

How to Read your Annual Pension Statement – Salaried Plan

Your statement includes important information concerning your McMaster Pension benefits. This guide is intended to help you understand your annual pension statement.

Your Entitlements

The first section of your pension statement lists your entitlements under the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000 (“Salaried Pension Plan”). You will note that the information is provided as at June 30th every year. That’s because the Plan Year for the Salaried Pension Plan runs from July 1 to June 30. For 2021, the statement reflects your pensionable service and accrued annual pension from your date of Plan entry up to and including June 30, 2021. Any changes after June 30, 2021 will not appear on this statement, but will be reflected on the next year’s annual statement.

Your Pensionable Service and Accrued Annual Pension as at June 30, 2021

This section includes:

- Your pensionable service accrued between July 1, 2020 and June 30, 2021 (If you are a part-time member or on an unpaid leave of absence, this will be less than 1 year of service);
- Any service related to a transfer-in or buyback, as at June 30, 2021 (this must have been finalized/paid for by June 30, 2021 to be reflected on the statement);
- Your Total Pensionable Service since you joined the Plan and up to June 30, 2021;
- Your annual retirement pension payable at your Normal Retirement Date (to find your Normal Retirement Date, refer to the Personal Information section of your pension statement)

If you purchased buyback service or transferred in funds from another plan, it will appear here each year. This value will stay the same year over year unless you complete a new transfer or buyback. Note that periods of retro contributions are reflected under regular pensionable service.

| | |
|--|-----------------------|
| Pensionable Service since June 30, 2020 | 1.000 year(s) |
| Buyback Pensionable Service as at June 30, 2021 | 0.500 year(s) |
| Transferred-In Pensionable Service as at June 30, 2021 | 0.500 year(s) |
| Total Pensionable Service as at June 30, 2021 | 10.000 year(s) |
| Annual retirement pension payable at your Normal Retirement Date | \$12,005.50 |

This is your total service and it will increase year over year based on your service accrual for the period of July 1 to June 30.

Your Contributions Accrued With Interest

| | Member Required Contributions | |
|---|-------------------------------|---|
| Contributions made since June 30, 2020 | \$7,123.00 |  <p>This is what you contributed during the July 1 to June 30 Plan Year.</p> |
| Contributions with interest as at June 30, 2021 | \$75,400.00 |  <p>This is the sum of your required contributions with interest since you joined the Plan. This will <u>not</u> include Employer contributions, nor any buyback/transfer -in contributions.</p> |

Government Benefits

This section explains other potential sources of income upon retirement and provides contact information for Service Canada.

Personal Information

This section of your statement lists all the details regarding your key dates, spouse and beneficiary information, and pensionable salaries used in your pension calculation.

| | |
|---------------------------------------|-----------------|
| Employee number: | 00123456 |
| Date of Birth: | January 1, 1980 |
| Date of Employment: | July 1, 2009 |
| Date of Plan Entry: | July 1, 2009 |
| Earliest Retirement Date: | January 1, 2035 |
| Earliest Unreduced Retirement Date: | October 1, 2036 |
| Normal Retirement Date: | January 1, 2045 |
| Applicable Legislation: | Ontario |
| Spouse's name: | JANE DOE |
| Designated Beneficiary(ies): | JANE DOE |
| Regular Annual Salary at July 1, 2020 | \$80,000.00 |
| Best Average Salary | \$76,250.00 |

Below are key definitions that will assist you in understanding the dates in the Personal Information section.

Date of Employment: is the date you started working at McMaster.

Date of Plan Entry: is the date you began contributing to the Plan.

Earliest Retirement Date: is the earlier of age 55 or your Earliest Unreduced Retirement Date.

Earliest Unreduced Retirement Date: is the earlier of age 65 or your Special Retirement Date, as defined in your employee group's Pension Highlights document or the Salaried Pension Plan Text. This assumes you will remain an active member and accrue pensionable service to the date shown. However, if you are on an unpaid leave of absence as of the statement date, this assumes you will not accrue pensionable service to the date shown. The date will change if you return from leave and start to accrue pensionable service.

Normal Retirement Date: is the first day of the month in which you attain age 65.

Regular Annual Salary: is the regular rate of earnings effective at July 1 each year. This does not include overtime earnings. For part-time members, the regular rate of earnings is adjusted to the equivalent full-time salary rate.

Best Average Salary: is the average of your x* highest months of Regular Annual Salary while a Plan participant.

*x = 48 months for all groups except for Unifor Local 5555 Hired on or After May 1, 2010 which is 60 months

Additional Information and Plan Information

There are additional sections in the statement which provide more information about the pension plan. You can also find information in the Pension Highlights documents or Salaried Pension Plan Text that are available on the following website:

<https://hr.mcmaster.ca/retirees/pension/>.

It is important to review all information and ensure it is correct. Please share any updates with your Human Resources area office. Whenever you have a significant life event, make sure you review and update your beneficiary designation(s) for all your benefits plans as follows:

- Download a **life event package** at the following website:
<https://hr.mcmaster.ca/employees/life-events/>
- Download **benefit forms** at the following website:
<https://hr.mcmaster.ca/employees/total-rewards/benefit-information/>
- Download **pension forms** (including a pension beneficiary form) at the following website: <https://hr.mcmaster.ca/retirees/pension/forms/>

All of the amounts shown on the statement are ESTIMATES ONLY. Benefits payable from the Plan are governed by the terms of the Plan text in effect at time you retire or leave the University. The actual benefits payable from the Plan will be calculated based on information in University records (date of birth, pensionable service, marital status, pensionable earnings, etc.). If you believe that any of the personal information shown on this statement is incorrect, it is in your best interest to contact your Human Resources Office immediately to have this information corrected. Please note that, if there are any discrepancies between the benefits and entitlements described in this statement and those provided for under the official Plan text, the provisions of the official Plan text will prevail.

Pension Portal for Members of the Salaried Pension Plan 2000

The University has launched a new Pension Portal to help employees better understand when they can retire and what their pension might look like when they retire. The Pension Portal is a component of PenProPlus which is the pension administration system used at McMaster. McMaster adopted PenProPlus to better serve the pension and retirement needs of our employee population. The Pension Portal is a secure online tool which has been created to facilitate self-service offerings for active members of the McMaster Salaried Pension Plan, including access to their pension information. As an active member of the Salaried Pension Plan, you can access the Pension Portal through Mosaic to try out the Retirement Modelling feature and run your own pension estimates based on variable information. You can access the Pension Portal from within the Employee Self Service page in Mosaic. When you click on the Pension Portal tile, you will be prompted to input your McMaster user ID and password for access to the site.

Most Members of the Salaried Pension Plan will be able to access the Retirement Modelling feature to create pension estimates. Some Members with special circumstances will not be able to access this tool and should complete the [Pension Estimate Request Form](#) and forward it to the Human Resources Service Centre if they wish to obtain a pension estimate. Special circumstances could include: having a family law value that was paid out, having been rehired with a deferred period that is not paid out, and having pensionable service from different employee groups). In addition, members of the Original Pension Plan and members of the Salaried Pension Plan who are Clinical Faculty do not have access to the Pension Portal.

It is important to understand that the Retirement Modelling Tool in the Pension Portal provides you with **estimates of your future pension**. It uses a number of assumptions in the calculations, some of which you determine such as future salary increases and

FTE. Based on the assumptions you use, your actual benefits payable may be higher or lower.

The [Pension Portal User Guide](#) provides the information and instructions you'll need to access and use the Pension Portal. Note that you'll need your McMaster user ID and password to access the instructions.