



DBplus & ISCU

Lifetime income when you
retire

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What if...

...you got a raise like this every year?

Year	% Increase
2019	2.72%
2020	2.25%
2021	4.98%
2022	5.43%
2023	2.48%

Or, what if...

...your salary (mostly) kept up with inflation?

Year	% Increase
2019	1.62%
2020	1.47%
2021	0.78%
2022	1.81%
2023	4.71%

What we'll be talking about

- A monthly paycheque for the rest of your life when you retire
 - Inflation protection, too
- If your spouse outlives you, they'll receive a monthly paycheque for the rest of their life
- Other benefits (the option to purchase more pension, early retirement options, and more)
- How DBplus is a “win-win” for both sides of the bargaining table

What is a defined benefit (DB) pension?



Paycheque
for life



Based on
a formula



Paid from a
pension fund

DBplus pension formula = 8.5% x total contributions***

**9.5% in 2025
**plus enhancements*

Other retirement savings plans

- Defined contribution (DC) plan – your savings + interest are what you get when you retire
 - Larger private sector companies
 - Similar to RRSPs
- Individual/group RRSPs – your savings + interest are what you get when you retire
 - Many Canadians

DBplus vs. RRSPs / defined contribution plans

DBplus

- Secure, predictable lifetime pension
- Early retirement available at age 50
- Inflation protection (an annual raise every year)
- No cost survivor benefits
- No investment decisions and not impacted by market ups and downs

RRSPs / DC Plans





Not-for-profit / “profit for members” trust

- Established in 1967 for Ontario colleges
- Open to all sectors and provinces in 2020
- Jointly sponsored by OPSEU

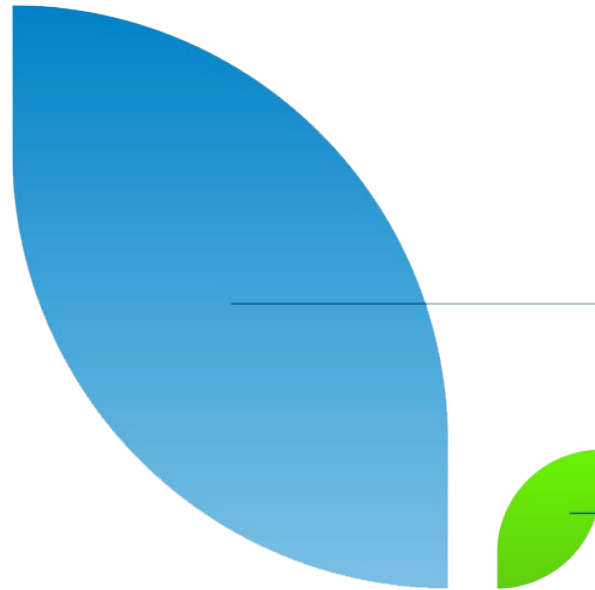
CAAT's financials

124%

FUNDED

10-YEAR ANNUALIZED
NET RATE OF RETURN

9.7%



\$18.2

BILLION NET ASSETS

\$4.7

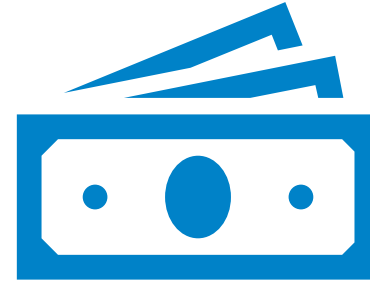
BILLION FUNDING
RESERVES

DBplus – a defined benefit pension plan

How it works



Employer and employee
make contributions year
after year



8.5% x all contributions*
= your yearly pension for life*

* Plus enhancements

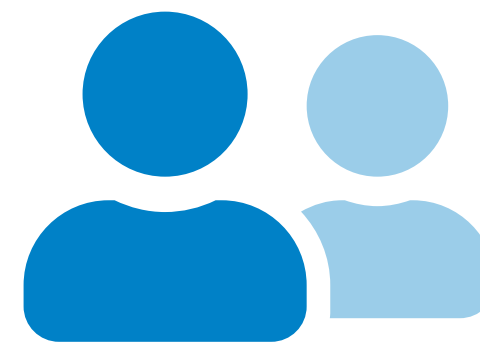
Additional DBplus features



Collect a pension as early as age 50



Yearly increases to contributions while working
Yearly increases to monthly pensions when retired*



No cost survivor benefits

*subject to Funding Policy

DBplus – protecting your pension

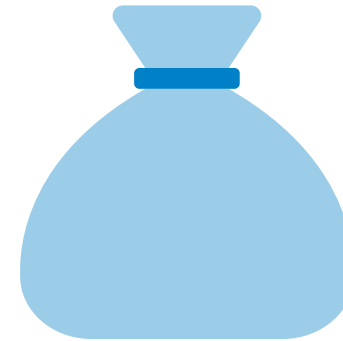
Pre-retirement – 100% AIW	
Year	% Increase
2019	2.72%
2020	2.25%
2021	4.98%
2022	5.43%
2023	2.48%

Post-retirement – 75% CPI	
Year	% Increase
2019	1.62%
2020	1.47%
2021	0.78%
2022	1.81%
2023	4.71%

Additional DBplus features



Guaranteed 60 months
of pension payments if
you pass away early



Option to purchase
more DBplus pension
using locked-in funds

Advantages of DBplus



For you

- Predictable paycheque when you stop working
- Annual increases on your contributions when working
- Annual increases on your pension when retired
- Lifetime pension for your spouse if they outlive you
- No personal investment knowledge needed

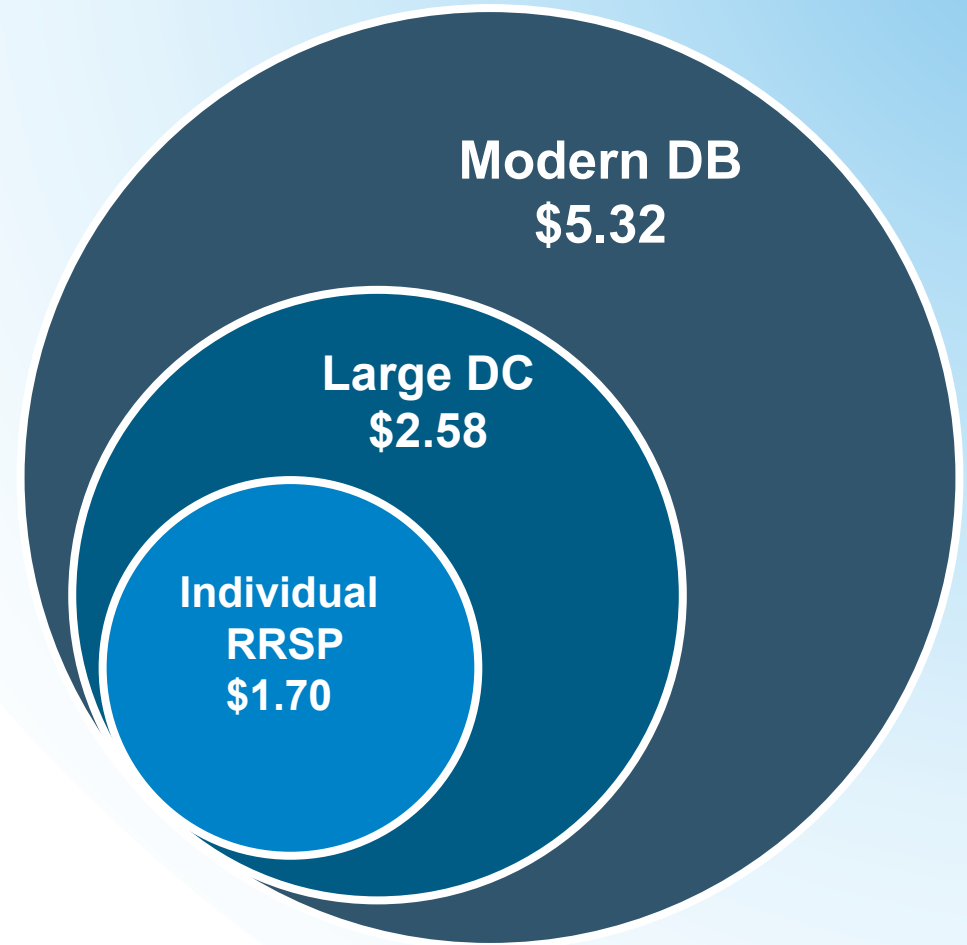


For employers

- No employer risk
- Fixed cost of an RRSP or DC
- Employee attraction and retention
- Workforce management
- More “bang for their buck”

More value per contribution dollar

The expected payout for each dollar contributed is much higher with a modern DB plan, like DBplus, compared to individual savings, RRSPs, or even a large DC plan.



Source: 2018 study *The Value of a Good Pension*, prepared by the Healthcare of Ontario Pension Plan, NIA, and Common Wealth.

Bargaining points

Bargaining team considerations

- What are employers' "competitors" offering that they can't match?
- What's in DBplus for the employer?
- What are the employer's pain points that connect to pensions?
 - Losing long-term/valued staff?
 - Lack of tools to attract quality employees?
- What sort of conversations has the employer heard about benefits?
- What do younger employees know about the impact of pensions vs. RRSPs vs. no personal retirement savings?

We're here for you before, during, and after bargaining

Bargaining

- Tabled for bargaining, with details
- When agreement is reached between union and employer:
 - Choose effective date
 - Employer submits application
 - Due diligence
 - Sign Participation Agreement
- Employees and employers supported by CAAT team
 - Onboarding for employer payroll
 - Member sessions
 - Training
- Can be done in a matter of weeks

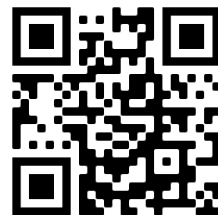
DBplus Value Tool



tinyurl.com/DBplusVT



www.caatpension.ca



Weekly after-tax impact on take home pay

Earnings	2024 Marginal Tax Rate	Weekly contribution (after tax) & reduction in take home pay								
		Contribution Rates								
		1%	2%	3%	4%	5%	6%	7%	8%	9%
\$40,000	20.05%	\$ 6.15	\$ 12.30	\$ 18.45	\$ 24.60	\$ 30.75	\$ 36.90	\$ 43.04	\$ 49.19	\$ 55.34
\$50,000	24.15%	\$ 7.43	\$ 14.87	\$ 22.30	\$ 29.73	\$ 37.16	\$ 44.60	\$ 52.03	\$ 59.46	\$ 66.89
\$60,000	29.65%	\$ 8.28	\$ 16.57	\$ 24.85	\$ 33.14	\$ 41.42	\$ 49.71	\$ 57.99	\$ 66.28	\$ 74.56
\$70,000	29.65%	\$ 9.67	\$ 19.33	\$ 29.00	\$ 38.66	\$ 48.33	\$ 57.99	\$ 67.66	\$ 77.32	\$ 86.99
\$80,000	29.65%	\$ 11.05	\$ 22.09	\$ 33.14	\$ 44.18	\$ 55.23	\$ 66.28	\$ 77.32	\$ 88.37	\$ 99.42
\$90,000	31.48%	\$ 12.43	\$ 24.85	\$ 37.28	\$ 49.71	\$ 62.13	\$ 74.56	\$ 86.99	\$ 99.42	\$ 111.84
\$100,000	33.89%	\$ 13.27	\$ 26.54	\$ 39.81	\$ 53.08	\$ 66.35	\$ 79.62	\$ 92.88	\$ 106.15	\$ 119.42