



VICTORIA UNIVERSITY PENSION SUMMARY

Contributions

Staff (including members of Local 1998) contribute 5.0% of earnings up to YMPE, plus 6.0% of additional earnings

The Victoria University pension plan is a defined benefit plan. The University contributes amounts specified by an actuary. Currently, the University contributes about three times as much as its employees.

The YMPE is the Year's Maximum Pensionable Earnings (\$44,900 for 2008), up to which the Canada Pension Plan collects contributions and pays benefits. The YMPE is set by the Government of Canada.

Benefits

Final Average Earnings = annual average of the 36-month period with the highest earnings

Average YMPE = annual average YMPE for the last 36 months of service (\$43,567 for 2006 - 2008)

Multiply years of service by:

1.6% of Final Average Earnings up to Average YMPE plus 2.0% of additional Final Average Earnings

After retirement, these benefits increase each July 1 by the greater of:

1. 75% of up to an 8% rise in the Consumer Price Index plus 60% of any rise beyond 8%; or
2. The percentage increase in the Consumer Price Index minus 4%.

Retirement Options

1. Retire with full pension (as calculated above) at age 65.
2. Delay retirement with full pension up to the end of the calendar year of 69th birthday. If contributions continue past age 65, then this service is included in the benefit calculation.
3. Retire up to 10 years before 65th birthday with a pension reduced by 5% per year remaining before July 1st following 65th birthday.
4. Retire with full pension after age 60 with at least 80 "points" of age plus service. In addition to the pension plan, the collective agreement provides a "bridge benefit" until age 65 of 0.4% of Final Average Earnings up to YMPE times years of service. This benefit compensates for the absence of full Canada Pension Plan benefits before age 65.

Retirement Income Examples (2008 Estimates)

Final Average Earnings	\$27,201	\$37,018	\$53,365	\$73,844
1.6% under YMPE * 30 years of service	\$13,056	\$17,769	\$20,912	\$20,912
2.0% over YMPE * 30 years of service	-	-	\$ 5,879	\$18,166
Canada Pension Plan	\$ 6,431	\$ 8,751	\$10,615	\$10,615
Old Age Security	\$ 6,028	\$ 6,028	\$ 6,028	\$ 6,028
Total	\$25,515	\$32,548	\$43,434	\$55,721
Replacement Ratio (% of salary replaced by pension)	94 %	88 %	81 %	75 %