

Quick guide

For UPP Members at Queen's University

UPP UNIVERSITY PENSION PLAN ONTARIO



About this guide

This Quick Guide provides a summary of how the transition to UPP will affect you on July 1, 2021, in simple terms. A complete description is contained in the Plan Text*, available through your university. 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.

Welcome to UPP!

This UPP Quick Guide will help you understand how the pension benefits earned under both the Revised Pension Plan of Queen's University ("QPP") and UPP work together to provide you with a secure benefit in retirement.

For more information on provisions and definitions of the QPP or UPP, please refer to each plan's Member Handbook.

As an active UPP Member with prior service in the Revised Pension Plan of Queen's University ("QPP"), also known as the "prior plan," you will receive a pension based on:

- service earned under your prior plan up to July 1, 2021 (your "pre-conversion benefit"), plus
- service earned on or after July 1, 2021 under UPP (your "UPP benefit").

The pre-conversion benefits earned under the QPP before joining UPP will now be payable from UPP. For the most part, these pre-conversion benefits are based on the prior terms of the QPP. However, some provisions are modified based on how the QPP integrates with UPP. **In no case will the modifications to QPP provisions result in a reduction of benefits earned before July 1, 2021.**

Your pre-conversion benefits will continue to be determined in accordance with the QPP hybrid benefit structure payable from the UPP.

Under the hybrid benefit structure, pre-conversion benefits will continue to be determined by comparing the minimum guarantee pension earned for service prior to July 1, 2021 to the money purchase pension. If your money purchase pension is less than your minimum guarantee pension, a supplemental pension payment will be made to increase your total pension to the minimum guarantee pension amount. For more information about the hybrid benefit structure, please refer to the QPP booklet.

Here's a look at your integrated benefits and how (a) UPP provisions affect the pre-conversion benefits earned under the QPP, and (b) pre-conversion service in the QPP may affect your benefit earned under UPP on and after July 1, 2021.

Plan provision	Impact on your benefit
<p>Earliest Retirement Date</p>	<p>As of July 1, 2021, UPP specifies that the earliest date you can retire and start a pension is the last day of the month in which you reach age 55. This will apply to pre-conversion and UPP benefits. Prior to July 1, 2021, the QPP did not have a minimum age to start receiving a pension.</p>
<p>QPP Early Unreduced Retirement Date for Minimum Guarantee Pension and Past Service Pensions</p>	<p>Prior to July 1, 2021, pension benefits earned in the QPP under the plan's minimum guarantee provisions were subject to a reduction if you started your pension before your normal retirement date.</p> <p>As of July 1, 2021, if you meet the eligibility criteria for an unreduced early retirement pension for your UPP benefit, then no early retirement reduction will be applied to your pre-conversion benefit.</p>
<p>Eligibility Service for QPP and UPP Early Unreduced Retirement</p>	<p>Any recognized continuous service under the QPP will be included in determining your eligibility for retirement without reduction under UPP for both pre-conversion benefits and UPP benefits. This includes periods of membership under a previous employer's pension plan from which assets were transferred into the QPP.</p>
<p>Fund Rate of Return</p>	<p>For the purposes of determining the amount of the money purchase pension that can be provided by the balance in your Money Purchase Component Account, Additional Voluntary Contribution Account, Past Service Money Purchase Account, or Special Lump Sum Vested Contribution Account, the balance will include interest accumulated to the date you leave the plan, based on the investment returns of the UPP Trust Fund.</p> <p>Following the start of your pension, your pre-conversion benefit will continue to be subject to the pension adjustment provisions of the QPP. However, for purposes of determining the annual pension adjustments applied to your pre-conversion benefit, the investment returns of the UPP Trust Fund will be used for the period on and after July 1, 2021.</p>
<p>QPP Final Average Earnings for Minimum Guarantee Pension and UPP Best Average Earnings</p>	<p>The determination of average earnings for both your pre-conversion benefit (minimum guarantee pension) and your UPP benefit will be based on:</p> <ul style="list-style-type: none"> • your pensionable earnings recognized under the QPP prior to July 1, 2021, and • pensionable earnings while participating in the UPP with any UPP participating employer on and after July 1, 2021.

Plan provision	Impact on your benefit
<p>QPP and UPP Average YMPE/YAMPE</p>	<p>The average YMPE/YAMPE used to calculate your UPP benefit includes the last consecutive 48 months before your retirement. If your last consecutive 48 months of plan participation include service in the QPP, those months will be included in the average YMPE/YAMPE calculation.</p> <p>Similarly, the YMPes used in the Average YMPE calculation for determining the minimum guarantee benefit portion of your pre-conversion benefit will reflect YMPes before and after July 1, 2021, as appropriate.</p>
<p>Leaves of Absence in progress at July 1, 2021</p>	<p>If you were on an employer-approved leave of absence on July 1, 2021, the proportion of contributions payable by you and your employer during your leave (that is, what proportion will be paid by whom) will continue to apply for the remainder of that leave of absence. The amount of contributions for the portion of the leave on and after July 1, 2021 will be based on the UPP contribution rates.</p>
<p>Transferring lump-sum benefits out of UPP when you leave a UPP participating employer before retirement</p>	<p>Prior to July 1, 2021, under the QPP, a member could choose to transfer their lump sum entitlement out of the plan upon termination of membership. Under UPP rules, this transfer may only be done if you leave prior to your earliest retirement date. This change in portability rules will be transitioned in three stages as follows:</p> <p>Stage 1: Until June 30, 2024, the QPP transfer rules will apply to your pre-conversion benefit and your UPP benefit. This means that if you leave the plan, you can choose to transfer both your pre-conversion and UPP benefits out of the plan;</p> <p>Stage 2: Between July 1, 2024 and June 30, 2031, the QPP transfer rules will apply to your pre-conversion benefit and UPP 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; and</p> <p>Stage 3: On and after July 1, 2031, UPP transfer rules will apply to your pre-conversion benefit and your UPP benefit. 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>

Plan provision	Impact on your benefit
<p>Queen's Postponed Retirement</p>	<p>Under UPP, you must continue to contribute and earn pension benefits under UPP for as long as you remain employed after reaching your normal retirement date.</p> <p>However, if you reached your normal retirement date prior to July 1, 2021, then you will retain the options you had in the QPP while you remain employed at Queen's University. This means that you can choose to continue making contributions and earning benefits in UPP or you can choose to stop contributing and earning benefits under UPP.</p> <p>If you reached your normal retirement date prior to July 1, 2021 and had elected to stop contributing and earning benefits under the QPP plan, you are not eligible to participate in UPP.</p>
<p>Re-employment as a Pensioner</p>	<p>As of July 1, 2021, under UPP, if you start your pension and then become employed or re-employed by a 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>

Where to learn more

More information about your pre-conversion benefit can be found in the QPP booklet. You can access it and other useful member resources at: <https://www.queensu.ca/humanresources/pensioners-retirees>.

The UPP Member Handbook provides detailed information relating to your UPP benefit and can be found on myupp.ca.

Who to contact

If you have questions about your pension benefits, please contact:

Pension Services, Queen's University
hrpension@queensu.ca

Queen's University will continue to be your key contact as agent of UPP.

