

Your pension contributions will rise July 1, 2014

What you need to know

Effective July 1 there will be a total pension contribution rate increase of 1.4 per cent of salary. This increase will be **shared** between members and employers. This means your pension contribution rate will increase 0.7 per cent of salary.



Why is there a rate increase?

The rate increase was determined by the results of the 2012 valuation. A valuation occurs every three years and is an independent actuarial review of the money going in and out of the Basic Account. It's a review of the assets held by the Plan and what the Plan needs to pay out.

The 2012 valuation determined an unfunded liability of \$1,370 million. There are two main reasons:

1. Investment returns were lower than expected. Some of the investment losses from 2008 are still being experienced.
2. Plan members are living longer and so require their pensions to be paid out for a longer period of time.

The Board of Trustees is required to raise contribution rates if the valuation shows an unfunded liability. Raising contribution rates is the most immediate way to maintain benefits in the future.

Is there anything I have to do?

No. Your employer is responsible for implementing the changes through payroll. The rate increase will take effect on July 1, 2014, for both members and employers.

Where can I find more information?

Check out mpp.pensionsbc.ca for more information and a FAQ featuring common questions from members.



Questions?
Contact our client services
representatives.

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