

## Contributions to the Money Purchase Pension Plan

During your career, you and the University will contribute to the plan's funds through [contributions](#), which are reported on your pay stub.

The rate of contribution is a percentage of your salary.

There are different types of pension plans. The Money Purchase Pension Plan is a [defined contribution](#) plan, which means that contributions accumulate in a member's account and can be used to purchase a pension at retirement.

Your contributions are applied to two types of accounts:

### 1. The Money Purchase Contribution Account

This account is funded by your contributions, along with those of the university's. At retirement, you can use your account balance to purchase a pension.

Total contributions are 11.37% of salary up to the [YMPE](#), and 15% of your salary in excess of that amount<sup>1</sup>.

### 2. The Additional Voluntary Contribution Account<sup>1</sup>

You can choose to make additional voluntary contributions through payroll deduction or by transfer from other registered vehicles. These are invested with the plans' other assets and earn the same investment returns.

Transfers from spousal RRSPs are not permitted.

The University does not match these contributions; however, they are tax deductible and tax deferred (subject to *Income Tax Act* maximums).

At retirement or [termination](#), you may withdraw or transfer your funds to another financial institution, or use your account balance to enhance your benefits within the plan (subject to minimum requirements).

We recommend that you discuss this option with a financial adviser before proceeding.

<sup>1</sup> Subject to the *Income Tax Act* maximums. Some conditions apply during leaves and other situations.

Money Purchase			
Up to YMPE <sup>1</sup>	Member	3.00%	Total
	University	8.37%	11.37%
Above YMPE <sup>1</sup>	Member	5.00%	Total
	University	10.00%	15.00%
Voluntary Account			
Member	As elected, subject to statutory maximums		

## Contributions to the Money Purchase Pension Plan

### Total Contributions

An example of total annual contributions for an employee who, in 2020<sup>1</sup>:

- Earned an annual salary of \$67,000 and
- Invested \$100 monthly in Additional Voluntary Contributions

Your contributions and benefits to the Canada Pension Plan are completely separate from those of the Money Purchase Pension Plan.

Example of Contributions					
	Member (\$)		University (\$)		Total (\$)
<b>Money Purchase Contribution Account</b> Up to YMPE	58,700 x 3.00%	1,761	58,700x 8.37%	4,913	<b>6,674</b>
<b>Money Purchase Contribution Account</b> Above YMPE	(67,000-58,700) x 5.00%	415	(67,000-58,700x 10.00%	830	<b>1,245</b>
<b>Additional Voluntary Contributions</b>	100 x 12	1,200			<b>1,200</b>
<b>Total</b>		<b>3,376</b>		<b>5,743</b>	<b>9,119</b>

<sup>1</sup> Based on 2020 [YMPE](#): \$58,700

## Glossary of Terms

### **Contributions**

Money paid into the pension plan by the member and employer. The contribution amounts are determined by a contribution rate, which is the percentage of salary that the member and employer pay into the pension plan. The member's contributions are made through payroll deduction and are therefore reported on a member's pay stub.

The contribution rate is defined in the Plan Documents.

### **Defined contribution pension plan**

A pension plan that provides a pension based on contributions made by the member and employer, and by the investment earnings in the plan.

### **Termination**

Termination refers to a member ending his/her membership in the plan, normally as a result of ending the employment relationship (but regardless of the manner in which the relationship is ended).

### **Year's maximum pensionable earnings (YMPE)**

Maximum salary limit for contributions to the Canada Pension Plan, set by Canada Revenue Agency each year according to a formula based on average wage levels.