

University of Victoria Staff Pension Plan

How to calculate your Pension

To calculate your basic annual pension amount we use the following formula:

$$(\text{Applicable percentage}) \times (\text{Highest average salary}) \times (\text{Years of credited service})$$

1. Applicable percentage

This is the rate at which you are earning your pension benefits.

These following rates apply to the portion of highest average salary up to the 5 year average YMPE¹, based on when service was earned:

- December 31, 1989 or earlier: 1.65%
- January 1, 1990 to December 31, 1991: 1.30%
- January 1, 1992 to December 31, 1999: 1.50%
- January 1, 2000 onward: 1.70%

For the portion of average salary in excess of the 5 year average YMPE¹, the rate is 2.0% regardless of when it was earned.

2. Average salary

Your highest average salary is calculated using the 60 consecutive months (5 years) during which your basic salary was the highest.

- If less than 60 months of service was accumulated, then the number of months accumulated to date of retirement will be used
- Members who work part-time are deemed to work full-time for the purposes of the calculation

Example: Part time member (retiring June 30, 2018)

Year	FTE	Months of Service	Actual Salary earned	Fulltime equivalent
2018	0.8	6	20,000	25,000
2017	0.5	12	25,000	50,000
2016	0.6	12	28,800	48,000
2015	0.4	12	20,700	46,000
2014	0.5	12	22,000	44,000
2013	1.0	6	21,000	21,000
Total		60	\$ 137,500	\$ 234,000

Highest average annual salary: $234,000 / 5 \text{ years} = \$46,800$

3. Years of credited service

The years of credited service are calculated using the actual time that you worked and contributed to the plan, taking into account any part time or part years of service.

For example,
if you worked at 80% FTE for 15 years, your total credited service would be $80\% \text{ FTE} \times 15 \text{ years} = 12 \text{ years}$.

Annual Pension: Calculation Examples

(Applicable percentage) x (Highest average salary) x (Years of credited service)

1. Average salary above YMPE¹, no reductions

- Enrolment date: June 1, 1996; Retirement date: April 30, 2018
- Age at retirement: 60 years; Total years of credited service: 21.57
- 5 year average YMPE: \$54,440; 5 year highest average salary: \$60,000

Pensionable years		Applicable percentage	Highest average salary (\$)	Years of credited service	Total (\$)
From	To				
1996/06/01	1999/12/31	1.50%	54,440	3.25	2,653.95
2000/01/01	2018/04/30	1.70%	54,440	18.32	16,954.19
Portion of salary above average YMPE		2.00%	5,560	21.57	2,398.58
Basic annual pension					21,706.72
Monthly pension					1,808.89

2. Average salary below YMPE¹, with early retirement reductions

- Enrolment date: June 1, 1986; Retirement date: April 30, 2018
- Age at retirement – 57 years, 6 months; Total years of credited service: 31.15
- 5 year average YMPE: \$54,440; 5 year highest average salary: \$48,000

Pensionable years		Applicable percentage	Highest average salary (\$)	Years of credited service	Total (\$)
From	To				
1986/06/01	1989/12/31	1.65%	48,000	3.25	2,574.00
1990/01/01	1991/12/31	1.30%	48,000	1.58	985.62
1992/01/01	1999/12/31	1.50%	48,000	8.00	5,760.00
2000/01/01	2018/04/30	1.70%	48,000	18.32	14,949.12
Basic annual pension					24,269.04
- Early retirement reduction² (7.5%)					- 1,820.18
Annual pension (reduced)					22,448.86
Monthly pension					1,870.74

¹ **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.

² **Early retirement reductions** are 3% for each year of difference between your age at retirement and age 60 (prorated by month for partial years). Please refer to our website for more information on early retirement reductions.