

Top 10 Tips

On the Value of the Municipal Pension Plan

1 The plan has about \$51 billion* in assets

That money is invested in BC and around the world. The investments are an important source of money for many BC businesses that want to expand, create jobs and improve their infrastructure.

2 Plan members are financially better prepared for retirement

They are less likely to rely on social programs and income assistance.

3 Your plan is pre-funded, healthy and sustainable

Your pension plan works differently than many other plans. You and your employer pay for your pension in advance by setting aside money each pay cheque.

4 The plan is valuable and sustainable

Did you know that only one quarter of employees without a trustee pension plan contribute to an RRSP? Plan members like you save over \$100,000 more towards your retirement than an RRSP saver.

5 Employers and employees both contribute to build a member's future pension

The contributions are invested along with contributions from other plan members and their employers. The investments are managed by professional investment managers that take a long-term investment approach.

6 A pension plan is an asset that grows over time

Investment returns pay approximately 75 cents of each dollar paid out on a pension cheque. The other 25 cents is the contribution from the retiree and their employers.

7 Pension income in retirement has been proven to help BC's economy

The economic impact of pension income spending for BC public sector pension plans on provincial GDP is \$1.66 billion.

8 The plan paid out more than \$2 billion in pensions, benefits and expenses in 2017

That money flows into British Columbia's economy, supports businesses and creates jobs when retirees purchase goods and services.

9 The large scale and professional management of the plan enables it to operate efficiently

The total cost of investment management and pension administration for this plan is less than half of one per cent, significantly less than what individual investors commonly pay for investment management fees.

10 The Municipal Pension Plan's triennial valuation process monitors and manages its sustainability

If the valuation reports an unfunded liability, employer and employee contribution rates are increased equally to pay off the unfunded liability over 15 years to keep the plan fully funded and meet its current and future liabilities.

* As at December 31, 2017

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