THE SOONER YOU JOIN

/ WORKING PART-TIME

Information for part-time or casual employees thinking of joining HOOPP

HOOPP
Healthcare of Ontario Pension Plan

CONTENTS

If you're a part-time or casual employee working for an employer that offers the Healthcare of Ontario Pension Plan (HOOPP) and are interested in building a secure pension benefit, this booklet is for you. If you are a contract employee, you may be eligible to join the Plan. Ask your human resources department for more information.

INTRODUCTION

This booklet provides you with an overview of the main features of HOOPP – and the important role it can play in planning for your retirement.

WHAT IS A DEFINED BENEFIT PENSION PLAN?

HOOPP is a defined benefit (DB) pension plan. A DB pension plan pays you a monthly income that begins at retirement and is payable for your lifetime. The amount of your pension is based on a formula that takes into account your earnings and the number of years you've been contributing to the Plan.

With payments made throughout your lifetime, your HOOPP pension can play an important role in contributing to your financial security in retirement.

WHAT THE TERMS MEAN

Some terms that we use in this booklet have specific meanings in the context of the Plan. We have put these terms in ***bold italics*** the first time they appear in the booklet and provided a *Summary of Terms* at the back of the booklet. You'll also find a glossary at **hoopp.com**.

THE VALUE OF HOOPP

As a HOOPP member, you will never outlive your pension. It's paid to you for life and provides a very cost-effective and efficient approach to saving for your retirement.

Your HOOPP pension is predictable. It's defined in advance so that you can easily estimate what you'll get each and every month in retirement – plus, you may benefit from annual cost of living adjustments (COLA).

EXAMPLES

Please note that all examples in this booklet are for illustrative purposes and should not be relied upon for decision-making purposes.

HOOPP: MORE FOR YOUR MONEY

When you retire, income will ideally come from three sources: HOOPP, government pensions and your personal savings. The following chart shows the difference between a HOOPP pension and saving on your own through a registered retirement savings plan (RRSP).

HOOPP	RRSPs
HOOPP's focus is on replacing pre-retirement income, not just on savings.	You are responsible for saving enough to provide yourself with adequate annual retirement income.
For every dollar you contribute, your employer currently contributes $1.26 to the HOOPP Fund.	Typically, no one but you contributes to your personal RRSP.
HOOPP's investment team manages the investments for the HOOPP Fund.	It's your responsibility to manage your money and make investment decisions.
Inflation protection and survivor benefits are some of the additional benefits of the Plan.	Additional benefits may not be provided, and when available, may be at a significant additional cost.
Your pension is paid for life and you can estimate ahead of time what it will be.	Income from RRSPs is dependent on various factors, such as how much you contribute and your investment returns. If you buy an annuity with your RRSP proceeds, the lifetime income it provides will depend on the interest rates that apply at the time of the annuity purchase. Therefore, you will not know ahead of time how much you will receive.

THE HOOPP PROMISE: RETIREMENT INCOME FOR LIFE

HOOPP is one of Canada's largest and most respected defined benefit pension plans. More importantly, it's one that we administer exclusively for members who work full- and part-time in Ontario's healthcare system. For over 50 years, we've been helping our members save and prepare for their retirement.

If you work part-time, you'll be pleased to know that you can build a lifetime pension with HOOPP. We currently have thousands of part-time employee members doing just that.

Here are some of the key benefits that you'll enjoy when you join HOOPP and begin making contributions.

- **Pension income for life:** When you retire, you are entitled to a monthly HOOPP pension and you receive it for life, so you won't outlive your HOOPP pension.
- **Your employer contributes too:** In addition to your own contributions, your employer invests in the HOOPP Fund, currently contributing $1.26 for every dollar you contribute.
- **Early retirement benefits:** You can receive a pension as early as age 55. A monthly bridge benefit is provided if you retire early and is payable until you turn 65, the age at which government pensions typically begin.
- **Inflation protection:** HOOPP may provide inflation protection through cost of living increases to your pension – a valuable benefit designed to limit inflation's impact over the long term. More details about HOOPP's inflation protection are available on **hoopp.com**.
- **Benefits for your spouse or beneficiary:** For your surviving ***qualifying spouse***, a monthly lifetime pension is provided equal to 60, 80 or 100% of your pension, depending on the choices you make at retirement. If you do not have a qualifying spouse at retirement, you will receive a life pension. Should you pass away before receiving 15 years of payments, your pension – not including any bridge benefits – will be paid to your non-spouse ***beneficiary*** for the remainder of the 15-year period.

- **Disability benefits:** HOOPP provides two disability benefits – free accrual, where you may continue to build ***contributory service*** under the Plan if you are off work due to disability, or a disability pension, where you may receive monthly pension income from the Plan. The extent of your disability determines which of these two benefits you may qualify for. For more detailed information on disability benefits, please read the booklet *Here for You: Disability Guide* available from your employer or at **hoopp.com**.
- **Ability to maintain your pension if you change jobs:** HOOPP is available at more than 390 Ontario healthcare employers. This means that if you change jobs in the future, you may not have to change pension plans and can continue to build HOOPP benefits with your new employer if they offer HOOPP.
- **Buying back past service:** You may have the opportunity to increase your pension through a ***buyback***. HOOPP allows you to buy back eligible periods of time in the past so that the service you purchase can count toward your HOOPP pension. When you buy back past service, you gain additional weeks of contributory service in the Plan, increasing your overall pension at retirement. The more years of contributory service you have, the larger your pension will be. For more detailed information on buying back service, please read the booklet *You Can Have More: Buying Back Service* available from your employer or at **hoopp.com**.

ARE YOU ELIGIBLE TO JOIN?

As a part-time employee working at a HOOPP employer, you can join the Plan right away if your employer waives the qualification requirement. Or you can join in the year following the calendar year in which you:

- work at least 700 hours, or
- earn at least 35% of the year's maximum pensionable earnings (*YMPE*), a figure set by the federal government for Canada Pension Plan contributions.

Note that if you work for more than one HOOPP employer, the hours and earnings at all employers can be used to meet the eligibility criteria.

The YMPE typically increases each year. To find the current YMPE, please visit **hoopp.com**.

Once you've become a member of HOOPP, your membership continues until you retire or terminate employment at all HOOPP employers. And if you work at more than one HOOPP employer, contributing at all of them will help you build an even bigger pension benefit each year.

HOW HOOPP WORKS FOR YOU

Here's an example, based on 2013 contribution rates, of how Yvonne's HOOPP pension can provide income and security in retirement:

Starts contributing at:	Earnings:	Years of contributory service:
Age 30	$30 x 30 hours per week	24 (retiring at age 60)

Annual pension at retirement: $22,260 plus bridge benefit of $485 per month payable until 65.

If Yvonne lives for 20 years in retirement, she'll have received a total of $474,300 in pension payments while contributing $101,500 over her career – a return on her investment of over 450%!*

The majority of every pension dollar received comes from investment returns; the rest comes from member and employer contributions. That's the benefit of both you and your employer contributing for your future – and the HOOPP pension promise of lifetime retirement income.

** Financial figures in all of the examples shown are based on annualized earnings and part-time hours worked and do not include any cost of living adjustments that may be provided.*

HOW MUCH YOU AND YOUR EMPLOYER CONTRIBUTE

The amount you contribute to HOOPP is based on how much you earn and the Plan's contribution rates.

The rates are set by HOOPP's Board of Trustees and are adjusted periodically based on the advice of actuaries who help to monitor the Plan's financial status. The current rates were set in 2004 and will remain the same until at least the end of 2014.

Your employer will calculate your contributions each pay period and deduct them directly from your pay. In 2013, you contribute:

- 6.9% of your ***annualized earnings*** up to the year's maximum pensionable earnings (YMPE), and
- 9.2% above the YMPE

As a part-time employee, your annualized earnings will be based on what you would earn if you worked full-time for the whole year.

In general, you contribute to HOOPP every payday on the pensionable earnings you receive from your HOOPP employer. In addition to your own contributions, your employer invests in the HOOPP Fund, currently contributing $1.26 for every dollar you contribute.

The following is a contribution example based on the rate for 2013:

Here's how much Sally, who works three days a week all year (FTE = 60%), contributes in 2013. Her contributions to HOOPP are based on her annualized earnings of $60,000*, pro-rated to reflect her contributory service, which will be 0.6 years in 2013. Her contributions are as follows:

Sally's contributions in 2013:

$51,100 x 6.9% x 60%
= $3,525.90 x 60%
= $2,115.54

$8,900 x 9.2% x 60%
= $818.80 x 60%
= $491.28

Total contributions in 2013:

= $2,115.54
+ $491.28
= $2,606.82

Sally contributes $2,606.82 to HOOPP and her employer contributes $3,284.59 on Sally's behalf.

** Sally's annualized earnings of $60,000 were $8,900 above the 2013 YMPE of $51,100.*

HOW YOUR PENSION IS CALCULATED

As a general rule, your HOOPP pension, plus payments you receive from government pensions will provide lifetime pension income equal to approximately 2% of your ***average annualized earnings*** for every year of contributory service.

Using this rough calculation, if you have 20 years of contributory service, you can expect to receive total pension income equal to about 40% of your average annualized earnings. This does not include any early retirement reductions.

Although you are working part-time, your average annualized earnings are based on a full-time equivalent salary. For example, if you consistently work half of a regular work week and have earnings of $30,000 per year, you would be credited with 0.5 years of contributory service, but would have annualized earnings of $60,000.

For each year or partial year of contributory service, your basic lifetime HOOPP pension will be:

- 1.5% of your average annualized earnings up to the ***average YMPE***, plus
- 2.0% of your average annualized earnings above the average YMPE

WHEN YOU CAN RETIRE

While the normal retirement age is 65, a HOOPP member can retire as early as age 60 without any reduction in the pension you have earned to date, or as early as age 55, usually with a reduction. The amount you receive in retirement is based on how long you have been a member of the Plan and your age at the time of retirement.

The reductions are designed to offset the fact that you are receiving a pension earlier and, therefore, are likely to collect it longer. Reductions are permanent and apply to any benefits that may be payable to your qualifying spouse or non-spouse beneficiaries after you pass away.

The table opposite shows early retirement pension amounts based on the combination of your age and completed years of ***eligibility service***.

Partial years do not count towards your early retirement pension calculation – you must complete a full year of eligibility service or pass a birthday to reach the next level.

You must terminate employment at all the HOOPP employers you work for before you can receive your HOOPP pension.

THE EARLY RETIREMENT TABLE

YEARS OF ELIGIBILITY SERVICE*	PERCENTAGE OF PENSION PAYABLE†					
	Age 55	Age 56	Age 57	Age 58	Age 59	Age 60+
14 or less	70%	76%	82%	88%	94%	100%
15	77.5%	82%	86.5%	91%	95.5%	100%
16	79%	83.2%	87.4%	91.6%	95.8%	100%
17	80.5%	84.4%	88.3%	92.2%	96.1%	100%
18	82%	85.6%	89.2%	92.8%	96.4%	100%
19	83.5%	86.8%	90.1%	93.4%	96.7%	100%
20	85%	88%	91%	94%	97%	100%
21	86.5%	89.2%	91.9%	94.6%	97.3%	100%
22	88%	90.4%	92.8%	95.2%	97.6%	100%
23	89.5%	91.6%	93.7%	95.8%	97.9%	100%
24	91%	92.8%	94.6%	96.4%	98.2%	100%
25	92.5%	94%	95.5%	97%	98.5%	100%
26	94%	95.2%	96.4%	97.6%	98.8%	100%
27	95.5%	96.4%	97.3%	98.2%	99.1%	100%
28	97%	97.6%	98.2%	98.8%	99.4%	100%
29	98.5%	98.8%	99.1%	99.4%	99.7%	100%
30+	100%	100%	100%	100%	100%	100%

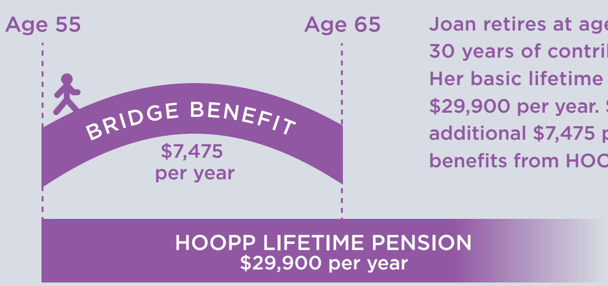
** Based on age at retirement*

† Completed year

If you retire while age 55 to 64, you'll receive a bridge benefit – a monthly payment that you'll receive until age 65, when government pensions typically begin.

If you receive CPP benefits before age 65, your bridge benefits are not affected. Until you reach 65, the bridge bumps up your pension to 2% of your average annualized earnings for each year of contributory service.

Another way of looking at it is this: the full bridge equals 0.5% of your average annualized earnings up to the average YMPE for each year of contributory service. Your bridge benefit will be reduced unless you have at least 30 years of eligibility service or are age 60 or older at the time of retirement.



Joan retires at age 60 and has 30 years of contributory service. Her basic lifetime pension is $29,900 per year. She will receive an additional $7,475 per year in bridge benefits from HOOPP until age 65.

NOTE: For simplicity, inflation has not been factored into this example.

RETIREMENT PENSION AFTER AGE 65

If you choose not to retire early and you work past age 65, you can continue to contribute to HOOPP and build your pension benefit until November of the year in which you turn 71. If you retire after age 65, your HOOPP pension will be increased to reflect the fact that you've worked past the normal retirement age of 65.

WE'RE HERE TO HELP

The following are ways you can get additional information from HOOPP about the Plan.

HOOPP ONLINE

HOOPP has an information-packed website that's always accessible at **hoopp.com**. In addition, you can access HOOPP Connect, our online member resource, via **hoopp.com**.

REGULAR COMMUNICATIONS

Beginning the year after you join HOOPP, you'll receive a HOOPP Annual Statement in the mail or online via HOOPP Connect's Secure Mailbox, depending on how you choose to receive it. This personalized statement provides details of your benefits under the Plan, as well as the estimated projected pension you can expect to receive from HOOPP if you stay in the Plan until you retire.

In addition, our member newsletter, *Your Plan at Work*, explains various Plan features. The newsletter is mailed to your home and posted on **hoopp.com**. You can sign up to receive it directly by email by visiting **hoopp.com**.

PRESENTATIONS AND SEMINARS

We regularly bring information right to your work location or desktop. Watch for posters and communications announcing HOOPP presentations, seminars and webcasts.

CLIENT SERVICE

More information about HOOPP and its features is available by calling a Client Service Representative at **416-646-6445** or toll-free in Canada or the U.S. at **1-877-43HOOPP (46677)**. Representatives can also be contacted by emailing **clientservices@hoopp.com**.

SUMMARY OF TERMS

The following are simplified explanations of the key terms used in this booklet. Exact definitions of most of the terms are provided in the *HOOPP Plan Text*, the official Plan document, which is available on **hoopp.com** or by contacting HOOPP.

Annualized earnings (AE):

These are earnings you are credited within a calendar year that count toward your HOOPP pension. If you work part-time or less than one full year, your annualized earnings will be based on what you would earn if you worked full-time for the whole year.

Average annualized earnings:

This is the highest average of your annualized earnings during any consecutive period(s) of five years of eligibility service before your HOOPP benefit is calculated. Benefits are calculated when you retire, terminate or pass away.

Average YMPE:

This is the average of the year's maximum pensionable earnings (YMPE) for the three years before your HOOPP benefit is calculated. Your benefit is calculated when you retire, terminate or pass away.

Beneficiary:

Under provincial pension legislation, your qualifying spouse is automatically your primary beneficiary. If you do not have a qualifying spouse, or if spousal benefits have been waived, you can name any person, persons, organization or your estate as your primary beneficiary.

Buyback:

HOOPP allows you to "buy back" eligible periods of time in the past, so that the service you purchase can count towards your HOOPP pension. Please see the *You Can Have More: Buying Back Service* booklet on **hoopp.com** for more information.

Contributory service:

This is the length of time, measured in years and part years that you have contributed to HOOPP. It includes any past service you buy, service transferred into HOOPP or service that may be credited should you be disabled.

Eligibility service:

Service used to determine the reduction applied to your pension if you decide to take early retirement and is based on your years of membership in the Plan, plus any service purchased or transferred into the Plan, minus any non-contributory leave periods or periods during which you were not employed by a HOOPP employer.

Qualifying spouse:

Your qualifying spouse is defined as someone who, when the determination is needed:

- is legally married to you, but not separated from you
- has been living with you continuously in a conjugal relationship for at least a year
- is the mother or father (natural or adoptive) of your child and lives with you in a relationship of some permanence

YMPE:

The year's maximum pensionable earnings (YMPE) is set each year by the federal government, based on the average wage in Canada. To find the current YMPE, please visit **hoopp.com**.

YOUR NOTES:

This booklet contains summary information only. You should not rely solely on the information in this booklet to make decisions about your pension. You can find more detailed information about the Plan in the *HOOPP Plan Text*, the official Plan document, which is available on **hoopp.com**. In cases where the information provided in this booklet, by an employer or by any other source differs from that contained in the *HOOPP Plan Text*, the *HOOPP Plan Text* will govern.

Copies of HOOPP member booklets are available at **hoopp.com**.

Pour obtenir la version française du présent livret, veuillez communiquer avec le HOOPP.

HOOPP

Healthcare of Ontario
Pension Plan

1 Toronto Street, Suite 1400
Toronto, Ontario
M5C 3B2

T 416-646-6445
T 1-877-43HOOPP (46677)
F 416-369-0225

E clientservices@hoopp.com
W hoopp.com

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