

Plan design changes for ambulance paramedics in CUPE Local 873

Supporting materials

- Website overview of changes and pension comparison guides: pspp.pensionsbc.ca/ambulance-paramedics
- My Account: myaccount.pensionsbc.ca
- Use My Account to:
 - View, create and save pension estimates
 - Review current and past *Member's Benefit Statement*
 - Review service and salary history
 - Confirm address, spousal and beneficiary information
 - Submit messages and documents securely through Message Centre

Member communications by direct mail (September 2019)

- Letter explaining the plan design changes
- Pension comparison guide
- *Member's Benefit Statement*

Next member communications

- Webinar: overview of plan design changes—Monday, November 18, 2019
- Board Communiqué—Wednesday, April 1, 2020

Change details

Effective date	<p>These changes are effective April 1, 2020, and affect only benefits earned from that date forward. The old plan rules will still apply for all pension benefits prior to April 1, 2020.</p>
Early retirement	<p>All ambulance paramedics will be eligible to retire as early as age 50, regardless of service, as long as they earn pensionable service on and after April 1, 2020. This means the earliest pension effective date available is May 1, 2020.</p> <p>The annual reduction rate (pro-rated) for service earned in and after 2020 will be 6.2 per cent per year.</p> <p>More than 10 years of total contributory service at retirement?</p> <p>If you have more than 10 years of total contributory service (earned before and on or after April 1, 2020) you can retire</p> <ul style="list-style-type: none">• on an unreduced pension as early as age 55, or• on a reduced pension as early as age 50. <p>The reduction factor is 6.2 per cent per year from age 55.</p> <p>For service earned prior to April 2020, reduction factors remain unchanged for members with more than 10 years of service. Reduction rates will be based on the old rules.</p> <p>Less than 10 years of total contributory service at retirement?</p> <p>If you have less than 10 years of total contributory service, you can retire</p> <ul style="list-style-type: none">• on an unreduced pension as early as age 60, or• on a reduced pension as early as age 50. <p>The reduction factor is 6.2 per cent per year from age 60.</p> <p>To accommodate retirement as early as age 50 for members with less than 10 years of total contributory service, the following reduction factors will apply to benefits earned for service prior to April 2020:</p> <ul style="list-style-type: none">• For members with less than two years of total service:<ul style="list-style-type: none">- three per cent reduction factor per year from age 50 to 55- five per cent reduction factor per year from age 55 to 65, to a maximum of 85 per cent• For members with more than two but less than 10 years of total service:<ul style="list-style-type: none">- five per cent per year under age 60 (or the rule of 85) to a maximum of 50 per cent
Accrual rate	<p>An increased flat accrual rate of 1.85 per cent means you will earn a bigger lifetime pension for service earned on and after April 1, 2020.</p>
Bridge benefit	<p>The original intent of the bridge benefit was to “bridge” the period from when a member retires prior to age 65 and when the Canada Pension Plan (CPP) kicks in. The bridge benefit ends at age 65.</p> <p>The bridge benefit still applies to service earned up to and including March 31, 2020.</p> <p>After April 1, 2020, the bridge benefit will not apply to service after that date.</p> <p>The bridge benefit is no longer required because members will earn a higher accrual rate. That is, instead of being tied to the original starting age of 65 for CPP, what members earn from CPP will now be in addition to what they earn through their pension.</p>
Rule of 80 (85)	<p>Pension plans can have a rule of 80 or 85, and some are even 90. This rule is a means of calculating when you can retire with an unreduced pension, based on your age plus years of service.</p> <p>Ambulance paramedics with public safety service have the rule of 80 or 85 depending on how much contributory service they have. If your age plus total years of contributory service equal 80, you can retire with an unreduced pension (as long as you have between 10 and 25 years contributory service).</p> <p>Ambulance paramedics with regular (non-public safety) service have the rule of 85. Members with less than 10 years of service also have the rule of 85.</p> <p>The rule of 80 (85) still applies to service earned up to and including March 31, 2020.</p> <p>After April 1, 2020, the rule of 80 (85) will not apply to new service from that date forward. However, service already earned will still count toward the rule of 80 (85) for early retirement provisions. Ambulance paramedics will not lose what they have already earned.</p> <p>Generally, members qualify for an unreduced pension when they reach 35 years of contributory service.</p>
Past service pension improvement	<p>Ambulance paramedics who earned service between April 1, 2006 and March 31, 2018 are eligible to receive the past service pension improvement when they retire. Please visit the plan website for more details.</p>
Comparing pension information	<p>The pension estimator in My Account draws from your actual pension service and salary information. If you perform a pension estimate with a retirement date beyond May 2020, the new pension formula will apply to the time from April 2020 and beyond.</p> <p>The plan website contains two guides on how to compare pension information using either a saved pension estimate or the <i>2019 Member's Benefit Statement</i>.</p>

Common Questions

What happens to the pension I've already earned?

- All benefits earned up to and including March 31, 2020, will remain under the existing plan rules.
- Future contributory service also counts toward contributory service requirements for service before April 2020.

I work on call. Do these changes apply to me?

- These plan design changes do not apply to on-call members. These changes affect only full-time and regular part-time ambulance paramedics.

What happens to the bridge benefit?

- The original intent of the bridge was to “bridge” the gap between early retirement and age 65, when CPP traditionally began.
- The bridge benefit still applies to service earned up to April 1, 2020. What you earn up till then you keep.
- The bridge benefit will no longer apply to service earned after April 1, 2020. Instead, you have a higher lifetime accrual rate after that date.
- Starting April 1, 2020, the pension formula will no longer integrate with CPP. Instead of accruing a bridge benefit, which could only be used between early retirement and age 65, what members earn from CPP will be in addition to what they earn through the pension plan.

Will I still be able to retire early?

- Yes, and you will be able to retire at age 50 regardless of service if you earn service on or after April 1, 2020. However, retirement reduction factors may apply.

What if I retire before April 1, 2020?

- The plan design changes effective April 1, 2020, affect only service earned on and after that date.
- If you retire before April 1, 2020, your pension will be calculated under the current plan rules.
- The current plan rules will still apply to all benefits earned before April 1, 2020.

What happens to the rule of 80 (85)?

- If your age plus years of pensionable service equal 80 (85), you can retire with an unreduced pension for service earned up to March 31, 2019.
- The rule of 80 still applies to service you earned up to April 1, 2020. Service earned after April 1, 2020 will also count toward your eligibility for the rule of 80 (85).

What is the pension estimator?

- The plan's pension estimator is available in My Account on the plan website: pspp.pensionsbc.ca.
- The pension estimator in My Account allows you to perform and save estimates for different retirement ages. The estimator draws your actual pension service and salary information from the plan pension system.
- It's easy to register: you need your unique person ID number found on a past *Member's Benefit Statement* or other official plan documentation.

What is a reduction factor?

- Your pension amount is related to your age at retirement and years of contributory service. Reduction factors are used to reduce your pension if you retire at an early age or with a smaller amount of contributory service.

How can I compare how the current plan rules and new plan rules affect my pension?

- There is a step-by-step guide available on how to compare your pension. All ambulance paramedics received a guide by mail in September, and it is available on the plan website as well.
- There are two guides: one for ambulance paramedics and one for ambulance paramedics with both public safety and regular service.

Will I still get the past service pension improvement?

- Yes. The plan design changes announced in 2018 are in addition to these negotiated changes for ambulance paramedics.
- There's an article on the plan website in the *Learning Resources* section that will help explain how it works: pspp.pensionsbc.ca/pensions-increasing-for-service-between-2006-and-2018

I am retired. What does this mean for me?

- The plan design changes do not apply to retired members who receive a pension before April 1, 2020.
- Retired members eligible for the past service pension improvement will receive it when it becomes available in October 2019.

Who has authority to change the plan?

- The plan is jointly sponsored by the Government of BC and the British Columbia Government and Services Employees' Union (BCGEU). These plan partners approved an agreement negotiated by the Health Employers Association of BC and the Ambulance Paramedics of BC, CUPE Local 873. The Public Service Pension Board of Trustees has the authority to implement the agreement.

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