

PensionFacts



This fact sheet will help you determine if you were enrolled in the Municipal Pension Plan at the correct time.

History of Enrolment Rules in the Municipal Pension Plan

Be sure to read this entire history so that you have a complete picture of the rules—the basic rules were established in 1961 and were modified from time to time. They are the minimum standard for when you may be eligible to enrol in the plan. Your employer may have passed a resolution, or there may be a provision in the collective agreement, that allows you to enrol in the plan earlier than is allowed under the enrolment rules. If you have any questions about enrolment, contact your employer, your union or the plan.

If you were not enrolled in the plan at the correct time, there may be an arrears period. For more information about arrears, see the *Purchasing Arrears* fact sheet, available online or from the plan.

Enrolment Rules Established in 1961

Enrolment was mandatory for:

- permanent full-time employees (this included permanent part-time employees before March 27, 1961), and
- non-permanent employees who had been working full-time continuously for 12 months.

In addition, an employer could pass a resolution to have continuous part-time employees enrolled in the plan.

For **hospital employees** to be eligible to be enrolled, they:

- could not be casual employees,
- must have started contributions no later than 15 years before maximum retirement age,
- must have completed one year of employment, even if they completed their probationary period and became a permanent employee before the one year had passed.

The 1961 rules remained relatively unchanged until 1988, with the following exceptions:

April 1, 1969

The one-year waiting period for hospital employees was removed.

July 1, 1969

The requirement was added that an employee must be at least age 18 to participate in the plan.

February 21, 1985

Enrolment rules were changed to give employees of new employers 90 days to opt out of the plan. The change was made retroactive to January 1, 1973.

Enrolment Rules Effective June 29, 1988

- Permanent full-time employees must enrol (employees who completed their probationary period were considered permanent).
- Employees who have worked 12 months or more in a continuous full-time capacity with the same employer must enrol.
- Employers allowed to pass resolutions that allow full-time employees to enrol earlier than is allowed under the rules, and permanent part-time employees and casuals to enrol.

Enrolment Rules Effective January 1, 1993

Part-time and casual employees were eligible to enrol if:

- the employee had completed two years of continuous employment with earnings of not less than 35 per cent of the year's maximum pensionable earnings (YMPE) in each of two consecutive calendar years, and
- the employee elected to have the plan apply.

Employers were required to offer enrolment to eligible employees; enrolment was optional for such employees.

Current plan rules for enrolment were established during the transition to Joint Trusteeship for the Municipal Pension Plan.

Enrolment Rules Effective April 1, 2000

Current plan rules for enrolment were established during the transition to Joint Trusteeship for the Municipal Pension Plan, and are as follows:

Mandatory Enrolment

Mandatory enrolment applies to

- employees who are permanent, full-time employees,
- employees who are not permanent employees but who have worked on a continuous full-time basis for one year. (This would include employees who are not yet considered to be permanent employees because they have not completed their probationary period.)
- new employees who are already contributing to the plan through another Municipal Pension Plan employer (must immediately start contributions with the new MPP employer),

- new employees who were contributing to the plan through a previous MPP employer where the break in employment is one month or less (must immediately start contributions with the new MPP employer), and
- employees who are required to enrol by resolution of the employer.

Optional Enrolment

Optional enrolment applies to:

- employees who have completed two years of continuous employment with earnings of not less than 35 per cent of the YMPE in each of two consecutive years, with one or more plan employers, and
- existing employees who were employed when their employer first became a plan employer, and who would otherwise be subject to mandatory enrolment.

Under optional enrolment rules, all eligible employees must be enrolled in the plan, unless the employee signs a written waiver to opt out of the plan. This means that employers must obtain waivers from eligible employees, and ensure that copies of those waivers are kept on file.

Employees who elected not to enrol under optional enrolment rules on or after April 1, 2000, were required to sign a waiver within 90 days of becoming eligible.

If you have any questions about enrolment, contact your employer, your union or the plan.

YMPE

The Year's Maximum Pensionable Earnings (YMPE) is the maximum salary, including overtime, upon which Canada Pension Plan contributions are made, as set by the federal government.

Year	YMPE	35% of Amount
1992	\$32,200	\$11,270
1993	\$33,400	\$11,690
1994	\$34,400	\$12,040
1995	\$34,900	\$12,215
1996	\$35,400	\$12,390
1997	\$35,800	\$12,530
1998	\$36,900	\$12,915
1999	\$37,400	\$13,090
2000	\$37,600	\$13,160
2001	\$38,300	\$13,405
2002	\$39,100	\$13,685
2003	\$39,900	\$13,965
2004	\$40,500	\$14,175
2005	\$41,100	\$14,385

Effective April 1, 2000, if there is no signed waiver and the employer does not enrol an eligible employee as soon as he or she becomes eligible to contribute to the plan, there will be an arrears period. There could be an arrears period before April 1, 2000, if an employee was eligible to enrol and was not enrolled.

PensionFacts is published for the Municipal Pension Plan by the Pension Corporation. This publication is based on the relevant plan documents (statutes, regulations and rules). If there is a discrepancy between this publication and the plan documents, the plan documents apply.

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