

# Pension Life

Your connection to the Municipal Pension Plan

## Building for tomorrow

### Valuation report

#### Your plan is fully funded and remains sustainable

You can continue to depend on a lifetime Municipal pension. The December 31, 2018, valuation shows the plan is on track to remain sustainable. The plan is fully funded at 105.1 per cent on the basis that current contributions continue.

#### Valuation results

The valuation showed the plan's basic account, which pays lifetime pensions, had actuarial assets of \$58.53 billion and actuarial liabilities of \$55.66 billion. There is a surplus of \$2.87 billion. In addition, the rate stabilization account, which was set up to help offset potential future contribution rate increases, has a balance of about \$2.5 billion.

When there is a valuation surplus, the Municipal Pension Board of Trustees is guided by specific instructions outlined in the Municipal Pension Plan Joint Trust Agreement (JTA), which is jointly managed by the plan partners. To meet JTA instructions, a surplus must pay off liabilities from previous actuarial valuations and simultaneously decrease contribution rates and improve benefits by changing the normal form of pension and the benefit formula. The current surplus is not large enough to meet these conditions, so it will be kept in the basic account. This will help support contribution rate stability for the future.

Valuations are required by provincial pension regulations and the JTA. But more than that, they are an important way the board monitors the health of the plan. Every three years,

an independent actuary (a specialist in financial modelling, the laws of probability and risk management) performs a valuation. It helps the board make sure there are enough funds available to pay plan members' lifetime pensions.

#### Long-term sustainability

We're continuing to celebrate that the plan has provided a reliable retirement income for members for 80 years. We intend to keep it secure for all of our members. This past year also marked the 20th anniversary of the *Public Sector Pension Plans Act*, which set out the framework for negotiating the joint trusteeship of the plan. This act also created the BC Pension Corporation and the British Columbia Investment Management Corporation.

#### Sustainable COLA cap set for next three years

After reviewing the valuation report, the board decided to keep the cost-of-living adjustment (COLA) cap at 2.1 per cent through 2022. COLAs help protect pensions from rising inflation, and the cap helps make COLAs more sustainable. The actuary reviews the COLA cap as part of the valuation, and based on the valuation results, the board sets the cap for the next three years.

## Taxes: T4A available online

Did you know that your current and previous T4As are available through My Account? Sign in to My Account to view and print your T4A.

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

## Less paper, all the news!

You may have noticed *Pension Life* looks a little different. We've condensed the paper *Pension Life* newsletter, but you can access all information about your pension anytime on the plan website. New online features include tax-time tips, quick links to all your pension resources and more!

In January 2021, pension news will only be available online, but we'll continue to mail paper copies of all important plan updates, such as plan amendments and COLA increases.

Watch the website for updates, and don't forget to register for My Account so you can access all your information in one place.



## Pension payments 2020

January . . . . .	30	July . . . . .	30
February . . . . .	27	August . . . . .	28
March . . . . .	30	September . . . . .	29
April . . . . .	29	October . . . . .	29
May . . . . .	28	November . . . . .	27
June . . . . .	29	December . . . . .	23

For banks outside Canada, direct deposit dates may vary.

## Your 2020 COLA is 1.9 per cent

As a retired member of the Municipal Pension Plan (plan), effective January 1, 2020, you received a 1.9 per cent cost-of-living adjustment to your pension.

This COLA provides you with some inflation protection while the cap maintains the long-term sustainability of the inflation adjustment account (IAA), which funds these adjustments. COLAs are not guaranteed; however, once a COLA is granted, it is applied to your lifetime pension (and to your bridge benefit and temporary annuity, if applicable).

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## Do more in My Account

- View or print your T4A
- View health care and dental coverage
- View your payment history
- Update your contact information
- Send messages to your pension plan



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

Reg. T.M. British Columbia Pension Corporation

## Your 2020 COLA... continued from page 1

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

- Cost can't exceed the funds in the IAA
- Amount can't be higher than the increase in the Canadian consumer price index (CPI)
- Maximum amount can't be greater than the COLA cap

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

When you were working, both you and your employer contributed toward your pension. Most of those contributions went into the basic account, which funds your lifetime pension; however, some went into the IAA, which is made up of your contributions, employer contributions and returns on investment. Money in the IAA is used for funding COLAs.

### What is the CPI?

The Canadian consumer price index is an indicator of changes in consumer prices paid by Canadians. The CPI is generated by Statistics Canada, which measures about 600 goods and services every month. In the 12 months ending September 2019, Statistics Canada determined the average price of those 600 goods and services increased 1.9 per cent from the previous September.

## Group benefit review ongoing

Last fall we asked active and retired members about what's most important when you think about group benefits. Thanks to all who participated. We'll provide a summary of the results on the plan website in the coming months.

- [mpp.pensionsbc.ca](http://mpp.pensionsbc.ca)—watch for more this spring

## MSP premiums eliminated as of January 1, 2020

Effective January 1, 2020, Medical Services Plan (MSP) premiums were eliminated.

BC Pension Corporation no longer administers MSP group coverage. Health Insurance BC (HIBC) automatically put you and any dependants on a self-administered MSP account. You will continue to have MSP coverage.

### Coverage information

- Contact HIBC at [hibc.gov.bc.ca](http://hibc.gov.bc.ca) or call 1-800-663-7100

### Your residential address

- It is important that HIBC has your residential address; update it at [addresschange.gov.bc.ca](http://addresschange.gov.bc.ca)

## Contact us through Message Centre

Contact BC Pension Corporation staff through Message Centre in My Account. Your messages and the corporation's replies are saved for easy reference.

## Update your information in My Account

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

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

## Health care and dental rates



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

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

Phone: 604-419-2000 Toll-free: 1-877-722-2583

### Extended health rates (\$) effective February 1, 2020\*

Pensionable service	Single	Couple	Family
< 2 years	75.00	150.00	293.00
2 < 4 years	63.75	138.75	281.75
4 < 6 years	52.50	127.50	270.50
6 < 8 years	41.25	116.25	259.25
8 < 10 years	30.00	105.00	248.00
>10 years	18.75	93.75	236.75
Survivor	75.00	150.00	293.00

### Dental rates (\$) effective February 1, 2020\*

Plan option	Single	Couple	Family
Essential	27.41	52.24	87.86
Enhanced	49.66	94.09	133.15

\*These rates may change at any time.



Timely tips, news and links @mybcmpp

### Retirees' association

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

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, please send 2020 dues of \$20 (single) or \$35 (couple). Please make cheques payable to MPRA. A form is also available on our website.

Web: [mpr.ca](http://mpr.ca)

Mail: 2475 Dobbin Road, Unit 22, Suite 525,  
West Kelowna BC V4T 2E9

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.



Municipal Pension Plan

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

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

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

Mail: PO Box 9460, Victoria BC V8W 9V8