



# news



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**Quick Facts**

Please advise the Administrator of an address change. An outdated address on your MEBP account may result in delays when providing you with important information, such as the Annual Statements.

The Annual Report to Members is available under the Publications section of the MEBP website.

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

Contact us at:

**MEBP NEWS**

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## The Year in Review

Welcome to MEBP News. In this issue of MEBP News we provide you with important information about your MEBP benefit plans.

The following is a summary of some of the activities that have kept MEBP busy in 2019:

1. Effective January 1, 2019, contributions from employers and employees for CPP increased to 5.1% of earnings. Increases will occur over a five-year period, eventually to 5.95% in 2023.
2. Effective January 1, 2020, the Board of Trustees approved a contribution rate decrease for the Group Insurance Plan, reducing to \$0.22 (from \$0.26) per \$1,000 of coverage and to \$2.10 (from \$2.50) for Family Life.
3. Late in 2019, the Manitoba Government introduced changes to Pension Legislation.
4. Financial and Pre-Retirement Seminars were organized in Brandon and Winnipeg.
5. Eligibility for maintaining disability coverage while on leave of absence will require contributions to be made effective January 1, 2020.

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## Changes to the Canada Pension Plan

As of 2019, the Canada Pension Plan (CPP) is gradually being enhanced. This means you will be receiving higher benefits in exchange for making higher contributions.

The CPP enhancement will begin to grow to replace 33% of the average work earnings you receive after 2019 (previously 25%). Furthermore, the maximum earnings limit used to determine your average work earnings will also gradually increase (by 14%) by 2025. Enhancements are also being applied to the CPP post-retirement benefit, disability benefits and survivor's pension benefits.

To fund this enhancement, a one percent increase to the CPP contribution rate is being phased in gradually from 2019 through 2023. In this regard, the following contribution rate schedule is being paid by both you and your employer.

Year	2019	2020	2021	2022	2023
New contribution rate	5.1%	5.25%	5.45%	5.7%	5.95%

Therefore, as above, please be aware that effective January 1, 2020, the contribution deduction rate for CPP for you and your employer is being reset to 5.25% of your gross earnings.

For more information on the Canada Pension Plan program, please visit:  
[Canada.ca/services/benefits/publicpensions/index.html](http://Canada.ca/services/benefits/publicpensions/index.html)

## Manitoba Pension Benefits Legislation Changes

The Manitoba Government recently introduced Bill 8, the Pension Benefits Amendment Act, with the intention of implementing the following changes to Pension Legislation:

- Pension Funding – the funding requirement for Defined Benefit Pension Plans in Manitoba will reduce to 85% (from 100%) on a solvency (wind-up) basis, however will be subject to enhanced going concern funding requirements.
- Allowing a plan to permit Members who remain employed after reaching normal retirement age to stop contributing to the Plan and occurring benefits.
- Clarifying a Member’s need to prove an entitlement to a benefit.
- Allowing a person who transfers their Pension benefits to a Locked-In Retirement Account (LIRA) or Life Income Fund (LIF) to unlock up to 100% of their Pension after reaching age 65, subject to certain exceptions to spousal consent.
- Allowing the division of Pension benefits in the event of a relationship breakdown up to 50% (previous only a 50-50 division or no division was allowed)
- Allowing the unlocking of Pension benefits in the event of financial hardship (specifics still to be outlined in the Pension Regulations).
- And others.

Once the applicable Regulations changes have been passed by the legislature and proclaimed into force, an updated summary will be communicated to MEBP Plan Members.

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### Attention Deferred Members

A deferred member is a member who is no longer an active employee, but chose to leave their pension benefit in the Plan after they were no longer employed with a participating MEBP employer.

If you are a deferred member it is important that you continue to notify MEBP of any changes to your address and marital status. This way you will not miss out on important notifications that may affect your pension benefits.

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## Focus on Benefits

In this edition of MEBP News we have provided a summary of the plan costs. Participating employers may cover none, all or a portion of the costs for the Disability Income Plan and Basic Life Insurance. Also, insurance contributions may be pro-rated if paid on a bi-weekly or semi-monthly basis.


PLAN	CONTRIBUTION FREQUENCY	REQUIRED MEMBER CONTRIBUTION
PENSION	Each pay period	8.3% of pensionable earnings up to the YMPE* and 9.5% of pensionable earnings in excess of the YMPE
(Members who's Employer's do not participate in the Disability Income Plan pay 8.4% up to YMPE and 9.6% in excess of YMPE). *YMPE is the Year's Maximum Pensionable Earnings. For 2019, the YMPE is \$53,600		
DISABILITY INCOME PLAN	Each pay period	1.7% of pensionable earnings
BASIC LIFE INSURANCE	Monthly	\$0.22 cents per \$1,000 of coverage
OPTIONAL LIFE INSURANCE	Monthly	Cost is based on your age and whether you are a smoker or non-smoker
FAMILY INSURANCE	Monthly	\$2.10
VOLUNTARY ACCIDENTAL DEATH & DISMEMBERMENT	Monthly	Cost based on plan type/coverage amount

Coverage Amount	Employee Only Plan	Employee & Family Plan
\$25,000 Minimum	\$0.75	\$1.00
\$50,000	\$1.50	\$2.00
\$75,000	\$2.25	\$3.00
\$100,000	\$3.00	\$4.00
\$125,000	\$3.75	\$5.00
\$150,000	\$4.50	\$6.00
\$175,000	\$5.25	\$7.00
\$200,000	\$6.00	\$8.00
\$225,000	\$6.75	\$9.00
\$250,000 Maximum	\$7.50	\$10.00

## MEBP Trustee and Staff News

We wish to thank Mel Klassen for his service on the Board. Mr. Klassen served as an AMM Representative from 2008 to 2019. We also wish to thank Earl McNutt for his service on the Board as an elected Employee Representative. He served on the Board from 2014 to 2019.

New to the Board is Karen MacKinnon, who was appointed by the Associated of Manitoba Municipalities to serve as an Employer Representative for the term January 2020 to December 2023. Furthermore, effective October 2019, Adam Philpott has been elected to the Board as an Employee Representative.

<h2>Disability Plan Changes</h2> <p>To ensure that all Employees eligible for disability benefits are paying appropriate contributions, employees on leave of absence or layoff commencing on or after January 1, 2020, will be required to make the applicable contributions to the Disability Income Plan to maintain eligibility. This change to the eligibility provisions of the Disability Income Plan has also been identified to all participating Employers.</p>	<h2>Board of Trustees</h2> <p><b><u>Member Representatives</u></b></p> <p><b>Brad Collett</b> Manitoba Municipal Administration Association</p> <p><b>Liz Carlyle</b> C.U.P.E. Winnipeg</p> <p><b>Tanya Addison</b> Elected Representative City of Brandon</p> <p><b>Adam Philpott</b> Elected Representative City of Brandon</p> <p><b><u>Employer Representatives</u></b></p> <p><b>Stuart Olmstead</b> Chair Association of Manitoba Municipalities Mayor, Town of Carberry</p> <p><b>Karen MacKinnon</b> Association of Manitoba Municipalities Councillor, City of Flin Flon</p> <p><b>Mervin Starzyk</b> Association of Manitoba Municipalities Reeve, RM of Yellowhead</p> <p><b>Martin Harder</b> Association of Manitoba Municipalities Mayor, City of Winkler</p>
<h2>Group Insurance Plan Contribution Rate Decrease</h2> <p>Given favourable claims experience, the Basic Life Insurance rate per \$1,000 of coverage was decreased from \$0.26 to \$0.22, effective January 1, 2020. Furthermore, the rate for Family Life coverage also decreased from \$2.50 to \$2.10. These changes in rates do not have any impact on the taxability of the benefit if contributions are paid by the employer.</p>	
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