

Pre-conversion pension benefits

About this guide

This guide will help you understand how the provisions of the UofG Plans and UPP work together to provide you with a secure, predictable, lifetime pension.

The UPP Plan Text* 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 July 1, 2021, the University of Guelph Pension Plans (UofG Plans) converted to University Pension Plan (UPP or “the Plan”).

This guide applies to active and deferred members and pensioners who participated in the UofG Plans before July 1, 2021. Where a rule is specific to one of the plans under UofG, the specific plan will be referenced.

If you enrolled on or after July 1, 2021, only UPP provisions apply. For more provisions and definitions specific to UPP, please refer to the UPP Member Handbook available at myupp.ca/memberhandbook.

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

- service earned under your prior plan before July 1, 2021 (your “pre-conversion pension”), plus
- service earned on or after July 1, 2021 under UPP (your “UPP pension”).

Any pre-conversion pension benefits earned under a UofG Plan before joining UPP are now payable from UPP. Some provisions have been modified based on how the UofG Plans integrate with UPP. **In no case will the modifications to your prior plan’s provisions result in a reduction of benefits earned under the UofG Plans.**



Your integrated pension benefits

Here's a look at how UPP provisions affect your pre-conversion benefits, and vice versa.

 **Reminder:** For provisions specific to UPP, visit myupp.ca/memberhandbook.

Plan provision	Impact on your benefit
Transferring lump-sum benefits out of UPP when you leave a UPP-participating employer before retirement	<p>Prior to July 1, 2021, under the UofG Plans, a member could choose to transfer their lump-sum pension entitlement out of their prior plan when they leave. Under UPP rules, this transfer can only be done if you leave the Plan before your earliest retirement date.</p> <p>This change will be transitioned in three stages, as follows:</p> <p>Stage 1: If you terminated membership in the Plan up to June 30, 2024, the UofG transfer rules applied to both your pre-conversion and UPP pension benefits. This meant that if you left the Plan, you could choose to transfer both your pre-conversion and UPP pension benefits out of the Plan.</p> <p>Stage 2: If you terminate membership in the Plan between July 1, 2024, and June 30, 2031, the UofG transfer rules will apply to your pre-conversion benefit, and UPP transfer rules will apply to your UPP benefit. This means that if you leave the Plan before your earliest retirement date, you can transfer both your pre-conversion and UPP benefits out of the Plan. But if you leave the Plan after your earliest retirement date, you can only transfer your pre-conversion benefit out of the Plan.</p> <p>Stage 3: If you terminate membership in the Plan on or after July 1, 2031, UPP transfer rules will apply to both your pre-conversion and UPP benefits. This means that if you leave the Plan before your earliest retirement date, you can choose to transfer both your pre-conversion and UPP benefits out of the Plan. However, if you leave the Plan after your earliest retirement date, you cannot transfer any entitlement out of the Plan.</p>
Normal retirement date	<p>Your normal retirement date under UPP is the last day of the month in which you turn 65. As of July 1, 2021, this applies to both your pre-conversion and UPP pension. In most cases, this change will result in an earlier normal retirement date than that provided under the UofG Plans.</p>
Earliest retirement date	<p>Under UPP, the earliest you can retire is the last day of the month in which you turn 55, unless the UofG Plans would have allowed for an earlier date.</p> <p>Under your prior plan, the earliest retirement date is the first of the month on or immediately after your 55th birthday.</p> <p>Early retirement reduction</p> <p>If you retire after reaching your early retirement date and before your early unreduced retirement date (see below), your pre-conversion pension will be</p>

Plan provision	Impact on your benefit
	<p>permanently reduced by 3% for each year (prorated for partial years) that you retire before the earlier of:</p> <ul style="list-style-type: none"> • age 65; or • your earliest unreduced retirement date. <p>However, if you terminate membership before reaching your early retirement date, the reduction applied to your pension when you retire may be different. The exact reduction, if applicable, will be included in your pension options package.</p>
<p>Early unreduced retirement date</p>	<p>Your early unreduced retirement date depends on a number of factors, including your age, years of credited service, and applicable union affiliation or member group. You can find your early unreduced retirement date in your annual statement.</p>
<p>Eligibility service</p>	<p>Your eligibility service is used to determine your early unreduced retirement date. Effective July 1, 2021, your continuous service with UPP-participating employers is included in determining your eligibility for an early unreduced pre-conversion pension under the UofG Plan provisions, provided there is no overlap in periods of service. Similarly, any recognized credited service under the UofG Plans will be included in determining your eligibility for an unreduced UPP pension.</p> <p>Eligibility service also includes periods of membership under a previous employer's pension plan from which assets were transferred into the UofG Plans or UPP.</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 end your employment at the end of the month.</p>
<p>Pre-retirement survivor benefits</p>	<p>With a spouse</p> <p>If you die before starting your pension, your eligible spouse is first in line to receive the full value of your pension—you do not need to name them as a beneficiary. The benefit can be paid as one of the following:</p> <ul style="list-style-type: none"> • an immediate monthly pension paid for your spouse's life, • a deferred monthly pension to be collected no later than December 1st of the year in which they turn age 71, or • a single lump-sum payment, either as cash (with applicable tax withheld) or as a transfer 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 benefits.</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</p>

Plan provision	Impact on your benefit
	pension will be paid to your beneficiaries or estate, as applicable, as a taxable lump-sum payment.
<p>Post-retirement survivor benefits</p>	<p>With a spouse or eligible child at retirement</p> <p>If you have an eligible spouse or successor spouse, the baseline form of your pre-conversion pension is the 60% spousal option, which is a pension payable for your lifetime, with 60% continuing to your spouse if they outlive you. This option is provided at no cost to you.</p> <p>If your eligible spouse at retirement predeceases you, and you have a new eligible spouse for at least one year prior to your passing (successor spouse), your new spouse will receive 60% of your monthly pre-conversion pension being paid immediately before your death. If your successor spouse is more than five years younger than you, their pension will be actuarially reduced to the equivalent of the value if they were five years younger than you.</p> <p>You also have the option of selecting a lifetime survivor benefit of either 75% or 100% of your monthly pension, with a corresponding reduction to your baseline pension to accommodate the higher spousal amount.</p> <p>If you or your surviving spouse have an eligible dependent child after your pension starts, they may be entitled to a survivor pension when you pass away. Please contact our Member Services team to learn more.</p> <p>Without a spouse at retirement</p> <p>If you do not have an eligible spouse at retirement, the baseline 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. This option is provided at no cost to you.</p> <p>You also have the option of selecting a 10-year or 15-year guarantee, with a corresponding reduction to your baseline pension to accommodate the longer guarantee period.</p> <p>Your pension options package will outline the different payment options available to you.</p> <p>Guarantee of member's contributions</p> <p>If your required contributions with interest up to your retirement date exceeds the total pension benefit and survivor benefit paid, the remaining balance will be paid as a lump-sum payment, less withholding tax, to your designated beneficiaries, or estate as applicable.</p>
<p>Beneficiary designations</p>	<p>A beneficiary is the person(s) or organization (such as a charity) you designate to receive any death benefits payable from the Plan after your death. Your beneficiary is second in line to an eligible spouse. For this reason, you do not need to name your spouse as a beneficiary in order for them to receive a survivor pension. If you do not name a beneficiary, any death benefits payable to your designated beneficiary will be paid to your estate.</p>

Plan provision	Impact on your benefit
	<p>Your latest beneficiary designation under the UofG Plans 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. You can view and update your beneficiaries through the myUPP Member Portal in a few simple steps, or complete the UPP Spousal and Beneficiary Form available at myupp.ca/members/forms-and-documents.</p>
<p>Pre-conversion inflation protection (indexation)</p>	<p>As part of the conversion to UPP, UPP honours the indexation 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 annually to reflect the increase in the Consumer Price Index (CPI) minus 2 percentage points, up to a maximum increase of 6%.</p> <p>Any increase will be applied on September 1st.</p> <p>UPP's indexation provisions apply to the portion of your pension earned after conversion. See myupp.ca/memberhandbook for details.</p>
<p>Returning to work as a pensioner</p>	<p>If you start working for 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 contributing and earning additional pension benefits under UPP through your new period of employment.</p> <p>However, if you started receiving your pension before July 1, 2021, and you have reached the latest pension start date under the UofG Plans' provisions, which is December 1st of the year you become age 69, you can choose to continue receiving your pension payments, or suspend them and start contributing to UPP to earn additional pension benefits through your new period of employment.</p> <p>If you begin your new employment 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 Canada *Income Tax Act* (ITA) maximum limits.

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

UofG Plan pension formula

$$\left[\begin{array}{l} \text{Best average earnings} \\ \text{up to the avgYMPE} \\ \times \text{pension} \\ \text{formula rate}^* \% \end{array} \right] + \left[\begin{array}{l} \text{Best average earnings} \\ \text{above the avgYMPE} \\ \times \text{pension} \\ \text{formula rate}^* \% \end{array} \right] \times \left[\begin{array}{l} \text{Credited} \\ \text{service} \\ \text{prior to} \\ \text{July 1, 2021} \end{array} \right] = \text{Your gross annual pre-conversion pension}$$

*Refer to the table below for the pension formula rates based on your member group. If you participated in multiple member groups, your pension will be calculated using a combination of the applicable formula rates below, based on the service earned under each group.

PLUS ↓

UPP pension formula

$$\left[\begin{array}{l} \text{Best average earnings} \\ \text{up to the avgYMPE}^1 \\ \times 1.6\% \end{array} \right] + \left[\begin{array}{l} \text{Best average earnings} \\ \text{above the avgYMPE}^1 \\ \times 2.0\% \end{array} \right] \times \left[\begin{array}{l} \text{Pensionable} \\ \text{service} \\ \text{July 1, 2021 to} \\ \text{December 31, 2024} \end{array} \right] = \text{Your gross annual UPP pension}$$

PLUS

$$\left[\begin{array}{l} \text{Best average earnings} \\ \text{up to the avgYAMPE}^1 \\ \times 1.6\% \end{array} \right] + \left[\begin{array}{l} \text{Best average earnings} \\ \text{above the avgYAMPE}^1 \\ \times 2.0\% \end{array} \right] \times \left[\begin{array}{l} \text{Pensionable} \\ \text{service} \\ \text{on and after} \\ \text{January 1, 2025} \end{array} \right]$$

Pension Plan for Non-Professional Staff of UofG Member Group	Pension formula rate up to the avgYMPE	Pension formula rate above the avgYMPE
OSSTF	1.6%	2.0%
UGFSEA Unit 1 and Unit 2	1.5%	2.0%
USW	1.367%	1.667%
Pension Plan for Professional Staff of UofG Member Group		
All members	1.5%	2.0%
Retirement Plan of UofG Member Group		
CUPE 1334, Exempt Group, OSSTF, USW	1.6%	2.0%
Retirement Plan of UofG members not categorized above	1.5%	2.0%

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) in your UPP pension

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 under the ITA.

Best average earnings (BAE) in your pre-conversion pension

Your pre-conversion pension uses an average of your highest 36 consecutive months of earnings. Your pensionable earnings under your prior plan and UPP are considered when determining your BAE.

Pensionable service

UPP pensionable service accrual began on July 1, 2021, and is used to calculate your UPP pension. Pensionable service is the amount of continuous service during which you've contributed to UPP (or accrued pension benefits while on long-term disability or an approved leave of absence). This includes amounts transferred in from another pension plan and used to purchase UPP service on and after July 1, 2021.

Credited service

Credited service accrual ended under the UofG Plans on June 30, 2021, and is used to calculate your pre-conversion pension. Credited service is the amount of continuous service during which you've contributed to the UofG Plans (or accrued pension benefits while on long-term disability or an approved leave of absence), including any service you transferred in prior to July 1, 2021. Your years of credited service are limited to 35 years.

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 (avgYAMPE)

The average YAMPE used to calculate your UPP pension includes the last 48 consecutive months of plan participation before your retirement. The average YAMPE applies for service on and after January 1, 2025. If your last 48 consecutive months of plan participation include service in the UofG Plan, those months will be included in the average YAMPE calculation for your UPP pension (with any periods prior to January 1, 2025 valued at 114% of the YMPE).

Average year's maximum pensionable earnings (avgYMPE)

The average YMPE used to calculate your pre-conversion pension includes the last 60 consecutive months of plan participation. For your UPP pension, the average YMPE includes the last 48 consecutive months of participation in UPP or the UofG Plans and applies to service earned prior to January 1, 2025.

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.

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.

For more information

📄 Where to learn more

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

📞 How to contact us

Whether you have questions about this guide or how your prior plan works together with UPP, our Member Services team is here to help.

You can contact us via secure message through the **myUPP Member Portal**, or by phone at 1-833-MBRS-UPP (1-833-627-7877) from Monday to Friday, 8:30 am – 5 pm ET.