



Pension Airwaves

Episode 11 - Your Annual Statement (*Transcript*)

Thanks very much for tuning in to this episode about the annual statement that members get from the Staff Pension Plan, and why it matters. I have Debbie Wilson with me, our Director at the Pension Administration Office, to discuss a bit about it. A warm welcome to you Debbie for joining me today – thank you so much.

Debbie: I'm glad to be here!

Chelsey: What is the SPP annual statement, and who is it for?

Debbie: The annual statement is a document that we prepare in the Pension Office, and it's for any member of the Staff Pension Plan. So we've got active members, we've got people who used to be in the Plan who haven't started their pension [deferred members], and then we've also got retirees [pensioners]. So the active and deferred members receive their statements in May, and pensioners receive their annual statement in December.

Chelsey: So what information is included on the member statement?

Debbie: There's a lot of information on the statement. There's a lot of demographic information: we include the UBC ID#, your date of birth, whether you've designated a spouse as your beneficiary, and we've got your spouse's date of birth. We also show your Plan entry date - that's the date that you joined and started making contributions to the Plan.

Then we also show three different retirement dates. We show the earliest retirement date which is age 55. We show the "normal" retirement date which is age 65. And then we show the latest retirement date -- this is the latest time that you can actually start taking your pension, and that's December 1st of the year in which you turn age 71. So that's all that demographic data.

And then we've got some specific information about your contributions and your pensionable service. We show the contributions that you've made while you've been a member of the Plan, specifically how much you've contributed during the calendar year of the statement, so in 2022. Then we show a total of your contributions with interest that you've made over the years while [being a] member of the Plan. And then we show your pensionable service, so the amount of service that you accrued during 2022, so how many months that you were contributing. And then, how many years you've been in the Plan as of the end of the year.

So the contributions, as I mentioned, show what you've made over the years that you've been in the Plan and the total at the end of 2022. It's not used to determine your pension, and it's not used as the value of your pension. Our Plan provides a benefit if you leave the Plan before age 55, and we guarantee that you'll get at least 1.5 times what you've put into the Plan, with interest. So that can give you some indication of what you might be entitled to if you were to leave the Plan before age 55. Otherwise, it's not really used to determine your pension.

Chelsey: So, most people would look at the overall value of the pension to make decisions?

Debbie: Right, so you'd look at the next information shown, and that's the actual pension benefit. We have a section on the annual statement that shows the monthly amount of pension that you've earned to the end of 2022, based on your average earnings and the service that you've accrued, basically until the end of 2022. As I say, it's a monthly pension amount that's payable at age 65.

So let's say that you're [age] 30 today, and you've been in the Plan for five years. It's going to be a fairly small amount, and it's payable *not until* starting at age 65. That's what that number represents. So, we don't do any projections, this is not the number that represents the pension that you can expect if you *work* until 65. That's an important distinction to make.

Those are kind of all the numbers that we show on the statement, but we also have other information, like your beneficiary information. We show who you've designated as your beneficiary in Workday. If you haven't designated a beneficiary, it's a good reminder to go in to Workday if you're an active employee, and designate a beneficiary so that your wishes can be respected.

Chelsey: We have a great video on the SPP website as well, called **Designating a Beneficiary**, and it's a great overview of why it's important to name a beneficiary, and basically how to do it -- in Workday if you're an active member, and if you're a deferred member, where you can find the right form to fill out and send to the Pension Office.

Debbie: The other information on the annual statement that's important, is that there's a section on the nature of a target benefit plan. The Staff Pension Plan is a target benefit plan - hopefully you're all aware of that. And, we have a section on here that really describes how the target benefit plan affects you.

Chelsey: We know, obviously, that these kinds of figures and information matter to staff who are approaching retirement, or who are already quite financially literate and on top of their savings strategy, etc. But what about new members, or younger members who may not be close to their retirement age? Why would this information matter to them?

Debbie: Yes, that's a good question. And I think... you know, if you're thinking about how much you're contributing to the Plan (everyone is putting in 6.5% of their pensionable earnings), that's a significant contribution. I would think that you would want to understand where that money is going and how it's being managed. This statement gives you an overview of the type of plan that you're participating in, and it gives you an opportunity, once a year, to think about how this is going to fit in to your financial future.

The other important thing about reviewing your statement is looking at it for accuracy. You know, mistakes sometimes happen, and it's good to get those sorts of things cleared up earlier rather than later. So if you see any information on the statement that's not accurate, you know, you can raise that with us (or if it's your beneficiary, you can go into Workday), but certainly with your demographic data, we need to know if it's the right data.

Chelsey: I would also think that reviewing demographic data and beneficiary info would be very applicable to staff who have gone through life events recently. Like, if you've had a child recently, or have gone through a spousal change. It's really important for our statement to reflect that.

Debbie: Yes, and it really just gives you that nudge or that reminder that you may have been thinking about making a change, but it's not until you see it in writing that you realize it's not accurate, and that will prompt you to make those changes. We've got information on the statement about how you identify these issues to us, and we'll look into trying to correct what may be in error.

Chelsey: How do members typically know when their statement is available to review?

Debbie: We upload all of the statements to myPension. So, any member can log in to the secure website, myPension, and access their statement. And there will be an email that goes out, notifying people that their statement has been loaded into myPension.

People who have chosen paper as their annual statement preference will get their statement mailed to their on-campus address. Those of you who have elected electronic preference will simply have the statement loaded into myPension. And if you don't know what your preference is, we ask that you go into myPension and select your preference, whether it be electronic or paper. We really encourage people to elect electronic preference - it saves costs for the Plan and it's a faster delivery in terms of getting your information.

Chelsey: So if we want to learn more about the contents of the annual statement, or how to read it, where should we go?

Debbie: We developed an **Annual Statement Guide**, and it really just highlights how to read your statement - it's got pop-up bubbles that describe the various sections of the statement. So you can review that, but if you've got questions that aren't answered by that, certainly call our office or email - our Member Services Team is here to help in any way they can.

Chelsey: Wonderful. I think that covers the main components of the annual statement, and hopefully anyone who is listening will be curious and check their statement out in myPension when they get a chance.

I want to thank Debbie Wilson again very much for sitting with me and chatting about this topic, and helping members learn about their statement. Thanks very much Debbie.

Debbie: You're very welcome.

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If you have questions about the UBC Staff Pension Plan or your personal situation, you can reach out to SPP Member Services at spp@hr.ubc.ca, or visit staff.pensions.ubc.ca/contact.