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LOCAL 1998

Example calculations of your benefits under each plan

To help you better understand how benefits are calculated under the University of Toronto Pension Plan (UTPlan) and the University Pension Plan (UPP), we've created examples that are representative of the plan provisions that would apply in a variety of realistic retirement scenarios.

1. Benefit Formula calculations

2. Early retirement reductions

3. Post-retirement death

QUESTIONS

Please email any questions you may have to **info@usw1998.ca**.

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Example 1a: 46-year-old with 5 years of Pensionable Service in the UTPlan at the UPP's inception (July 1, 2021)

Marco would like to retire at his Normal Retirement Date (age 65)

At the inception of the University Pension Plan (UPP), Marco is 46 years old and has five years of Pensionable Service in the U of T Pension Plan (UTPlan).

The table below summarizes Marco's information when he retires at age 65, assuming continued participation in the UPP until the date of his retirement:

Date of Birth	June 30, 1975
Date of Hire	July 1, 2016
Date of Retirement	June 30, 2040
Age at Retirement	65
UTPlan Entry Date	July 1, 2016
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service	5 years (July 1, 2016 to June 30, 2021)
UPP Pensionable Service	19 years (July 1, 2021 to June 30, 2040)

Marco's best earnings are also his last years' earnings.

For the 12-month periods from July 1st to June 30th preceding his retirement this table shows:

- Marco's best earnings,
- the Year's Maximum Pensionable Earnings (YMPE) applicable under the UTPlan and the UPP, and
- the Year's Additional Maximum Pensionable Earnings (YAMPE).

Period	Earnings*	UTPlan YMPE**	UPP YMPE	Estimated YAMPE
1	$63,000	$55,300	$55,600	$63,350
2	$62,000	$54,900	$55,100	$62,800
3	$61,000	$53,600	$54,250	$61,850
4	$60,000	N/A	$53,050	$60,500

* Earnings, YMPE, and YAMPE are illustrative in 2018 dollars. The YAMPE will be a new earnings breakpoint under the CPP implemented effective January 1, 2025 and is equal to 114% of the YMPE.

** The YMPE is changed annually, based on the calendar year. The UTPlan YMPE is also changed annually but in alignment with the beginning of the University plan year (July 1st to June 30th) and is therefore effective July 1st of each year.

Calculating earnings

How we calculate Average Earnings in the UTPlan

Average Earnings in the UTPlan are based on average earnings during the *best 36 completed months of participation in the UTPlan/UPP*. Marco's average earnings in the UTPlan is $62,000. The Average YMPE is based on the YMPE during the last 36 months prior to retirement, which is $54,600.

How we calculate Average Earnings in the UPP

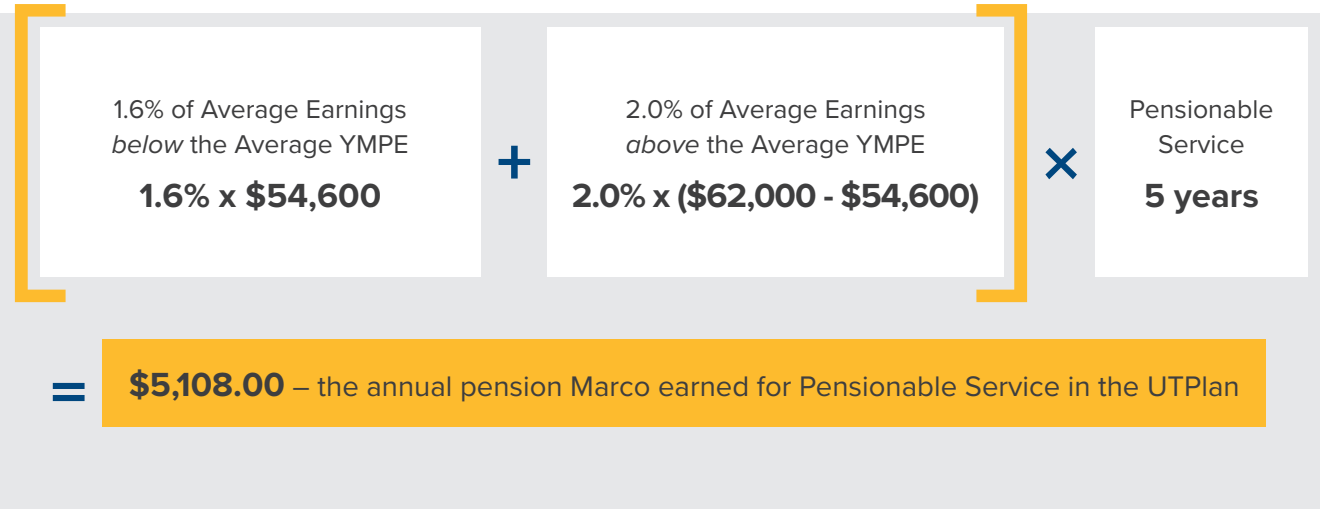
Average Earnings in the UPP are based on average earnings during the *best 48 completed months of participation in the UTPlan/UPP*. Marco's average earnings in the UPP is $61,500. The average YMPE and average YAMPE are based on the last 48 months prior to retirement. The Average YMPE is $54,500 and the Average YAMPE is $62,125.

It's important to note that Average Earnings are based on *best months of participation in the UTPlan / UPP*, while the average YMPE / YAMPE are based on the *months just prior to retirement.*

How we calculate the pension

Pension from the UTPlan

Marco's annual pension from the UTPlan is calculated as follows:



This example was prepared by the USW actuarial advisors and was not further verified by the University of Toronto Pension Plan Actuary. This example is for illustration purposes only. In the event of any inconsistency between this example and the terms of the UTPlan and the UPP, the official UTPlan and UPP plan documents will govern.

Pension from the UPP

Marco's annual pension from the UPP is calculated as follows:

For Pensionable Service earned prior to 2025, the pension will be based on the YMPE:

1.6% of Average Earnings *below* the Average YMPE		2.0% of Average Earnings *above* the Average YMPE		Pensionable Service
1.6% x $54,500	+	**2.0% x ($61,500 - $54,500)**	×	**3.5 years**

= **$3,542.00**
(annual pension earned for his Pensionable Service prior 2025, when the YMPE is used in the calculation)

For Pensionable Service earned after 2024, the pension will be based on the YAMPE:

1.6% of Average Earnings *below* the Average YAMPE		2.0% of Average Earnings *above* the Average YAMPE		Pensionable Service
1.6% x $61,500	+	**2.0% x $0**	×	**15.5 years**

= **$15,252.00**
(annual pension earned for his Pensionable Service after 2024, when the YAMPE is used in the calculation)

MARCO'S *TOTAL PENSION* IN THE UPP

$3,542.00 + **$15,252.00** = **$18,794.00** annually

Marco's total accrued pension from the UTPlan and the UPP (with both pieces being paid from the UPP) is:

Plan	Annual Pension	Monthly Pension
UTPlan	$5,108.00	$425.67
UPP	$18,794.00	$1,566.16
Total	**$23,902.00**	**$1,991.83**

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Example 1b: 50-year-old with 25 years of Pensionable Service in the UTPlan at the UPP's inception (July 1, 2021)

Kaveh would like to retire at his Normal Retirement Date (age 65)

At the inception of the University Pension Plan (UPP), Kaveh is 50 years old and has 25 years of Pensionable Service in the U of T Pension Plan (UTPlan).

The table below summarizes Kaveh's information when he retires at age 65, assuming continued participation in the UPP until the date of his retirement:

Date of Birth	June 30, 1971
Date of Hire	July 1, 1996
Date of Retirement	June 30, 2036
Age at Retirement	65
UTPlan Entry Date	July 1, 1996
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service	25 years (July 1, 1996 to June 30, 2021)
UPP Pensionable Service	15 years (July 1, 2021 to June 30, 2036)

Kaveh's best earnings are also his last years' earnings.

For the 12-month periods from July 1st to June 30th preceding his retirement this table shows:

- Kaveh's best earnings,
- the Year's Maximum Pensionable Earnings (YMPE) applicable under the UTPlan and the UPP, and
- the Year's Additional Maximum Pensionable Earnings (YAMPE).

Period	Earnings*	UTPlan YMPE**	UPP YMPE	Estimated YAMPE
1	$70,000	$55,300	$55,600	$63,350
2	$69,000	$54,900	$55,100	$62,800
3	$68,000	$53,600	$54,250	$61,850
4	$67,000	N/A	$53,050	$60,500

* Earnings, the YMPE, and the YAMPE are illustrative in 2018 dollars. The YAMPE will be a new earnings breakpoint under the CPP implemented effective January 1, 2025 and is equal to 114% of the YMPE.

** The YMPE is changed annually, based on the calendar year. The UTPlan YMPE is also changed annually but in alignment with the beginning of the University plan year (July 1st to June 30th) and is therefore effective July 1st of each year.

This example was prepared by the USW actuarial advisors and was not further verified by the University of Toronto Pension Plan Actuary. This example is for illustration purposes only. In the event of any inconsistency between this example and the terms of the UTPlan and the UPP, the official UTPlan and UPP plan documents will govern.

Calculating earnings

How we calculate Average Earnings in the UTPlan

Average Earnings in the UTPlan are based on average earnings during the *best 36 completed months of participation in the UTPlan / UPP*. Kaveh's average earnings in the UTPlan is $69,000.

The Average YMPE is based on the YMPE during the last 36 months prior to retirement, which is $54,600.

How we calculate Average Earnings in the UPP

Average Earnings in the UPP are based on average earnings during the *best 48 completed months of participation in the UTPlan / UPP*. Kaveh's average earnings in the UPP is $68,500.

The average YMPE and average YAMPE are based on the last 48 months prior to retirement. The Average YMPE is $54,500 and the Average YAMPE is $62,125.

It's important to note that Average Earnings are based on *best months of participation in the UTPlan / UPP*, while the average YMPE / YAMPE are based on the *months just prior to retirement*.

How we calculate the pension

Pension from the UTPlan

Kaveh's annual pension from the UTPlan is calculated as follows:

1.6% of Average Earnings *below* the Average YMPE
1.6% x $54,600

+

2.0% of Average Earnings *above* the Average YMPE
2.0% x ($69,000 - $54,600)

×

Pensionable Service
25 years

= **$29,040.00** – the annual pension Kaveh earned for his serivce in the UTPlan

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Pension from the UPP

Kaveh's annual pension from the UPP is calculated as follows:

For Pensionable Service earned prior to 2025, the pension will be based on the YMPE:

1.6% of Average Earnings *below* the Average YMPE		2.0% of Average Earnings *above* the Average YMPE		Pensionable Service
1.6% x $54,500	+	**2.0% x ($68,500 - $54,500)**	×	**3.5 years**

= **$4,032.00**
(annual pension earned for his Pensionable Service up to 2025, when the YMPE is used in the calculation)

For Pensionable Service earned after 2024, the pension will be based on the YAMPE:

1.6% of Average Earnings *below* the Average YAMPE		2.0% of Average Earnings *above* the Average YAMPE		Pensionable Service
1.6% x $62,125	+	**2.0% x ($68,500 - $62,125)**	×	**11.5 years**

= **$12,897.25**
(annual pension earned for his Pensionable Service after 2024, when the YAMPE is used in the calculation)

KAVEH'S *TOTAL PENSION* IN THE UPP

$4,032.00 + **$12,897.25** = **$16,929.25** annually

Kaveh's total accrued pension from the UTPlan and the UPP (with both pieces being paid from the UPP) is:

Plan	Annual Pension	Monthly Pension
UTPlan	$29,040.00	$2,420.00
UPP	$16,929.25	$1,410.77
Total	**$45,969.25**	**$3,830.77**

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Example 1c: 58-year-old with 33 years of Pensionable Service in UTPlan at UPP inception (July 1, 2021)

Achela would like to retire at her Normal Retirement Date (age 65)

At the inception of the University Pension Plan (UPP), Achela is 58 years old and has 33 years of Pensionable Service in the U of T Pension Plan (UTPlan).

The table below summarizes Achela's information when she retires at age 65, assuming continued participation in the UPP until the date of her retirement:

Date of Birth	June 30, 1963
Date of Hire	July 1, 1988
Date of Retirement	June 30, 2028
Age at Retirement	65
UTPlan Entry Date	July 1, 1988
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service	33 years (July 1, 1988 to June 30, 2021)
UPP Pensionable Service	7 years (July 1, 2021 to June 30, 2028)

Achela's best earnings are also her last years' earnings.

For the 12-month periods from July 1st to June 30th preceding her retirement this table shows:

- Achela's best earnings,
- the Year's Maximum Pensionable Earnings (YMPE) applicable under the UTPlan and the UPP, and
- the Year's Additional Maximum Pensionable Earnings (YAMPE).

Period	Earnings*	UTPlan YMPE**	UPP YMPE	Estimated YAMPE
1	$81,000	$55,300	$55,600	$63,350
2	$79,500	$54,900	$55,100	$62,800
3	$78,000	$53,600	$54,250	$61,850
4	$76,500	N/A	$53,050	$60,500

* Earnings, YMPE, and YAMPE are illustrative in 2018 dollars. The YAMPE will be a new earnings breakpoint under the CPP implemented effective January 1, 2025 and is equal to 114% of the YMPE.

** The YMPE is changed annually, based on the calendar year. The UTPlan YMPE is also changed annually but in alignment with the beginning of the University plan year (July 1st to June 30th) and is therefore effective July 1st of each year.

This example was prepared by the USW actuarial advisors and was not further verified by the University of Toronto Pension Plan Actuary. This example is for illustration purposes only. In the event of any inconsistency between this example and the terms of the UTPlan and the UPP, the official UTPlan and UPP plan documents will govern.

Calculating earnings

How we calculate Average Earnings in the UTPlan

Average Earnings in the UTPlan are based on average earnings during the *best 36 completed months of participation in the UTPlan / UPP*. Achela's average earnings in the UTPlan is $79,500. The Average YMPE is based on the YMPE during the last 36 months prior to retirement, which is $54,600.

How we calculate Average Earnings in the UPP

Average Earnings in the UPP are based on average earnings during the *best 48 completed months of participation in the UTPlan / UPP*. Achela's average earnings in the UPP is $78,750. The average YMPE and average YAMPE are based on the last 48 months prior to retirement. The Average YMPE is $54,500 and the Average YAMPE is $62,125.

It's important to note that Average Earnings are based on *best months of participation in the UTPlan / UPP*, while the average YMPE / YAMPE are based on the *months just prior to retirement.*

How we calculate the pension

Pension from the UTPlan

Achela's annual pension from the UTPlan is calculated as follows:

[1.6% of Average Earnings *below* the Average YMPE **1.6% x $54,600** + 2.0% of Average Earnings *above* the Average YMPE **2.0% x ($79,500 - $54,600)**] × Pensionable Service **33 years**

= **$45,262.80** – the annual pension Achela earned for Pensionable Service in the UTPlan

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Pension from the UPP

Achela's annual pension from the UPP is calculated as follows:

For Pensionable Service earned prior to 2025, the pension will be based on the YMPE:

1.6% of Average Earnings *below* the Average YMPE		2.0% of Average Earnings *above* the Average YMPE		Pensionable Service
1.6% x $54,500	+	**2.0% x ($78,750 - $54,500)**	×	**3.5 years**

= **$4,749.50**
(annual pension earned for her Pensionable Service up to 2025, when the YMPE is used in the calculation)

For Pensionable Service earned after 2024, the pension will be based on the YAMPE:

1.6% of Average Earnings *below* the Average YAMPE		2.0% of Average Earnings *above* the Average YAMPE		Pensionable Service
1.6% x $62,125	+	**2.0% x ($78,750 - $62,125)**	×	**3.5 years**

= **$4,642.75**
(annual pension earned for her Pensionable Service after 2024, when the YAMPE is used in the calculation)

ACHELA'S *TOTAL PENSION* IN THE UPP

$4,749.50 + **$4,642.75** = **$9,392.25** annually

Achela's total accrued pension from the UTPlan and the UPP (with both pieces being paid from the UPP) is:

Plan	Annual Pension	Monthly Pension
UTPlan	$45,262.80	$3,771.90
UPP	$9,392.25	$782.69
Total	**$54,655.05**	**$4,554.59**

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Example 1d: 55-year-old with 17 years of Pensionable Service in UTPlan at UPP inception (July 1, 2021)

Maria would like to retire at her Normal Retirement Date (age 65)

At the inception of the University Pension Plan (UPP), Maria is 55 years old and has 17 years of Pensionable Service in the U of T Pension Plan (UTPlan).

The table below summarizes Maria's information when she retires at age 65, assuming continued participation in the UPP until the date of her retirement:

Date of Birth	June 30, 1966
Date of Hire	July 1, 2004
Date of Retirement	June 30, 2031
Age at Retirement	65
UTPlan Entry Date	July 1, 2004
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service	17 years (July 1, 2004 to June 30, 2021)
UPP Pensionable Service	10 years (July 1, 2021 to June 30, 2031)

Maria's best earnings are also her last years' earnings.

For the 12-month periods from July 1st to June 30th preceding her retirement this table shows:

- her best earnings,
- the Year's Maximum Pensionable Earnings (YMPE) applicable under the UTPlan and the UPP, and
- the Year's Additional Maximum Pensionable Earnings (YAMPE).

Period	Earnings*	UTPlan YMPE**	UPP YMPE	Estimated YAMPE
1	$57,000	$55,300	$55,600	$63,350
2	$56,000	$54,900	$55,100	$62,800
3	$55,000	$53,600	$54,250	$61,850
4	$54,000	N/A	$53,050	$60,500

* Earnings, YMPE, and YAMPE are illustrative in 2018 dollars. The YAMPE will be a new earnings breakpoint under the CPP implemented effective January 1, 2025 and is equal to 114% of the YMPE.

** The YMPE is changed annually, based on the calendar year. The UTPlan YMPE is also changed annually but in alignment with the beginning of the University plan year (July 1st to June 30th) and is therefore effective July 1st of each year.

This example was prepared by the USW actuarial advisors and was not further verified by the University of Toronto Pension Plan Actuary. This example is for illustration purposes only. In the event of any inconsistency between this example and the terms of the UTPlan and the UPP, the official UTPlan and UPP plan documents will govern.

Calculating earnings

How we calculate Average Earnings in the UTPlan

Average Earnings in the UTPlan are based on average earnings during the *best 36 completed months of participation in the UTPlan / UPP*. Maria's average earnings in the UTPlan is $56,000.

The Average YMPE is based on the YMPE during *the last 36 months prior to retirement,* which is $54,600.

How we calculate Average Earnings in the UPP

Average Earnings in the UPP are based on average earnings during *the best 48 completed months of participation in the UTPlan / UPP*. Maria's average earnings in the UPP is $55,500.

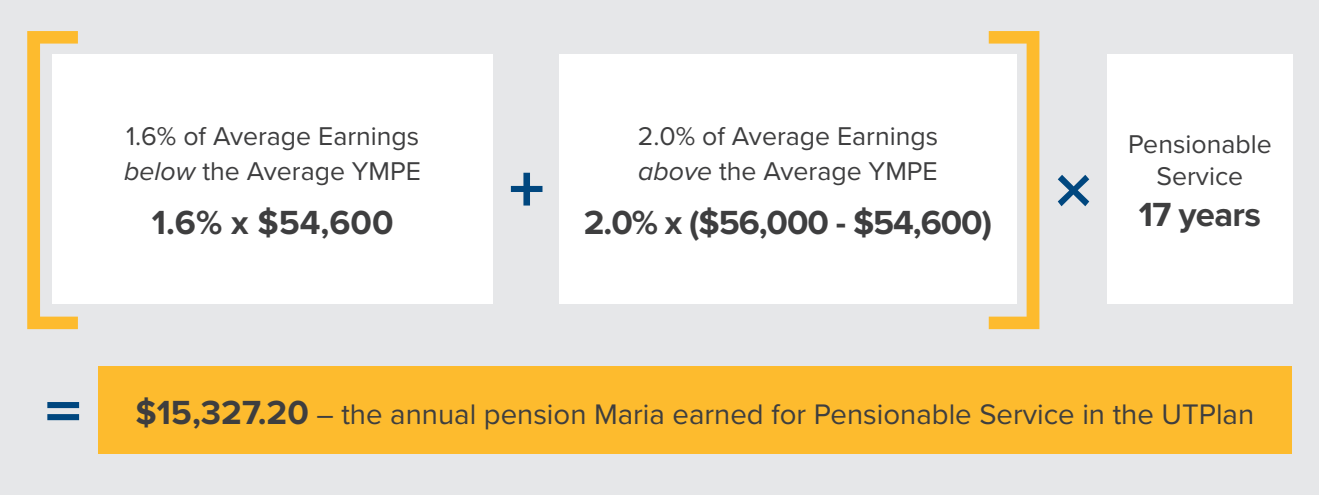
The average YMPE and average YAMPE are based on *the last 48 months prior to retirement*. The average YMPE is $54,500 and the average YAMPE is $62,125.

It's important to note that Average Earnings are based on *best months of participation in the UTPlan / UPP*, while the average YMPE / YAMPE are based on the *months just prior to retirement*.

How we calculate the pension

Pension from the UTPlan

Maria's annual pension from the UTPlan is calculated as follows:



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Pension from the UPP

Maria's annual pension from the UPP is calculated as follows:

For Pensionable Service earned prior to 2025, the pension will be based on the YMPE:

1.6% of Average Earnings *below* the Average YMPE		2.0% of Average Earnings *above* the Average YMPE		Pensionable Service
1.6% x $54,500	+	**2.0% x ($55,500 - $54,500)**	×	**3.5 years**

= **$3,122.00**
(annual pension earned for her Pensionable Service up to 2025 when the YMPE is used in the calculation)

For Pensionable Service earned after 2024, the pension will be based on the YAMPE:

1.6% of Average Earnings *below* the Average YAMPE		2.0% of Average Earnings *above* the Average YAMPE		Pensionable Service
1.6% x $55,500	+	**2.0% x 0**	×	**6.5 years**

= **$5,772.00**
(annual pension earned for her Pensionable Service after 2024, when the YAMPE is used in the calculation)

MARIA'S *TOTAL PENSION* IN THE UPP

$3,122.00 + **$5,772.00** = **$8,894.00** annually

Maria's total accrued pension from the UTPlan and the UPP (with both pieces being paid from the UPP) is:

Plan	Annual Pension	Monthly Pension
UTPlan	$15,327.20	$1,277.27
UPP	$8,894.00	$741.16
Total	**$24,221.20**	**$2,018.43**

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Example 2a: Qualifies for an unreduced pension

The table below summarizes Hindusha's information when she retires at age 62:

Date of Birth	January 1, 1963
Date of Hire	July 1, 1988
Date of Retirement	January 1, 2025
Age at Retirement	62
UTPlan Entry Date	July 1, 1988
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service*	33 years (July 1, 1988 to June 30, 2021)
UPP Pensionable Service*	3.5 years (July 1, 2021 to January 1, 2025)

* assume Pensionable Service equals Continuous Service.

Hindusha's accrued annual pension under the University of Toronto Pension Plan (UTPlan) is $44,832.00 and her accrued annual pension under the University Pension Plan (UPP) is $4,691.00.

How we calculate the early retirement pension

Since Hindusha is retiring before age 65, her normal retirement age, a reduction to her pensions may apply.

The eligibility for an unreduced pension, and the reductions if you retire before you are eligible for an unreduced pension, are the same under the UTPlan and the UPP.

Under both the UTPlan and the UPP, Hindusha is eligible for an unreduced pension if:

- she retires after age 60, and
- provided her age plus years of Continuous Service total at least 80.

Hindusha is age 62 and has 36.5 total years of Continuous Service (Continuous Service under the UTPlan plus Continuous Service under the UPP). Adding her age and service totals 98.5 points. Therefore, under both plans she meets the eligibility requirements for an unreduced pension.

This means that neither portion of her pension is reduced – not the portion earned under the UTPlan, nor the portion earned under the UPP.

HINDUSHA'S *TOTAL PENSION*

$44,832.00 (UTPlan) + **$4,691.00** (UPP) = **$49,523.00** annually (or **$4,126.92** monthly), with both pieces being paid from the UPP.

This example was prepared by the USW actuarial advisors and was not further verified by the University of Toronto Pension Plan Actuary. This example is for illustration purposes only. In the event of any inconsistency between this example and the terms of the UTPlan and the UPP, the official UTPlan and UPP plan documents will govern.

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Example 2b: Does not qualify for an unreduced pension

The table below summarizes Lisa's information when she retires at age 60:

Date of Birth	July 1, 1964
Date of Hire	July 1, 2010
Date of Retirement	July 1, 2024
Age at Retirement	60
UTPlan Entry Date	July 1, 2010
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service*	11 years (July 1, 2010 to June 30, 2021)
UPP Pensionable Service*	3 years (July 1, 2021 to July 1, 2024)

* assume Pensionable Service equals Continuous Service.

Lisa's accrued annual pension under the University of Toronto Pension Plan (UTPP) is $10,800.00 and her accrued annual pension under the University Pension Plan (UPP) is $4,000.00.

How we calculate the early retirement pension

The eligibility for an unreduced pension and the reductions if you retire before you are eligible for an unreduced pension are the same under the UTPlan and the UPP.

Since Lisa's age (60) plus her total years of Continuous Service (Continuous Service under the UTPlan plus Continuous Service under the UPP) at retirement (14 total years) do not total 80, she is not eligible for the early unreduced pension.

Her pension is, therefore, reduced to reflect that she is retiring before her normal retirement (age 65). The reduction is 5% for each year that she retires before age 65. This reduction applies to both her UTPlan and UPP pension portions.

The pension payable after applying the early retirement adjustment (5 years early equals 25% reduction) is $11,100.00 annually (or $925.00 monthly), with both pieces being paid from the UPP.

LISA'S *TOTAL PENSION*

$8,100.00 (UTPlan) + **$3,000.00** (UPP) = **$11,100.00** annually (or **$925.00** monthly), with both pieces being paid from the UPP.

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Example 3a: Post-retirement death benefit adjustment – member without a spouse

The table below summarizes Achela's information when she retires at age 65:

Date of Birth	June 30, 1963
Date of Hire	July 1, 1988
Date of Retirement	June 30, 2028
Age at Retirement	65
UTPlan Entry Date	July 1, 1988
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service	33 years (July 1, 1988 to June 30, 2021)
UPP Pensionable Service	7 years (July 1, 2021 to June 30, 2028)

Achela has an accrued annual pension under the U of T Pension Plan (UTPlan) of $45,262.80 and her accrued annual pension under the University Pension Plan (UPP) is $9,392.25 (as calculated in example 1c).

How we calculate adjustments to the normal form of pension

Achela is single at the time of her retirement. She will receive her pension for her lifetime. She wants some protection for her beneficiaries and chooses a *guaranteed pension for 10 years* from the available options.

The Normal Form of pension under the UTPlan for a single member on the date of retirement is a lifetime pension with a five-year guarantee.

Since she has chosen a 10-year guarantee, her pension will be reduced to reflect the fact that she has elected a death benefit of greater value than the Normal Form.

The amount of the adjustment is about 1.5%. Her annual pension under the UTPlan after this adjustment is $44,583.86.

The Normal Form of pension under the UPP for a single member on the date of retirement is a lifetime pension with a 10-year guarantee. Therefore, no adjustment to the UPP portion of her pension is required, as the UPP provides for a 10-year guarantee as the Normal Form.

ACHELA'S *TOTAL PENSION*

$44,583.86 (UTPlan) + **$9,392.25** (UPP) = **$53,976.11** annually (or **$4,498.01** monthly), with both pieces being paid from the UPP.

This example was prepared by the USW actuarial advisors and was not further verified by the University of Toronto Pension Plan Actuary. This example is for illustration purposes only. In the event of any inconsistency between this example and the terms of the UTPlan and the UPP, the official UTPlan and UPP plan documents will govern.

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Example 3b: Post-retirement death benefit adjustment – member with a spouse

The table below summarizes Maria's information when she retires at age 65:

Date of Birth	June 30, 1966
Date of Hire	July 1, 2004
Date of Retirement	June 30, 2031
Age at Retirement	65
UTPlan Entry Date	July 1, 2004
UPP Entry Date	July 1, 2021
UTPlan Pensionable Service	17 years (July 1, 2004 to June 30, 2021)
UPP Pensionable Service	10 years (July 1, 2021 to June 30, 2031)

Maria has an accrued annual pension under the U of T Pension Plan (UTPlan) of $15,327.20 and her accrued annual pension under the University Pension Plan (UPP) is $8,894.00 (as calculated in example 1d).

She is retiring at age 65 and her partner is age 63.

How we calculate adjustments to the normal form of pension

Maria will receive her pension for her lifetime. Maria wants to provide a guaranteed pension to her spouse in case she pre-deceases her spouse. She wants to choose a survivor pension of 60% of her pension.

The UTPlan, for a member with a spouse on the date of retirement, provides a lifetime pension to Maria with a continuing pension of 60% to her surviving partner – this is the Normal Form of pension. No adjustment to the UTPlan pension is required.

Under the UPP, a member with a spouse on the date of retirement, provides a lifetime pension to Maria with a continuing pension of 50% to her surviving partner. The UPP pension must be adjusted (i.e., reduced) to provide the larger 60% surviving partner benefit. The adjustment is approximately 1.5%. Her adjusted annual pension payable under the UPP is $8,760.59.

MARIA'S *TOTAL PENSION*

$15,327.20 (UTPlan) + **$8,760.59** (UPP) = **$24,087.79** annually (or **$2,007.32** monthly), with both pieces being paid from the UPP.

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