



What happens at age 65?

RTO Branch President Information Pamphlet

This information was gathered by the RTO Pension and Benefit Committee in 2014- 2015. This information is only intended as a general summary for retired teachers. It is not intended to provide specific advice or replace direct contact with the applicable agency/ company personnel.

This information is presented to help RTO members become more aware of what happens to their benefits when they turn age sixty-five. Individuals are urged to consult with qualified providers for answers to their personal questions and situations.

Updated 2016

A reminder that there is a great deal of detailed information in Section Four of the RTO Operations Handbook which is available in your white binder and on the RTO website.

FAQ - What Happens to My Benefits at Age 65?

A. What health benefits will I still maintain upon my retirement, prior to age 65?

You can maintain all benefits that you may have carried prior to retirement.

B. What happens to those benefits when I turn 65?

At age 65, the health care plan does not provide prescription drug coverage. Those 65 or older may enroll in another drug plan, such as the Nova Scotia Seniors' Pharmacare Program. All other supplementary health benefits continue.

C. If the retired teacher is 65 or older and his/her spouse is still under 65, how is the drug plan for the younger handled? What if the younger is also a teacher?

Drugs for the younger spouse only, until the month of the spouse's 65th birthday, are covered 80% after a \$25.00 deductible has been satisfied. This is an annual cost and after it has been paid, receipts totaling over \$25.00 should be forwarded to Medavie Blue Cross for reimbursement. If the younger spouse is a teacher, he/she should be the owner of the plan so that his/her coverage continues and the older spouse may enroll in another plan such as the Nova Scotia Seniors' Pharmacare Program See further notes below:

NS Pharmacare Programs for Teachers 65 & Over (April 2015)

At the beginning of the month of their 65th birthday, retired teachers will lose the Teachers' drug benefits. Most will enroll in the NS Seniors' Pharmacare program, but individuals MUST APPLY.

If a person aged 65 or older does not apply as soon as he/she turns 65, there can be substantial financial penalties for late enrolment. This can be waived if the retiree is enrolled in any other pharmaceutical plan; such a continuing spousal plan. Check with the NS Seniors' Pharmacare office for details. As a cost-saving measure, some people choose to enroll in the NS Family Pharmacare Plan which has no enrollment fee. You can only switch back to the NS Seniors' Pharmacare plan on the annual anniversary date of April.

However, benefits from this plan are based on income and, if you become a significant user of prescription drugs, it could become quite costly. The NS Family Pharmacare Plan has a co-pay AND a deductible. It is allowable to have one spouse in the NS Seniors' Pharmacare program, while the other spouse is in the NS Family Pharmacare program. You should do the math calculations before you decide which "plan" you and/or your spouse will join, using the [NS Family Pharmacare calculator](#).

D. What happens if both my spouse and myself are over age 65?

If both are over age 65, one or both may apply to join the Nova Scotia Seniors' Pharmacare Plan. The maximum out of pocket expenses per year per **couple** is currently \$1,612.00 for both premium and co-pay.

E. What coverage would an over-aged dependent have after I turn 65?

Sometimes, but only until you are 65, over-aged dependents (21-27) attending an institute of higher learning must be registered annually with Johnson Inc. before Medavie Blue Cross will process claims on their behalf. After you turn 65, the government will pay the premiums for only the member and the spouse. In most cases, dependents will then have no coverage under the plan. Special needs dependents are covered on an individual basis. Check with Johnson Inc.

F. What does the NS Seniors' Pharmacare Program cover?

The NS Seniors' Pharmacare Program covers drugs listed as benefits in the Nova Scotia Formulary. These would include those listed in the Formulary, some prescribed ostomy supplies and diabetic supplies. Only generic drugs are covered unless a specific drug is prescribed by your physician and approved by Seniors' Pharmacare. The co-payment is currently 30% of the prescription cost to a maximum of \$382.00 per year. Monthly payments may now be made toward the \$382.00 per year co-payment maximum. For an individual, the full premium cost is \$424.00 per year. Maximum cost per individual is \$806.00 (as of April 2015). Low-income premium exemptions may apply. Check with Seniors' Pharmacare.

G. What dental coverage do I have at retirement?

If you were enrolled in the dental plan the year prior to retirement and elected to keep the plan after retirement, you will be covered as long as you wish to stay in the plan. Coverage was

extended beyond age 75 effective Jan. 1, 2010. This provision is only applicable to those members enrolled in the Total Care Dental Plan at the time of the change. You are responsible for 100% of the premiums. Should you cancel the plan at any point, you cannot re-enroll. Current monthly premiums are \$39.89 for single and \$84.30 for family coverage.

H. What happens to my health benefits and those of my spouse if I (retired teacher) go to a retirement or nursing home?

All the health benefits that you had beforehand will remain in effect.

Life Insurances (as per NSTU Agreement):

I. What insurances will I have upon retirement?

Assuming that you retire prior to the age of 65, all of the insurances you were enrolled in prior to retirement remain in effect. All premium costs are deducted from your pension cheque.

J. What happens to those insurances at age 65?

At age 65, your life insurance is cancelled. Your accidental death and dismemberment insurance will continue until you are age 69. At age 70, the maximum accidental death and dismemberment you can carry is \$100,000.00. Total coverage ceases at age 75. The insured is responsible for all premium payments.

K. What life insurance can I get after age 65?

The Provincial Master Life Policy of \$10,000.00 (effective August 1, 2009) is available after the age of 65. You can convert your previous insurance, or any portion of it, to continue after the age of 65. This can be done without < medical. However, conversion premiums are very expensive. If you are a standard risk candidate, you may qualify for a lower rate. Check with the Insurer.

Canada Pension at 60? or 65? or 70?

L. If one knew how long he/she was going to live, it might be easier to answer this question.

Many financial advisors, but not all financial advisors, recommend that a person take early CPP. Your benefits will be less but you will be getting the benefits for a longer period of time. The best answer, perhaps, is to check with your financial advisor before you decide, especially since questions of "spousal benefits" may impact on your decision.

M. How is Canada Pension affected by early retirement?

Early retirement could have a slightly detrimental effect on your CPP Retirement Pension. Generally speaking, the more months you have been retired before your 65th birthday, the more there is a chance your CPP will not be maximized. For example, a teacher who took early retirement at age 52, and who remains "substantially retired", will not receive the

maximum CPP amount. For further information, contact your nearest CPP Office.

N. At age 60, how does Pension (TPP) change with receipt of CPP?

There is no change in the TPP at age 60 with the receipt of CPP. The change will take place at age 65.

O. At age 65, how does integration of pension (TPP) take place?

When a service pensioner under TPP becomes entitled by age (i.e., age 65) to receive benefits under CPP, his/her previous pension under TPP is recalculated and adjusted. In some instances, total income from the two pensions will be greater than the original from TPP. However, if you opt for early CPP benefits, at age 65 the total of the TPP and the CPP may be less than the original TPP. Upon integration, the teacher receives two (2) payments; one from TPP and one from CPP. See also More on Teachers' Integrated Pensions

P. What happens to a teacher's pension when Old Age Security starts?

The receipt of Old Age Security has no effect on Teacher's Pension, nor the Canada Pension. However, the federal government may "claw back" some of the Old Age Security if your total income is deemed to be high. Currently, (April 2015) that "high" amount is \$66 335.00.

Once again, if you have a particular question regarding your benefits we encourage you to contact the NSTU, Johnsons Inc., or the NS Pension Service Corporation. You can find contact information on the provincial [RTO website](#).