

Information Bulletin #2 - Impact of the Offset

As WLUFAs Pension Plan Members approach a vote on whether to convert from the current single employer Laurier plan to the jointly-sponsored UPP, Members are wondering about how the change will impact their contributions and benefits.

As noted in the first information bulletin, your existing Laurier pension will remain in effect even after conversion. You will stop making contributions to your Laurier pension, but all the money you have invested in it (and the employer's contributions) remain in place and you receive a pension according to the terms of the Laurier Plan when you retire. The UPP plan will only apply to service (contributions) post-conversion.

Contributions under the UPP are higher, which means that after conversion you would be paying more into your pension. This is why the bargaining team negotiated a **salary offset** to cover the additional cost to you. The offset of 1.2% of your salary up to the pension contribution limit (after which you do not make payments into a pension plan) will cover the increased cost of the UPP pension.

The offset will apply to all full-time faculty Members and librarians who make pension contributions and to all contract teaching faculty and part-time librarians.

The tables on the next pages outline the impact of the offset on contributions and benefits should WLUFAs agree to conversion to the UPP.

The UPP Bargaining Team

EARNINGS (prior to offset)											
Final Salary	25,000	50,000	75,000	100,000	150,000	175,000	200,000	225,000	250,000	275,000	300,000
4-year Best Average Salary	23,929	47,858	71,786	95,715	143,573	167,502	191,431	215,359	239,288	263,217	287,146
5-year Best Average Salary	23,585	47,171	70,756	94,342	141,513	165,098	188,684	212,269	235,855	259,440	283,026
CPP THRESHOLD											
YMPE	64,900	64,900	64,900	64,900	64,900	64,900	64,900	64,900	64,900	64,900	64,900
YAMPE	73,986	73,986	73,986	73,986	73,986	73,986	73,986	73,986	73,986	73,986	73,986
5-year Average YMPE	59,700	59,700	59,700	59,700	59,700	59,700	59,700	59,700	59,700	59,700	59,700
4-year Average YAMPE	69,141	69,141	69,141	69,141	69,141	69,141	69,141	69,141	69,141	69,141	69,141
BENEFIT ACCRUAL											
WLU MGP	323	646	1,039	1,511	2,454	2,926	3,398	3,398	3,398	3,398	3,398
UPP	383	766	1,159	1,638	2,595	3,073	3,551	3,551	3,551	3,551	3,551
UPP, with Offset	387	775	1,176	1,661	2,629	3,114	3,551	3,551	3,551	3,551	3,551
Change, UPP	18.6%	18.6%	11.5%	8.4%	5.7%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Change, UPP with Offset	19.8%	20.0%	13.2%	9.9%	7.1%	6.4%	4.5%	4.5%	4.5%	4.5%	4.5%
MEMBER CONTRIBUTION											
WLU	8.0%	8.0%	8.3%	8.7%	9.1%	9.3%	8.8%	7.8%	7.0%	6.4%	5.9%
UPP	9.2%	9.2%	9.2%	9.8%	10.4%	10.5%	10.2%	9.0%	8.1%	7.4%	6.8%
UPP, with Offset (Effective Contribution)	8.1%	8.1%	8.2%	8.7%	9.3%	9.5%	9.0%	8.0%	7.2%	6.6%	6.0%
Change, UPP	15.0%	15.0%	11.6%	12.6%	13.5%	13.7%	15.6%	15.6%	15.6%	15.6%	15.6%
Effective Change, UPP, with Offset	1.4%	1.4%	-1.2%	0.4%	1.8%	2.2%	2.5%	2.5%	2.5%	2.5%	2.5%
BENEFIT PER (EFFECTIVE) CONTRIBUTION DOLLAR											
WLU	16.2%	16.2%	16.8%	17.4%	17.9%	18.1%	19.3%	19.3%	19.3%	19.3%	19.3%
UPP	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	17.5%	17.5%	17.5%	17.5%	17.5%
UPP, with Offset	19.1%	19.1%	19.2%	19.0%	18.8%	18.8%	19.7%	19.7%	19.7%	19.7%	19.7%
Change, UPP	3.1%	3.1%	-0.1%	-3.7%	-6.8%	-7.6%	-9.6%	-9.6%	-9.6%	-9.6%	-9.6%
Change, UPP with Offset	18.2%	18.3%	14.6%	9.5%	5.2%	4.1%	1.9%	1.9%	1.9%	1.9%	1.9%
Ignores all ancillary benefits such as normal form, indexing, early retirement, "best of", CV options, etc.											
BENEFIT PER CONTRIBUTION DOLLAR ADJUSTED FOR POST-RETIREMENT DEATH BENEFIT (NORMAL FORM)											
WLU, without spouse (GTE5)	16.2%	16.2%	16.8%	17.4%	17.9%	18.1%	19.3%	19.3%	19.3%	19.3%	19.3%
UPP, without spouse (GTE10)	16.9%	16.9%	17.0%	17.0%	16.9%	16.9%	17.8%	17.8%	17.8%	17.8%	17.8%
UPP, with offset, without spouse (GTE10)	19.4%	19.4%	19.5%	19.3%	19.1%	19.1%	20.0%	20.0%	20.0%	20.0%	20.0%
Change, UPP	4.7%	4.7%	1.5%	-2.2%	-5.4%	-6.2%	-8.2%	-8.2%	-8.2%	-8.2%	-8.2%
Change, UPP with Offset	20.0%	20.1%	16.3%	11.2%	6.8%	5.7%	3.5%	3.5%	3.5%	3.5%	3.5%
WLU, with spouse (GTE5)	16.2%	16.2%	16.8%	17.4%	17.9%	18.1%	19.3%	19.3%	19.3%	19.3%	19.3%
UPP, with spouse (50% J&S)	18.1%	18.1%	18.2%	18.2%	18.1%	18.1%	19.0%	19.0%	19.0%	19.0%	19.0%
UPP, with spouse, with offset	20.7%	20.8%	20.8%	20.6%	20.5%	20.4%	21.4%	21.4%	21.4%	21.4%	21.4%
Change, UPP	12.0%	12.0%	8.5%	4.6%	1.2%	0.3%	-1.8%	-1.8%	-1.8%	-1.8%	-1.8%
Change, UPP with Offset	28.3%	28.5%	24.4%	18.9%	14.2%	13.0%	10.7%	10.7%	10.7%	10.7%	10.7%