

Pension Life

Your connection to the Municipal Pension Plan

Valuation results: Good news for retirees

We are pleased to share the results from our latest independent actuarial valuation

Making decisions that affect more than 395,000 Municipal Pension Plan members requires us to have detailed information about the health of the plan. We are pleased to share the results from our latest independent actuarial valuation.

The plan remains strong

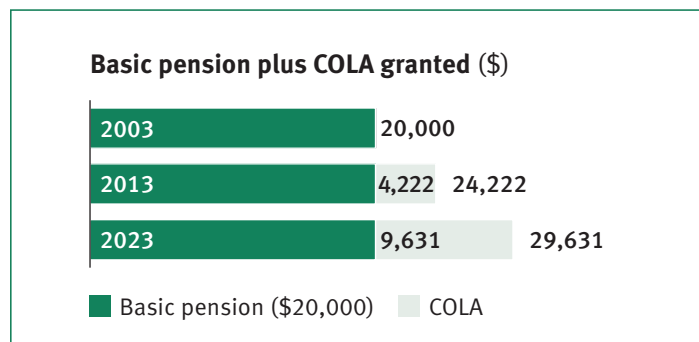
The plan remains fully funded as at December 31, 2021, with a surplus of \$3.76 billion. The plan continues to be sustainable for the future.

COLA cap for 2023–2025

Cost-of-living adjustments (COLAs) help to preserve the purchasing power of your pension. The COLA for 2023 is 6.9 per cent. For more information about the 2023 COLA, read “Your COLA for 2023 is 6.9 per cent” below.

The COLA cap for 2020–2022 was set at 2.1 per cent. The board has cautiously decided to remove the cap for 2023–2025. Instead, trustees will annually consider whether to provide a COLA up to the change in the Canadian consumer price index (CPI) for the 12-month period ending on September of the previous year. For example, a COLA effective January 1, 2023, would be considered based on inflation between September 2021 and September 2022.

We will continue to closely monitor inflation and investment returns and make annual decisions on COLAs that consider the health of the plan and the plan rule requirements.



Charting a course to net zero

We have a fiduciary duty to invest the fund in the best financial interest of members like you. We also recognize that climate change presents both risks and opportunities for the plan. This is why we have been preparing the Municipal Pension Plan for a low-carbon future.



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Our goal is to bring the investment portfolio to net-zero greenhouse gas emissions by 2050. We are also aiming to cut the emissions intensity of the portfolio by 55 per cent by 2030, compared to the 2020 level. We will report on our progress in the plan’s *Annual Report* and at our annual general meeting. More information can be found on the plan website by clicking *About us* and navigating to *News*.

Additional seed funding for the Municipal Retiree Benefit Trust (MRBT)

When the plan partners established the MRBT in 2021, the plan provided seed funding. At the request of the plan partners, the board is now transferring additional funds to supplement the seed funding and extend the sustainability of the new trust. Read more on the plan website by clicking *About us* and navigating to *News*.

• [Learn more results of the latest valuation at mpp.pensionsbc.ca/board-communique-october-6-2022](https://mpp.pensionsbc.ca/board-communique-october-6-2022)

Your COLA for 2023 is 6.9 per cent

Retired members can expect to receive a 6.9 per cent cost-of-living adjustment (COLA) effective January 1, 2023. If you are recently retired, please note that in your first year of retirement, your COLA adjustment is pro-rated according to the number of months you’ve been retired. The COLA is applied to your lifetime pension and also your bridge benefit and temporary annuity, if applicable.

We recognize that COLAs are an important way to preserve the purchasing power of your pension. This year’s valuation report showed the plan is healthy. On the advice of the plan’s actuary, the board has cautiously chosen to remove the COLA cap for 2023–2025 and will continue to closely monitor inflation, investment returns and the health of the plan.

How COLAs are funded

COLAs are funded by the inflation adjustment account (IAA). Contributions you and your employer made while you were working went into the basic account to fund your lifetime pension, and some contributions went into the IAA to partially fund future COLAs. The IAA also grows with

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Your COLA for 2023 is 6.9 per cent, continued from page 1

investment returns and surplus transfers from the basic account, in accordance with the plan rules and Joint Trust Agreement.

Future COLAs

Future COLAs are not guaranteed. The board will decide on future COLAs, subject to the limits in the plan rules, any COLA cap and the *Income Tax Act*.

Sustainable funding for your health benefits

Your post-retirement group benefits are provided through the Municipal Retiree Benefit Trust (MRBT). Funding for the trust comes from three sources:

- Seed funding from employer contributions
- Ongoing employer contributions
- Premiums paid by retired members

The money in the trust accumulates and earns investment income over time.

Premiums are reviewed regularly—at least once a year—and may change if required.

Valuations keep the trust sustainable

Like the pension plan, the MRBT must undergo regular valuations. Valuations determine if the trust has enough funding to continue providing the same level of benefits and subsidies. After a valuation, the MRBT board may change premium rates or coverage levels to keep the benefit program sustainable.

The first of these valuations is currently underway. Watch for more information in the coming issues of *Pension Life*.

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 available on the MPRA website online or by mail to:

MPRA: 2525 Dobbin Road, Unit 4
West Kelowna BC V4T 2G1
Web: mpra.ca Phone: [250-768-1519](tel:250-768-1519)

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.

Pension payments 2023

| | | | |
|--------------------|----|---------------------|----|
| January | 30 | July | 28 |
| February | 27 | August | 30 |
| March | 30 | September | 28 |
| April | 27 | October | 30 |
| May | 30 | November | 29 |
| June | 29 | December | 21 |

For banks outside Canada, direct deposit dates may vary.

👉 mpp.pensionsbc.ca/pension-payments-and-dates

Health care and dental rates

The new monthly rates are in effect as of February 1, 2023, and may change at any time.

Extended health rates (\$)

| Pensionable service | Single | Couple | Family |
|---------------------|--------|--------|--------|
| Beneficiaries | 73.00 | 146.00 | 284.70 |
| < 2 years | 73.00 | 146.00 | 284.70 |
| 2 < 4 years | 62.05 | 135.05 | 273.75 |
| 4 < 6 years | 51.10 | 124.10 | 262.80 |
| 6 < 8 years | 40.15 | 113.15 | 251.85 |
| 8 < 10 years | 29.20 | 102.20 | 240.90 |
| 10+ years | 18.25 | 91.25 | 229.95 |

Dental rates (\$)

| Plan option | Single | Couple | Family |
|-------------|--------|--------|--------|
| Essential | 29.23 | 55.72 | 93.72 |
| Enhanced | 51.47 | 97.52 | 137.99 |



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

From flight delays and cancellations to lost baggage and the risk of getting sick while abroad, travelling can be a little stressful. Pacific Blue Cross has put together some helpful information to get you back to the people and places you've been missing. Plus, it's a new year and time for new beginnings! Make a healthy goal with the Pacific Blue Cross Health Challenge and you'll have a chance to win Health Cash.

👉 Learn more at pac.bluecross.ca/mrbt.

Web: 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 to easily and securely view and print your current and previous tax slips online.



👉 Questions about completing your tax return? Visit 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

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

Mail: PO Box 9460, Victoria BC V8W 9V8