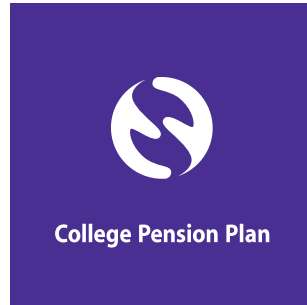


# member news



## **Sustainable cost-of-living increases in retirement**

Earlier this year, the College Pension Board of Trustees announced changes to the way post-retirement group benefits and cost-of-living increases will be offered.

As part of our three-pronged approach to sustainable benefits, we said that both you and your employer will see an increase in pension contributions of 0.25 per cent of salary. This change is scheduled to come into effect September 1, 2009.

With the new rate, members and employers will pay 8.71 per cent of salary up to and including the year's maximum pensionable earnings (YMPE)\*. Contributions above the YMPE will be 9.46 per cent.

When trustees introduced the three-pronged approach in January, the board emphasized the following:

- providing access to unsubsidized group rates for post-retirement group benefits beginning in September 2009 and discontinuing post-retirement group benefit subsidies,
- capping cost-of-living increases for retired members beginning in January 2011 and,
- increasing your and your employer's contributions each by 0.25 per cent of salary. The plan partners recommended this increase.

\* Year's maximum pensionable earnings are the earnings on which you make Canada Pension Plan contributions. The 2009 YMPE is \$46,300.

By acting decisively, we are able to preserve a more sustainable level of cost-of-living increases for members who are currently retired and for those who will retire in the future.

Both active and retired members have indicated that cost-of-living increases are more important than post-retirement group benefit subsidies, and we as a board listened.

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