

This newsletter is designed to present York employees, former employees and retirees with useful general information pertaining to their pension & benefits. Please keep in mind that as this newsletter is distributed to different groups with different entitlements, all articles may not pertain to you and your situation.

York University Pension Plan Contribution Rate Changes

Your Contributions

Your required pension contributions are based on a formula that takes into account your earnings and the year's maximum pensionable earnings (YMPE). Presently the contribution rate is 4.5% on earnings up to the YMPE and 6.0% on earnings above the YMPE. Contributions are deducted from each pay and are tax-deductible up to the annual limit set out in the *Income Tax Act*

Contribution Rate Changes

Following negotiations between York University and the All-Union Pension Group, the following pension contribution rate changes have been approved. On a 50/50 cost sharing basis for the Money Purchase component of the pension plan, the required member and University **contribution rates will be increased** in five equal increments as follows:

- ◆ Effective March 1, 2014, pension contributions will be 4.95% on earnings up to the Year's Maximum Pensionable Earnings (YMPE) and 6.63% on earnings above the YMPE;
- ◆ Effective September 1, 2014, pension contributions will be 5.4% on earnings up to the Year's Maximum Pensionable Earnings (YMPE) and 7.26% on earnings above the YMPE;
- ◆ Effective March 1, 2015, pension contributions will be 5.85% on earnings up to the Year's Maximum Pensionable Earnings (YMPE) and 7.89% on earnings above the YMPE;
- ◆ Effective September 1, 2015, pension contributions will be 6.3% on earnings up to the Year's Maximum Pensionable Earnings (YMPE) and 8.52% on earnings above the YMPE;
- ◆ Effective March 1, 2016, pension contributions will be 6.75% on earnings up to the Year's Maximum Pensionable Earnings (YMPE) and 9.15% on earnings above the YMPE;

How will this affect my pay?

Pension contributions are deducted **before** income taxes on your pay. As a result of the increased pension contributions, the amount of income taxes being deducted will be reduced. The net affect to your pay will be determined by your salary rate and TD1 Personal Tax Credits.



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2014 Maximums & Limits

Below is a summary of 2014 maximum amounts for various payroll deductions:

Employment Insurance

The maximum annual insurable earnings for 2014 is \$48,600. This is the amount of earnings up to which EI premiums are deducted from your pay. The **maximum annual Employment Insurance employee contributions for 2014 is \$913.68.**

Canada Pension Plan

The years maximum annual pensionable earnings (commonly referred to as **YMPE**) for 2014 is **\$52,500**. This is the amount of earnings up to which Canada Pension Plan contributions are deducted from your pay. This amount increases annually at the rate of the average wage growth in Canada. The **maximum annual CPP employee contribution for 2014 is \$2,425.50.**

Money Purchase Limit

This is the maximum amount a plan member can contribute to the York University pension plan in 2014 and is the **lower of 18% of earned income or \$24,930**. This includes both employee and employer contributions.

Defined Benefit Limit

The defined benefit limit for each year of pensionable service (which is applied to your Minimum Guarantee Pension at retirement or termination) is **\$2,770.00**. The defined benefit limit is one of the factors used by the Canada Revenue Agency that limits the maximum lifetime retirement benefits that can be paid from a defined benefit provision (referred to as the Minimum Guarantee Pension in the York University Pension Plan).

Help us help you.

In all of our communications we provide details on how to contact the Pension & Benefits office should you require further assistance. Specifically, we ask you to please call (416) 736-2100 ext 27572 or email us at askpb@yorku.ca.

We average 475 phone calls per month through the general “askpb” extension 27572 and well over 700 emails. Three pension and benefits administrator’s handle these calls and emails. Much of the information we are asked for and about is available online. In order for us to better serve you, please take a moment to see if the information you are after is available at YU Link (yulink.yorku.ca), the Pension & Benefits website (www.yorku.ca/hr/units/cpb/), the SunLife website (www.sunlife.ca/member) or any of the other **resources listed on page 4 of this newsletter under “Contact List”**. We believe you will be pleasantly surprised at the amount of information that is available at the click of a button. For those instances when you do need to contact our office, please have your employee identification number ready.

Please check your email inbox regularly for any updates we may send you.

Final Average Earnings (FAE)

Final average earnings (commonly referred to as “FAE”) are based on your five years of highest earnings. The years do not have to be consecutive and **a year is determined in 12 month blocks from the retirement date back.**

Lets look at an example where an employee retired June 1, 2013 with **30 years of credited service.** Looking back in **12 month blocks from the retirement date** of June 1 (i.e. April—May), we see this employee’s highest five years of earnings **bolded** in the Annual Earnings column.

12 month period	Annual Earnings	Average Annual YMPE
04/30/2013 – 05/31/2012	\$48,264.09	\$50,100.00
04/30/2012 – 05/31/2011	\$47,521.50	\$48,900.00
04/30/2011 – 05/31/2010	\$50,883.86	\$47,566.67
04/30/2010 – 05/31/2009	\$48,760.17	\$46,000.00
04/30/2009 – 05/31/2008	\$44,990.28	\$45,366.67
04/30/2008 – 05/31/2007	\$48,951.86	\$44,100.00
	\$48,876.30	\$47,333.33
	Final Average Earnings	Final Average YMPE

How is the FAE used in the minimum guarantee formula?

The York University Pension Plan provides you with *the greater of* the pension provided by converting your Money Purchase Component Account balance to an annuity **and** the pension provided by the minimum guaranteed benefit formula. Let’s look at how the minimum guarantee formula works using the figures from the example above:

MINIMUM GUARENTEE FORMULA
1.4% of your final average earnings at retirement up to the average YMPE for those years
PLUS
1.9% of your final average earnings at retirement above the average YMPE for those years
MULTIPLIED BY
years of credited service

Using the figures from the example above, the formula would break down like this ---->

USING THE EXAMPLE ABOVE
1.4% X \$47,333.33 = \$662.67
PLUS
1.9% x (48,876.30-47,333.33) = 29.32
MULTIPLIED BY
30 years credited service
EQUALS
20747.7 per year



Question: I am a current retiree receiving a pension from York University. How do the pension plan changes affect me.

Answer: They do not affect you in any way.

Question: When will the retirement planner be updated with 2013 data and when will I receive my 2013 Annual Pension Statement?

Answer: The York University pension plan is legislatively obligated to provide 2013 Annual Pension Statements to its members by June 30, 2014. We will endeavor to have them ready as soon as possible in anticipation of the June 30, 2013 deadline and will advise all members when they are ready. The retirement planner will be updated with 2013 data in the first quarter of 2013. A message will appear on the planner log in page announcing when this is complete.

Contact List

FOR:	CONTACT:
Courses covered by Tuition Fee Waiver	http://sfs.yorku.ca/fees/waivers/
Personal Expense Reimbursement	Finance Dept (416)736-5661
T4's (Active employees)	Payroll Department , Human Resources, Extension 55552
T4A's (Retirees)	CIBC Mellon 1-800-565-0479 ext.2234
Retiree questions re monthly pension cheques, taxes, changes in banking information	CIBC Mellon 1-800-565-0479 ext.2234
Address Changes - Active Employees	Employee Records, Human Resources
Vacation, Sick Leaves, Personal Credits	Refer to your department or Union Group
Employment Letter	Employee Records, Human Resources
RRSP Limits	Canada Revenue Agency
Benefits (health, dental, vision) questions	SunLife 1-800-361-6212 (Contract #14098)
Benefits claim denied?	SunLife 1-800-361-6212
Here are just a few websites you can access to gain more information:	
Sun Life's Plan Member services	www.sunlife.ca/member
York's Retirement Planning Centre	www.yorku.ca/retire
York University Retirement Planner	www.yorku-ret.ca
York's HR Self Service	https://hrselfserve.yorku.ca/psp/HR91PRD/?cmd=login

Need Further Information?
 Information provided in this newsletter is of a general nature. Should you require further information that specifically pertains to you please contact the Pension & Benefits office by e-mailing askpb@yorku.ca or by calling 416-736-2100 extension (27572) between 8:30 am and 4:30 pm Monday to Friday. For Fridays from June 1 up to and including Labour Day weekend the phones will be answered until 3:30 pm. It is your responsibility to check your pay advice each pay to ensure all deductions are appropriate. You can also access this information through HR Self Service.

In the event the information contained herein conflicts with the applicable contract, policy or guideline, the terms of the contract, policy or guideline will prevail.