Pension Plan Amendment Announcement
December 10, 2013

To: All York University Pension Plan Members including, active, retired and deferred pension plan members

Due to changes in legislation the following updates are being made to the pension plan text.

1. **Marriage Breakdown:** The Government of Ontario introduced changes to the family law provisions of the Pension Benefits Act that came into effect on January 1, 2012. These changes established a new process for the valuation and division of pension assets following the breakdown of a spousal relationship. This family law pension valuation and division regime requires the pension plan administrator to calculate the value of the pension, provides for immediate division, and mandates the use of Superintendent of Financial Services approved forms throughout the process.

2. **Immediate vesting and locking-in:** All pension benefits accrued by Ontario members who terminate employment on or after July 1, 2012 are now immediately vested and locked-in.

3. **Electronic Transmission:** Notices, statements and other records may be sent to a plan member by electronic means.

4. **Annual Pension Statement:** The annual pension statement to members is required to include the transfer ratio* of the plan per the two most recently filed actuarial valuation reports and an explanation of the transfer ratio and how it relates to the level of funding of members benefits. York University updated the annual pension statements accordingly last year.

* transfer ratio is the difference between the assets and the liabilities in the pension plan and is determined by the pension plan actuary
Following discussions between York University and the York University All-Union Pension Group, the following amendments are taking place:

1. On a 50/50 sharing basis for the Money Purchase component of the pension plan, the required member and University contribution rates will be increased in five equal increments as follows:

- Effective March 1, 2014, pension contributions will be 4.95% on earnings up to the Year’s Maximum Pensionable Earnings (YMPE) and 6.63% on earnings above the YMPE;
- Effective September 1, 2014, pension contributions will be 5.4% on earnings up to the Year’s Maximum Pensionable Earnings (YMPE) and 7.26% on earnings above the YMPE;
- Effective March 1, 2015, pension contributions will be 5.85% on earnings up to the Year’s Maximum Pensionable Earnings (YMPE) and 7.89% on earnings above the YMPE;
- Effective September 1, 2015, pension contributions will be 6.3% on earnings up to the Year’s Maximum Pensionable Earnings (YMPE) and 8.52% on earnings above the YMPE;
- Effective March 1, 2016, pension contributions will be 6.75% on earnings up to the Year’s Maximum Pensionable Earnings (YMPE) and 9.15% on earnings above the YMPE;

2. For retirements on or after January 1, 2015, the moving four-year average fund rate of return will be lengthened to a moving five year average fund rate of return with the fund rate of return equal to 6.0% for the plan years in the five year average up to and including the plan year in which the date of pension commencement occurs.

**IMPORTANT NOTE**: In the event that, upon review of the preliminary results of the December 31, 2013 actuarial valuation, the changes outlined above are not sufficient, as calculated by the plan actuary, to meet the savings targeted as defined in the University’s Stage 1 Solvency Relief application, the moving five year average fund rate of return will be lengthened to a moving six year average fund rate of return effective for pensions that commence on or after January 1, 2015.

3. The University’s contribution toward the Non-Reduction Reserve of 3% of required member contributions for the money purchase component of the pension plan will be eliminated January 1, 2014.

4. In the event the pension plan develops a surplus the University has agreed to discuss the use of the surplus with the University’s Unions.

If you have any questions regarding these changes, please contact the Pension & Benefits office at askpb@yorku.ca.