

# The Municipal Pension Plan and You

Information for HEU members returning in-house





## MPP – A paycheque for life!

- You have worked hard and deserve to have some income security in your older years
- After your wages, the pension plan can be the 2nd most valuable asset you earn
- MPP is a defined benefit plan – lifetime pension is guaranteed for your life and possibly your family

**Unions and people advocating together won the right for a defined benefit pension plan – increasingly rare in Canada**

# What is the **Municipal Pension Plan**?

- **The MPP** is one of several public sector pension plans in British Columbia
- You **join the plan** by working for an employer in the MPP
- **Both you and your employer contribute** while you are working

# MPP: a dependable benefit

- When you retire **the Plan guarantees you a monthly payment** that you can depend on
- It's **secure** and worry-free
- You **retire knowing what your pension income will be**

# The Pension Formula

Your pension  
is determined  
by a formula:

**Your service**

years & months of pensionable service



**Average best 5 years**

the average of your 5 best income years  
(HAS)



**1.9%**

(beginning Jan 1, 2022)



## Contribution rates and benefits

- 75% of your pension is paid for through investments; the plan has about 68.4 billion in assets and investments with a return of 7.1% (June 2022)
- Member contribution rate is 8.61% of paid hours up to 1 FTE (1950 hours)
- Employers contribute 9.31% of your paid hours
- 25 years produces a guaranteed lifetime pension that is about 47.5% of your working income
- There is cost of living indexing added and access to extended health & dental benefits



# Who is enrolled?

- If you were in the Municipal Pension Plan in the past, you will again contribute and build your retirement income
- **Regular full-time employees** are automatically enrolled after 3 months in their first regular position
- If you are a **regular part-time employee**, you will be offered membership in the plan or required to sign a waiver saying you decline. You can join later too.
- **Casual status employees** should contact HEU staff as there are several different scenarios
- There are over 900 employers in the plan – hospitals, community and home care, many long term care sites, schools, municipalities, and others



# Your income as a senior

## Federal Government Programs

The **Canada Pension Plan (CPP)** – the amount is based on the years you and employers contribute and on your working income.

**Old Age Security (OAS)** and the **Guaranteed Income Supplement (GIS)** within it are based on 40 years of Canadian residency after age 18.

## Pension Programs from Work

**Municipal Pension Plan (MPP)** is one of the most valuable retirement assets because it's stable and secure and it pays a guaranteed monthly income.

The **MPP** will last for your lifetime, and (if you choose) can be a source of guaranteed income for the lifetime of your spouse.

## Provincial Government Programs

Some **Provincial Government Programs** may aid your retirement, if you qualify. They include: SAFER (rent help), Pharmacare, Seniors' Supplement, etc.

## Savings and Assets

Your individual and/or family **savings and assets** will contribute to your income.

# OAS, GIS, and family savings

## OAS

The full amount (40 years of official residency):

**\$687.56/month\* OAS**  
per month beginning age 65 for a single senior  
Smaller amounts are paid if you have between 10 and 40 years

## GIS

If you have 40 years of official residency:

**GIS** is paid to seniors with **incomes less than \$20,832/year\*** for a single senior.

## Savings

You and your family's **savings** and assets will help - but they can be hard to predict as you age.

Nearly 1/3 of seniors in BC who qualify for **OAS** receive the **GIS**

\*Check [www.canada.ca](http://www.canada.ca) for the most up-to-date OAS & GIS information, including monthly payments and income thresholds.

# More info on the MPP



Pension Corporation staff can help you find out if you are already a member from past work, and answer your questions.

**MPP phone:** 1-800-668-6335  
(weekdays)

**MPP website:** [mpp.pensionsbc.ca](http://mpp.pensionsbc.ca)

The MPP website has “My Account” which you can use to determine your pension amounts as you continue working for employer(s) in the MPP.



**You can get help from your  
HEU staff rep at regional or  
provincial offices at:**

Email: [heu@heu.org](mailto:heu@heu.org)

Phone: 1-800-663-5813

**Thank you!**

