SFU Academic Pension Plan – FAQs

What type of pension plan is the Academic Plan?
The SFU Academic Pension Plan is a Defined Contribution Pension Plan commonly referred to as a “Money Purchase Plan”. This means that the contributions that the University makes and that you may choose to make are invested in one or more of the investment options, and when you leave SFU you will have accumulated a lump sum amount to purchase a lifetime retirement income.

Can I transfer my pension entitlement from another pension plan into the SFU Plan?
No, you are not able to transfer other pension funds into the Plan. However, you are permitted to make voluntary contributions through payroll deduction.

What happens if I terminate employment before age 55?
If you leave SFU, your account balance may remain invested in the Plan, or you may choose to transfer your balance on a tax-sheltered basis to a locked-in RRSP with a financial institution in Canada. A portion of your account may be non locked-in.

What does locked-in mean?
“Locked-in” means that your funds must be used to provide you with a lifetime pension such as a life annuity or Life Income Fund (LIF); they cannot be taken as a single lump sum payment and used for purposes other than a lifetime income. All contributions and related investment income since January 1, 1993 (the date pension legislation become effective in BC) are locked-in.

What happens if I die before retirement?
If your spouse is your beneficiary, s/he can leave the funds invested in the Plan or transfer them on a tax-sheltered basis to an RRSP with a financial institution. All other designated beneficiaries must receive the full balance as a taxable lump sum payment.

Who is my beneficiary?
Pension legislation requires you to name your spouse as your beneficiary. If you want to name someone other than your spouse as your beneficiary, your spouse must sign a spousal waiver and file it with HR. If you do not have a spouse, you can name a person, charity, or your estate as the beneficiary of the proceeds of your account balance should you die before retirement.

Am I required to retire at age 65?
No, there is no mandatory retirement age. However, you can only remain a member of the Plan until November 30th of the year you reach age 71, even if you choose to work after that date.

What if I become a Non-Resident of Canada after I leave SFU?
After being a non-resident of Canada for two years, it is possible to have the “locked-in” restriction removed from your account balance, making it possible for you to take the entire amount as a taxable lump sum payment.