



September 14, 2020

Dear Municipal Pension Plan Employers and Unions:

This email is to advise you that the plan partners of the Municipal Pension Plan have come to an Agreement in Principle (AiP) about proposed changes to update the pension plan. Plan partners represent both employees and employers and share oversight of the plan.

We would request that you immediately share this important and time-sensitive email with your senior leaders, in particular the heads of Finance and Human Resources.

The AiP is part of a comprehensive, multi-year review of the pension plan and builds on past changes made by the plan partners. These changes have included simplifying employer contribution rates (removing age and gender differentials), supporting a sustainable level of indexing and establishing a rate stabilization account to stabilize future contribution rates.

Throughout the review, plan partners have been guided by the following principles:

- improve equity for members,
- align benefits with how the majority of members use them,
- set a strong foundation for the long-term sustainability of the plan, and
- stay within the current cost envelope.

Supported by a strong actuarial, legal and policy review process, plan partners are proposing significant updates to the plan that will improve equity and, for most plan members, will result in an improved lifetime pension (excluding the bridge benefit from age 65). Employers will not see an increase in their pension costs; in fact, as contemplated by the joint trust agreement, employer contribution rates are coming down.

The active communications and outreach period is from today, September 14 to October 23, 2020, with a decision on the proposed changes by plan partners anticipated in early 2021. The proposed changes are planning to be implemented on service earned after January 1, 2022.

Let your employees and members know about proposed changes

The plan partners need your organization's support in sharing information about the proposed changes. The primary communications tool is a comprehensive project website available at www.mppredesign.ca.

The website has been developed with the following tools and resources:

- > an online calculator for Group 1 active members
- > in-depth FAQs for all groups
- > presentations and
- > a video explaining high level proposed changes for Group 1.



A **project call centre** has also been established and will operate from 8:30 a.m. to 4 p.m., Monday to Friday from September 14 to October 23, 2020. The primary purpose of the call centre will be to support wayfinding and direct the caller to the most appropriate contact amongst plan partners.

We've tried to anticipate what tools you might use to share information about the proposed changes and outreach period. Please find below a link to access digital files of a newsletter article, poster and postcard, as well as a short promotional video, to circulate internally with your staff, following your own internal communications protocols:

<https://we.tl/t-5KwjCdg6Or> (newsletter, poster, and postcard)

<https://we.tl/t-h6BKlvFimS> (promotional video to promote the project website)

Each tool is short and intended to encourage members to visit the www.mppredesign.ca site.

As the employer or union, after having visited the website, should you require additional information, please do not hesitate to contact your plan partner representative to ask questions. If you don't know who that is, please fill out the inquiry form on the site and a representative will get back to you.

Sincerely,

Plan Partner Working Group