



EMPLOYEE PENSION CONTRIBUTION INCREASE

TO:	Human Resources and Governance Committee
MEETING:	May 14-15, 2013
FROM:	Roula Zaarour, Vice-President, People and Culture
DECISION SOUGHT:	Approval of Bylaw Schedule B “CBC Pension Plan” amendments
NEXT STEPS:	<ul style="list-style-type: none">• Seek approval from the Minister of Canadian Heritage.• File the plan amendments with Office of the Superintendent of Financial Institutions and Canada Revenue Agency.• Communicate changes to plan members.
DATE:	April 17, 2013



CONTEXT

- At the April 2012 meeting, the Board of Directors approved the plan to increase the employee share of pension contributions from 34% to 40% to be implemented over 2 years:
 - From 34% to 37% effective July 1, 2012;
 - And then to 40% effective July 1, 2013.
 - Cumulative savings for the Corporation estimated at \$7.0M.
- Also approved at this meeting were the pension plan amendments, that became effective July 1, 2012, required to implement the new employee contribution rates to bring the employee share to 37%.
- These rate increases were communicated to the unions, employees and approved by the Minister of Canadian Heritage.



CONTEXT (CONT'D)

s.18(a)
s.18(b)
s.21(1)(b)

- The CBC Pension Plan must now be further amended to reflect the employee contribution rates, that will become effective July 1, 2013, required to bring the employee share of pension contributions to 40%.
 - These rates must be determined annually based on the latest actuarial valuation results.
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KEY DECISION ELEMENTS

- Effective July 1, 2013, the employee pension contribution rates will be increased :
 - from 5.53% to 6.19% for salary up to and including the YMPE, and
 - from 7,27% to 8.14% for salary above the YMPE.

* YMPE is the Yearly Maximum Pensionable Earnings covered under the C/QPP (\$51,100 for 2013)



RESOLUTION

- That the Human Resources and Governance Committee recommends to the Board that, subject to ministerial approval, the amendments to the Bylaw Schedule "B" CBC Pension Plan" (see Appendices) modifying the rate paid by the employees to be consistent with a share of the pension contribution of 40%, be approved effective July 1, 2013."



APPENDIX 1 – AMENDMENTS TO THE CBC PENSION PLAN (clean version)

Effective July 1, 2013, paragraphs 4.1(d) and (f) are replaced by the following:

Contribution rates after July 2012

- (d) Except as otherwise provided, contributions to the CBC Pension Plan in respect of the period beginning July 1, 2012 shall be made by payroll deduction or as determined by the Corporation while the Contributor remains an Employee accruing Pensionable Service in the following amount:
- (i) In respect of the period beginning July 1, 2012 and ending June 30, 2013:
 - (A) the sum of
 - (1) five and fifty three hundred percent (5.53 %) in respect of Salary up to and including the YMPE, and
 - (2) seven and twenty seven hundred (7.27 %) in respect of Salary exceeding the YMPE,
 - (B) multiplied by the Full-Time Equivalent Rate of the Contributor for the given period.
 - (ii) In respect of the period beginning July 1, 2013:
 - (A) the sum of
 - (1) six and nineteen hundred percent (6.19 %) in respect of Salary up to and including the YMPE, and
 - (2) eight and fourteen hundred (8.14 %) in respect of Salary exceeding the YMPE,
 - (B) multiplied by the Full-Time Equivalent Rate of the Contributor for the given period.
- (...)

Increased rate

- (f) Notwithstanding paragraphs 4.1(c) and (d), the rate of contributions set out in clause 4.1(c)(i)(B), 4.1(d)(i)(A)(2) or 4.1(d)(ii)(A)(2), as applicable, shall apply to the entire Salary during any period in which the Contributor does not make contributions under the Public Pension Plan by reason of age.



APPENDIX 2 – AMENDMENT TO THE CBC PENSION PLAN (underlined version)

Effective July 1, 2013, paragraphs 4.1(d) and (f) are replaced by the following:

Contribution rates after July 2012

(d) Except as otherwise provided, contributions to the CBC Pension Plan in respect of the period beginning July 1, 2012 shall be made by payroll deduction or as determined by the Corporation while the Contributor remains an Employee accruing Pensionable Service in the following amount:

(i) In respect of the period beginning July 1, 2012 and ending June 30, 2013:

(A) the sum of

- (1) five and fifty three hundred percent (5.53 %) in respect of Salary up to and including the YMPE, and
- (2) seven and twenty seven hundred (7.27 %) in respect of Salary exceeding the YMPE,

(B) multiplied by the Full-Time Equivalent Rate of the Contributor for the given period.

(ii) In respect of the period beginning July 1, 2013:

(A) the sum of

- (1) six and nineteen hundred percent (6.19 %) in respect of Salary up to and including the YMPE, and
- (2) eight and fourteen hundred (8.14 %) in respect of Salary exceeding the YMPE,

(B) multiplied by the Full-Time Equivalent Rate of the Contributor for the given period.

(...)

Increased rate

(f) Notwithstanding paragraphs 4.1(c) and (d), the rate of contributions set out in clause 4.1(c)(i)(B) ~~or~~, 4.1(d)(i)(A)(2) or 4.1(d)(ii)(A)(2), as applicable, shall apply to the entire Salary during any period in which the Contributor does not make contributions under the Public Pension Plan by reason of age.