Teamsters' National Pension Plan • Benefit Plan

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Urgent Notice

From: Teamsters' National Penson Plan

To: School District #34 Plan Members

RE: BC Municipal Pension Plan (BCMPP) proposes significant changes to its Plan!

Changes have been proposed by the BCMPP Board of Trustees in recognition of current inequities in the plan's design and that current benefits are unsustainable.

It is important to note without these changes, member contributions to the BCMPP will need to increase.

The following is a summary of the changes proposed by the BCMPP Board for future service accruals:

1) **Elimination of the Bridge Benefit** payable between age 55 and 65 for those members who elect early retirement.

2) **Increase** in **early retirement reductions**:
   a) all members will have their pensions reduced by 6.2% for each year their retirement age precedes age 60; and
   b) if members have less than 2 years service, early retirement pension benefits will be further **reduced by 5.2% for each year** their retirement precedes age 65.
3) Contribution rates for members who earn under the YMPE ($58,700 per year) will have their **contributions increased from 8.50% to 8.61% of salary.**
4) The pension formula will no longer provide an integrated[1] benefit rate of 2% per year of pension benefit but will change to provide a flat **benefit rate of 1.9% per year**.

On ***Thursday, September 17, 2020*** voting will begin regarding your participation in the Teamsters' National Pension Plan (TNPP) or the BCMPP.

This is a critical decision for the membership, and we have done our best to ensure all members are aware of the pros and cons related to the pension. The information has been provided outlining both plans; however, on Monday, September 14, 2020, the Union office received information regarding significant changes to the BCMPP that will impact this decision.

We have summarized what we understand these changes to be in the four points above.

We are very disappointed that the MPP administration did not inform us or you before Monday of these potential changes given this important vote. As a reminder, you will be voting on whether **ALL** members stay in the TNPP or **ALL** members begin accruing service in the MPP.

The decision will be made based on the results of the vote and all members' future service will be in one plan or the other.

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[1] The plan integrates with CPP such that a member's benefit is 2% of the final average earnings per year of service.