

What's Happening?

A jointly sponsored multi-employer **University Pension Plan (UPP)** has been developed to replace the existing UofT pension plan.

The UPP is a “jointly sponsored pension plan.” Like the existing plan, it is also a defined benefit plan.

The Pension Benefits Act requires that **Unions give consent on behalf of their members to convert the existing UofT pension to the UPP.**

On February 1, 2019 your CUPE 3261 executive signed a memorandum of agreement (MOA) with the University that sets out the terms and conditions for conversion to the UPP **pending the consent of the membership in a membership wide ratification vote.**

UofT Steelworkers and UofT Faculty Association signed similar agreements and their voting is ongoing.

In order for conversion to proceed, at least 2/3 of all active plan members must vote “yes” AND no more than 1/3 of retired members may object.

Next Steps

Members will have an opportunity to vote for the UPP in the last week of February.

Information sessions and UPP consent votes will be held on work time on each of the three campuses in the last week of February (specific dates and times to be announced).

Stay up to date on this important process by checking the union website (3261.cupe.ca), your UofT e-mail, workplace bulletin boards, and by asking your shop steward!

Resources

You can find our detailed “UofT & UPP Comparison” handout, and a copy of the memorandum of agreement signed by the union, at 3261.cupe.ca.

To learn more about how the UPP works and its development, you can visit www.universitypension.ca.

CUPE 3261
3261.cupe.ca
service.workers@utoronto.ca
416 946 7620

Changes To Your Pension Plan

Learn more,
have your say, and
vote!

UPP
UNIVERSITY
PENSION PLAN
ONTARIO

CUPE 3261
Workers United!

What is the UPP?

The UPP is a defined benefit **jointly sponsored pension plan (JSPP)** that would cover multiple universities. It currently includes the University of Toronto, Guelph and Queen.

The UPP pension pay out would be calculated as **% of salary x years of in the plan = your pension**. This is the same as the current UofT plan.

Contributions and all decision-making power will be **equally shared** between employees and employers. Any changes to the plan will be jointly negotiated.

Why switch plans?

Relief from funding regulations that place a heavy burden on University pensions.

Strength in numbers: greater assets means larger scale investment with higher return investment opportunities.

A say in your pension: employee groups have a say in how the pension is run.

By moving into the UPP we are joining a powerful, successful model. OMERS and the Ontario Teacher's Pension Plan are just two examples of successful JSPPs.

What does this mean for me?

Pension contribution rates will be increasing from 7.7% to 9.2% on July 1, 2019 bringing employee and employer contributions to 50% each. To offset the impact of this increase, your Union negotiated **a one time compensatory wage increase of 1.37% for July 1, 2019**. This wage offset is separate and apart from the regularly scheduled across the board increases provided for in the Collective Agreement and will not impact them.

All past service in the current plan is **guaranteed and fully protected**. And because the UPP is a defined benefit plan, all service under the new plan, once earned, is also guaranteed and fully protected.

If you already have 10, 15 or 20 years of service in the old plan -- **all of these benefits are untouched and unchanged**. Once the UPP is implemented, your pension will simply consist of all the benefits earned on the current plan **added together** with the future benefits on the new UPP plan.

Current retirees and those retiring before the implementation of the UPP will **not be affected in any way**.

Highlights of differences between the plans

UPP benefits are modelled on the existing UofT pension plan.

The retirement age, early retirement bridge, and "factor 80" **will all remain the same**.

But **there are some differences**.

Participation in the UPP is mandatory for all **full-time workers** regardless of age.

Average annualized salary is based on the best 48 months rather than best 36, resulting in a small % reduction in benefits, which comes to about 1.5% or a maximum of about \$35/year.

Funded conditional indexing to 75% of the change in the CPI in the previous year. Conditional means that a decision to change indexing could be taken in response to the plan's financial condition. Such a decision would be made jointly by the Sponsor Board.

50% survivor benefits (versus 60% in current plan)

For a detailed side by side comparison see our "UPP Comparison" handout online at cupe.3261.ca.