



LEADERSHIP, ADVOCACY AND SERVICE FOR MANITOBA'S PUBLIC SCHOOL BOARDS

September 20, 2017

TO: PARTICIPATING SCHOOL DIVISIONS

FROM: KELLY HENDERSON, MANAGER, FINANCE AND ADMINISTRATION

**CC: NON-PARTICIPATING SCHOOL DIVISIONS
PENSION PLAN TRUSTEES**

RE: CHANGES TO MSBA NON-TEACHING PENSION PLAN

With 2018 quickly approaching, school divisions are being reminded of the following changes for both 2018 and 2019.

1) *Interest Rate for Partial years Plan Amendment Effective January 1, 2018*

Starting January 1, 2018, interest rate credited to an employee's account shall be the fund rate of return. Prior to January 1, 2018, an employee terminating or retiring would be credited with the greater of the fund rate of return and ½ of 1% per month.

This change has particular application for employees planning to terminate or retire between now and December 31, 2017.

2) *Plan Amendment Effective January 1, 2018 Affecting Employees Age 65 and Over Continuing to Work*

The plan is amended effective January 1, 2018 to provide that employees 65 and over and continuing to work will no longer be able to withdraw their pension account and continue to work.

3) *School Division Contribution to Administration Account to Increase January 1, 2018*

Effective January 1, 2018, the division contribution to increase from 1% to 1.2% of pensionable payroll. Note that a further increase to 1.4% will be effective January 1, 2019, and to 1.6% effective January 1, 2020.

Use your pay date to determine the first payroll to implement the change. The rate changes affects any payrolls paid out on or after January 1st of each of 2018, 2019 and 2020.

4) *Employee and Employer Regular Contributions to Increase January 1, 2019*

Effective January 1, 2019, regular contributions increase to an 8% employee contribution, matched by the school division.

The 8% universal rate replaces the current age graded contribution scale linked with CPP contributions.

5) Canada Pension Plan Changes

Effective January 1, 2019, there will be a number of changes to the CPP, including an incremental increase in CPP contributions.

Preliminary information has been issued by the federal government and employers can expect more detailed information in the ensuing months.

NOTE: This memorandum will be posted on the plan's website for ease of reference.