirement age.</li> </ul>
1924	<ul style="list-style-type: none"> <li>• Refund of contributions, without interest, if member leaves before retirement after 5 years' service.</li> </ul>
1927	<ul style="list-style-type: none"> <li>• Maximum annual pension increased to \$1,250 after 39 years of service.</li> </ul>
1928	<ul style="list-style-type: none"> <li>• Unreduced pension available after 40 years' service, reduced pension available after 30 years and disability pension after 15 years.</li> </ul>
1933	<ul style="list-style-type: none"> <li>• Maximum annual pension increases to \$1,250 or 60% of average salary, whichever is less.</li> </ul>
1945	<ul style="list-style-type: none"> <li>• Unreduced pension available after 36 years of credit and age 65 for males; 36 years of credit and age 62 for females.</li> <li>• Maximum annual pension increases to \$1,500.</li> </ul>
1949	<ul style="list-style-type: none"> <li>• Unreduced pension available at age 62 with 35 years' credit or at any age with 40 years of credit.</li> <li>• Maximum annual pension doubles to \$3,000.</li> <li>• Pension formula: 2% X years of credit X last 15 years' average salary.</li> <li>• Reduced pension available at age 62 with 25 years' credit or at any age with 30 years' credit.</li> <li>• Survivor pension, equaling 50% of member's pension introduced, but many conditions apply. Husbands and children of female teachers only qualify for this benefit if they are fully dependent.</li> </ul>
1953	<ul style="list-style-type: none"> <li>• Elimination of \$3,000 cap on annual pension.</li> <li>• No minimum credit required to obtain a refund of contributions if the member leaves the plan before retirement.</li> </ul>
1954	<ul style="list-style-type: none"> <li>• Pensions based on last 10 years' average salary.</li> </ul>
1961	<ul style="list-style-type: none"> <li>• Contributions returned with interest if member has at least 15 years' credit and is forced into retirement before becoming eligible for a pension.</li> </ul>

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1965	<ul style="list-style-type: none"> <li>Reduced pension available after age 55 with at least 10 years of credit.</li> </ul>
1966	<ul style="list-style-type: none"> <li>Contributions and benefits are integrated with newly established Canada Pension Plan.</li> <li>Disability pensions available after 10 years' credit.</li> <li>Survivor pensions available after 10 years' credit.</li> <li>Pensions based on best seven years' salary.</li> </ul>
1971	<ul style="list-style-type: none"> <li>90 factor introduced, enabling teachers to retire when their age + years of credit = 90.</li> <li>CPP reduction applies at age 65 to all pensions.</li> <li>Survivor pensions introduced for widowers of female members, not just those who are fully dependent.</li> <li>Possible to receive both a survivor pension and a retirement pension.</li> </ul>
1976	<ul style="list-style-type: none"> <li>Inflation protection added.</li> <li>No reduction to survivor pensions where spouse is more than 10 years younger than the member.</li> <li>Survivor pensions that are terminated on remarriage are now reinstated on the death of the new spouse or upon divorce.</li> </ul>
1984	<ul style="list-style-type: none"> <li>Credit and salaries are now annualized. Any days worked during a school year count as a qualifying year for determining pension eligibility.</li> <li>Pensions are based on best-5 years' average salary.</li> <li>CPP reduction is lowered, allowing teachers to keep more of their pension after age 65.</li> <li>Survivor pensions are no longer terminated on remarriage.</li> <li>Survivor pensions extended to common-law spouses.</li> </ul>
1986	<ul style="list-style-type: none"> <li>Early retirement window opened between May 31, 1986, and Sept. 1, 1989. Provides unreduced pensions to members who retire after age 55 with at least 10 years' credit.</li> </ul>
1987	<ul style="list-style-type: none"> <li>Unreduced pension extended to members who retire with at least 35 qualifying years between May 31, 1987, and Sept. 1, 1990.</li> </ul>
1988	<ul style="list-style-type: none"> <li>Reduced pensions available after age 55 to members with at least two qualifying years after 1986.</li> <li>Post-1986 portion of pre-retirement death benefit becomes commuted value of pension credit earned after 1986.</li> </ul>
1990	<ul style="list-style-type: none"> <li>More than 20 days of work during school year count as a qualifying year for determining pension eligibility.</li> <li>50% survivor pension provided automatically to spouse at inception of pension at no cost to member.</li> </ul>
1997	<ul style="list-style-type: none"> <li>Early retirement reduction for immediate reduced pensions is 2.5% for each point below the 90 factor.</li> <li>More than 10 days of work during school year count as a qualifying year for determining pension eligibility.</li> <li>CPP reduction factor lowered to 0.68% from 0.7%.</li> </ul>

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1998	<ul style="list-style-type: none"> <li>• 85 factor introduced as a temporary benefit, enabling teachers to retire when their age + qualifying years = 85.</li> <li>• CPP reduction factor lowered to 0.6% from 0.68%.</li> <li>• Survivor pensions provided to same-sex partners.</li> </ul>
2000	<ul style="list-style-type: none"> <li>• Early pension payout available if member faces shortened life expectancy.</li> </ul>
2001	<ul style="list-style-type: none"> <li>• 85 factor made permanent feature of pension plan, enabling teachers to retire when their age + qualifying years = 85.</li> <li>• CPP reduction factor is lowered to 0.45% from 0.6% and reduction is based on 5-year average of CPP earnings ceiling. Change allows teachers to keep more of their pension after age 65.</li> <li>• Retirees' pensions recalculated to approximate best-5 years' average salary, from best-7 or 10 years.</li> <li>• 10-year pension guarantee introduced.</li> <li>• Reduced retirement pensions available at age 50.</li> <li>• Members on long-term disability build bigger pensions and have contributions waived.</li> </ul>
2008	<ul style="list-style-type: none"> <li>• Conditional inflation protection introduced. Annual inflation increases for the portion of credit earned after 2009 can range from 50% to 100% of the annual cost-of-living increase, depending on plan's funded status.</li> </ul>
2012	<ul style="list-style-type: none"> <li>• All pension benefits earned by members who terminate employment on or after July 1, 2012 now immediately vested and locked-in.</li> <li>• From September 1, 2012 onwards, the re-employment limit for pensioners became 50 days per school year throughout retirement.</li> <li>• A new schedule of special contributions at the rate of 1.1% of pensionable earnings was introduced to be phased in over three years.</li> </ul>
2013	<ul style="list-style-type: none"> <li>• Inflation protection for pension credit earned after 2013 is made conditional on the pension plan's funded status and can range from zero to 100% of the increase in the Consumer Price Index (CPI).</li> </ul>
2014	<ul style="list-style-type: none"> <li>• Where the monthly amount of a spousal survivor pension falls below the regulatory threshold (i.e. the small benefit test), survivors receive a commuted value lump-sum payment.</li> <li>• Contributions for employer approved absences of five or fewer consecutive school days becomes mandatory.</li> </ul>
2015	<ul style="list-style-type: none"> <li>• Re-employment limits amended so that non-teaching employment with the Ministry of Education would only apply to members who began a retirement pension after September 1, 2010.</li> </ul>
2016	<ul style="list-style-type: none"> <li>• Post-retirement spousal waiver permitted in specific circumstances.</li> <li>• Election to increase a spousal survivor pension no longer requires a medical exam.</li> </ul>

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2017	<ul style="list-style-type: none"> <li>• Retroactive Pension Payments were permitted by introducing a deemed application for members who ceased employment in education and reached an unreduced pension start date.</li> <li>• Early Retirement Reduction of 2.5% applies to eligible members regardless if they defer their pension.</li> </ul>
2018	<ul style="list-style-type: none"> <li>• Extra 1.1% contribution rate removed effective January 1, 2018. Contribution rates return to the base rates of 10.4% of earnings up to the YMPE and 12% of earnings over the YMPE.</li> </ul>
2020	<ul style="list-style-type: none"> <li>• A temporary increase of the 50-day re-employment limit to 95 days is permitted for certain types of work during the 2020-2021 school year. This provision was subsequently extended to also apply to the 2021-2022 school year and extended again to apply to the 2022-2023 school year.</li> </ul>
2022	<ul style="list-style-type: none"> <li>• Effective September 1, 2022, a member can purchase credited service during a period of reduced workload for the purposes of childcare or disability, provided the period of reduced work ended on or after September 1, 2017.</li> </ul>