



Municipal Pension Plan (MPP) Changes

What is happening?

The MPP Plan Partners (Unions, government, Union of BC Municipalities) have reached Agreement in Principle (AIP) on proposed negotiated changes to the MPP.

These changes only come into effect January 1, 2022 and only apply to service after that date.

How do I get more info?

- Visit mppredesign.ca to learn more about the changes.
- Use the easy online calculator to learn how the changes impact you.
- The MPP Redesign Call Centre can answer general questions about plan design. Hours of operation are 8:30 am to 4:00 pm, open until October 23, 2020 - 1-877-251-0997
- If you have a question or comment, go online to mppredesign.ca and click on “submit a question” and it will be directed to CUPE.
- CUPE member inquiries to: plandesign@cupe.ca

When do the changes take effect?

All proposed changes only apply to service earned after the proposed effective date **January 1, 2022**.

What are the proposed changes to the Plan?

The Agreement in Principle (AiP) includes a package of proposed changes, which need to be considered as a whole.

None of the proposed changes will affect any benefits members have already earned.

The proposed changes for Group 1 members (all members except for police and fire) include the following:

- ***Lifetime pension and bridge benefit:***

The biggest change is a higher lifetime pension, partially offset by changes to early retirement rules and elimination of the bridge benefit on service after January 1, 2022.

- ***Early retirement rules:***

Today, about one third of Group 1 members retire before age 60, but all members currently contribute to early retirement subsidies. The proposed changes maintain the ability to retire with an unreduced pension at age 60 (with at least two years of contributory service), and to retire as early as age 55, but without the subsidy that is currently in place (this includes the Rule of 90); removing the Rule of 90 and subsidies for early retirement to further support a higher accrual rate on all future service. This results in an improved lifetime pension for most members.

- ***Changes only apply on benefit accruals after January 1, 2022:***

If a member retires before age 60, the existing rules, including the Rule of 90, continue to apply to all service earned prior to Jan. 1, 2022.

- ***Member and Employer contributions:***

Effective Jan. 1, 2022, Group 1 members will pay a single contribution rate of 8.61% of pay. Employers will contribute 8.71% of pay towards pension benefits. These contributions are made to the basic account and the inflation adjustment account (IAA), which provides permanent cost-of-living adjustments to pensions in pay. Employers will also contribute 0.6% of pay towards retired member group health benefits.