

COMPARISON CHART FOR Ontario-based JSPP ALTERNATIVES¹

Ad Hoc Committee on Pension Reform – January 19, 2022

Lakehead University

	University Pension Plan	CAAT DB Plus
Contribution Rate	<ul style="list-style-type: none"> • 9.2% up to YAMPE² • 11.5% above YAMPE • Matched by Employer 	<ul style="list-style-type: none"> • Negotiated via Collective Bargaining • 5% to 9% depending on Collective Agreement • Matched by Employer (employer contributions must be equal or greater than employee) • New option – <u>CONTRIBUTION CHOICE</u> – Launches January 1 2022 – greater flexibility now available
Accrual Rate	<ul style="list-style-type: none"> • 1.6% up to Average YAMPE • 2% above Average YAMPE 	<ul style="list-style-type: none"> • 8.5% x total contributions • Plus conditional (AIW) Annual Wage Enhancement³ • 8.5% factor could increase depending on funding level
Average Earnings Calculation	<ul style="list-style-type: none"> • Best 48 Non-Consecutive Month Average 	<ul style="list-style-type: none"> • Not applicable – life time earnings design
Bridge Benefits payable prior to age 65	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • No
Bridge Benefit Accrual	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Not applicable
Funded Status (2022)	<ul style="list-style-type: none"> • Not known – Plan established July 1, 2021 – must await Annual Actuarial Valuation results 	<ul style="list-style-type: none"> • 119%
Indexing	<ul style="list-style-type: none"> • Conditional after 2028 • 75% of CPI • No adjustment for deferred pensions 	<ul style="list-style-type: none"> • Conditional • 75% of CPI • Adjustments also apply to deferred pensions.
Post Retirement Survivor Benefits	<ul style="list-style-type: none"> • 60% survivor pension, with 50% paid for by plan • If spouse >10 years younger then further actuarial reduction will apply 	<ul style="list-style-type: none"> • 60% survivor pension, fully paid for by plan. • Eligible spouse includes someone you marry after retirement. • If no spouse but eligible child, child may receive survivor benefit to age 18 • 5 year guarantee
Post Retirement Guarantee with no spouse	<ul style="list-style-type: none"> • 10 years 	<ul style="list-style-type: none"> • 5 years
Normal Retirement Age (NRD)	<ul style="list-style-type: none"> • 65 	<ul style="list-style-type: none"> • 65
Early Unreduced Retirement	<ul style="list-style-type: none"> • Factor 80 with minimum age 60 	<ul style="list-style-type: none"> • None
Early Reduced Retirement	<ul style="list-style-type: none"> • Early as age 55 • 5% for each year not age 65 	<ul style="list-style-type: none"> • Early as age 50 • Reduction varies depending on funding status of plan

¹ Dominic Barbiero of Eckler (Toronto) stated (Presentation to OCUFA CBC on Friday, January 21, 2022) that OpTrust Select was primarily for the non-profit sector and lower-income employees is therefore not a suitable option for most Ontario universities. JSPP options are UPP, CAAT DBPrime and CAAT DBPlus <https://www.optrustselect.com/>

² YAMPE = Years Additional Maximum Pensionable Earnings as prescribed by CPP. To be implemented starting in 2024. Will be 114% of the YAMPE once fully implemented.

³ Annual Wage Enhancement, if applied, will be a percentage of the Average Industrial Wage (AIW) increase year over year

		<ul style="list-style-type: none"> • Will fluctuate from 3-5% per year you are less than 65. • Currently 3% if you retire from active employer; 5% for those with deferred pension.
Buyback: Purchase of Prior Service at Lakehead	<ul style="list-style-type: none"> • No current provision 	<ul style="list-style-type: none"> • Permitted on windup of Lakehead Pension Plan • Reciprocal Asset Transfer Agreement would allow members to transfer accumulated values from the LU Plan to CAAT.
Supplementary Plan for those with salaries above the Income Tax Act maximum (approximately \$170,000 in 2022)	<ul style="list-style-type: none"> • None. • Some Faculty Associations have bargained this locally; but it is completely separate from the UPP and managed locally. 	<ul style="list-style-type: none"> • CAAT RCA plan not available for DB Plus members – available for DBPrime. • A separate plan could be negotiated with LU administration, and CAAT may be open to administering the plan, however, it would be separate from the CAAT.
Governance	<ul style="list-style-type: none"> • Jointly Sponsored Pension Plan (JSPP) • Effectively, equal representation from both plan members and employers. Union and Association Reps. • OPSEU is not a sponsor of the plan and therefore will not have a seat on the Sponsor's Committee. • No OPSEU representatives on the Administrative Committee as rules require plan members make up at least 10% of plan members to have a seat. • Currently, of the 3 seats assigned to unions, 2 assigned to Steel Workers and 1 assigned to CUPE. 	<ul style="list-style-type: none"> • JSPP. • Sponsors are OPSEU, College Employer Council and Ontario College Administrative Staff Association (OCASA). • OPSEU fills 3 out of 4 seats of the Sponsor's Committee for the labour side (OPSEU & OCASA). • OPSEU fills 4 out of 6 seats on the labour side of the Board of Trustees on
History	<ul style="list-style-type: none"> • New plan that is not currently active. • Accrual is anticipated to be effective 1 July 2021. • Founding Employers: U. of T, U. of Guelph, and Queen's U. • Trent University Faculty has bargained to join once the plan is running. 	<ul style="list-style-type: none"> • CAAT (DBPrime) founded in 1967. Became a JSPP in 1995. Limited to ON College Sector. • DB Plus is a new plan, which came into effect 1 January 2019. • Members of DB Plus include any part time college sector employee, but is also for employers beyond the Ontario College sector. • 2019 Report states both CAAT Plans have in total 61,400 Members, 76 participating Employers. • DB Plus has 30 participating Employers. • The Plans are currently more than fully funded (119%)