

# MEMBER UPDATE



## Coming in January - Reduced pension contributions for PSPP members

The Public Service Pension Plan (PSPP) is a significant tool in ensuring your quality of life after retirement. We know that many members rely on PSPP as they plan their retirement and prepare to exit the workforce.

As most of you are aware, 2021 was a year of strong investment returns in PSPP, followed by what so far has been a year of volatility and decline in financial markets. The great news is that PSPP entered 2022 well positioned to ride the tumultuous market. We are happy to report that PSPP is financially stable, and there will be tangible benefits for all members in the coming year.

Beginning on January 1, 2023, PSPP members will see a reduction in contribution rates without compromising the future benefits of your pension plan. This means more take-home pay for all members over the course of the year. As an example of the change you may see, this translates to an estimated \$1,000 saved per year, before taxes, for a member earning \$75,000.

Soaring inflation in the past year and the devaluing of public services by the provincial government have greatly increased the financial pressure on AUPE members. We know that every dollar counts as we all weather the overwhelming cost of living increases.

### PSPP Employee Contribution Rates

Year Beginning	2023		2022	
January 1	Earnings up to 2023 YMPE*	8.3%	Earnings up to YMPE \$64,900	9.6%
	Earnings over 2023 YMPE	11.9%	Earnings over \$64,900	13.7%

\*Year's Maximum Pension Earnings is announced annually by the Government of Canada by year end.

### AUPE advocates for members

Consistent and constant advocacy from AUPE's representatives on the PSPP sponsor board were a key factor in this upcoming reduction. Since the Joint Governance of Public Sector Pension Plans Act came into effect in 2019, AUPE has been able to contribute to decisions that impact members' pension plans. We spent decades pushing for joint governance, so we'd be able to look out for members' best interests and are proud that we were able to do just that.

### Your Defined Benefits plan protects your future

PSPP is a Defined Benefit (DB) plan and not a Defined Contribution (DC) plan. DB plans determine the pension paid to you each month, for life, based on your salary and number of years you participated in the pension plan during your career. The monthly pension is paid for as long as you live. DC plans on the other hand are accounts that you must manage to last for your retirement, and the pension income depends on the return on your investments. PSPP is a pension plan that gives you peace of mind and security.

AUPE and your Pension Committee continue to fight for the stability and security offered by DB plans for all members through advocacy and the negotiation of collective agreements. We aim to bring the peace of mind that DB plans offer to all members to ensure they can age with dignity and without financial anxiety.

For more information on the Public Service Pension Plan visit [www.pspp.ca](http://www.pspp.ca)

If you have any questions regarding your plan, contact your Pension Committee representative or Liliana Cordeiro, your Pensions Union Representative, toll-free 1-800-232-7284.