

# Proposed Plan Changes



## Impact on Projected Pension Benefits

Current Age	Current Accrued Service	Current Earnings	Current Money Purchase Balance	Projected Final Average Earnings	6.00% ACCUMULATION		7.25% ACCUMULATION		8.50% ACCUMULATION	
					Best Pension Current	Best Pension Proposed	Best Pension Current	Best Pension Proposed	Best Pension Current	Best Pension Proposed
45	5 years	\$40,000	\$20,000	\$87,000	\$31,000	\$31,000	\$31,000	\$31,000	\$32,900	\$32,200
45	10	40,000	45,000	87,000	37,200	37,200	37,200	37,200	43,400	45,700
45	15	40,000	80,000	87,000	43,400	43,400	48,200	50,200	58,100	60,400
50	10	60,000	75,000	104,000	40,300	40,300	40,300	40,300	42,600	44,500
50	15	60,000	125,000	104,000	48,400	48,400	49,100	50,800	56,600	58,500
50	20	60,000	200,000	104,000	57,500	59,000	66,800	68,500	77,700	79,600
50	5	80,000	50,000	139,000	44,800	42,600	44,800	42,600	44,800	46,300
50	15	80,000	175,000	139,000	67,100	65,000	68,400	70,600	78,800	81,400
55	10	80,000	105,000	111,000	35,800	35,200	35,800	35,200	35,800	35,400
55	20	80,000	280,000	111,000	54,400	55,500	60,400	61,600	67,000	68,300
45	5	100,000	60,000	216,000	89,400	74,300	89,400	86,300	94,700	100,500
45	15	100,000	225,000	216,000	125,200	117,800	136,100	141,200	164,000	169,800
50	5	100,000	60,000	174,000	57,300	46,000	57,300	51,500	57,300	57,900
50	10	100,000	130,000	174,000	71,600	60,000	71,600	68,100	74,400	77,600

# Proposed Plan Changes

## Summary



### Current Plan

### Proposed Plan

#### Money purchase contributions

- Employee
- University

4 ½% up to YMPE\* /6% over YMPE

5%/6 ½%

6%/7%

6 ½ %/7 ½%

Plus 1.5% of total money purchase contributions for non-reduction

Plus 1.5% of total money purchase contributions for non-reduction

#### Minimum guarantee formula (for future service)

1.4% up to YMPE

1.4% up to YMPE

1.8% above YMPE

1.8% above YMPE up to 2 x YMPE

0 above 2 x YMPE

#### Indexing formula

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>■ All benefits subject to indexing</li> <li>■ 4 year average of fund returns over 6%</li> <li>■ Arithmetic averaging used</li> <li>■ No downward adjustment in year of retirement (at least 0% return credited to money purchase accounts)</li> <li>■ Use actual returns for years prior to retirement</li> </ul> | <ul style="list-style-type: none"> <li>■ All benefits subject to indexing</li> <li>■ 6 year average (future retirees only)</li> <li>■ Geometric average (current and future retirees)</li> <li>■ Adjustment to reflect reduction in account balances to date of retirement due to negative fund return (future retirees only)</li> <li>■ Use 7% to backfill years prior to retirement</li> </ul> |
|--|--|

\* YMPE = Canada Pension Plan Maximum covered earnings level which is indexed annually (\$41,100 for 2005)