

COMMUNIQUÉ

To: University of Ottawa Pension Plan Members

Pension Indexation

December 20th, 2017 – As the month of January approaches, we would like to inform members receiving a pension or deferred pension about the rate of indexation that will apply to their pension benefits for 2018. The rate of indexation is based on the Consumer Price Index (CPI) in accordance with the formula defined in the University of Ottawa Pension Plan text. CPI is an indicator of the changes in consumer prices paid by Canadians for a certain group of goods and services.

According to the formula under the Plan, an increase is granted as follows:

- A) Equivalent to the CPI if it is below 2%, or
- B) 2% if the CPI is between 2% and 3%, or
- C) Equivalent to the CPI less 1% if the CPI is above 3%.

Any adjustment due to indexation cannot result in a decrease to the pension benefit nor can it result in an increase greater than 8%.

If specific surplus and investment gain tests are met, any amount not granted under B or C above for the current year calculation will be automatically provided.

The percentage increase in the CPI, based on the prescribed period under the Plan (12 months ending September 30, 2017), is **1.50%**. Members who were receiving a pension for the entire year in 2017 will therefore receive a **1.50%** increase in their pension benefits as of January 1, 2018. New pensioners in 2017 who received their pension benefits for only a portion of the year will receive a pro-rated percentage increase based on the number of months they received benefits. This change takes effect January 1, 2018.

We invite you to visit the [Pension Plan publications page](#) to consult the Pension Plan annual reports and Pension Plan financial statements.

If you have any questions, please don't hesitate to contact the [Pension Sector](#).

Pension Sector

