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LEAVING A HOOPP EMPLOYER

When you leave a HOOPP employer, you may be able to collect HOOPP benefits when you retire, continue to build your benefits at another HOOPP employer, or transfer your benefits to another retirement savings plan. The options for vested members are different than those for non-vested employees.

If you work for more than one HOOPP employer, you must terminate employment with all of them in order to collect any HOOPP pension benefits.

OPTIONS FOR VESTED MEMBERS

A vested member is entitled to a future pension benefit. Vesting occurs at the earliest of:

- two years of membership in the Plan, or
- two years of eligibility service, or
- reaching age 65

As a vested member, you have the following options upon leaving your HOOPP employer:

Leave your benefits with HOOPP

- 1) Take a deferred pension
- 2) Continue building your HOOPP benefit if you move to another HOOPP employer

Transfer your benefits out of HOOPP

- 3) to your new employer's pension plan if both plans agree to the transfer
- 4) to a personal locked-in retirement plan (e.g., LIF, LRIF, LIRA) if under age 55

1) Take a deferred pension

Taking a deferred pension means that you are leaving your benefits with HOOPP and will collect your pension when you retire.

The earliest you can collect your HOOPP benefits is age 55, usually with a reduction. The reduction is based on completed years of eligibility service and your age at the time of retirement. HOOPP offers a bridge benefit for early retirees (between ages 55 and 65) that is an additional amount paid from the date of retirement until age 65, when government benefits normally begin. You must start collecting your HOOPP pension by the end of the year in which you reach age 71.

If you elect a deferred pension and enrol at a new HOOPP employer, your deferred pension will be linked to your active record. If you transferred refundable contributions out of the Plan, you must repay this amount, plus interest, within six months of your re-enrolment date. Otherwise, your benefit periods will not be linked and will remain separate.

2) Continue building your pension if moving to another HOOPP employer

HOOPP is available at more than 300 Ontario healthcare employers. If you are moving to another HOOPP employer, you continue to build your HOOPP benefits. Just choose the Joining a New HOOPP Employer option and let your new employer know that you are already a HOOPP member. *(Read more about Joining a New HOOPP Employer on reverse.)*

3) Transfer to another employer's pension plan

If you go to work for an employer that doesn't offer HOOPP, you may be able to transfer your pension benefits to the pension plan that they offer if both plans agree to the transfer. Because different pension plans have different features, the funds you transfer may not provide the same amount of service as you had in HOOPP. Time limits may also apply so ask your new employer about this option as soon as possible. This option is not available if you are 65 or older when you terminate employment.

4) Transfer your benefits to a locked-in retirement plan

Until you reach age 55, you have the option to transfer the commuted value (CV) of your HOOPP benefit, subject to Income Tax Act limits, to a locked-in retirement account (LIRA), a life income fund (LIF), a locked-in retirement income fund (LRIF), or to purchase an annuity from an insurance company, trust company or other financial institution.

The CV of a pension is the amount of money needed today to provide a member with a pension in retirement. Transfers out of HOOPP are irreversible and if you elect this option, you lose your guaranteed pension, bridge benefit, inflation protection and spousal protection that HOOPP offers. There is a limit on how much of a CV can be transferred out on a tax-sheltered basis. Any

amount that exceeds these limits is payable in cash and taxed as income for the year in which it is received. If you receive a lump sum cash payment, a T4A slip will be issued to you following the year of payment.

If you transfer your funds out of HOOPP, the income you receive in retirement depends on how you invest the money, and the interest rates in effect when you convert funds to retirement income. The investment risk is squarely on your shoulders, while at HOOPP, experts manage the investments for you.

OPTIONS FOR NON-VESTED MEMBERS

If you are not vested and leave your HOOPP employer(s), you're entitled to a refund of the contributions you've made to HOOPP, plus interest. You have the following refund options:

- 1) Take a lump sum:** A cash refund of your contributions, plus interest. By law, HOOPP must withhold taxes at the following rates from any lump sum benefits paid out in cash.

Amount of cash payment	Withholding tax rate
\$5,000 or less	10%
\$5,000.01 to \$15,000	20%
More than \$15,000	30%
Lump sum payments received are treated as income in the year they are paid and may be subject to additional income taxes by the Canada Revenue Agency (CRA)	

A T4A slip will be issued to you following the year of payment.

- 2) Transfer your benefits:** You can transfer your refund directly, on a tax-sheltered basis, to either a RRSP or to another pension plan, if that plan will accept the funds. Again, different pension plans have different features and the funds you transfer may not provide the same amount of service you had in HOOPP.

JOINING A NEW HOOPP EMPLOYER

Both vested and non-vested members can select the option to join a new HOOPP employer. This option allows you time to decide what to do with your HOOPP benefits upon termination.

If you find work with a HOOPP employer and enrol in HOOPP, you will resume building HOOPP benefits as soon as contributions begin again at the new employer. If you do not join the Plan at another HOOPP employer, you may request new options.

While looking for work with a new HOOPP employer, your benefits are on hold, which means you will not gain any additional contributory service or eligibility service throughout this time.

FOR MORE INFORMATION

If you have questions about your termination options, please contact your employer or call a HOOPP client services specialist at 416-369-9212 or toll-free in Canada and the U.S. at 1-888-333-3659. You can also send an e-mail to clientservices@hoopp.com.

Detailed information about the Plan's provisions and member entitlements can be found in the Healthcare of Ontario Pension Plan Text (the Plan Text), the official Plan document, which is available on hoopp.com. In cases where the information provided in this brochure, by an employer or by any other source differs from that contained in the Plan Text, the Plan Text will govern. Decisions based on the information provided in this brochure are your responsibility.