



# Municipal Pension Plan: Value for employers

Municipal Pension Plan (MPP) is the largest pension plan in British Columbia and one of the largest in Canada. With a proven track record of good governance and a focus on prudent, sustainable management, the plan is the ideal choice for employers that want to attract and retain great employees.

## How the plan can help your organization

### Retirement income security: A powerful incentive for job seekers

By contributing to the future retirement income of your employees, you demonstrate you not only care for your people but want them to stay with you for the long term. Your organization's participation in the plan can help you stand out with job seekers.

Last year, we surveyed new and younger members and found that 70 per cent of members 35 and under make pension a priority when choosing to stay with their employer.

In a survey by the Healthcare of Ontario Pension Plan, 66 per cent of Canadians said they would forgo a higher salary for a better pension plan.<sup>1</sup>

### Employer costs are stable and predictable

The plan's large-scale and professional management enable it to operate efficiently and maintain stable, predictable contribution rates. Most members and employers contribute a flat rate on all member salary based on their member group. Generally, rates are reviewed with each three-year valuation.

*The plan's website provides learning tools and secure access to your pension information through My Account.*



### Administration made easy

No need to hire specialized pension administrators or investment managers to oversee your retirement income program—the plan does the work for you.

The plan is expertly administered by BC Pension Corporation with the oversight and guidance of the Municipal Pension Board of Trustees. Pension Corporation provides you with administrative support, training and a monthly newsletter, and guides your employees along every step of their pension journey with online tools and information, telephone counselling, workshops and more.

### Resources available to you

You're never alone when you're working with us. Training, support and information are just a click or phone call away:

- Secure portal for transactions and e-remittances
- Comprehensive training through eLearning, workshops and instructions
- Monthly newsletter featuring a to-do checklist, course offerings and the latest tips and information
- Ongoing support from the employer operations team at Pension Corporation



### The best return on your investment: Meet BCI

British Columbia Investment Management Corporation (BCI) provides investment management services to the plan. One of Canada's largest investment managers, BCI manages \$250.4 billion in assets on behalf of public sector pension plans, the Province of British Columbia, publicly administered trust funds and public bodies.

Based in Victoria, BC, and supported by industry-leading expertise, BCI offers its public sector clients responsible investment options across a range of asset classes, including fixed income, mortgages, public and private equity, real estate, infrastructure and renewable resources.

BCI's investments provide the returns that secure the plan's future payments and obligations to members. Learn more about how the plan invests on the plan website [mpp.pensionsbc.ca/investments](http://mpp.pensionsbc.ca/investments) and at [bci.ca](http://bci.ca).

# How to answer common questions from your employees

You'll likely be the first person your employees come to for information about their pension plan. To help them understand the value of plan membership, here's some information you can share.



## First, some basic facts

- With the plan, employers and employees work together to build an employee's future pension. Both contribute to the plan every paycheque.
- The plan is secure. Each member saves in advance for their own basic pension.
- Your pension income is based on your service and salary while you're a plan member; changes in the financial markets won't affect your basic pension income. This makes retirement planning easier and income more predictable.
- The plan is sustainable. The latest valuation (2021) determined the plan is fully funded.
- Pension contributions are pooled and invested. Approximately 75 per cent of your pension is funded by investment returns.
- The plan's website is a helpful resource. It provides secure access to your pension information through My Account, as well as learning tools and workshops to help you find out more about your pension.

## Q: Why do I need to start contributing right away? I'm young and have other financial priorities right now.

Starting early in life will make a big difference down the road. We doubt you'll ever hear a retired member say they wished they had waited longer to start saving for retirement; if anything, they wish they'd started sooner.

- Automatic saving over the long term has been proven to work. On average, people in pension plans like MPP save over \$100,000 more toward retirement than the typical RRSP saver.<sup>2</sup>
- You and your employer both contribute to the plan. No retirement savings plan available through a bank or financial advisor offers that.
- With the plan, the pension contributions you and your employer make are pooled and invested by BCI. With personal investing, you take on all the risk—your funds are exposed to all the ups and downs in the financial markets.

MPP plan members (l to r):  
Doris Wagner, Joseph Chen,  
Alisha McLain and Joanne Buan

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<sup>2</sup> Michael Grant, Matthew Stewart and Erin Butler, "Economic Impact of British Columbia's Public Sector Pension Plans" (Ottawa, ON: Conference Board of Canada, 2013), i.

*Automatic saving over the long term has been proven to work. On average, people in pension plans like MPP save over \$100,000 more toward retirement than the typical RRSP saver.*

In contrast the large scale of plan funds offers stability, better investment opportunities and lower administrative fees than you typically get with personal financial advisors and banks.

- If you leave your job, you can take your service with you to more than 975 other BC employers that participate in the plan. You can also potentially transfer your service to another pension plan, leave your contributions with the plan for a deferred pension or take a commuted value payment. Whatever happens, you will never lose your benefit.

### **Q: I'm only a few years away from retirement. Is it too late to build a pension?**

The plan helps workers at every stage of their career—even if they start their pension contributions later in life.

- The basic pension you receive in retirement will be there for the rest of your lifetime, ensuring a reliable monthly source of income.
- If you have a spouse, they may be eligible to receive a pension from the plan when you die.
- The plan offers options for beneficiaries so you can protect your loved ones.
- When you retire, you may have access to cost-of-living adjustments through the plan, and group health and dental coverage through the Municipal Retiree Benefit Trust.

### **Q: I work part time. What does contributing to the plan really do for me?**

As a part-time employee, you will receive a pension in retirement based on your salary and service, just like a full-time employee. If you work more hours in the future, those will count toward your pension.

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- If you have a spouse, they may be eligible to receive a pension from the plan when you die.
- The plan offers options for beneficiaries so you can protect your loved ones.
- When you retire, you may have access to cost-of-living adjustments through the plan, and health and dental coverage through the Municipal Retiree Benefit Trust.

### **Q: Why should I join the plan? I'll be working here for only a few years.**

The plan offers flexibility and portability. You can start earning a pension now and decide what to do later if you leave your position.

- There are more than 975 plan employers in BC. If your new employer participates in the plan, you can remain a member.
- Transfer your service to another pension plan. Municipal Pension Plan has transfer agreements with many other plans across Canada.
- Leave your contributions in the plan for a future pension.



#### **Contact us:**

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