



# Public Service Pension Plan: what you should know

Public Service Pension Plan is a vehicle that helps public service workers across British Columbia save and prepare for their retirement. Read on to learn more about the plan, including some interesting facts that might surprise you.

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## Sustainability

Public Service Pension Plan is pre-funded. This means the plan members of each generation pay in advance for their own basic lifetime pension benefit.

### How is the plan sustainable?

A formal review, called an actuarial valuation, is performed on the plan at least once every three years to assess how much money the plan has available to pay benefits now and in the future. If there is a shortfall, contribution rates from members and employers increase to close the gap.

### Did you know?

The agencies that establish credit ratings for governments recognize the value of BC's strong public sector pension plans. They cite this strength as a factor supporting the province's triple-A credit rating.

## Cost-effectiveness

The plan's large scale and professional management enable it to operate efficiently.

### How is the plan cost-effective?

The total cost of the plan's investment management and pension administration is about one-half of one per cent of assets—significantly less than the fees that individual investors commonly pay.

### Did you know?

By participating in the plan, employers provide a valuable pension benefit at lower cost, with less risk exposure, less administrative burden and less distraction from their core mission than if they were to provide their own single-employer pension plans. This benefit becomes a cost-effective component of the total compensation package they provide to employees.

## Fairness

Both employers and employees can realize the outstanding benefits of participating in the plan.

*Visit the website at  
[pspp.pensionsbc.ca](http://pspp.pensionsbc.ca)  
to learn more  
about the plan*

### How is the plan fair?

Both employers and employees contribute to the plan; the cost of the basic pension is shared equally between them. These contributions are invested over a very long time. About 75 per cent of benefit payments comes from investment returns, and about 25 per cent comes from employee and employer contributions.

### Did you know?

The plan also considers fairness among active, inactive and retired members. The Public Service Pension Board of Trustees makes decisions with all members in mind.

## Good value

The plan provides good value to employees and employers.

### How does the plan provide good value?

Plan members can meet their retirement income needs much more effectively with the plan than they could on their own. Members benefit from matching employer contributions, the pooling of risks across a large group, and access to large-scale, efficient professional investment and administration services.

### Did you know?

With a proven track record of good governance and a focus on prudent, responsible management, the plan is the ideal choice for employers that want to attract and retain great employees.



## Public Service Pension Plan

### Contact us:

Toll-free in Canada and U.S.:  
1 800 665-3554

**Public Service Pension Plan**  
PO Box 9460  
Victoria, BC V8W 9V8

[PSPP@pensionsbc.ca](mailto:PSPP@pensionsbc.ca)

[pspp.pensionsbc.ca](http://pspp.pensionsbc.ca)