

# Pension Life

Your connection to the Municipal Pension Plan

## Plan changes: good news for retired members

In the last issue of *Pension Life*, we shared an update on plan changes that we announced in March. Changes to improve the sustainability and equity of the plan take effect starting January 1, 2022. We'd like to tell you more about what changes mean for retired members.

### New retiree benefit trust

Providing access to group health benefits for retired members remains a priority of the board. It's important to note these benefits are not part of your pension and are not guaranteed.

As part of plan changes, the recently established Municipal Retiree Benefit Trust has responsibility for funding and decision making on group benefits as of January 1, 2022. The trust framework offers more flexibility for funding group benefits, making the program more sustainable. The trust will allow funds to accumulate and earn investment income over time.

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You do not need to take any action. Your health care coverage, Pacific Blue Cross ID card and claims processes will not change as part of the transition to the new trust. Premium rates effective February 1, 2022, are in this issue of *Pension Life* and on the plan website.

### Strengthened inflation adjustment account

The inflation adjustment account (IAA) funds cost-of-living adjustments (COLAs). As part of plan changes, future surpluses will first be used to cover any funding shortfalls. Remaining surpluses will then be shared equally between the IAA and the plan's rate stabilization account (to reduce the likelihood of contribution rate increases for active members and employers).

Why is this important? While your pension is based on a formula, COLAs are not. These non-guaranteed benefits are based on the funds available in the IAA. This year, you



## Pension payments 2022

January . . . . .	28	July . . . . .	28
February . . . . .	25	August . . . . .	30
March . . . . .	30	September . . . . .	28
April . . . . .	28	October . . . . .	28
May . . . . .	30	November . . . . .	29
June . . . . .	29	December . . . . .	22

For banks outside Canada, direct deposit dates may vary.

• [mpp.pensionsbc.ca/pension-payments-and-dates](https://mpp.pensionsbc.ca/pension-payments-and-dates)

will receive an increase of 2.1 per cent (see next article). A stronger IAA ensures the long-term sustainability of funds so they are not used up faster than they can be replaced.

### More information

The plan changes have no effect on the pension you are currently receiving. There is nothing you need to do at this time other than stay informed. Visit the plan website to learn more.

• [Learn more at mpp.pensionsbc.ca/board-communique-december-2-2021](https://mpp.pensionsbc.ca/board-communique-december-2-2021).

## Your 2022 COLA is 2.1 per cent

*The cost-of-living adjustment matches the cap*

As a retired member, you received a 2.1 per cent cost-of-living adjustment (COLA) to your pension, effective January 1, 2022. This matches the COLA cap in effect since 2020. If you retired partway through 2021, your adjustment will be pro-rated based on the number of months in 2021 you received a pension. The COLA cap has been applied only once before (in 2019), since it was introduced in 2016.

The board recognizes that COLAs are an important way to preserve the purchasing power of your pension. COLAs are not guaranteed, but once a COLA is granted, it becomes part of your lifetime pension. The COLA is also applied to your bridge benefit and temporary annuity, if applicable.

Each year, the board carefully reviews several factors to decide whether to grant a COLA and, if so, its value. The board's funding policy and plan rules state a COLA's

- amount can't be higher than the increase in the Canadian consumer price index (CPI) from September to September,
- cost can't exceed the funds in the inflation adjustment account (IAA), and
- maximum amount can't be greater than the COLA cap.

### Why is there a cap on the COLA?

Capping the COLA amount helps to preserve the long-term sustainability of the IAA so funds are not used up faster than they can be replaced. Every three years, the plan's independent actuary assesses the cap and

*(continued on page 2)*

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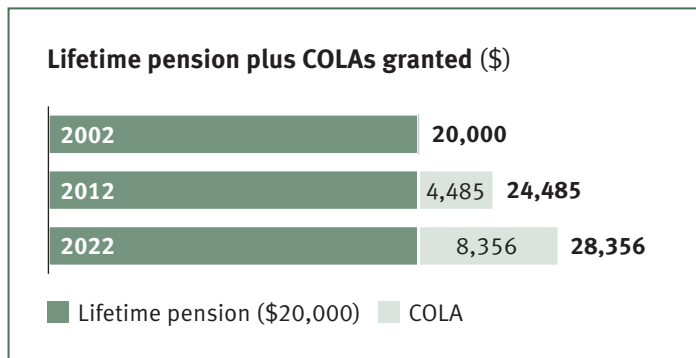
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## Your 2022 COLA is 2.1 per cent, continued from page 1

recommends a new cap to the board. For 2020 to 2022, the COLA cap is 2.1 per cent. The plan's next valuation is as at December 31, 2021.



### Where does the money for COLAs come from?

When you were working, most of the contributions you and your employer made went into the basic account; this account funds your lifetime pension. Some went into the IAA; money in the IAA is used for funding COLAs. Both the plan's basic account and IAA earn investment income. Learn more about how pension contributions work on the plan website.

### What is the CPI?

The CPI is an indicator of changing consumer prices. Every month, Statistics Canada measures the price changes of about 600 goods and services. In the 12 months ending September 2021, the change in the CPI was 4.4 per cent.

## A new way to prove your income

Instantly access an income verification letter at any time through My Account. You can now easily download a PDF letter showing your gross monthly pension payment.

🔗 [myaccount.pensionsbc.ca](http://myaccount.pensionsbc.ca)

### Retirees' association

Municipal Pension Retirees' Association (MPRA) represents retirees of the Municipal Pension Plan.

Join for the opportunity to talk to other retirees and their spouses about pension issues, meet former co-workers, make new friends and have a voice about your MPP pension. To join, submit the application form available on the MPRA website online or by mail to:

MPRA: 2525 Dobbin Road, Unit 4  
West Kelowna BC V4T 2G1  
Web: [mpra.ca](http://mpra.ca)

Pension Life is published twice a year. You may receive more than one copy of Pension Life if you receive a pension from more than one pension plan. Read your statement letter to determine which plan provides your group benefits. Any person entitled to a benefit, or their agent, has the right to examine plan documents, data and public information about the plan.

## Update your information in My Account

Keeping your contact information updated is easy and it helps us process your pension.

🔗 [myaccount.pensionsbc.ca](http://myaccount.pensionsbc.ca)



### Contact us through Message Centre

Your messages and our replies are saved in one location for easy reference.

## Health care and dental rates

These rates have been in effect since February 1, 2021, and will stay the same for 2022. These rates are reviewed annually and may change after 2022.

### Extended health rates (\$)

Pensionable service	Single	Couple	Family
< 2 years (full premium)	70.00	140.00	273.00
2 < 4 years	59.50	129.50	262.50
4 < 6 years	49.00	119.00	252.00
6 < 8 years	38.50	108.50	241.50
8 < 10 years	28.00	98.00	231.00
10+ years	17.50	87.50	220.50
Survivor pension	70.00	140.00	273.00

### Dental rates (\$)

Plan option	Single	Couple	Family
Essential	25.97	49.50	83.26
Enhanced	47.23	89.49	126.63



Contact Pacific Blue Cross for specific questions about your health care and dental coverage.

Your benefits plan includes online cognitive behavioural therapy (iCBT), which offers programs to treat anxiety, depression, post-traumatic stress, insomnia, panic disorder, pain management, and alcohol and other substance use issues as well as pandemic-related anxiety.

For more details on iCBT as well as other information and articles about your plan—including services such as the UBC Pharmacists Clinic, which offers free phone consultations with expert pharmacists to help you optimize your medical regime—check out the new web address: [pac.bluecross.ca/MRBT](http://pac.bluecross.ca/MRBT).

Web: [pac.bluecross.ca](http://pac.bluecross.ca)

Phone: [604-419-2000](tel:604-419-2000) Toll-free: [1-877-722-2583](tel:1-877-722-2583)

## Tax slips available online

Sign in to My Account today to view and print your current and previous tax slips.

🔗 [myaccount.pensionsbc.ca](http://myaccount.pensionsbc.ca)  
Questions about completing your tax return?  
Visit [canada.ca](http://canada.ca) or call [1-800-959-8281](tel:1-800-959-8281)



Municipal Pension Plan

Pension Life

When contacting the plan, please include your Person ID number (found on your pension statement).

Web: [mpp.pensionsbc.ca](http://mpp.pensionsbc.ca)

Toll-free: [1-866-876-6677](tel:1-866-876-6677) (Canada/U.S.)

Mail: PO Box 9460, Victoria BC V8W 9V8