NON ACADEMIC PENSION PLAN EARLY RETIREMENT INFORMATION

Reduced Early Retirement

AUGUST 31, 2019

Age: 55
Highest average salary (4-year): $50,000
NAPP Pensionable Service: 20 years

George could retire early because he is 55 years old but it would be at a reduced rate because he doesn't meet any of the **unreduced early retirement criteria**:

- Rule of 80 (age + NAPP Pensionable Service)
- 30 years of pensionable service
- 60 years of age

EARLY RETIREMENT CALCULATION (RULE OF 80)

55 (Age) + 20 (Pensionable **service** (NAPP)) = 75

CALCULATING GEORGE'S EARLY RETIREMENT

2% × $50,000 (Highest **average** salary) × 20 (Pensionable **service** (NAPP)) = $20,000 (NAPP pension before **reduction**)

Formula to calculate George's reduction

0.25% (Reduction per **month**) × 60 (Number of **months**) × $20,000 (**Annual** NAPP pension) = $3,000 (NAPP pension **reduction**)

George's reduced pension

$20,000 (NAPP **Pension** before reduction) − $3,000 (**Reduction**) = $17,000 a year (**NAPP** pension with **reduction**)

GEORGE

George works at USask and has been a member of the Non Academic Pension Plan for the past 20 years. He is looking at his retirement options for now and four years down the road.

Early Retirement

AUGUST 31, 2023

Age: 59
Highest average salary (4-year): $53,500
NAPP Pensionable Service: 20 years
Total USask Service: 24 years

George's salary has increased since 2019, which is reflected in his highest average salary that is used to calculate his pension.

Since the NAPP plan was frozen on August 31, 2019, George no longer accrues pensionable service when calculating his pension benefit.

Total USask service is now used to calculate service time for the unreduced early retirement criteria. Total USask Service refers to accrued pensionable service under the NAPP plus service after Sept. 1, 2019.

In this scenerio, George could retire early because he meets the **Rule of 80,** one of the unreduced early retirement criteria.

EARLY RETIREMENT CALCULATION (RULE OF 80)

59 (Age) + 24 (Total USask **service**) = 83

CALCULATING GEORGE'S NAPP PENSION

2% × $53,500 (Highest **average** salary) × 20 (Pensionable **service** (NAPP)) = $21,400 a year (George's **NAPP** pension)

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