

Pension Info is intended to keep CSSEA member agency employees apprised of developments with regard to the sectoral pension plan to be introduced in March 2010.

**Community Social
Services Employers'
Association**

800 – 555 Burrard Street
Box 232
Vancouver, BC V7X 1M8

TEL 604.687.7220 /
1.800.377.3340
FAX 604.687.7266
EMAIL cssea@cssea.bc.ca
WEB cssea.bc.ca



MUNICIPAL PENSION PLAN - A PAYCHEQUE FOR LIFE

This edition of PENSION INFO focuses on pension plan retirement benefits.

The Municipal Pension Plan (MPP) is an investment in your future. Your pension income is defined by the retirement benefit formula contained in the plan. Both you and your employer contribute toward your pension.

How much will I receive when I retire?

The amount of benefit from the MPP will depend on the number of years you are in the plan and your best five year average annual earnings while you are in the plan. We have calculated the following examples in today's dollars based on the following assumptions:

- The MPP has been in place for 30 years in the community social services sector
- The employees identified below are retiring at age 65 on March 31, 2008, after participating in the pension plan for the period specified in each example.

The examples below illustrate four positions with different lengths of enrollment in the plan and different best five year average annual earnings.

These examples are based on the standard retirement option; i.e. the monthly pension being payable for as long as the retiree lives. There are other options available to select from when you actually retire. The amount of monthly pension you receive will be affected by the pension option you select.

If the retirement benefit of the MPP looks attractive to you when expressed in terms of today's dollars the benefits will have the same attraction when you actually retire, though it may be many years in the future before that occurs.

Examples

1. A full-time Residence Worker who has contributed to the pension plan for 25 years and is retiring March 31, 2008:

Best five year average annual earnings	\$36,000/year
MPP lifetime pension	\$ 975/month (plus CPP* and OAS*)

In contrast, the approximate amount this Resident Care Worker would require in an RRSP at March 31, 2008, to generate income of \$975/month (not including cost of living increases) is \$150,007.

2. A full-time Residence Nurse who has contributed to the pension plan for 10 years and is retiring March 31, 2008:

Best five year average annual earnings	\$56,284/year
MPP lifetime pension	\$ 676/month (plus CPP* and OAS*)

In contrast, the approximate amount this Residence Nurse would require in an RRSP at March 31, 2008, to generate income of \$676/month (not including cost of living increases) is \$104,028.

3. A full-time Office Supervisor who has contributed to the pension plan for 3 years and is retiring March 31, 2008:

Best five year average annual earnings \$43,100/year
 MPP lifetime pension \$ 140/month (plus CPP* and OAS*)

In contrast, the approximate amount this Office Supervisor would require in an RRSP at March 31, 2008, to generate income of \$140/month (not including cost of living increases) is \$21,551.

4. A half-time Secretary who has contributed to the pension plan for 10 years and is retiring March 31, 2008:

Best five year average annual earnings \$16,050
 MPP lifetime pension \$ 174/month (plus CPP* and OAS*)

In contrast, the approximate amount this Secretary would require in an RRSP at March 31, 2008, to generate income of \$174/month (not including cost of living increases) is \$26,751.

*CPP = Canada Pension Plan - current maximum benefit - \$884.58/month

*OAS = Old Age Security – current maximum benefit - \$502.31/month

To estimate your CPP benefit, refer to your annual CPP benefit statement.

Cost of living increases

Since 1982, the plan has granted annual cost of living increases based on the Canadian Consumer Price Index. Annual indexing is not guaranteed, but once the increase is granted, it becomes part of your regular lifetime pension.

Additional benefits

The plan provides for continuation of the following benefits at a subsidized rate: Medical Services Plan, Extended Health and Dental. The subsidy is dependent upon the plan having funding available to cover these additional benefits.

For further information

Visit the CSSEA website at [www.cssea.bc.ca/About CSSEA/Pension Plan Update](http://www.cssea.bc.ca/About%20CSSEA/Pension%20Plan%20Update) or the Municipal Pension Plan website at www.mpp.pensionsbc.ca.

Joining the Municipal Pension Plan means a paycheque every month for the rest of your life.

Disclaimer

The information provided is as complete and accurate as possible; however, in the event there is any conflict between the information provided and the terms and conditions of the MPP administered by the BC Pension Corp, the terms and conditions of the MPP will prevail.

Collective agreements between CSSEA and the UBA contain a provision to consider the Public Service Pension Plan as an alternative to the MPP. The plans are similar, both being a significant benefit. A final decision has not yet been made as to which plan will be used but because the MPP is the specified plan, barring mutual agreement of the parties to change to the Public Service Pension Plan, we are providing information on that plan so all employees can begin to turn their minds to the steps and implications of enrolment.