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11 EMPLOYER ENROLMENT IN GROUP 5

11.1 Definition of Group 5

Group 5 basic pension formula:

$1.63\% \times \text{HAS (up to and including the YMPE)} \times \text{years of pensionable}$

PLUS

$2.33\% \times (\text{HAS over the YMPE}) \times \text{years of pensionable service}$

Group 5 is a member group established to provide an enhanced retirement benefit for members who are employed as police officers and firefighters. Members in Group 5 will have a higher benefit accrual rate, meaning their retirement benefit will accumulate faster. This is valuable because police officers and firefighters have an earlier retirement age.

Group 5 participation is limited to police officers and firefighters. See section 1.1.5 to determine if your employees are eligible for participation in Group 5.

11.1.1 Moving Group 2 employees to Group 5

Group 5 differs from Group 2 in that:

- the formula used to calculate the basic pension in Group 5 is higher than that used for Group 2,
- contribution rates for both the member and the employer are higher in Group 5 than in Group 2 (see section 7.3.4 for contribution rates),
- contributions to Special Agreements are not made under Group 5, and
- participation in Group 5 requires that the employer and the union collectively bargain an agreement to join Group 5.

Group 2 members whose union does not negotiate an agreement to participate in Group 5 will continue as Group 2 members and, if a Special Agreement is in place, it will continue. Employers will continue to enrol eligible members who meet the definitions of firefighter or police officer in Group 2.

When a member moves from Group 2 to Group 5, member and employer contributions to any Special Agreement must stop.

Movement from Group 2 to Group 5 is a permanent one-way change. The only exception will be:

- in a situation where an individual changes employers and the new employer does not participate in Group 5, or
- if the member changes positions with the same employer and is no longer working in a public safety position, in which case they will be enrolled in Group 1.

11.2 Application Process

An employer must apply to the Municipal Pension Board of Trustees (the board) for admission to Group 5 for its police officer and/or firefighter employees. This application must be based on a collectively bargained or negotiated agreement and is subject to the agreement complying with the plan rules and the Board's Terms and Conditions for enrolment in Group 5.

Visit the plan website at mpp.pensionsbc.ca, and click on the Featured Info *Higher Accrual Rate for Police and Firefighters* link to access the Group 5 application form, including terms and conditions for employer enrolment in Group 5.

Enrolment generally occurs on the date the employer's application is approved or a future selected date. Retroactive enrolment will only be approved within the calendar year approval is granted.