UPP Q&A - June 1, 2023

Q. Is this session going to be recorded?

A. No.

Q. Can you speak to the timeline for the process going forward? When would this come into being?

A. Earliest will be January 1, 2026

Q. When will this take effect if it receives a favourable vote.

A. Earliest will be January 1, 2026

Q. I guess I mean what retirement years does this impact - everyone universally or people from the ratification date forward?

A. It depends on when you retire. If you retire before conversion, you will receive the WLU pension as it exists now, but the cheques will come from the UPP. If you continue to work after conversion, then you will receive what is in fact two pensions. One pension will consist of your old WLU pension, exactly as it exists now, covering all your service up until conversion. The second pension will be a new UPP pension, covering service after conversion. The features of these two pensions are different and they are kept separate. The only exception to this rule is early retirement. The UPP unreduced early retirement option will apply to service pre-conversion.

Q. I'm beginning the Phased-In Retirement Option in July 2023 for retirement in 2026. Is there anything in particular I should be aware of or concerned about in this process?

A. The only difference retirees will see is where the payment comes from. The pension will, however, be more secure with the UPP as it's a multi-employer pension plan, rather than a single-employee pension plan.

Q. Are there any implications should the university decide to offer an early retirement buyout in the future?

A. No – a university can still offer an early retirement buyout under the UPP.

Q. What do you mean by "inadvertently retiring"? As in, how many years left / how far back before you retire (do you guesstimate) would apply to a condition of "you won't see much difference"?

A. You won’t see much difference if you retire before conversion. If you retire shortly after conversion, then you won’t have accrued much service under the UPP and so the difference it will make in your pension will be fairly minor. That said, you will have a more secure pension plan because it will be administered by a business that is independent of any one employer.

Q. It seems that for the majority of full-time faculty members the transfer will have benefits. For the contract faculty members, two benefits I can see are: the pool of funds is larger and is independent of the financial situation of Laurier and the number of best years of pensionable income is four instead of five. BUT, for many of us, the final 4 years would not be the best since the numbers of courses assigned to us depends of many factors, especially when the university is trying to enlarge the class size substantially to save money now. The calculation of the projections for us by the current plan is not transparent and informative. I do not know which 5 years are used for the projection and pensionable income they used. Could it be possible for the committee to press the current plan administrators to release more clearer information to us so that we know the basis we have for the transition to the new plan?

A. The Laurier Plan is based on a calculation of a year's income. What that means is that if someone taught 4 courses in the winter, no courses in the summer and 4 courses in the fall, they would receive credit for the 8 months work (0.667 years) where they held contracts and were making pension contributions. The employer calculates the 5 best years, which in this case is level of earnings multiplied by .667 not by 1.0 (because the employee did not work a full year). That reduces CTF pensions. The UPP calculation is not based on the last 5 years but your best 48 months – these do not have to be consecutive (unlike the Laurier plan). This helps increase the pension return. However, in another aspect the UPP and the WLUPP are the same. There are two main variables in the pension earnings calculation – best earnings and years of service. Pro-rating still happens under the UPP in calculating annual service credits, but not both earnings and service credits. In other words, working two-terms per year may reduce the accrual of pension credits in terms of years of service (0.67 for the year rather than 1.0 year for the year), but not the best months salary. There are other things that the UPP offers CTF. They will have portability in their pensions to any other UPP member university and all CTF members will receive the 1.2% offset, whether they are members of the pension plan or not.

Q.. I did have one other question concerning SPA. I know this sits outside the pension per se, and is offered by the institution. Is there any sense that Laurier will want to negotiate that out of the contract? And if the did, would there have to be some kind of 'commuting', given that the pension we agreed on has that as part of it?

A. The SPA is not currently part of the contract. It could be changed or terminated by vote of the Board of Governors. If we convert to the UPP (which means our tentative agreement is ratified), then the SPA will become part of the collective agreement for the first time. If the university wanted to change the terms of the SPA after it is part of the contract, it would have to negotiate that change.

Q. For the best 48 months, would administrative stipend now count or only administrative stipend post joining UPP? My understanding is that only administrative stipends post joining would count. Am I right?

A. This would only apply on administrative stipends after conversion. If you don't vote in favour of conversion, this provision will not apply.

Q. My understanding from the recent presentation is that the pension becomes purely DC rather than a hybrid. If you retire soon after conversion, are we no longer eligible for the MGP should that value be higher than your money purchase plan?

A. The old Laurier Pension, with its hybrid nature, will continue to be administered by the UPP and will continue to be used to calculate your pension for pre-conversion service. But post-conversion the UPP pension is a DB pension only, the DC component of the Laurier plan (the Money Purchase Plan) will not apply on post-conversion service.

Q. Does this mean that there would not be a huge difference if one was to retire just before (e.g., December 2025) versus just after (e.g., May 1 2026) conversion to the UPP plan? In other words, would there be an advantage to wait an additional year (or even term) before retiring so as to retire after the conversion?

A. There would be the advantage of accruing an additional year of service at a slightly higher benefit rate and having the UPP features (like the 50% J&S) apply. But these would only apply to the one additional year of service, so it would make a minimal difference. The exception here is if you were retiring between 60 and 65 and had reached the 80 factor. The advantage of waiting until conversion to retire with an unreduced pension is truly significant.

Q. Would surviving spouses receive 60% of the LPP portion of the pension and 50% of the UPP portion of the pension?

A. The 60% nominal form would apply on the pre-conversion pension, the 50% nominal form could be selected for the post-conversion pension.

Q. Are retiree health benefits affected in any way by conversion to the UPP or are these things unrelated?

A. There would be no effect. Retirees will continue to pay 15% of the premium cost.

Q. For the Contract Faculty Members, what counts for pensionable income? Is it just that in the contract for courses? what about marking fees, coordination fees and serving for mentoring, examining, etc.? How is it calculated on month basis? The statements for Contract Faculty do not give clear information. Can the association request the university to clarify it for the current plan and asks the UPP to clarify theirs's?

A. The only things that count as pensionable earnings are earnings on which you make a pension contribution. Unless there is a deduction from the fee you receive for pension contributions (WLU not CPP), then it is not part of your pensionable earnings.

Q. If you retire after conversion (but are still under 65 years old), is there an early retirement penalty on the Laurier portion of your pension?

A. It depends on your age and years of service. We negotiated a tentative agreement under which, on the day of conversion, WLU would change its pension plan to create exactly the same early retirement provision that exists under the UPP. So the UPP's early retirement provision will apply to pre-conversion service. But you have to be over 60 and have accrued at least 20 years of service.

Q. Does it have to be age is 60 and total is 80? Or is 55 enough?

A. It has to be 60!