

# Town of Truro – Policy & Procedure Manual

<b>Subject:</b>	Early Retirement
<b>Policy Number:</b>	P100-004
<b>Approval Date:</b>	November 1, 2001
<b>Departments:</b>	All employees who are a member of the Town Pension Plan

## **PURPOSE**

To provide an option for early retirement where an employee's combined age and years of service is equal to or greater than 93.

## **POLICY**

All employees shall retire on or before attaining the age of 65 years.

## **EARLY RETIREMENT ELIGIBILITY**

An employee whose age is less than 65 years, is eligible to retire early at the end of any calendar month in which the employee's combined age and years of service is equal to or greater than 93.

## **RETIREMENT ALLOWANCE**

All employees who are entitled to early retirement or have reached either the "optional retirement date" or the "normal retirement date" as defined under the Town Pension Plan are, upon retirement, entitled to receive a monthly retirement allowance of one month's pay (to a maximum of 6 months) for every 5 full years of continuous work as a term, contract or permanent employee rendered by the retiring employee prior to retirement. The monthly pay will be at the rate received by the employee on the date of retirement with all usual deductions continued.

For the purposes of calculating retirement allowance entitlement, an employee's continuity of work will be intact when the employee is actually working, is on holiday, vacation, the first 6 months of a workers' compensation absence, paid sick leave, paid leave of absence, pregnancy leave or parental leave.

## **EARLY RETIREMENT BENEFITS**

When an eligible employee elects early retirement, after any retirement allowance to which the retiring employee is entitled has been fully paid, the Town will pay to the employee a monthly sum (the "pension salary") equal to the amount it is anticipated the

employee will receive at the earlier of the employee's "normal retirement date" or "optional retirement date" as defined under the Town Pension Plan. While the retired employee is in receipt of pension salary, the Town will remit to the pension fund an amount equal to the pension contributions that would otherwise have been payable by both the employee and the Town based on the employee's salary at the date of early retirement. The pension salary will continue until the earlier of the "normal retirement date" or "optional retirement date" as defined under the Town Pension Plan.

Any improvements approved by Truro Town Council in the Town Pension Plan will be provided to those on early retirement to the same extent as if they continued to be actively working, both during and after the early retirement period.