

# employer

BULLETIN

**PENSION  
CORPORATION**

To Municipal Pension Plan employers  
From Pension Corporation  
February 25, 2008

## **Municipal Pension Plan disability pension changes**

The Municipal Pension Board of Trustees has made changes to the Plan's disability pension. These changes will not affect anyone who is currently receiving an MPP disability benefit, or who terminates employment before July 1, 2008.

Please ensure that your employees, including those on long-term disability (LTD) and sick leave, are aware of the changes outlined below. You may want to direct your employees to the *Member News* on this topic, available on the Plan's website.

The following changes are effective July 1, 2008:

1. The definition of "totally and permanently disabled" is changed. The new definition is:  
"Totally and permanently disabled" means, in relation to a member, to be suffering from a mental or physical condition that:
  - prevents the member from participating in any employment for which the member is reasonably suited because of education, training or experience, and
  - can reasonably be expected to last for the remainder of the member's life.

The new definition clarifies that access to a disability pension is based on a medical assessment, not on the employer's ability to offer a suitable job to a disabled employee. This means an individual may not be eligible for an MPP disability pension if a medical assessment shows the individual is employable elsewhere.

2. The method for calculating a disability pension is changed to ensure fairness for full and part-time members. Under the new method, the monthly amount of the disability pension is calculated using the member's accrued pensionable service, plus 50 per cent of the service the member would have accrued between the pension effective date and pensionable age, had they remained in service and continued to receive the same service and salary they earned immediately before their disability.

Before applying for an MPP disability pension, employees must apply for employer group disability benefits (LTD) if they are available. Please make sure your employees know if you offer LTD benefits, and if your LTD plan is approved. Your employees should understand that while they are receiving LTD benefits from an approved plan, the value of their pension continues to increase even though they don't make contributions to the Plan.

Plan members who accepted a lump-sum payment to settle an LTD claim are not eligible for a disability pension through the Plan.

We will update the *Employer Instruction Manual* to reflect these changes. Please contact the Plan if you have questions about disability pensions.

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