

The Relationship Between MEBP Pensionable Contributory Service and Base Hours

The Pension Plan Text provides the formula for determining a member's Pensionable Contributory Service. A copy of the Pension Plan Text can be found in the About/Publications section of the MEBP website (www.mebp.ca) under Plan Documents. This formula is found in section 3.03 – Computation of Contributory Service. This section reads:

3.03 Computation of Contributory Service

With respect to any Member, including a Member who is or was employed as a seasonal, part-time or temporary Employee, Contributory Service shall be calculated by using the formula:

$$T = H/U$$

In this formula:		MEBP'S NOTES
T	<i>is the portion of a Numerical Year, not exceeding 1 year, of Contributory Service accumulated for each Employee who is a Member in that Numerical Year;</i>	This result is the member's total pensionable contributory service for the current plan year that will be applied to the member's account and used in the pension benefit accrual formula.
H	<i>is the number of hours, not including overtime, for which the Employee was paid in that Numerical Year; and</i>	This variable is the actual pensionable hours worked or paid for the current plan year.
U	<i>is the number of hours, not including overtime, that a full-time, permanent Employee is paid in that Numerical Year; and</i>	This variable is the BASE HOURS

Example: 1

This member is Full-time and has been paid 100% of their fulltime pensionable hours.

T – The pensionable contributory service is for this year is:	1.0000 of a full year credit
H – The member's pensionable hours paid for in the year are:	2080.00
U – The full-time base hours for the year for this member are determined to be:	2080.00
	T = H/U
	1.000 = 2080/2080

Example: 2

This member is part time at 0.5 FT, or seasonal or casual and was paid for 1040 pensionable hours (50% of fulltime)

T – The pensionable contributory service is for this year is:	0.5000 of a full year credit
H – The member's pensionable hours paid for in the year are:	1040.00
U – The full-time base hours for the year for this member are determined to be:	2080.00
	T = H/U
	0.5000 = 1040/2080

Example: 3

This member was full time and took 2 weeks off (80 hours) without pay.

T – The pensionable contributory service is for this year is:	0.9615 of a full year credit
H – The member's pensionable hours paid for in the year are:	2000.00
U – The full-time base hours for the year for this member are determined to be:	2080.00
	T = H/U
	0.9615 = 2000/2080

MEBP Pensionable Contributory Service and the Member's Pension Benefit – Why Important?

A member's MEBP pension benefit is determined using their average pensionable earnings **multiplied** by pensionable contributory service. **If the Base Hours reported are incorrect, the contributory service will be incorrect. This would result in a Member's pension benefit being incorrect.**