

# The Pensioner

NEWSLETTER FOR PENSIONERS OF THE UBC STAFF PENSION PLAN

December 2022

## 2023 Cost of Living Increase to your Pension

On January 1, 2023, your pension will increase by 3.25%. This increase will automatically be applied to your pension, beginning with your January payment. If you retired in 2022, you will receive a prorated increase.

The lifetime pension you are receiving from the UBC Staff Pension Plan (SPP) may be increased on an annual basis if the plan funding is able to afford it. This is known as post-retirement indexing or a Cost of Living Adjustment (COLA). Increases, when granted, are provided to all retirees and are based on a percentage of inflation. Inflation is measured by the year-over-year increase in the Consumer Price Index (CPI). Since 2011, an increase to the SPP pensions has been granted of 50% of inflation (CPI) each year. The last actuarial valuation for the SPP determined that the Plan could afford to keep increases at this level for the three years from 2021 to 2023.

Inflation continues to make headline news – “Canadian inflation rose 6.9% in September.” This rate was based on the change in CPI from September 2021 to September 2022, making the calculation of the 6.9% inflation rate quite different than the calculation that is used for pension plans such as the SPP and the Canada Pension Plan (CPP).

### **How is the COLA calculated for the SPP?**

In order to calculate the COLA for the SPP, we compare the percentage change of the CPI from one 12-month period to the previous 12-month period. For example, here is how we calculate the increase to your SPP benefit on January 1, 2023:

**Step 1:** We look at the average CPI from November 2021 to October 2022, compared to the average CPI from November 2020 to October 2021. This is the same method that the Government of Canada uses to determine the increase that will be applied to your CPP benefit on January 1, 2023.

**Step 2:** Multiply the rate determined in Step 1 by the percentage increase confirmed in the most recent actuarial valuation for the SPP. As mentioned earlier, this rate is currently 50% of inflation.

The COLA that the SPP can afford to pay on pensions is based on the financial status of the Plan. The Plan uses inflation protection as a lever to keep the Plan sustainable and to protect the lifetime pension that you receive from the SPP. The Plan’s next actuarial valuation will take place on December 31, 2022. This valuation will determine the COLA adjustments for the next three years (2024 to 2026). The results of the valuation will be available in the fall of 2023.

### **What is the Consumer Price Index (CPI)?**

Developed by Statistics Canada, the CPI is a measure of the rate of price change for goods and services bought by Canadian consumers. Each month, the CPI is obtained by determining the cost of a fixed basket of goods. The basket of goods consists of food, shelter, clothing, transportation, health care and other household expenditures.



## The SPP celebrates 50 years: Looking back, it's always been about looking forward

On January 1, 2022, the SPP turned 50 years old. The purpose of the SPP has always been to provide stable and secure lifetime retirement pensions. As we look back on our history, it's clear our journey has been forward thinking. We have always been focused on enhancing benefit security and the long-term sustainability of the SPP, while ensuring the Plan is equitable for all members. Below are a couple of ways you can learn more about the key milestones for the SPP:

### Read our 50th anniversary issue of the Annual Report

Visit [staff.pensions.ubc.ca](http://staff.pensions.ubc.ca) and on the top navigation bar, select **Plan Governance > Annual Reports & Financial Statements**.

### Listen to our new Pension Airwaves Podcast

We are excited to share that we have launched a new podcast called *Pension Airwaves*! We talk about all things SPP on the podcast. Whether you have a few minutes or more, there are several episodes for you to choose from. Episodes 5 and 6 in particular will highlight some of the key milestones for the SPP.



Listen and subscribe to the podcast by visiting [staff.pensions.ubc.ca/podcast](http://staff.pensions.ubc.ca/podcast)

*Chelsey Maher interviews Jay Parker and Brian Evans, SPP pensioners, for Episode 6 of the Pension Airwaves podcast.*

## Pension Office Holiday Closure

The UBC Pension Administration Office will be closed from December 24, 2022 to January 2, 2023 inclusive. The office will reopen on Tuesday, January 3, 2023.

If you have an urgent pension inquiry during the holiday closure, please leave a message at 604-822-8647. These messages will be monitored over the holiday period.

The SPP Board, management and staff wish you and your family a safe and happy holiday.

## Keep your information up to date

It is important to keep your information up to date with the Pension Administration Office, especially if there are changes to your mailing address, contact or banking information, power of attorney, beneficiaries and marital status. Our contact information is listed in the section below.

## How to contact us

UBC Staff Pension Plan  
Pension Administration Office  
201 - 2389 Health Sciences Mall  
Vancouver, B.C. V6T 1Z3 Canada

Please contact your Member Services representative below:

### Last Name A-E

Carol Brodie     [carol.brodie@ubc.ca](mailto:carol.brodie@ubc.ca)  
604-822-6008

### Last Name F-K

Betty Jay     [betty.jay@ubc.ca](mailto:betty.jay@ubc.ca)  
604-822-8883

### Last Name L-Q

Carol Liao     [carol.liao@ubc.ca](mailto:carol.liao@ubc.ca)  
604-822-8646

### Last Name R-Z

Pravin Khan     [pravin.khan@ubc.ca](mailto:pravin.khan@ubc.ca)  
604-822-2167

For hours of operation and directions to our office, visit: [staff.pensions.ubc.ca/contact](http://staff.pensions.ubc.ca/contact)