



MEPP MATTERS

Spring 2009

I Have a Few Questions . . .

For several months now the public has been bombarded by media reporting on investment market declines. The impact of this decline is shown in the contributions and interest section of your 2008 MEPP Member Statement. The good news is that the investment market decline does not immediately influence the amount of your MEPP pension.

Here are some questions we received:

My contributions and interest have decreased – will my pension decrease?

No, the decrease that you see reported in the contributions and interest section of your statement does not reduce your pension. For example, Tom's last member statement estimated his annual pension at \$4,950, his current statement estimates his pension at \$5,400. In other words, Tom's pension *increased* even though the investment markets declined during this time period.



Do my contributions determine how much pension I get?

No, the amount of pension you get from MEPP is not determined by how much you contribute to the Plan. MEPP calculates your pension using a formula. The formula includes three things - how long you've worked, your salary and an accrual rate. Your pension will increase each year that you work.

Why are contributions increasing?

Contributions fund the Plan. For some time, the contributions being made have not been covering the cost of the benefits being earned by members.

Do I still have a lifetime pension?

Absolutely. Your pension from MEPP will be paid to you for your lifetime and your spouse's lifetime if you choose a joint pension.

Please phone if you have any questions or concerns about your MEPP pension.

MOR_e
MEPP ONLINE RETIREMENT

MEPP's online retirement
Planner - **MOR_e** is now
available!

MOR_e - MEPP's online retirement planner - is now available! Have you ever wondered how much pension you will get if you retire on a certain date? Now, you can go into the Planner and enter a specific retirement date and the Planner will estimate your pension at that date - personalized pension estimates at your fingertips! **MOR_e** will estimate your Canada Pension Plan and Old Age Security benefits too. You can even enter your spouse's information and get a more complete picture of your retirement income.

Check out the online video for tips and an overview on using the unique features of **MOR_e**. Explore and experiment with **MOR_e**.

Retire *WithEase* Workshops

The Public Employees Benefits Agency (PEBA), as MEPP administrator, is hosting *RetireWithEase* workshops. *RetireWithEase* is a one-day retirement planning workshop designed to help you make informed decisions about your retirement. The morning session focuses on general retirement planning. An afternoon MEPP specific session may be available.

Locations	Dates
Saskatoon	July 29
Swift Current	September 22, 23
Lloydminster	October 28, 29
Prince Albert	November 25, 26

Workshop participants are typically eligible to retire in five to 10 years, but members (and their spouses) at any stage in their career may attend.

To register choose a date at the location of your choice and obtain approval from your employer, if applicable. Please complete the registration form on our website at www.peba.gov.sk.ca Registration forms may be submitted online or by fax to (306) 787-8822. Register soon - space is limited to 50 people per workshop.

There are no registration costs to attend a workshop. PEBA is not responsible for your accommodations, meals or transportation.

Defined benefit plans - predictable income in retirement

Volatile financial markets highlight the value of belonging to a secure workplace pension plan. Unlike many other retirement savings arrangements, your MEPP pension is not based on day-to-day market performance. Your MEPP pension is calculated using a formula.

Market turmoil has reduced the retirement savings of people all over the world. While the MEPP pension plan expects to report losses when it releases its financial results next year, you can still expect a predictable income in retirement.

It's important to understand that your pension will be there for you.

Contribution Rates Increasing

January 1, 2010 will see the first Municipal Employees' Pension Plan contribution rate increase since 1993. It will be effective for general and emergency members.

Contribution Rates as of January 1, 2010		
	New rate	Rate since 1993
General members	6.4%	5.4%
Emergency members	8.75%	7.3%

Employers match these contribution rate increases.

The general member contribution rate increase will move to 6.4 per cent from 5.4 per cent. The contribution rate for designated police officers and firefighters will increase to 8.75 per cent from 7.3 per cent. These contribution rate increases will be matched by employers. The January 1, 2010 contribution rate increase is based on a December 31, 2007 actuarial valuation.

A further contribution rate increase will become effective on January 1, 2011. The amount of that increase will be based on a December 31, 2008 actuarial valuation. Further contribution rate increases may be needed beyond 2011.

Contribution rate increases were chosen by the Municipal Employees' Pension Commission over benefit reductions as the preferred option to maintain Plan stability and keep the Plan fully funded. The increases to contribution rates will be phased-in over two years to give members and employers time to budget for the increase.

Later in 2009, when the actual amount of the January 1, 2011 contribution rate increase is determined, MEPP members and employers will be provided all of the details.

This newsletter provides general information about MEPP and its operation. It does not replace or supersede the legislation governing the Plan. The articles contained in this newsletter have been carefully compiled from sources believed to be reliable, but their accuracy cannot be guaranteed.

E-mail: mepp@peba.gov.sk.ca
Phone: Toll-free 1-877-506-6377
In Regina 787-2684
Web: www.peba.gov.sk.ca
Hours: Monday to Friday 8:00 a.m. to 5:00 p.m.

Mail: 1000 - 1801 Hamilton Street
REGINA SK S4P 4W3
Fax: 1-306-787-8822

