Queen’s University, University of Guelph and University of Toronto, together with their faculty associations, the USW and other staff groups, have been working together to develop a new, Defined Benefit pension plan that would cover employees at all three universities - the University Pension Plan Ontario (UPP).

The information provided below is based on the proposed UPP terms. The UPP will only become effective if at least two-thirds of active members consent, no more than one-third of former members, retired members and other persons entitled to benefits under the existing plans object and the necessary regulatory approvals are obtained.

What is the UPP?

The UPP is a jointly sponsored pension plan (JSPP) much like the other large JSPPs in Ontario like the Ontario Teachers’ Pension Plan, OMERS (municipal), OPSEU Pension Plan (public service), HOOPP (healthcare), and CAAT (colleges).

JSPPs have been recognized globally as highly successful jointly sponsored and governed Defined Benefit pension plans.

What do I get?

- The UPP is a contributory Defined Benefit plan that will provide benefits comparable to the largest Defined Benefit plans in the public sector in Ontario.
- Like the minimum guarantee under the Queen’s plan, your new pension will be based on your earnings and years of service.
- Under the UPP earnings will be based on the average of your best 48 months of salary – instead of the best 48 consecutive months under the current plan - during your eligible employment with the university.

Will the pension I earned in my original plan be reduced in the UPP?

- No. Accrued pensions are protected by law and the UPP design. All pension amounts earned prior to the start of the UPP would be protected.

I’m a pensioner. How does the UPP impact my pension?

- Current pensioners will continue to receive the same amount of pension after conversion to the UPP including any indexation that applies based on the current formula.
When can I retire under the UPP?

- Normal Retirement Date - the normal date upon which a member may retire with an unreduced pension under the UPP will be age 65.
- Early Unreduced Retirement Date (EURD) – a member will be able to retire early with an unreduced benefit for service earned under the UPP upon reaching age 62, provided that the sum of the member’s age plus years of continuous service (including service under the current pension plan) equals 80 or more.
- Early Retirement Date – a member will be able to retire from the UPP after reaching age 55. If the member does not meet the eligibility requirements for an unreduced UPP benefit, the benefit for service earned under the UPP will be reduced by 5% for each year between benefit start date and Normal Retirement Date.

How does transition to the UPP work?

- There will be no change in how your pension benefit will be calculated for your service earned under the Queen’s pension plan and transferred into the UPP. Your pension for that service will continue to be calculated as the greater of the pension generated by the Money Purchase Provision and the pension under the Minimum Guarantee Provision at the time of your retirement from Queen’s.
- Your Money Purchase Account will also continue to earn investment returns after the transition to the UPP until the time of your retirement.
- The early retirement reductions under the Queen’s pension plan will continue to apply to the pension benefit for the service earned under the Queen’s pension plan.
- The Defined Benefit provisions under the UPP will apply only for your service earned after joining the UPP.

Will my benefits still be indexed after I retire?

- Yes. The indexation provisions in the current plan will continue to apply for pension benefits earned under the plan.
- Indexing for benefits earned for UPP service is guaranteed to be paid at 75% of CPI for the first 7 years.