

member news



Teachers' Pension Plan changes now in effect

On January 1, 2018, changes to the Teachers' Pension Plan (plan) came into effect. These changes were first announced October 14, 2016.

How is the plan changing?

For pensionable service earned on and after January 1, 2018:

- You contribute a flat percentage of salary of 12.92 per cent. Your employer contributes a flat percentage of salary of 13.23 per cent.
- You earn a 1.85 per cent flat accrual rate and are able to earn more than 35 years of pensionable service. **If you've already reached 35 years of pensionable service, you started contributing again January 1, 2018, and may notice this change to your pay.**
- You are able to receive an unreduced pension if
 - you are age 61 and have at least two years of contributory service, or
 - you are age 55 to 60 and have at least 35 years of contributory service.
- If you retire before age 61 with fewer than 35 years of contributory service, your pension will be reduced 4.5 per cent for every year you are younger than 61, providing you have at least two years of contributory service.
- If you retire before age 65 with fewer than two years of contributory service, your pension will be reduced 4.5 per cent for every year you are younger than 65.
- The rule of 90 (unreduced early retirement if your age plus years of contributory service equals at least 90) has been removed. However, all contributory service earned on and after January 1, 2018, still counts toward the rule of 90 to determine your benefit for pre-2018 service.

For all service before January 1, 2018, the bridge benefit will apply. The bridge benefit is a temporary benefit paid to retired members up to age 65 or death, whichever comes first. For service earned on and after January 1, 2018, the bridge benefit will not apply.

Regardless of your retirement date, **the benefit for all service earned before January 1, 2018, will remain unchanged.** Your pension at retirement will be based on two sets of rules: those in effect before January 1, 2018, and those in effect on and after January 1, 2018.

Your pension is important

We understand your pension is very important to you and any change to your plan may raise questions. Please note that we don't expect these rule changes to have a significant impact on your retirement plans. In general, lifetime pensions will continue to grow as you continue to work. To see how these changes will affect your pension, you can use the personalized pension estimator in My Account to run—and save—multiple pension estimates based on your service and salary information. On the plan website, click the My Account logon.

For more information, visit tpp.pensionsbc.ca/plandesign2018.

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