INDEXATION NOTICE

To: University of Ottawa Pension Plan Members receiving a pension or deferred pension

Annual Pension Indexation

December 21, 2020 – As 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 in 2021. The rate of indexation is based on the Consumer Price Index (CPI), an indicator of the changes in consumer prices paid by Canadians for a certain group of goods and services. According to the text of the University of Ottawa Pension Plan (UOPP), annual pension indexation increases are defined and granted according to the following formula:

A. If the percentage increase in the CPI is below 2%, the rate of indexation is equal to the percentage increase in the CPI;
B. If the percentage increase in the CPI is between 2% and 3%, the rate of indexation is 2%;
C. If the percentage increase in the CPI is greater than 3%, the rate of indexation is the percentage increase in the CPI minus 1%.

The annual pension indexation shall in no event, exceed 8% for any one year. Moreover, the annual pension indexation shall not result in the decrease of any pension benefit amount.

To calculate the annual pension indexation for a given year, the Plan uses the percentage increase in the CPI that reflects increases in consumer prices during the twelve months prior to September 30 of the previous year.

The percentage increase in the CPI for the period from October 1st, 2019 to September 30th, 2020 was 1.04%.

Therefore, members who received a pension in all months in 2020 will see a 1.04% increase in their pension benefits on January 1, 2021. New pensioners who commenced their pension during 2020 will receive a percentage increase proportional to the number of months they received benefits.

We invite you to visit the Pension Plan publications page to review the annual reports and financial statements for the Pension Plan.

If you have any questions, please feel free to contact the Pension Sector.

Pension Sector

* Please note that the term “members receiving a pension” refers to retirees, pensioners, beneficiaries and surviving spouses.