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**From:** Pension Office <Pension.Office@umanitoba.ca>  
**Sent:** Friday, November 10, 2023 9:30 AM  
**To:** Active-1993-Online-Pension-Statement@lists.umanitoba.ca  
**Subject:** Introducing a change that may impact how you choose to receive your pension



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## The following is a message from Bernard Gold, Director, Pension Office

We are writing to let you know that a change is coming to The University of Manitoba Pension Plan (1993) (the Plan), which may impact how you choose to receive your pension when it's time for you to retire. Due to Canada Revenue Agency (CRA) and Income Tax Act (ITA) requirements for organizations that sponsor hybrid pension plans, Plan changes must be introduced to preserve, operate, and fund the Plan's specific hybrid design. The University has worked with its Union partners to develop the strategy needed to implement these changes.

*Note: The following notice is for your information only. You do not need to take any action.*

### What's changing

On the date you retire, if you choose to take...

A monthly pension from the Plan (or a combination of a monthly pension and a partial transfer out of the Plan)	<b>AND</b>	Your Defined Contribution (DC) account exceeds the value of your Defined Benefit (DB) entitlement
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...the following will apply:

- Any excess in your DC account will be paid to you as a locked-in amount.
- You can transfer the excess in your DC account to a locked-in retirement savings vehicle, such as a Life Income Fund (LIF), Locked-In Retirement Account (LIRA), or Prescribed Retirement Income Fund (PRIF).
- Your DB entitlement can remain in the Plan to pay your monthly pension benefit.

See [this illustration](#) for a visual snapshot of what's changing.

### What's not changing

- Your DC account and DB entitlement – and the total value of your pension benefit.
- All retirement eligibility dates and the ability to transfer the entire amount of your pension.

For more information about the Plan and how it works, go to [umanitoba.ca/pension](https://umanitoba.ca/pension).

**Why change?**

ITA and CRA's requirements for organizations that sponsor hybrid pension plans affect how pension benefits are paid from the Plan –the Plan can no longer fund the total monthly pension benefit election directly from the Plan if a member's DC account exceeds their DB entitlement at retirement. If a member's DC account exceeds their DB entitlement at retirement and they choose to receive a monthly pension benefit from the Plan, the excess in the DC account must be transferred out of the Plan. The DB entitlement can stay in the Plan and pay a monthly pension benefit.

**Have questions?**

See [our FAQs](#) or contact the Pension Office at [Pension.Office@umanitoba.ca](mailto:Pension.Office@umanitoba.ca). We're here to help!

# FAQs

## What does the change mean for me?

The change will impact you if:

- At retirement, your DC account exceeds the value of your DB pension entitlement;  
AND
- You choose to receive a monthly pension benefit from the Plan;  
THEN
- The excess of your DC account will be transferred to a locked-in retirement savings vehicle (i.e., Life Income Fund (LIF), Locked-In Retirement Account (LIRA), Prescribed Retirement Income Fund (PRIF)).

The change will **not** impact you if:

- At retirement, your DC account does **not** exceed the value of your DB pension entitlement;  
OR
- You do **not** choose to take a monthly pension benefit from the Plan;  
OR
- You leave the University before you turn 55.\*

\*The change has no impact on you because if you are a terminated Plan member you must transfer your pension benefit out of the Plan.

## Does the change impact the total value of my pension benefit?

No. The total value of the pension benefit you're entitled to receive is not changing. This is a change in the way you could potentially receive your monthly pension benefit from the Plan at retirement.

## How do I know if the value of my DC account is higher than the value of my DB pension entitlement?

This is a calculation performed by the Pension Office when you retire. It is only at that time that you will know whether the value of your DC account is higher than the value of your DB pension entitlement.

If the value of your DC account exceeds the value of the DB pension entitlement and you choose to receive a monthly pension benefit from the Plan, you must transfer the excess out of the Plan to one of the retirement savings vehicles indicated on your pension option form.

## Is there anything I need to do?

There's nothing you need to do as a result of the change. When you're eligible to retire, simply contact the Pension Office to request an estimate of the total value of your pension benefit at retirement.

## Is my retirement eligibility date changing?

No. Retirement eligibility dates are not impacted by the change. For an overview of retirement eligibility dates, see [page 6 of the 1993 Pension Plan Booklet](#).

## I have more questions. Who do I contact?

The Pension Office

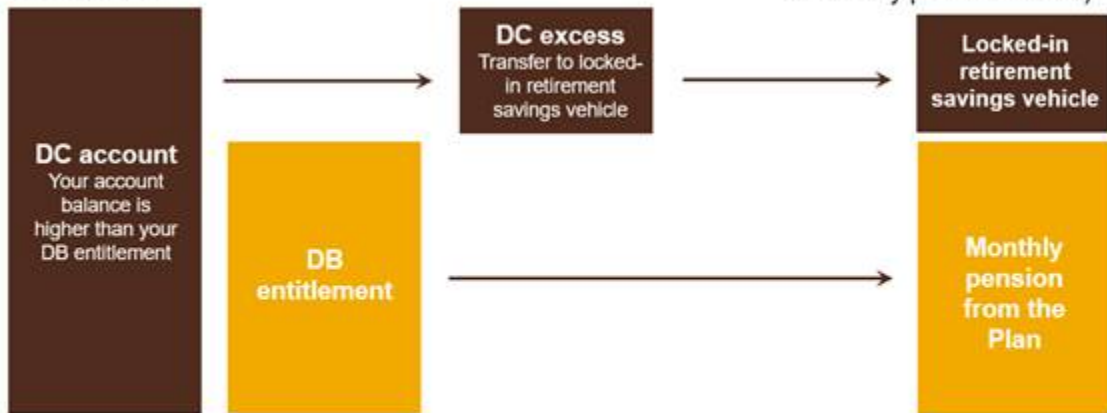
Email: [pension.office@umanitoba.ca](mailto:pension.office@umanitoba.ca)

Telephone: 204-474-6661

## Illustration of what's changing

## Pension at retirement

If your situation looks like this:



Your total pension benefit value at retirement (if you choose to receive a monthly pension benefit):

If your DC account is higher than the total value of your DB entitlement

AND

You choose to receive a monthly pension from the Plan when you retire

THEN

The excess of your DC account will transfer to a locked-in retirement savings vehicle (e.g., LIF, LIRA, PRIF)

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