



staff pension plan update

Protect your Estate

Naming a Beneficiary before Retirement

One of the most important things you can do in planning your estate is ensuring that you have the right beneficiary listed for your Staff Pension Plan benefit. Only a designated beneficiary under the Plan is eligible to receive a pre-retirement death benefit if you die before you retire. Since the benefit could be substantial, it is important that you consider your decision carefully.

What is a beneficiary?

A beneficiary is the recipient of your pension benefit in the event that you die before retirement. A beneficiary can be one or more living individuals, a charitable entity, your estate, or any combination thereof. In many cases, there could be a variety of options. By deliberately naming one or more beneficiaries on your file, you are being clear about exactly how you want your assets legally divided.

Who can I name as a beneficiary?

If you have a spouse, pension legislation states that your spouse is entitled to your pension benefit if you die before you retire. Your spouse may choose to receive the pre-retirement death benefit in the form of a pension from the Plan as early as age 55, or to transfer the lump sum value to a locked-in RRSP.

Your spouse may waive entitlement to a pre-retirement death benefit by completing and signing a Spousal Waiver of Pre-Retirement Death Benefit form. In this case, you may name one or more beneficiaries to receive this benefit.

If you do not have a spouse or your spouse waives their right to your pension benefit, you may name one or more living individuals, a charitable entity, your estate, or a combination as beneficiary. If no designation is made, your estate will be named as your beneficiary. If an individual is named, they must take the benefit as a cash lump sum and pay income tax on the entire amount. For this reason, it is a good idea to consider the tax consequences for the beneficiary. For example, if you have several siblings, it may be better to name all of them as beneficiaries rather than naming one sibling and asking him or her to share the benefit. By naming all your siblings and specifying the percentage to be paid to each one, you will reduce the tax implications for one individual.

Another way of dealing with taxes is to name your estate as beneficiary. By doing this, your estate deals with paying the taxes before money is distributed

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Protect your Estate: Naming a Beneficiary before Retirement

to those named as beneficiaries in your will. You should be aware, however, that probate will apply to the death benefit if it becomes part of your estate – something that doesn't happen if you name a beneficiary for the Plan. You may want to name your estate as beneficiary if you intend for some or all of the money to go to an endowment.

Consider naming an Alternate Beneficiary

An alternate beneficiary receives your pre-retirement death benefit should both you and your spouse die. If you do not have a spouse, an alternate beneficiary would receive your pre-retirement death benefit if both you and your primary beneficiary die.

Where can I view my beneficiary information?

Active members can view their beneficiary information by logging into myPension using their CWL login. myPension can be accessed through the Plan's website at www.pensions.ubc.ca/staff or through the UBC Staff and Faculty Self-Service Centre at www.msp.ubc.ca. You may view your beneficiary and any alternate beneficiaries that the Pension Administration Office has on file for you. If you recently joined the Plan, myPension is typically available the month after your first contributions are made to the Plan.

You may have designated a beneficiary when you first joined the SPP; however, years may have passed and the beneficiary that you have on file now may not be the beneficiary that you would like to have now. For example, you may have changed your marital status, started or added to your family, or have a charity that you would like to include as a beneficiary.

How do I change my beneficiary information?

To change or add a beneficiary, you may download a Beneficiary Change/Add Form from the Forms page at www.pensions.ubc.ca/staff/forms.html and return it to the Pension Administration Office by mail or in person.

If you are in the process of a separation or divorce, the Pension Administration Office requires specific documentation pertaining to the division of your UBC SPP benefits with your former spouse as well as a copy of your signed separation agreement. Please contact Margaret Leathley at margaret.leathley@ubc.ca or 604.822.8119.

In conclusion, naming a beneficiary is an important way to ensure peace of mind that your pre-retirement pension benefit will be paid to the recipients that you want. You can learn more about beneficiaries before and after retirement and other information about your plan by visiting the Library page on the Plan's website at www.pensions.ubc.ca/staff/library.html. ■

What about changing a beneficiary after retirement?

At retirement, you will name a beneficiary to receive your post-retirement death benefits. If you are a retiree and wish to change your beneficiary, you may download a "Post Retirement – Change of Beneficiary Designation" form from the Forms page on the Plan's website at www.pensions.ubc.ca/staff/forms.html.

2015 Cost of Living Adjustment

Staff Pension Plan (SPP) retirees received a Cost of Living Adjustment (COLA) of 0.9% starting January 1, 2015.

What is a COLA?

When you retire, you receive a lifetime pension, which is reviewed annually and may be increased if the plan funding is able to afford it. COLA increases are a percentage of inflation for the year. Inflation is measured by the year over year increase in the Consumer Price Index (CPI). Since January 1, 2012, an increase to the SPP pensions has been granted of 50% of inflation (CPI) in each year. It was determined in the recent actuarial valuation as at

December 31, 2013 that the Plan can afford to continue to pay 50% of CPI for the next three years.

How does the SPP calculate the COLA?

As of January 2010, the SPP's method of calculating the COLA is the same method and timing used by the Canada Pension Plan (CPP) for calculating indexing. For more information, on how the SPP COLA is calculated, visit the COLA page on the Plan's website at www.pensions.ubc.ca/staff/cola.html. ■

Keep in Touch

Keeping your Contact Information Current

The Staff Pension Plan has a responsibility to all Plan members to keep them as fully updated and informed as possible about their pension benefit and about the Plan itself. We provide detailed information to our members such as brochures, newsletters, reports, seminars, and a comprehensive website.

There are also some things that the SPP is mandated, by law, to communicate to you in a clear and timely way, so that you are fully aware of your benefit entitlement under the Plan and understand how your pension plan works. This includes member statements, major Plan changes, and letters that may be specifically directed at your unique situation. This is why we need to have your most current mailing address information and email address on file. Deferred members who are no longer employed by UBC must take even greater care to keep in contact with us, since we do not have your new employer contact information or the most current home address if you have moved since leaving UBC.

How can I update my address?

Updating your home address is simple. Active members can log onto the Staff and Faculty Self-Service Centre website, also known as the Management Systems Portal (MSP) at www.msp.ubc.ca. Under myPersonal Info, you can review your Home and Mailing Address and Email Addresses sections. Your information from the MSP is downloaded on a monthly basis to the Pension Administration Office system. If you prefer, you can contact UBC Payroll for a paper Address Change form. Deferred and retired members can contact us directly at spp@hr.ubc.ca.

If you are employed by UBC, and your department has recently relocated, make sure that your HR Administrator has updated your new department address in MSP. Otherwise, our correspondence might not be reaching you in as timely a manner as it should. You can double check by looking yourself up in the UBC Directory at www.directory.ubc.ca. ■

RRSP Contributions for 2015

2015 Contribution Limits

The maximum amount you can contribute to an RRSP each year is shown on the Canada Revenue Agency (CRA) Notice of Assessment that you receive after you file your income tax return. You can also find your contribution limit by calling the CRA at 1.800.267.6999 or by using the *My Account* option on the CRA website (www.cra-arc.gc.ca). You will need a Government of Canada e-pass, which you can obtain from the above website as well.

Contribution Room

Your RRSP contribution room for 2015 is 18% of your gross income (before taxes and deductions) earned in 2014 to a maximum of \$24,930, less your 2014 Pension Adjustment. However, if you did not use all of your RRSP contribution room in any year since the 1991 tax year, you can carry that amount forward indefinitely to use in this or future years.

Pension Adjustment

Each year your contribution room is reduced by your Pension Adjustment, which is the value of the pension you accrued in your registered pension plan during the prior tax year. The amount of your Pension Adjustment is listed in Box 52 on your T4 slip from the University.

For more information on how to calculate your pension adjustment and how it affects your RRSP contribution room, visit www.pensions.ubc.ca/staff/rrsp.html. ■

Other Sources of Retirement Income: Government Pension Plans

There are other sources of retirement income that retirees may receive including income from the Canada Pension Plan (CPP) and Old Age Security (OAS) as illustrated in the table below.

Source	2015 Monthly Maximum Benefit
Canada Pension Plan These rates are adjusted annually to reflect Consumer Price Index increase	\$1,065
Old Age Security These rates are reviewed quarterly to reflect Consumer Price Index increase	\$563.74 (Jan to Mar 2015)

Additional information on CPP and OAS may be found on the Pensions 101 page at the Plan's website.

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SPP Board: Election Results and Updates

We are pleased to announce that Brian Evans and Karen Ranalletta have been elected as members of the Staff Pension Plan Board of Directors in the recent election. Brian has served 22 years on the SPP Board and Karen will be a new SPP director. Their upcoming terms of office are from January 1, 2015 to December 31, 2018. We thank the candidates and all Plan members who cast their ballots in this election.

The Board of Governors has reappointed Peter Smailes to a second term as an SPP Director and his new term will be from January 1, 2015 to December 31, 2018. We would like to thank Mr. Smailes for continuing his service on the SPP board.

George McLaughlin's last term on the SPP Board was completed on December 31, 2014. Mr. McLaughlin was first elected to the SPP Board in 1985 and during his 30 years of service on the Board; he also served 10 years as Chair of the Board. The SPP Board and Pension Administration Office management and staff would like to thank Mr. McLaughlin for his significant contribution and time dedicated to the Staff Pension Plan and its members.

We are delighted to announce that Debbie Wilson, SPP Director since 2011, will be joining UBC as the new Associate Director of the Pension Administration Office in February of 2015. Debbie is currently the Director of Pension & Benefits at Simon Fraser University. Debbie has resigned from the SPP Board and a search for a new appointed Director to join the Board has commenced. ■

Save the Date: 2015 Pension Fair

Mark your calendars! The annual Staff Pension Plan Fair will be held on Wednesday, June 3, 2015. Stay tuned as details will be available in the May 2015 *SPP Update* newsletter. ■

2015 Workshops and Info Sessions

Did you know that the Staff Pension Plan offers information sessions and in-depth workshops to help you better understand your pension plan? Pension plans are complex and often not easy to understand. The Plan provides several opportunities to help you learn about the Staff Pension Plan and other types of retirement income and how this income might help with your retirement planning.

In addition to the sessions we host at the Pension Administration Office, the Plan also offers "get**educated**" sessions, which we can present at your department or office at any UBC campus. For 2015 dates and information on how to register, please visit the Workshops page on the SPP website. ■

This newsletter has been compiled by the Staff and Pension Board Members of The University of British Columbia Staff Pension Plan from information provided to them. If there is any inconsistency between the contents of this newsletter and the pension plan trust or legislation, the trust and legislation will prevail.

There are eight directors plus an independent chair working on your behalf and the Plan. If you have any questions regarding the Plan and would like to contact a board director, please visit the Contact Us page on the Plan's website at www.pensions.ubc.ca/staff/contact.html