

# MANDATORY RETIREMENT FACT SHEET – UNION EMPLOYEES

The legislation to abolish mandatory retirement at 65 was passed by the Ontario government and became law on December 12th, 2006. All employees are now free to choose their retirement date.

## What is Bill 211?

Bill 211 deletes any reference to age 65 in the *Ontario Human Rights Code*. This means that most organizational policies or collective agreements that rely on age 65, like mandatory retirement are now discriminatory.

## Who is affected?

- Employees who wish to continue working past the age of 65. Employees may still retire if they so wish at the age of 65 or earlier.
- Employees may now choose how long they wish to remain in the workforce, based on their individual lifestyles and circumstances, as long as they are capable of performing their job.

## What employment issues are affected by Bill 211?

### Impact on CPP, OAS and GIS

- You are eligible to collect CPP Benefits at age 65, and continue to work. You must show proof of receipt of CPP benefits to stop CPP deductions.
- The entitlement of individuals in Ontario who retire and choose to access CPP at age 60 (for a reduced benefit) will not be affected by the ending of mandatory retirement.
- CPP, Old Age Security and Guaranteed Income Supplement are administered by the federal government. Any changes to eligibility criteria are its responsibility.

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## Workplace Insurance and Compensation

- Age-based provisions in the *Workplace Safety and Insurance Act, 1997 (WSIA)* are exempt from the prohibition against age discrimination in employment and in the provision of services.
- Injured workers aged 63 or more at the time of injury will continue to be able to receive loss of earnings for up to two years.
- Workers injured at an age less than 63 will cease to receive loss of earning benefits at 65.

## OMERS

- Ending mandatory retirement will not have an impact on pension benefits already earned.
- Employees can continue membership in the plan and accrue benefits past age 65 subject to the contribution cap of 35 years, after which neither the employer nor the employee can contribute.
- OMERS does not currently have mandatory retirement. Pensions can be postponed. Effective March 1, 2009 OMERS has extended pension contributions to age 71. This must start by December 1 of the year of the member's 71<sup>st</sup> birthday.

## Benefits

- Currently, under the *Employment Standards Act*, employers are prohibited from discriminating on the basis of age in providing benefits to employees aged 18 to 64. This provision will remain in place.
- The Town will not be providing any benefits past the age of 65, however the Town has agreed to provide a monthly payment of \$150, in lieu of health benefits, to each permanent full time employee who elects to work beyond the NRA (Normal Retirement Age) of 65.

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- Individuals aged 65 and over will continue to be eligible for government benefits such as the Ontario Drug Benefit Plan (ODB). Everyone who is 65 years of age and over is eligible providing that they have a valid Ontario Health Card.
- Major insurance companies also offer extended health benefits post 65.

### Performance Management

- Due to the nature of some jobs, an employee may be required to stop working at a specified age such as 65 or even younger. In such cases, the employer must show that:
  - 1) An age-based job requirement or qualification is a *bona fide* occupational requirement;
  - 2) The employee does not meet the job requirement or qualification;
  - 3) The employee could not be accommodated through changed duties or another position without causing undue hardship to the employer.

### **How will the Town know when an employee plans to retire?**

Currently, it's easy to define a retirement date – the end of the month when an employee turns 65. With the abolishment of mandatory retirement, the Town will require advance notification of intent to retire.

- If you are planning to stay past the age of 65 you must notify us in writing of your intent: to your Director with a copy to the Director of Human Resources;
- Employees planning to retire must also provide written notification of their intent to do so. This notification is required for human resource planning.

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**Call the Manager of Payroll & Benefits (Thelma Payne) at extension 3075 for retirement details or the Sr. H.R. Consultant Compensation & Benefits (Gail Szentesi) at extension 3243 if you require more information.**