

# THE REVISED PENSION PLAN OF QUEEN'S UNIVERSITY

## Brief Summary

### PLAN IN BRIEF

- Contributory
- Money Purchase with Minimum Guarantee based on highest earnings

### MEMBERSHIP

- Compulsory at date of hire for full-time continuing staff
- Term and contract when appointment extends beyond one year.

### CONTRIBUTIONS

- Member: 7% of earnings\* up to Year's Maximum Pensionable Earnings (YMPE) plus 9.0% of earnings over YMPE
- Voluntary contributions permitted
- University: 6.0% of earnings up to YMPE plus 7.5% of earnings over YMPE

\* *Earnings means base annual salary*

### NORMAL RETIREMENT

- Staff – age 65
- Faculty – age 65 (as of July 1, 2019)
- Annual pension: the greater of  
(a) the annuity determined by the member's Money Purchase account, and  
(b) the Minimum Guarantee Pension

#### Minimum Guarantee Pension

1.35% of highest earnings\* up to highest MPE\*\* and 1.8% of excess multiplied by Credited Service to August 31, 1997 plus 1.4%/1.8% for service from September 1, 1997

\* *Highest earnings* means average of best four consecutive years of earnings

\*\* *Highest MPE* means average YMPE over the same period used to calculate highest earnings

### EARLY RETIREMENT

- Available at any age
- Annual pension: the greater of  
(a) the annuity determined by the member's Money Purchase account, and  
(b) the Minimum Guarantee Pension accrued to early retirement date reduced by a fixed percentage for each year retirement precedes age 65 (similar to the reduction for CPP benefits if started prior to reaching age 65)

### POSTPONED RETIREMENT

- Mandatory retirement ended effective May 1, 2006
- Upon reaching their Normal Retirement Date, Members have the choice of continuing to contribute to the pension plan, suspending contributions and becoming a deferred member of the plan, or starting to receive pension payments

### DISABILITY BENEFITS

- Member continues to accrue pension credits, and the University is responsible for both employer and employee contributions
- After 12 months of disability, Earnings adjusted annually based on 100% of CPI increase (maximum 5%)

### DEATH BENEFITS

- Before Retirement – full value of member's account payable to beneficiary plus any excess of Minimum Guarantee benefit for post-86 service
- After Retirement - death benefit is payable according to the option selected at retirement, members with a spouse are required to choose an option that provides a survivor pension

### TERMINATION OF EMPLOYMENT

- Immediate full vesting and locking in.
- Member has the option to start or defer their pension benefit or transfer the value of their pension to a LIRA or new employer's plan if it qualifies

### POST-RETIREMENT PENSION ADJUSTMENTS

- For retirement prior to September 1, 2012:  
Automatic annual adjustment based on average rate of return of Pension Fund over the preceding four years less 6%
- For retirement after August 31, 2012:  
Automatic annual adjustment based on average rate of return of Pension Fund over the preceding six years less 6% (subject to the four pre-retirement returns backfilled at 6%, and adjusted to reflect actual mortality gains/losses)
- Recent pensioner adjustments are as follow:

2001	0.9292%
2002	0.7579%
2003	0.0%
2004	0.0%
2005	0.0%
2006	5.8966%
2007	6.510%
2008	2.2266%
2009	0.0%
2010	0.0%
2011	0.0%
2012	0.0%
2013	2.2571%
2014	4.9094%
2015	3.9669%
2016	4.5852%
2017	2.8312%
2018	0.6644%
2019	0.5502%
- While volatility has impacted post-retirement indexing, *pensions in payment are guaranteed to never reduce*

September 2019

Please refer to the Pension Plan Guide for more information.