

UVICFA Teaching Faculty Pension Forum

June 24, 2021

30 Minute Q&A Session

General Questions

Q: The Board of Governors appoints 4 members to the Pension Board. Is it possible that the University appoint a TF member, rather than asking for an elected position?

A: Yes, that's another possible route.

Q: Can you split your money across the different options?

A: Yes, the DBM (Defined Benefit Minimum) would be pro-rated based on how much money you are keeping in that pot.

Q: What if you have a spouse – could it make sense for one partner to have MPP and one to have CP? There are some members in that situation. If you're making a joint decision for retirement, things may look different in those circumstances.

- A: Yes, more reason why education is so key. Education around what your options are at retirement is also very important. You need to know what you're choosing between the two benefits with the CP.

Questions related to switching plans

Q: Certain individuals will always prefer one plan over the other for various reasons – what is the best plan for the majority? We likely won't be able to pick and choose individually.

A: In general, everyone would want to switch, especially if you are older. If you only have 3 years until retirement, maybe not. Based on existing terms, you need a minimum to get to the Internal Variable Annuity (IVA). They might allow you to carry over some funds for that, but it would depend. It's also much easier to plan under a defined benefit plan, because you know what you're going to get. Also, the risk component being off your shoulders is so valuable. Worst case scenario, someone switches over 2 years before retirement will lose out on a couple percent.

Q: The money members have in the MPP likely won't transfer over. At what point does it remain advantageous to switch from the Money Purchase Plans (MPP) to the Combined Plan (CP)? Would it be advantageous to switch for the final 10 years?

A: It's almost impossible to answer without knowing what the conversion would be if you keep what you have in the MPP and carry funds into the CP afterwards. There are some members who are in both plans via switching positions at the University. There is no "trade-off" date that you can optimize. It's like saying Minivans vs SUVs. They both have attractions



and detractions. In general, if you are expecting to stay until retirement, the more service under CP, the better.

Q: Sessional instructors were brought in in 1991 and weren't given an option of switching. Because our contribution was so small, they didn't want to entertain us on the CP. I fought for this in the past and it got nowhere, but I'm hoping we can at least get voting rights. Is it even possible for us to switch?

A: Thank you for that background! It's helpful to know that this issue has been brought up before, and any past attempts will help us in the future. We are working on answers to these questions.