

MEBP Staff News

Congratulations to Melissa and spouse, Jeremy Wollmann who are expecting their first child in December 2010. Melissa will be taking a one year leave of absence.

MEBP Staff would like to welcome Roger Wilson who became a Board Trustee effective January 1, 2010. Roger replaces Rene Maillard as an employer representative. He is the Reeve for the Town of Birtle.

Tips for Members

It is important that you contact our office to advise of any life changes that may affect coverage and beneficiary designations under the Group Insurance Plans and the Pension Plan.

If you would like to run your own pension estimates, please go to our website at www.mebp.mb.ca and use the on-line estimator. If you do not have a username and password to go on-line, you can obtain a registration form and additional information from our website.

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BOARD OF TRUSTEES:

Member Representatives

Jack Kehler
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Manitoba Municipal
Administrators Association
City of Steinbach

Eric David
Elected Representative
City of Selkirk

Brian Ellis
C.U.P.E.
Winnipeg

Grant Thorsteinson
Elected Representative
R. M. of Bifrost

Employer Representatives

George Harbottle
Association of Manitoba
Municipalities
Reeve, R.M. of Alexander

Mel Klassen
Association of Manitoba Municipalities
Mayor, Town of Altona

Bert Lagimodiere
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Councillor, Town of The Pas

Roger Wilson
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Reeve, Town of Birtle



MEBP NEWS

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MEBP

MEBP NEWS

Manitoba Municipal
Employees Benefits Program
Fall 2010

Important Announcements

We wish to draw your attention to three very important issues that affected or will affect members of the Municipal Employees Pension Plan.

1. Information regarding Solvency Exemption has been mailed out to all active, deferred and retired members of the Plan. We hope that members will take time to review this information and contact our office with any questions or concerns.
2. MEBP is having an election! This year active members of the pension plan have the opportunity to vote for two member representatives to serve four year terms as MEPP Board Trustees. Additional information and ballots have been mailed out to eligible voting members.
3. The Pension Plan has undergone two sets of pension plan changes. The Pension Benefits Act and Regulations (PBA) requirements, which came into effect May 31, 2010 and the new plan provisions approved by the MEBP Board of Trustees, which come into effect January 1, 2011 (discussed below). Information regarding the PBA changes was mailed to members in July 2010.

Municipal Employees Pension Plan – New Plan Provisions Effective January 1, 2011

The MEBP Board has approved new pension plan provisions that affect pre-retirement death benefits and portability.

Pre-Retirement Death Benefits

This plan provision deals with the payment of pre-retirement death benefits when an active or deferred member (former member of the plan who is entitled to a benefit), dies. The changes affect; who will be entitled to receive a pre-retirement death benefit and what benefit will be paid. The new provisions comply with legislation set out in Section 21 (26) of the *Pension Benefits Act*.

The new provisions are as follows:

1. If an active or deferred plan member has a surviving spouse or common-law partner at the date of death, a lifetime monthly pension payment or a one-time lump sum payment that may be transferred to a Locked In Registered Account (LIRA) or a Registered Retirement Savings Plan (RRSP) will be paid to the spouse or common-law partner.

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Tips for Registered On-Line Users

To bookmark the site for MEBP On-Line Services on the website, you must bookmark the homepage: www.mebp.mb.ca

Please note that book marking 'mypension.ca' will not access your information.

MEBP NEWS is published for members of the Municipal Employees Benefits Program. Comments or suggestions are welcomed.

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www.mebp.mb.ca

Municipal Employees Pension Plan – continued

The monthly pension payments will stop upon the death of the spouse/common-law partner. The spouse/common-law partner will not be entitled to this benefit if:

- they received or are entitled to receive from the member a pension benefit due to a marriage or common-law relationship breakdown and/or
 - the member and spouse/common-law partner are living separate and apart on the date of the member's death.
2. If the plan member does not have a surviving spouse or common-law partner at the date of death the pension plan will pay a one time taxable lump sum payment to a designated beneficiary (ies) or to the Estate of the member.

Additional information and a new Pension Plan Designation of Beneficiary & Change Form will be included with Annual Statements and mailed to members in May 2011.

Portability

This new plan provision will affect members who are eligible for retirement benefits on or after January 1, 2011. This

change also affects deferred members of the plan. A special notice was mailed to all deferred members in July 2010, advising them of the change to the pension plan.

The new provision is as follows:

- An active member, who terminates employment on or after January 1, 2011 and is eligible to receive retirement benefits from the pension plan, will no longer be eligible to transfer the commuted value of the pension benefit out of the plan. They must choose a monthly pension payment option.
- The only exception to this provision will be the "small benefits" rule. If at termination or retirement the annual pension earned is less than 4% of the Yearly Maximum Pensionable Earnings (YMPE) or the commuted value is less than 20% of the YMPE, then the member will have the option of receiving a cash refund from the pension plan. The 2010 YMPE is \$47,200.00.
- The member and spouse/common-law partner are living separate and apart on the date of the member's death by reason of a breakdown of their relationship.

Disability Income Plan – New Plan Provisions Effective January 1, 2011

The MEBP Board approved the following changes to the Disability Income Plan provisions:

- The definition of total disability has been revised.
- The elimination (waiting) period for disability benefits has been reduced to 18 weeks (approximately 4 months).
- The total disability benefit is now 70% (from all sources) of pre-disability earnings.
- The Waiver of Insurance Contributions coverage under the MEBP Insurance Plans has been revised.

If the first day of the elimination period is on or after January 1, 2011, the new provisions will apply. If the first day of the elimination period is prior to January 1, 2011, the old plan provisions apply. The first day of the elimination period is the date the medical condition first caused a member to miss work. Claims that are currently active will not be affected by the new provisions.

New Definition of Total Disability

The new definition is as follows: "You are considered disabled if, because of illness, injury or disease, you are unable to perform the essential duties of your own occupation or own job as regularly performed for the employer".

Elimination Period

The elimination period has been reduced to 18 weeks (approximately 4 months), as it has been found that earlier intervention can increase the chances of success in return to work programs. Also, many members do not have enough sick leave or short-term disability coverage to carry them through the current six month elimination period.

Total Disability Benefit

The total disability benefit payable from the Disability Income Plan is now 70% from all sources of pre-disability earnings. A review of other disability plans revealed that most plans pay 66 2/3% from all sources. The reduction to the total disability benefit will be offset by the change to the elimination period.

Disability Income Plan – continued

Insurance Coverage While on Waiver

A member approved for the Waiver of Insurance Contributions benefit, will have contributions for Basic Life Insurance covered by MEBP. The coverage also extends to Basic Accidental Death & Dismemberment Insurance.

If a member wishes to continue coverage under Family, Voluntary Life and Voluntary Accidental Death & Dismemberment, they can make arrangements with their employer to pay the required contributions for these benefits.

Focus on Benefits

One of our main goals at MEBP is to provide our members with information that will help them to better understand their benefit plans. In this edition of the annual newsletter we focus on the Bridge Benefit and Insurance Coverage While on an Approved Leave of Absence or Lay-Off.

MEBP Pension Plan - Bridge Benefit

The Municipal Employees Pension Plan is classified as being a defined benefit plan. In a defined pension plan, the amount of the pension benefit earned is based on a formula relating to earnings and service.

The MEBP Pension Plan provides a pension benefit based on 1.5% of a member's average salary over a 5 year period multiplied by the number of years of pensionable service. In determining which earnings to use, we choose the 5 highest over the member's entire career. We also take into account the Yearly Maximum Pensionable Earnings as set by the Canada Pension Plan.

For members who retire prior to age 60 and have 5 or more years of service, the plan provides a benefit of 2% of the member's average salary over a 5 year period multiplied by the number of years of pensionable service. The difference between the 1.5% and 2% formula is known as the "bridge benefit". The bridge benefit is payable from retirement age to age 60. At 60, the pension amount is then based on the 1.5% benefit formula.

The "bridge benefit" is in fact a benefit. It is not required to be repaid to the plan once a member reaches age 60. It was introduced in January 1986 as a way of providing members with additional income until they become eligible to apply for early retirement benefits from the Canada Pension Plan.

Please note that for members who retire prior to age 60, have 5 or more years of service, but do not meet the Rule of 80 requirements, an early retirement reduction will be applied to the pension benefit. Additional information regarding the early retirement reduction can be found on our website at www.mebp.mb.ca.

Group Insurance Plans

MEBP offers several types of insurance plans. The plans are as follows:

Welcome New Employers

The MEBP Board and Staff would like to welcome the following new employer to the Program:
Thompson Regional Airport Authority
Will be participating in the pension plan effective January 1, 2011

MEBP Board of Trustees – 2010 Election

Every vote counts! Please participate in the Election Process. Your ballot needs to be received at our office by 4:00 pm on November 19, 2010.

- Basic Life Insurance (includes Basic Accidental Death & Dismemberment)
- Family Life Insurance
- Voluntary Life Insurance
- Voluntary Accidental Death & Dismemberment Insurance

If you go on an approved leave of absence or are laid off, a form indicating what you would like to do with your Insurance Plans during your absence from work, must be completed. Forms are available from your employer.

You can choose to continue or discontinue your coverage. If you want to keep up your insurance coverage, you must pre-pay all contributions (member and employer share if necessary) to your employer by way of post-dated cheques or lump sum payment.

If you do not sign the form electing to continue your insurance coverage and do not make the advance payments, you will not have insurance coverage while on lay-off or leave. Your coverage will lapse and will not resume until you return to work.

Please note that if you become disabled while on leave or lay-off and you participate in the Disability Income Plan, you may be eligible to apply for disability benefits.

For more information, please contact your employer or the MEBP office.