

Type of plan	<ul style="list-style-type: none"> • Defined benefit • Provides retirement income for life, regardless of financial market conditions or how long you live • Pension calculated using pre-set formula based on earnings and years of pensionable service
Who pays for it	<ul style="list-style-type: none"> • Both employees and the university contribute • University pays difference between employee contributions and cost of pensions • In 2015, employees contributed \$13.2 million • In 2015, university contributed \$32 million to the plan
Who it covers	<ul style="list-style-type: none"> • Regular full-time faculty and staff members • Temporary part time employees who have worked continuously at university during previous two calendar years and have <ul style="list-style-type: none"> • earned at least 35% of YMPE*, or • worked at least 700 hours each of previous two calendar years <p>* Year's maximum pensionable earnings (YMPE) set each year by Canada Pension Plan; currently \$55,300</p>
Plan size (Going concern, August 1, 2016)	<ul style="list-style-type: none"> • Total plan assets: \$1.278 billion • Total pensions owed: \$1.387 billion • Participating members: 5,879 (3,250 active members, 2,265 retirees/beneficiaries, 404 inactive members)
How changes are made	<ul style="list-style-type: none"> • Member contributions are negotiated as part of collective bargaining. • Otherwise, plan is governed by University's Board of Governors, which has delegated responsibilities to the Pensions Committee • Committee oversees plan's administration and professional advisors, reviews investment performance, and prepares recommendations to Board of Governors on investment policy and plan design changes • Day-to day administration is delegated to university administration
Investments	<ul style="list-style-type: none"> • Managed by appointed investment professionals and invested according to Statement of Investment Policies and Procedures set by Pension Committee
What legislation governs it	<ul style="list-style-type: none"> • Plan is registered in Ontario and ruled by Ontario's <i>Pension Benefits Act</i> and regulations overseen by Financial Services Commission of Ontario • Plan is registered under <i>Income Tax Act</i> and regulations overseen by Canada Revenue Agency

What you contribute

YMPE
= \$55,300 (2017)

Average YMPE
= average YMPE during 60 consecutive months before retirement

Earnings
= regular earnings, including deferred income (under written agreement), excluding bonuses, overtime, special payments or indemnities or reimbursement for expenses

	Affiliation & effective date	% of earnings up to YMPE	% of earnings above YMPE
Professional	ONA May 1/16	8.40	10.10
	P&M May 1/15	7.44	9.14
	UGFA Unit 1 July 1/16	7.78	9.48
	UGFA Unit 2 May 1/16	6.80	8.50
	Non-represented (Prof.) July 1/14	7.30	9.00
Non Professional and Retirement	CUPE 1334 May 1/15	8.10	10.40
	CUPE 1334 Unit 1 May 1/15	7.05	8.75
	CUPE 3913 Unit 2 Sept/15	7.05	8.75
	Exempt Group May 1/16	8.16	9.50
	OPSEU Jan 1/14	6.55	8.25
	OSSTF May 1/16	7.36	8.70
	UGFSEA Unit 1 May 1/16	6.94	8.64
	UGFSEA Unit 2 May 1/16	6.91	8.61
	Unifor May 1/16	7.50	9.20
	USW May 1/15	7.25	8.75
Non-represented (Non-prof.) July 1/14	6.55	8.25	

- If you contribute more than half the lump-sum value of your pension, the difference is refunded to you when you retire or leave the plan.

Contribution example

\$160,000 earnings
UGFA member

$$7.78\% \times \$55,300 = \$4,123 \text{ plus}$$

$$9.48\% \times \$104,700 = \$9,926$$

$$= \mathbf{\$14,049} \text{ annual contribution}$$

Amount of annual pension

Best average earnings = average of highest 36 consecutive months of earnings

Professional Plan

- 1.5% x best average earnings up to average YMPE, *plus*
- 2.0% x best average earnings above average YMPE, *multiplied by*
- Years of service (35-year maximum)

Non-professional and Retirement Plans

- 1.6% x best average earnings up to average YMPE, *plus*
- 2.0% x best average earnings above average YMPE, *multiplied by*
- Years of service (35-year maximum)

Pension example

\$160,000 best average earnings, 30 years of service, \$54,000 average YMPE

$$1.5\% \times \$54,000 = \$810$$

+

$$2.0\% \times \$106,000 = \$2,120$$

$$= \$2,930 \times 30 \text{ years} = \mathbf{\$87,900} \text{ annual pension}$$

When you can retire	<ul style="list-style-type: none"> • Full pension at age 65 regardless of service • Unreduced pension before age 65 if you meet age plus service minimum for your group (see <i>Unreduced early retirement</i>) • As early as age 55 with pension reduced by 3% per year (.25% for each month) before age 65 or your unreduced retirement date, whichever is earliest
Form of pension	<ul style="list-style-type: none"> • If spouse at retirement: pension paid for life with 60% continuing to spouse for life after your death • If no spouse at retirement: pension paid for life with a five-year guarantee. If you die before all 60 guaranteed monthly payments are made, the remainder will continue to be paid to your beneficiary. • Other payment options are also available
Post-retirement indexing	<ul style="list-style-type: none"> • Pensions increased each September to reflect increase in consumer price index above 2% (8% maximum increase)
Life events	<ul style="list-style-type: none"> • Plan pays pension benefits on employment termination, disability or death

Unreduced early retirement

Affiliation	Earliest unreduced retirement (points = age plus service)
Professional Plan	
ONA	Age 55 with 85 points
P&M	Age 60 with 85 points
UGFA (Units 1 and 2)	Age 62 with 87 points
Non-represented	Age 62 with 87 points
Non-Professional and Retirement Plans	
CUPE 1334; CUPE 1334 Unit 1; CUPE 3913 Unit 2; UGFSEA Unit 1 & Unit 2; USW	Age 55 with 85 points
Exempt Group; OPSEU; OSSTF; Unifor; Non-represented	Age 60 with 90 points