**Grow-in Rights**

The big picture is that grow-in rights protect older workers from being penalized for being laid-off before their early retirement date.  This doesn’t mean that there’s no penalty at all. It means that the penalty comes in at the date of your Unreduced Early Retirement (often age 60), not age 65.

In a non-lay-off situation, if someone doesn’t qualify for the 60/80 factor and wants to retire early, there is a 5% a year reduction for every year before normal retirement date (age 65). So, if you wanted to retire at 55, the reduction to your pension would be 50% (5% a year for the years from 55 – 65).

In a lay-off situation grow-in mitigates this by dropping the age to their earliest Unreduced Retirement Date (when they reach a minimum of age 60 and age/employment service adds up to 80)  So, it’s not a case of no penalty. It’s less of a penalty.  The laid-off person would have two options.

1. laid off at age 58 – Assuming the person reaches their earliest unreduced retirement date at age 60 and they want to take the enhanced severance, retire from active service and get the health benefits – they would get credit for their years of service, but the pension would be reduced 10% (5% a year from age 58 to 60 which is their earliest unreduced retirement date).

2. laid off at age 58 – Assuming the person reaches their earliest unreduced retirement date at age 60 and they want to take the enhanced severance, and the don’t need the health benefits and are willing to wait for the pension – they get the full pension at age 60 which is their earliest unreduced retirement date).

To qualify for grow in rights, the members age plus employment service must add up to 55.

To qualify for retiree health benefits, if hired on or after January 1, 2015, the members must have 10 years of continuous employment service.

At U of T, the bridge benefit is ‘outside’ of the pension plan thus the grow-in rights are not applicable to U of T’s bridge benefit.

Pensions are very complicated, and we don’t have access to people’s individual numbers.  You should get your numbers from HR before you have to make a decision on enhanced severance, redeployment, retiring from active service, etc.  However, this illustration gives a good ballpark idea of how it would work.

See also <https://www.fsco.gov.on.ca/en/pensions/pension-plan-guide/pages/HRPPW-Grow-in-Rights-for-Older-or-Long-Service-Workers.html>

Pension options upon termination of employment are detailed under Section 9 of the pension plan. You can download the pension plan on the U of T HR Service. Below is a direct link (copy and paste the url into your web browser and log in with your utorID to access):

<https://uthrprod.service-now.com/esc?id=kb_article&sysparm_article=KB0010313>

If HR isn’t helpful or doesn’t reply quickly enough, you can try contacting Pension Services directly

Contact U of T Pension Services:

Monday to Friday  
8:30 a.m to 5:00 p.m.  
Local calls: 416.226.8278  
Toll-free: 888.852.2559