

Victoria University

Pre-conversion Information



About this document

This document will help you understand how the provisions of the Victoria Plan and UPP work together to provide you with a secure, predictable, lifetime pension.

The Plan Text* with the UPP provisions is available on myupp.ca. Every effort has been made to provide an accurate summary. However, if there are any differences between the information given here and the Plan Text, the Plan Text will apply.

*The Plan Text is the legal foundational document which governs the benefit entitlements of members and sets out how the plan is administered. To access the full Plan Text, contact UPP Member Services.

Welcome to UPP!

Effective January 1, 2025, the Victoria University General Pension Plan (“Victoria Plan”) converted to University Pension Plan (“UPP”).

This document applies to active and deferred members and pensioners who participated in the Victoria Plan before January 1, 2025. This includes faculty and librarians, professional and managerial staff, confidential staff, and staff represented by the United Steelworkers Union (“USW”).

If you enrolled on or after January 1, 2025, only UPP provisions will apply. For provisions and definitions specific to UPP, please refer to the UPP Member Handbook available at myupp.ca/member-handbook.


If you are an active UPP member with prior service in the Victoria Plan (also known as your “prior plan”) your pension is based on:

- service earned under your prior plan before January 1, 2025 (your “pre-conversion pension”), plus
- service earned on or after January 1, 2025 under UPP (your “UPP pension”).

Your pre-conversion pension benefits earned under the Victoria Plan before joining UPP will now be payable from UPP. For the most part, these pre-conversion benefits are based on the terms of the Victoria Plan. However, some provisions are modified based on how your Victoria Plan integrates with UPP. **In no case will the modifications to the Victoria provisions result in a reduction of benefits earned before January 1, 2025.**

Your integrated pension benefits

Here's a look at your integrated pension benefits and how (a) UPP provisions affect the pre-conversion benefits earned under the Victoria Plan, and (b) pre-conversion service in the Victoria Plan might affect your benefit earned under UPP on and after January 1, 2025.

 **Reminder:** For provisions specific to UPP, visit myupp.ca/member-handbook and download a copy of the UPP Member Handbook.

Plan provision	Impact on your benefit
Eligibility for membership	<p>Victoria Plan members on the conversion date will become a UPP member on January 1, 2025.</p> <p>A full-time continuous employee must become a member of UPP on the first day of the month on or following the date they are hired by Victoria University. The same eligibility rules apply to:</p> <ul style="list-style-type: none">• a full-time faculty member or librarian on a contractually limited term appointment of one year or more; and• an existing employee who becomes a full-time continuous employee. <p>Please note if you are a full-time continuous employee who was not eligible or did not elect to become a member of your prior plan, you must become a member of UPP on your employer's conversion date.</p> <p>A part-time employee is eligible to join the plan after they meet at least one of the two following conditions in each of the last two consecutive calendar years:</p> <ul style="list-style-type: none">• they earn at least 35% of the Canada Pension Plan (CPP) earnings limit, also known as the Year's Maximum Pensionable Earnings (YMPE); or• they work 700 or more hours in a year. <p>A part-time employee who has accrued service towards satisfying the eligibility conditions for enrolment in the Victoria Plan before January 1, 2025, will be able to apply that service towards satisfying the eligibility requirements of UPP.</p>
Leaves of absence in progress as at January 1, 2025	<p>Until December 31, 2024, if you were on a leave of absence, the pension contributions payable will be based on your prior plan's rules.</p> <p>On and after January 1, 2025, the contributions payable by you and your employer, if applicable, will be based on transitional rules under the UPP plan terms.</p>

Plan provision	Impact on your benefit
<p>Transferring lump-sum benefits out of UPP when leaving a UPP-participating employer before retirement</p>	<p>On and after January 1, 2025, UPP transfer rules will apply to both your pre-conversion and your UPP pension benefits and you will be required to elect the same payment option for your pre-conversion and UPP benefit.</p> <p>This means that if you leave the plan before your earliest retirement date, you can choose to transfer the locked-in lump sum of both your pre-conversion and UPP pension out of the plan.</p> <p>However, if you leave the plan after your earliest retirement date, you cannot transfer the lump sum value of your pension out of the plan.</p> <p>For details on the retirement vehicles you can transfer out to, please refer to the UPP Member Handbook.</p>
<p>Pension start date</p>	<p>In general, your pension starts on the first day of the month following your retirement date. To avoid a gap in your income, it may be beneficial to choose a retirement date at the end of the month. Learn about key retirement dates in the next section.</p>
<p>Earliest retirement date</p>	<p>As of January 1, 2025, UPP specifies that the earliest date you can retire is the last day of the month in which you reach age 55. This will apply to your pre-conversion pension and UPP pension if you are an active member.</p> <p>For deferred members who terminated employment prior to January 1, 2025, your earliest retirement date is the first day of July coincident with or next following the date you turn 55.</p> <p>Early retirement reductions</p> <p>If you don't qualify for an early unreduced pension, you can still retire on an early retirement date but your pension will be permanently reduced to reflect the fact that you will receive your pension for a longer period of time.</p> <p>If you are an active member</p> <p>If you retire from your employment on an early retirement date, your pension will be permanently reduced by 5% for each year (prorated for partial years) that you are under age 65.</p> <p>If you are a deferred member</p> <p>If you terminated employment on or after your earliest retirement date and deferred your pension, the early retirement reduction above applies if you decide to begin your pension before your normal retirement date.</p> <p>If you terminated employment prior to your earliest retirement date and deferred your pension, a different early retirement reduction applies if you decide to begin your pension before your normal retirement date. Instead, you will receive the actuarial equivalent of the pension that would have been payable if you had retired on your normal retirement date.</p>

Plan provision	Impact on your benefit
<p>Early unreduced retirement date</p>	<p>The early unreduced retirement date provisions under the Victoria Plan are aligned with the provisions under UPP.</p> <p>If you are at least age 60 and your age plus your eligibility service equal 80 points or more when you terminate plan membership, no reduction will apply to either your pre-conversion pension or your UPP pension. Your early unreduced retirement date is the last day of any month coincident with or following the month that you terminate plan membership.</p>
<p>Eligibility service</p>	<p>Your eligibility service is used to determine your early unreduced retirement date. On and after January 1, 2025, your continuous service with UPP participating employers will be included in determining your eligibility for an early unreduced pre-conversion pension under the Victoria Plan provisions. This includes periods of membership under a previous employer's pension plan from which assets were transferred into the Victoria Plan or UPP.</p> <p>Similarly, any recognized continuous service under the Victoria Plan will be included in determining your eligibility for an unreduced UPP pension.</p>
<p>Normal retirement date</p>	<p>UPP's normal retirement date is the last day of the month in which you turn 65. As of January 1, 2025, this will apply to both your pre-conversion pension and UPP pension if you are an active member. This change will not result in a later normal retirement date than that provided under the Victoria Plan, and in most cases, it will result in an earlier normal retirement date.</p> <p>For deferred members who terminated employment prior to January 1, 2025, your normal retirement date is the first day of July coincident with or next following the date you turn 65.</p>
<p>Normal form of your pre-conversion pension</p>	<p>Your pension is payable for life. The normal form of pension is the baseline form of payment of your pension. All other optional forms of payment will be actuarially equivalent to the normal form by increasing your pension to accommodate a lower survivor payment option or reducing your pension to accommodate higher survivor payment options.</p> <p>With a spouse at retirement</p> <p>If you have an eligible spouse, the normal form of your pre-conversion pension is the 60% spousal option which is a pension payable for your lifetime, with 60% of the pension continuing to your spouse if they outlive you.</p> <p>If your spouse is more than 15 years younger than you, your pension will be actuarially reduced to reflect the likelihood that your spouse will receive more payments over a longer period of time.</p>

Plan provision	Impact on your benefit
	<p>Without a spouse at retirement</p> <p>If you do not have an eligible spouse, the normal form of your pre-conversion pension is a 5-year guarantee which is a pension payable for your lifetime, with a guarantee that at least 60 monthly payments will be paid. If you pass away before receiving 60 payments, the remaining guaranteed payments will be paid to your beneficiaries or, if you do not have any beneficiaries, to your estate.</p> <p>Note: If the total pension benefit paid to you as a lifetime pension is less than your required contributions plus interest (to your retirement date), your spouse, beneficiary, or estate shall receive a lump sum payment of the residual amount.</p>
<p>Optional forms of your pre-conversion pension</p>	<p>Your pension options package will outline the different payment options available to you.</p> <p>If you have a spouse at retirement, your optional form of pension is a lower monthly pension amount for you in order to provide your spouse with a survivor benefit of 100% of your monthly pension.</p> <p>If you do not have a spouse at retirement, your optional forms of your pre-conversion pension are a higher pension with a 0-year guarantee, or a lower pension with a 10-year or 15-year guarantee.</p>
<p>Pre-retirement survivor benefits</p>	<p>With a spouse</p> <p>If you die before starting your pension and you have an eligible spouse, they are entitled to the full value of your pension. The benefit will be paid as an immediate monthly pension for your spouse's life, unless they choose to:</p> <ul style="list-style-type: none"> • keep the pension with UPP and collect a lifetime pension starting no later than December 1st of the year in which they turn age 71, or • take the benefit as a single lump-sum payment, either as cash (with applicable tax withheld) or as an amount transferred to a registered retirement savings vehicle. <p>If you have both pre-conversion and UPP service, your eligible spouse will be required to select the same payment option for both their pre-conversion and UPP survivor benefit.</p> <p>Without a spouse</p> <p>If you pass away before retirement and you don't have a spouse, or your spouse has waived their rights to your survivor benefits, the full value of your pension will be paid to your beneficiaries or estate as a taxable lump-sum payment.</p>

Plan provision	Impact on your benefit
<p>Beneficiary designations</p>	<p>A beneficiary is the person(s), estate or organization (such as a charity) you designate to receive any survivor benefits payable from the plan after your death.</p> <p>Your latest beneficiary designation under the Victoria Plan will be used to determine the named beneficiaries for your pre-conversion pension and UPP pension until you update your beneficiaries directly with UPP. Any updates will apply to both your pre-conversion pension and UPP pension.</p> <p>It's important to keep your beneficiaries up to date to ensure the right benefits are provided to the right people. If you wish to update your beneficiaries, you can complete the UPP Spousal and Beneficiary Form available at myupp.ca/members/forms-and-documents and return it to UPP Member Services.</p> <p>If you have an eligible spouse at the time of starting your pension, they are entitled to survivor payments over any named beneficiaries unless a legal waiver has been signed. For this reason, you do not need to name your spouse as a beneficiary in order for them to receive a survivor pension.</p>
<p>Pre-conversion inflation protection (indexation)</p>	<p>As part of the conversion to UPP, UPP honours the inflation protection provisions of the prior plan, including how the increases, if applicable, are determined and when they are paid.</p> <p>Indexation for your pre-conversion pension is determined based on the greater of:</p> <ul style="list-style-type: none"> • 75% of the increase in the Consumer Price Index (CPI) for the previous year up to a maximum CPI increase of 8%, plus 60% of the increase in the CPI for the previous year in excess of 8% and • the increase in the CPI for the previous year, minus 4% points. <p>Any increase will be applied on the July 1st of each year following your retirement. The first adjustment will be prorated based on the number of months from your retirement date to July 1st of the following year.</p> <p>UPP's indexation provisions apply to the portion of your pension earned after conversion. See myupp.ca/member-handbook for details.</p>
<p>Re-employment as a pensioner</p>	<p>If you are receiving a pension, whether it began before or after January 1, 2025, and become employed or re-employed by any UPP participating employer in a class of full-time employment that requires pension participation, your pension payments will be suspended, and you will start earning additional pension benefits under UPP through this period of employment.</p> <p>If you are re-employed after November 30th in the year you reach age 71, your pension will continue uninterrupted as you cannot contribute to the plan beyond this date.</p>

How your pension is calculated

As a member of UPP, your pension begins on the first of the month following your retirement date and is paid for life. Your total pension is the sum of your pension earned after the conversion to UPP (UPP pension) **plus** your pension earned before the conversion (pre-conversion pension), subject to the ITA maximum limits.

Your pre-conversion pension and UPP pension are based on set formulas that consider a few key components:

Victoria Plan pension formula		
Final average earnings up to the aYMPE x 1.6% (1.5% for Victoria UTFA Class members)	x	Final average earnings above the aYMPE x 2.0%
x Your credited service to December 31, 2024		
= Your gross annual pre-conversion pension		

UPP pension formula		
Best average earnings up to the aYAMPE ¹ x 1.6%	+	Best average earnings above the aYAMPE ¹ x 2.0%
x Your pensionable service on and after January 1, 2025		
= Your gross annual UPP pension		

¹Effective January 1, 2025, the Year's Additional Maximum Pensionable Earnings (YAMPE) is used instead of the Year's Maximum Pensionable Earnings (YMPE).

Best average earnings (BAE)

Your UPP pension uses your best average earnings which is an average of your highest 48 months of pensionable earnings (which do not have to be consecutive) with your employer during a period of plan membership. Your pensionable earnings under your prior plan and UPP are considered when determining your BAE. Your BAE is limited to the amount that would produce the maximum lifetime annual pension permitted under Canada's *Income Tax Act* (ITA).

Final average earnings (FAE)

Your pre-conversion pension uses your final average earnings which is an average of your highest 36 months of pensionable earnings (which do not have to be consecutive). Your pensionable earnings under your prior plan and UPP are considered when determining your FAE.

Credited service

Your pre-conversion pension uses your credited service which is the amount of continuous service during which you've contributed to the Victoria Plan, including any service you transferred in prior to January 1, 2025. You cease earning credited service on December 31, 2024

Pensionable service

You begin earning pensionable service on January 1, 2025, which is used to calculate your UPP pension. Pensionable service is the amount of continuous service during which you've contributed to UPP or

would have contributed if contributions were not waived under certain leaves of absence. This includes amounts transferred in from another pension plan and used to purchase UPP service. Pensionable service is also adjusted to reflect periods where a member was employed on a less than full time basis.

Continuous service

Continuous service refers to an uninterrupted period of employment with a participating employer. Continuous service is not interrupted during public holidays, periods of vacation, employer-approved leaves of absence, or notice periods required by employment standards legislation upon termination of employment.

Average year's additional maximum pensionable earnings (aYAMPE)

The average YAMPE used to calculate your UPP pension includes the last 48 consecutive months of plan participation before your retirement. If your last consecutive 48 months of plan participation include service in the Victoria Plan, those months will be included in the average YAMPE calculation for your UPP pension.

Average year's additional maximum pensionable earnings (aYAMPE)

The average YMPE used to calculate your pre-conversion pension includes the last consecutive 36 months of plan participation.

Year's Maximum Pensionable Earnings (YMPE)

An amount set each year by the federal government to determine the maximum amount of earnings used to calculate contributions and pensions under the Canada Pension Plan (CPP). Also called the CPP earnings limit.

Year's Additional Maximum Pensionable Earnings (YAMPE)

An additional higher annual earnings limit set by the federal government and introduced in 2024 to determine the maximum amount of earnings used to calculate contributions and pensions under the Canada Pension Plan (CPP). Like the YMPE, the YAMPE is set to increase each year to reflect wage growth in Canada.

For more information

Where to learn more

Visit myupp.ca where you can learn more about various life events along your pension journey, explore frequently asked questions, and download the UPP Member Handbook which provides detailed information relating to your UPP pension.

How to contact us

Whether you have questions about this document, or how your prior plan works together with UPP, our UPP Member Services team is here to help you every step of the way.

You can contact UPP Member Services via phone at 1-833-MBRS-UPP (1-833-627-7877) from Monday to Friday, 8:30 am – 5 pm ET.