



# The College Pension Plan: what you should know



The College Pension Plan helps instructors and senior administrators at 23 post-secondary institutions across British Columbia save and prepare for retirement. Read on to learn more about the plan, including some interesting facts that might surprise you.

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## Sustainability

The plan is pre-funded. This means plan members of each generation pay in advance for their own lifetime pension benefit.

### How is the plan sustainable?

A formal review of the plan, called an actuarial valuation, is performed at least once every three years to assess how much money is available to pay benefits now and in the future. If there is a shortfall, contribution rates for members and employers increase to close the gap.

### Did you know?

The agencies that establish credit ratings for governments recognize the value of BC's strong public sector pension plans. They have cited this strength as a factor supporting the province's favourable credit rating.

## Cost-effectiveness

The plan's large scale and professional management enable efficient operation.

### How is the plan cost-effective?

The total cost of the plan's investment management and pension administration is about one-half of one per cent of assets—significantly less than the fees individual investors commonly pay.

### Did you know?

By participating in the plan, employers provide a valuable pension benefit at a lower cost with less risk exposure and less administrative burden than if they were to provide their own single-employer pension plan. This benefit becomes a cost-effective part of the total compensation package they provide employees like you.

## Fairness

Both employers and employees can enjoy the outstanding benefits of participating in the plan.

*To learn more  
about the plan, visit  
[college.pensionsbc.ca](http://college.pensionsbc.ca)*

### How is the plan fair?

Both employers and employees contribute to the plan—the cost of the basic pension is shared between them—and these contributions are pooled and invested over a very long time. Investing contributions is important: about 70 per cent of benefit payments comes from investment returns.

### Did you know?

The plan considers fairness for all members: active, inactive and retired. The College Pension Board of Trustees is required to make decisions with all members in mind.

## Good value

The plan provides good value to employees and employers. The College Pension Plan is a defined benefit pension plan, so an employee's pension is based on a formula that includes how many years they contributed to the plan and the average of their highest five years of salary. This makes retirement planning easier and pension income more predictable.

### How does the plan provide good value?

Plan members can meet their retirement income needs more effectively with the plan than on their own. Members also benefit from employer contributions, the pooling of risks across a large group and access to large-scale, efficient professional investment and administration services.

### Did you know?

With a proven track record of good governance and a focus on prudent, responsible management, the plan is the ideal choice for employers that want to attract and retain great employees.



### College Pension Plan

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