

INDEXATION NOTICE

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

Annual Pension Indexation

December 20, 2018 – 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 2019. 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 CPI is below 2%, the rate of indexation is equal to the CPI
- B) If the CPI is between 2% and 3%, the rate of indexation is 2%
- C) If the CPI is greater than 3%, the rate of indexation is the CPI minus 1%

Note that annual pension indexation cannot decrease the pension benefit or increase it by more than 8%.

To calculate the annual pension indexation for a given year, the Plan uses a CPI that reflects increases in consumer prices during the twelve months prior to September 30 of the previous year. For 2019, this CPI is **2.21%**. Therefore, members who received a pension in all months in 2018 will see a **2 %** increase in their pension benefits on January 1, 2019. New pensioners who received pension benefits for only some months in 2018 will see a percentage increase proportional** to the number of months they received benefits.

Additional Pension Increase

In October 2018, in compliance with Article 19.1 of the UOPP text, the University approved an additional pension increase that will also take effect on January 1, 2019. This increase will apply only to certain members receiving a pension or deferred pension on January 1, 2019, to compensate for increases in inflation that were not provided for in previous indexations. The additional pension increase is indicated in the table below:

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

**Proportional: Annual indexation and additional pension increases will be prorated to reflect the portion of the twelve-month period in which you received a pension.

Additional Pension Increase taking effect on January 1, 2019

Members receiving a pension or deferred pension that commenced:	Additional Pension Increase
Prior to January 1, 2003	2.3%
Between January 1, 2003 and December 31, 2003	1.0 % (prorated) +1.3%
Between January 1, 2004 and December 31, 2007	1.3%
Between January 1, 2008 and December 31, 2008	0.5% (prorated) + 0.8%
Between January 1, 2009 and December 31, 2010	0.8%
Between January 1, 2011 and December 31, 2011	0.8 % (prorated)

Hence, in January 2019, members receiving a pension will see an increase that includes the Annual Pension Indexation and, if applicable, the Additional Pension Increase.

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