



University Pension Plan *and* Victoria University

May 2023



University Pension Plan (UPP) is the first jointly sponsored, defined benefit pension plan designed by and for **Ontario's university community**.

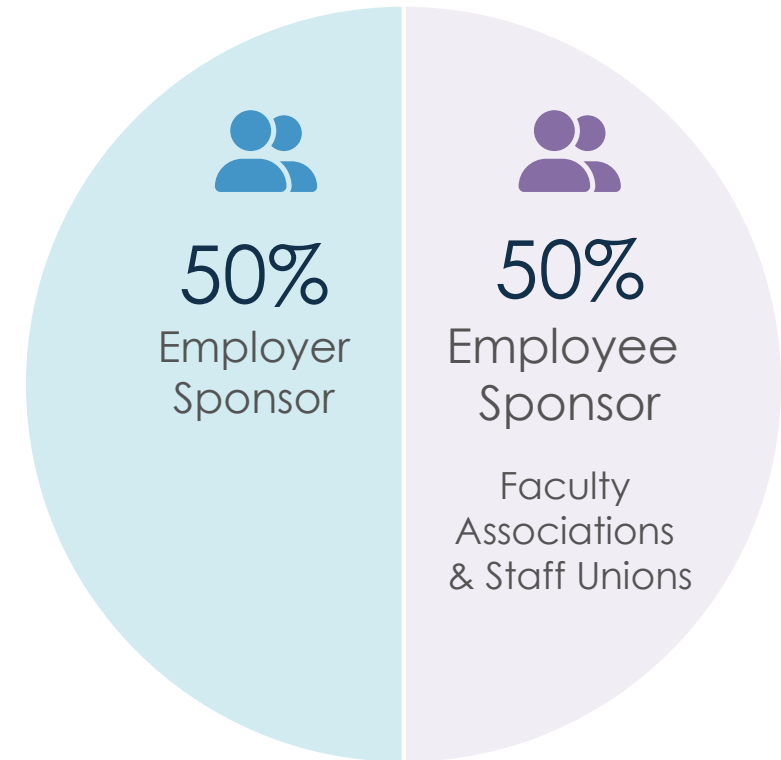
University faculty associations, staff unions, and administrations came together to create UPP as a secure long-term pension solution for the university sector.

UPP is a Jointly Sponsored Pension Plan (JSPP)

A JSPP is a special type of defined benefit plan in which members and employers share equal responsibility for governance decisions

UPP's joint sponsorship is customized for the variety of voices and groups within the university sector.

- ✓ 50/50 representation in decisions on plan funding, benefit design, new participants, and appointment of the Plan's administrator
- ✓ A high degree of accountability and transparency, unique benefits like solvency exemption
- ✓ Clear, explicit risk sharing





Launched on July 1, 2021, and growing
Open to all Ontario universities and sector organizations

AT A GLANCE

37,000+
Members

Fully
Funded

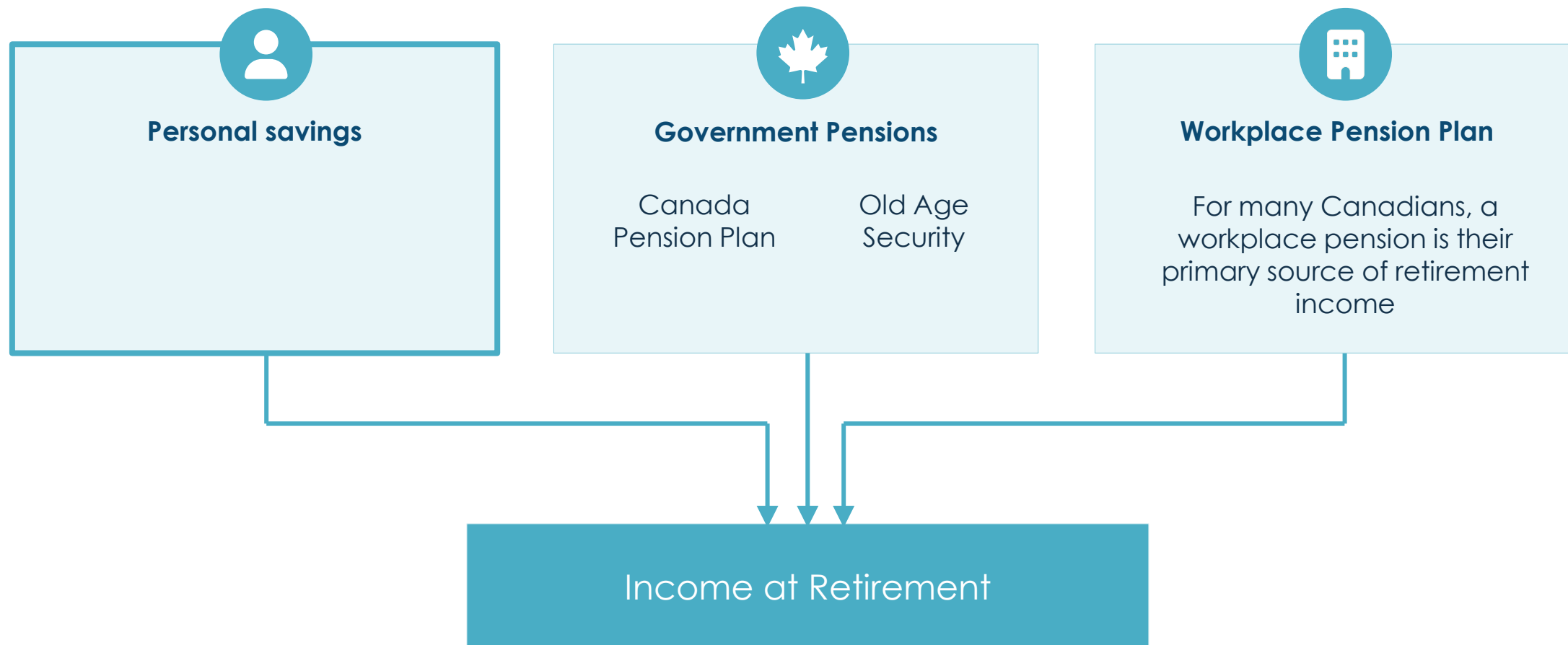
\$11.8B
Assets under
management

4
Participating
universities

12
Participating sector
organizations



Canadian Pension and Savings Plans



UPP delivers **excellent value** for contributions among leading Canadian DB plans

← LOWER ————— HIGHER →

Earnings	HOOPP	OMERS	UPP ¹	OPTrust	OTPP	CAAT (DBprime)
Annual member contribution matched by Employer						
Up to YMPE	6.9%	9.0%	9.2%	9.4%	10.4%	11.2%
Above YMPE	9.2%	14.6%	11.5%	11.0%	12.0%	14.8%

WHAT MEMBERS PAY

← LOWER ————— HIGHER →

Earnings	CAAT (DBprime)	OMERS	OPTrust	HOOPP	OTPP	UPP ¹
Benefit Formula						
Up to YMPE	1.3%	1.325%	1.345%	1.5%	1.55%	1.6%
Above YMPE	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

WHAT MEMBERS GET (Best-in-class)

¹ Effective January 1, 2025, the break point will be based on the Year's *Additional* Maximum Pensionable Earnings (YAMPE) rather than the YMPE. The 2025 YAMPE will be 114% of the 2025 YMPE.

High-Level Plan Features Summary¹

UPP

Victoria University General Pension Plan

Employee contribution	9.2% up to the YMPE + 11.5% above YMPE ^{2,3} , up to annual pensionable earnings maximum ⁴	For USW & Professional/Managerial Members: 7.7% up to YMPE + 9.5% above YMPE ² For Faculty & Librarian Members: 7.15% up to YMPE + 9.5% above YMPE ²
Employer contributions	Employers match 100% of employee required contributions	12.1% of pensionable earnings (based on most recently filed actuarial valuation)
Averaging period for earnings	Best Average Earnings: Average of highest non-consecutive 48 months of pensionable earnings during plan membership ⁵	Final Average Earnings: Average of highest 36 non-consecutive months of pensionable earnings during plan membership ⁵
Averaging period for YMPE²	Last consecutive 48-months of service	Last consecutive 36-months of service
Benefit formula	Pension formula of 1.6% of Best Average Earnings up to average YMPE and 2% of Best Average Earnings above average YMPE ^{2,3}	For USW & Professional/Managerial Members: Pension formula of 1.6% of Final Average Earnings up to average YMPE and 2% of the Final Average Earnings above average YMPE ² For Faculty & Librarian Members: Pension formula of 1.5% of Final Average Earnings up to average YMPE and 2% of the Final Average Earnings above average YMPE ²

¹ Based on the current understanding of the Victoria University General Pension Plan as of its June 30, 2021 funding valuation.

² Year's Maximum Pensionable Earnings under the Canada Pension Plan which is \$66,600 in 2023.

³ Effective January 1, 2025, the break point will be based on the Year's *Additional* Maximum Pensionable Earnings (YAMPE) rather than the YMPE. The 2025 YAMPE will be 114% of the 2025 YMPE.

⁴ The 2023 pensionable earnings maximum for contributions is \$196,200.

⁵ Final Average Earnings are limited in each year to the average earnings at which the maximum pension payable in accordance with the Income Tax Act is reached for that year.

High-Level Plan Features Summary¹

UPP

Victoria University General Pension Plan

Indexation	Funded conditional indexation at a target of 75% of CPI (Consumer Price Index) increase ²	The percentage increase shall be the greater of A and B: (A) 75% of the Consumer Price Index (CPI) increase not in excess of 8.0% in the previous calendar year plus 60% of the CPI increase in excess of 8.0% from the previous year, and (B) The CPI increase in the previous calendar year, less 4.0%
Early unreduced pension	Available as early as age 60 if age + eligibility service = at least 80 points	Available as early as age 60 if age + Continuous Employment = at least 80 points
Early reduced pension	5% reduction per year prior to age 65	5% reduction per year prior to age 65
Normal Form of Pension for Members without a Spouse at Retirement	Life pension guaranteed 10 years	Life pension guaranteed 5 years
Normal Form of Pension for Members with a Spouse at Retirement	A joint and survivor pension which provides a lifetime pension to the member and continues to the surviving spouse at 50%	A joint and survivor pension which provides a lifetime pension to the member and continues to the surviving spouse at 60%
Sector Mobility	If a member moves to another UPP member institution, their pension continues to grow with no impact	Portability to transfer to other pension plans where applicable

¹ Based on the current understanding of the Victoria University General Pension Plan as of its June 30, 2021 funding valuation.

² Funded conditional indexation will be provided at 75% of the Consumer Price Index ("CPI") increase, subject to the UPP's funding policy. Under the terms of the UPP's funding policy, the Plan Sponsors may jointly decide to reduce future indexation adjustments below 75% of the CPI increase given the long-term financial health of the Plan."

Flexible ways to **grow your pension** along your career



Continue service during paid leaves, options to contribute during unpaid leave



Combine part-time service at multiple participating employers¹



Move between UPP participating employers without losing any years of service¹

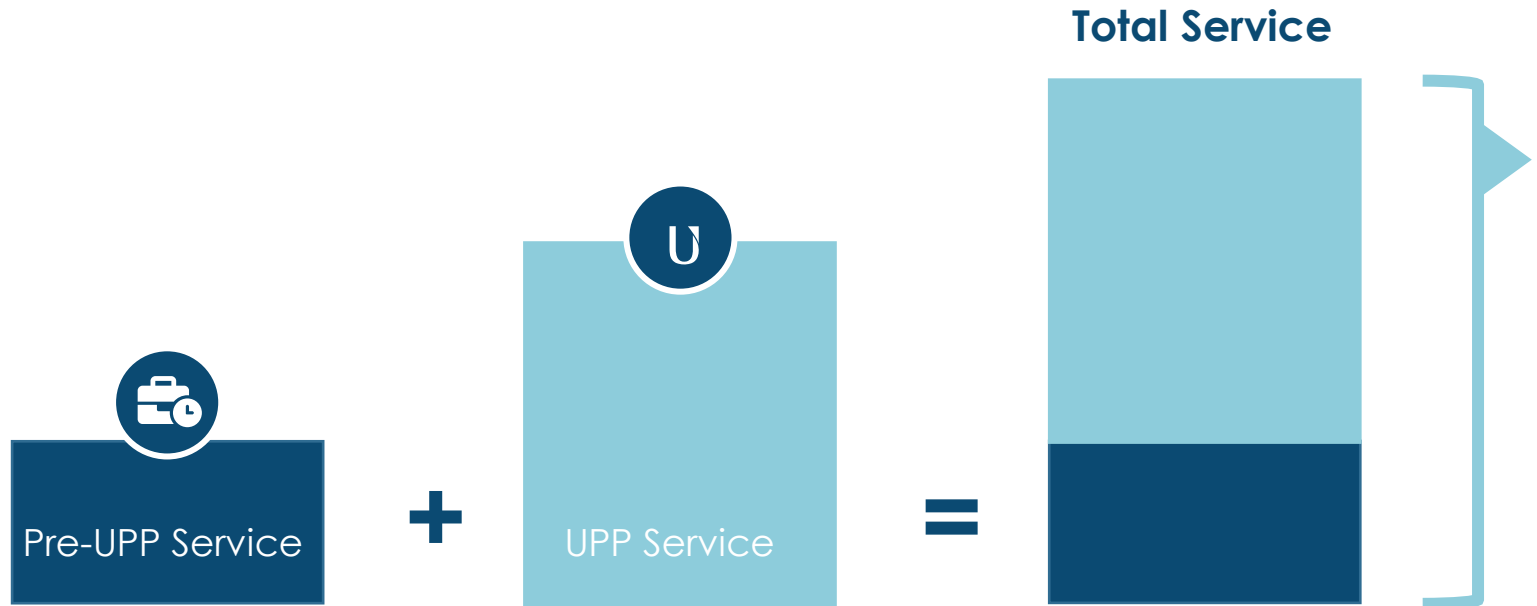


No cap on years of service - continue contributing and growing your pension until age 71²

¹ For eligible employment classes.

² Canada's maximum pensionable age.

Seamless service integration



When a plan converts to UPP, each member's service to date carries over for **one total pension**

A member's **combined service** determines eligibility for features such as unreduced early retirement for UPP service

A worry-free retiree experience

- ✓ UPP honours existing benefits and indexing as they are today
- ✓ Benefits are paid to retirees by UPP
- ✓ The UPP pension team provides member services (account changes, answer questions, statements, etc.)



Building a progressive, member-driven service approach

Empowering members in their retirement planning

- ✓ Clear, useful information at their fingertips
- ✓ Resources and tools to help plan
- ✓ Straightforward communications
- ✓ Active, direct member consultation
(discussion forums, surveys, feedback forms)

Personalized attention and decision support when needed

- ✓ One point of contact
- ✓ Personalized attention
- ✓ Someone who'll listen and make sure members' needs are met

Investing with sustainable pension security at the core

UPP invests with **one purpose**: to fulfill the pension promise to members, now and in the future

UPP's size and growing scale enable us to:

- attract top experts in pension plan management and investing
- take increasing advantage of economies of scale to enhance value
- access new investment opportunities, particularly in private markets, which offer attractive return and risk characteristics for a pension fund
- manage select investment strategies internally, bringing cost savings and greater transparency and control

INVESTMENT TEAM PROFILE

22 dedicated full-time staff with 170 years of collective experience across various aspects of investing



In line with this opportunity, UPP's team of global investment experts is establishing internal management capabilities in portfolio management, actuarial analysis, responsible investing, and private markets, and will continue to selectively build internal capacity in high-value areas.

Delivering sustainable value

Our **Climate Action Plan** speaks to two deeply connected goals:

- ✓ To grow a strong, resilient fund that secures retirement benefits for members today and far into the future
- ✓ To invest in a stable, healthy world for our members to retire into

“When it comes to Canadian pensions, there’s **a new climate leader in town.**”

National Observer

“This is a legitimate and very impressive commitment by UPP...**It demonstrates both strategy and substance...**It’s clear how UPP will move forward **and how members and other stakeholders can hold them accountable.**”

Sean Cleary, Chair, Institute for Sustainable Finance (ISF)

“The University Pension Plan is creating its own version of the Canadian model — **with a sustainable twist.**”

Institutional Investor



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