



Pension Airwaves

Episode 2 - Benefits of being in the SPP (*Transcript*)

Hi there and thanks for tuning in to this episode. Today we're going to chat a little bit about the benefits of being in the Staff Pension Plan – to just kind of give you an overview of what kinds of features it has. We believe that the SPP is one of the most important and valuable benefits offered to staff at UBC. And that's why we spend a lot of our time thinking about how to truly communicate this to members, and to ideally encourage their interest and help them get educated about what a great benefit they have.

In this day and age, having any kind of pension plan is an attractive benefit for employees, and unfortunately, the trend is that pension plans are benefits that are becoming more and more rare across many industries in Canada and probably throughout many other countries as well. So, not only does UBC offer an employer-sponsored pension plan for its staff, but it puts a great deal of time, thought, effort and expertise into the Plan and over its 50 years of existence, it's really been cultivated into a stable, well-managed, and well-funded pension plan that we feel that members can trust and rely on.

I wanted to touch on why we think the UBC Staff Pension Plan is valuable, and important to employee well-being and financial security, whether you're an active member, deferred or retired. We'll go into more detail about certain topics in future episodes, but for now, the four categories I'll focus on are: Peace of mind and security, Confidence, Flexibility, and Convenience.

1. Peace of mind and security

The main purpose of the plan is to provide a lifetime income stream for members when they retire. That means, when you decide to retire, and you start taking a pension, regardless of what options you choose, that pension will be paid for the rest of your life. And if you have a spouse, for the rest of their life too. The Plan also includes survivor benefits, which is what we call the benefit that your designated beneficiary gets in the event that you pass away.

The SPP is well-funded and in a healthy position. In our most recent annual report, the Plan reported \$2.4 billion in assets, with over 16 thousand members and a ratio of around three active members for every one retiree, so that means that right now there are more funds coming in than going out. This aspect contributes to the healthy and well-funded position of the Plan to continue to support benefit payment to members in the future.

2. Confidence

The SPP is a target benefit plan and it's well-managed by experts in their field who are truly interested in the long-term health of the Plan. We have a Pension Board of elected and appointed members that oversee the Plan. Their primary responsibility is to represent the interests of all members, and to recommend policy and procedure improvements to the university through the UBC Board of Governors. The Plan also appoints various advisors and consultants to help with actuarial services, investing assets, and communications... so there are many teams that work very hard to manage and support the Plan.

The SPP handles all the investment decisions as well, and so you don't have to maintain or manage an account or an investment portfolio. There are other kinds of employer pension plans out there, like Defined Contribution Plans for example; those are set up a little bit differently. With those plans, members are responsible for doing research, selecting their investments and managing their own portfolio, and here in the SPP, you don't have to do any of that. UBC Investment Management Trust, or UBC IMANT, handles that for us with a well-curated portfolio that is designed to be sustainable for the long term.

3. Flexibility

You are still allowed to contribute to your own RRSP or other retirement-income savings account, if you want to. Your annual tax forms from CRA will show you how much room you have available to make such contributions.

If you leave the Plan before you retire, then you do get to take one and a half times your contributions with you (and if you worked and contributed as a Plan member prior to July 1 2009, then it's 2 times your contributions)! That's at least a 50% return on your investment.

Members are allowed to start taking their pension as early as age 55, and as late as age 71. Depending on your circumstances, you are allowed to decide to keep working while you're taking your pension, if you want to.

We have different options for arranging to pay your pension to you when you retire, based on your own personal circumstances, like the age you decide to retire, whether you are single or you have a spouse, and there are a variety of other factors involved with this that we'll unpack in a future episode about Pension Benefit/Retirement Options.

4. Convenience

The SPP requires mandatory enrolment for all eligible UBC staff, which means that it optimizes your opportunity to save for your future. Members are vested immediately. So, vesting means that there is no initiation or waiting period in order for you to gain entitlement to Plan benefits. It means that from day one of your appointment, you start making contributions, you accumulate pensionable service, and then you are entitled to a benefit just like every other member.

Your contributions are fixed at 6.5%, and they are taken from your paycheque automatically through Payroll, which is really convenient. So unless there is a really significant change to the BC legislation that governs pensions, your contributions won't fluctuate, and that makes it easy to anticipate what your contribution amount will be per paycheque. You can check this on your pay stub in Workday, just like you would if you wanted to check your tax deductions, union dues, or other types of deductions.

Finally, I want to mention that we have a secure website called myPension. It's a great site with useful tools for members where they can access their personal pension information, review beneficiary information, see their service accruals, and calculate pension estimates so you can get a good understanding of what kind of pension income you can expect within a variety of different scenarios. You can also look at your annual statement in there, and adjust your communication preferences from paper to electronic. myPension is available 24/7 for all members.

So that's just a general overview of the Staff Pension Plan, to highlight some of the most notable benefits of being an SPP member. We also have a popular animated welcome video that talks about these member benefits as well. And we'll put a link to that in the notes next to this episode if you want to check it out.

So we thank you for listening, and we hope you'll check out future episodes with more details on all the pension plan topics you're interested in.

This content has been compiled by the UBC Pension Administration Office for educational purposes. If there is any inconsistency between the contents of this communication and the pension plan documents or legislation, the plan documents and legislation will prevail. Updated August 2022.

If you have questions about the Pension Airwaves podcast, you can reach out to pension.comms@ubc.ca, or visit staff.pensions.ubc.ca/podcast.

If you have questions about the UBC Staff Pension Plan or your personal situation, you can reach out to SPP Member Services at spp@hr.ubc.ca, or visit staff.pensions.ubc.ca/contact.