UPP Update:
Agreement on Unreduced Early Retirement, Governance, Contributions, and Other Plan Provisions

As previously communicated, representatives of the administrations, faculty associations and USW at U of T, Guelph and Queen’s, in consultation with representatives of the non-represented employees, have been working diligently to develop and implement the University Pension Plan (UPP).

Following recent discussions, all parties have reached an agreement to adjust certain plan provisions. Member feedback received regarding the previously proposed provisions was invaluable in informing these discussions. Highlights of the changes include:

- Enhanced unreduced early retirement provisions for benefits earned under the UPP;
- Progressive plan design reflecting future CPP enhancements for benefits earned under the UPP;
- Changes to the proposed UPP contribution rates; and
- Agreement on the composition and attributes of the new Board of Trustees that will administer the UPP.

For benefits and contributions earned under the UPP, the UPP will implement the new earnings breakpoint under the Canada Pension Plan (CPP), the Year’s Additional Maximum Pensionable Earnings (YAMPE), when it comes fully into effect in 2025. The following table provides an overview of the key changes and their impact:

<table>
<thead>
<tr>
<th>Previous UPP Provision</th>
<th>REVISED UPP Provision</th>
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<tr>
<td>Early Unreduced Retirement Date (EURD) (for benefits earned under the UPP)</td>
<td>• Age 62 and age plus years of continuous service equals 80 or more</td>
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| Earnings Breakpoint for 1.6%/2.0% Pension Formula | • Based on average Year’s Maximum Pensionable Earnings (YMPE) | • Based on average YMPE up to 2025
• Based on average YAMPE starting in 2025 |
| Contribution Rates (employers and members) | • 9.1% / 11.3% of pensionable salary, below and above the YMPE | • 9.2% / 11.5% of pensionable salary below and above the YMPE until 2025, and 9.2%/11.5% of pensionable salary below and above the YAMPE starting in 2025 |

Converting the current plans to the UPP is subject to a member consent process, to be conducted in early 2019. The new plan is expected to come into effect on July 1, 2021.

For more information, please visit the UPP website at www.universitypension.ca.