

INFORMATION SHEET

New Member Basics

This Information Sheet is designed to provide general information to members who are enrolling in the Universities Academic Pension Plan (UAPP). The following is a brief summary of some of the important things to keep in mind to help you get to know your pension plan.

INTRODUCTION

UAPP is a defined benefit plan for the academic and professional staff of four Alberta universities and Banff Centre. The plan is governed by the Sponsorship and Trust Agreement (STA) signed by the plan sponsors. The Board of Trustees, with employee and employer representatives from the sponsor institutions, are responsible for the administration of the UAPP.

As a new member of the plan, we encourage you to spend a bit of time looking at our website. In particular, new members of UAPP are encouraged to review the Member Handbook as updated annually. The STA and Member Handbook are two of many documents that can be found on our website at uapp.ca under Publications. Also under Publications, the Annual Report includes the plan's financial statements for the most recent year-end, Communiqués are published quarterly wherein we provide information for plan members, Information Sheets summarize a variety of topics of interest to members, and our plan governing documentation is the Sponsorship and Trust Agreement.

■ PARTICIPATING EMPLOYERS

- The employers participating in UAPP include the University of Alberta, University of Calgary, University of Lethbridge, Athabasca University, and Banff Centre for Arts and Creativity.

■ MEMBERSHIP

- To participate in UAPP, you must be employed by a participating employer in either an academic position, or a senior administrative or research position that has been designated as eligible. If you are a full-time permanent employee in an eligible position, you join UAPP on your date of hire. If you are employed on any other basis, please contact your employer's Human Resources Department regarding your eligibility to join the pension plan. Your employer will enroll you in UAPP if you are eligible to participate.

■ PLAN MEMBER PORTAL

- Shortly after you join the plan, you will be able to self-register your access to the Plan Member Portal. This tool is found on our homepage at uapp.ca. You will be able to run pension estimates to help with your retirement planning. Each year, usually in May, you will receive notification that your Annual Member Statement has been posted to the Plan Member Portal. The statement will give you information on the pension benefit that you have accrued to the end of the previous year. Your personal data is also included on the statement so you can track your pensionable service and pensionable salary.

INFORMATION SHEET

New Member Basics

■ **COMBINED PENSIONABLE SERVICE**

- If you move to UAPP from the Alberta Public Service Pension Plan (PSPP) or vice versa without changing your employer and without a break in service, the Combined Pensionable Service (CPS) provisions will apply to you. When you terminate or retire and have CPS, you will receive benefits from each plan separately. More information on CPS is available in the Information Sheet *Combined Pensionable Service* available on our website at uapp.ca/publications/information-sheets/.

■ **NOMINATION OF BENEFICIARY(IES)**

- Under UAPP, your spouse is automatically your beneficiary if you die before retirement. If you do not have a spouse at the time of death, your beneficiary(ies) is/are the person(s) or entities designated by you to receive benefits payable from the plan in the event of your death. If you do not name a beneficiary and you do not have a spouse, your estate is your beneficiary. Therefore, it is important to designate a non-spousal beneficiary. This can be done by completing the *Spousal Declaration and Designation of Beneficiary Form* posted in the Plan Member Portal and on our website at uapp.ca/forms/.

CONTRIBUTIONS

Members and their employers are required to make contributions to the plan in order to fund benefits. As with most defined benefit plans, your contributions do not determine the amount of your benefit. Under the UAPP, it will primarily be your highest average earnings and your pensionable service in the plan that will be used in calculating your ultimate pension benefit from the plan. The contribution rates are summarized on our website at uapp.ca/publications/contribution-rates/. These rates vary depending on the timing of the filing of an actuarial valuation, which must be completed at least once every three years.

Your contributions are automatically deducted from your pay and are remitted by your employer. Your contributions are tax deductible and will be shown on your T4 slip provided by your employer. You must make contributions until you reach the earlier of 35 years of pensionable service or the end of the year in which you attain age 69. Because your UAPP contributions are tax deductible, your RRSP contribution limit will be reduced by the pension adjustment included on your T4 slip.

Contributions are remitted to the UAPP pension fund, which is comprised of a diverse portfolio of investments including fixed income, equities, and alternative assets. The Board of Trustees is responsible for hiring the investment managers and monitoring their performance. A comprehensive [Statement of Investment Policies and Goals](#) has been established to guide the investments of the fund.

The Government of Alberta is required to contribute 1.25% of plan member payroll towards paying off the plan's unfunded liability for service accrued prior to 1992. This funding arrangement expires at the earlier of December 31, 2043 or the date the pre-1992 liability is fully funded.

INFORMATION SHEET

New Member Basics

BENEFITS

As noted above, UAPP is a defined benefit pension plan designed to provide members with a lifetime income during retirement. A member's benefit is determined at the time they terminate, die, or retire from employment.

The following are some key plan provisions to keep in mind as you think about your benefits in UAPP:

■ VESTING

- Vesting means you are eligible to receive a pension or the commuted value of the pension you have earned to the date of termination. You are immediately vested upon joining UAPP.

■ RETIREMENT DATE

- You can retire and commence your monthly pension on any date between your 55th birthday and December 31 of the year in which you attain age 69. You do not have to retire on your birthday or at the beginning or end of any particular month.

■ UNREDUCED PENSION

- Pensions accrued for service after December 31, 1993 are reduced for early retirement by 3% for each year you are short of meeting the earlier of age 60 or the date at which the sum of your age and your years of contributory service (including Combined Pensionable Service) is less than 80. Pensions accrued for service before January 1, 1994 are not reduced for retirement at age 55 or later.

■ PENSION CALCULATION

- The amount of your pension depends directly on your earnings and pensionable service. The formula varies with the period to which the service applies. For each year of service prior to 1992, the pension equals 2% of highest average uncapped salary. For each year of service during 1992 and 1993, the pension equals 2% of highest average capped salary. And, for each year of service after December 31, 1993, the pension equals 2% of highest average capped salary minus 0.6% of the average Year's Maximum Pensionable Earnings (YMPE) for the same period. The definitions of highest average capped salary and YMPE can be found in the latest Member Handbook found on our website at uapp.ca/publications/member-handbook/.

■ PENSION OPTIONS

- Your pension will be payable in one of the forms summarized in the Information Sheets titled *Pension Options – Member With a Spouse* and *Pension Options – Member Without a Spouse* posted on our website at uapp.ca/publications/information-sheets/. If you have a spouse at retirement, you must elect a joint life pension unless your spouse completes the waiver titled *Pension Partner Waiver of Entitlement to a 60% Joint and Survivor Pension from a Pension Plan* posted on our website at uapp.ca/forms/.

INFORMATION SHEET

New Member Basics

■ DEATH BEFORE RETIREMENT

- If you die before you retire or terminate employment from UAPP, your surviving spouse, if applicable, is eligible to receive a lifetime survivor pension payable as if you retired the day prior to your death. If you are under the age of 55 and had a spouse at the date of death, the surviving spouse is entitled to a lump sum transfer to a Locked-In Retirement Account in lieu of the monthly pension. If you do not have a surviving spouse at your date of death, your last-named beneficiary, or estate if no beneficiary has been filed with your employer, will receive a lump sum payout of your pension in cash.

■ COST-OF-LIVING ADJUSTMENTS

- Once your pension commences, your monthly pension payments will be increased on January 1st of each year by a cost-of-living adjustment equal to 60% of the average increase in Alberta's Consumer Price Index for the 12-month period ending October 31st of the previous year. The first such increase after pension commencement is pro-rated based on the number of complete months the pension was in pay. If you have terminated your employment and are entitled to a deferred pension, then the annual cost-of-living adjustment is also applied to your pension during the deferral period. A summary of the historical cost-of-living adjustments granted under the UAPP is available on our website at uapp.ca/news/cost-of-living-adjustment.

■ PURCHASING ADDITIONAL SERVICE

- Members may be able to increase UAPP pensionable service by purchasing a period of prior service or a leave of absence. More information on purchasing a period of prior service can be found in the Information Sheet *Purchasing Prior Service* and more information on purchasing a leave of absence can be found in the Information Sheet *Establishing Pension Credits for Leave Periods*, both of which are posted on our website at uapp.ca/publications/information-sheets/.

IMPORTANT NOTE TO THE READER:

This Information Sheet is designed as a quick summary of the subject. Should anything in this Information Sheet conflict with the UAPP Sponsorship and Trust Agreement, or any applicable provincial or federal legislation, the Agreement and/or the legislation shall apply.

NEED MORE INFORMATION?

Call UAPP at 1.888.339.1546 (toll-free within North America) or 1.780.612.4259 (collect, outside North America) if you have further questions. Information Sheets on other pension topics are available on the UAPP's website at www.uapp.ca (under Publications).