



**DBplus**

## Your DBplus Information Package

## Discover DBplus

### Your defined benefit pension from CAAT Pension Plan

DBplus, a defined benefit pension plan design, provides a lifetime pension that will save you from worrying about complex investments, market downturns, or outliving your savings.

## About your Pension Provider

The CAAT goal is simple: provide Canadian workers with access to secure, sustainable pensions. As one of the fastest-growing pension plans in Canada, CAAT is respected for its pension and investment management expertise and focus on stability and benefit security.

For more than 50 years, CAAT has been delivering secure DB pensions to members. CAAT is a “profit-for-members” trust, investing funds and managing pensions for the benefit of Plan members. It is a jointly sponsored pension plan (JSPP), meaning members and employers have an equal say in Plan decisions about benefits, contributions, and funding, and share the responsibility of Plan decisions. This joint governance structure is recognized as a model for success in keeping defined benefit pension plans sustainable.

## Joining your pension plan

In 2024, you will become a member of the CAAT Pension Plan under DBplus and will automatically begin contributing to the Plan once your organization is onboarded. The exact date you will join the Pension Plan will be decided by your employer in conjunction with CAAT and the Province of Nova Scotia.

## Eligibility Requirements

Mandatory eligibility for Nova Scotia’s Early Learning and Child Care (ELCC) Sector:

- Early Childhood Educators and support staff employed by a licensed and provincially-funded child care centre or family home child care agency.
  - Employees must be hired on either a permanent basis or a temporary basis for 12 months or more.
  - Employees must work at least 14 hours per week per their employment contract (40% of a regular work week).
  - The entirety of the individual’s employment (all hours as part of the employment contract) must be dedicated to the delivery of child care at that organization (in or out of ratio). This includes Directors/Assistant directors, ECEs, untrained staff, cooks, inclusion supports, and administrators.
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## **Benefits for Nova Scotia's ELCC Sector**

CAAT's plan can provide twice as much income in retirement compared to group RRSPs or defined contribution plans.

### **A pension for your whole life**

As a member, you'll receive secure, predictable pension payments for life; the security of the pension plan does not rely on the financial health of one single employer. Your pension won't run out.

### **Your pension grows while you work**

You and your employer make contributions while you work, and your pension grows each year as a result. Plus, you get conditional annual Average Industrial Wage (AIW) enhancements that reflect general wage increases and growth of wages over time.

### **Increase your pension with a DBplus purchase**

If applicable, you may be able to purchase additional lifetime pension by transferring funds from another registered pension plan to DBplus.

### **Get a raise – in retirement!**

When you retire, DBplus provides annual conditional inflation protection enhancements to help protect the purchasing power of your pension.

### **A lifetime pension for your eligible surviving spouse**

CAAT pays a lifetime pension to your eligible surviving spouse, even if you marry after you retire. In case of death before retirement, there are more options.

### **Access to My Pension, the member portal**

When you become a member, you can effectively access and manage your personal pension information with the member portal, My Pension. It's secure and easy to use.

### **Immediate tax savings when you contribute to DBplus**

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Your pension contributions are deducted from your gross income, which reduces your taxable income – the amount on which your taxes are deducted.

## What to expect when you join DBplus

When you join the CAAT Pension Plan, you will start contributing 5% of your eligible earnings to DBplus. Your employer will also contribute 5%, for a total of 10%.

Your Contribution	Your Employer's Contribution	Total Contribution
5%	5%	10%

You will also receive a one-time retroactive contribution of 5% of your earnings between January 1, 2024 and the date your pension starts. This is to ensure all employees begin receiving their employer contribution on the same date, regardless of the transition date they are assigned.

## How your pension is calculated

Your DBplus pension is calculated using a formula, so you know what your annual pension will be when you retire. The pension formula uses your total contributions and your employer's contributions on your behalf and multiplies them by a pension factor to get your guaranteed base pension. Each year your pension grows with an increase based on the Average Industrial Wage index, which represents the growth in wages over time.

## Your pension is about to grow even faster

Your DBplus pension formula includes an annual pension factor used to calculate your pension. For the pension you earn after January 1, 2025, the annual pension factor will be 9.5% of member and employer contributions (an increase from the current rate of 8.5%). **This means your pension will grow over 10% faster, while your contributions stay the same.**

## Learn how your pension grows

CAAT's DBplus Value tool can help you model what your pension may look like at the retirement date or age of your choice. When you become a member, you'll have access to CAAT's member portal, My Pension, with a customized pension estimator to help you plan.

[Estimate your pension](#)

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## Pension Amount Examples

The following illustrates the estimated annual retirement income including the DBplus pension, Canada Pension Plan (CPP) and Old Age Security (OAS):

Sample member	Age	Earnings (annual)	DBplus pension at age 65 (annual)	CPP payment at age 65 (annual)	OAS payment at age 65 (annual)	Total payment at age 65 (annual)	Total payment at age 65 (bi-weekly) <sup>1</sup>	Total lifetime payouts
Member A	35	\$59,862	\$42,000	\$44,000	\$21,000	\$107,000	\$4,100	\$3,535,000
Member B	35	\$50,000	\$35,000	\$37,000	\$21,000	\$93,000	\$3,600	\$3,074,000
Member C	35	\$40,000	\$28,000	\$30,000	\$21,000	\$79,000	\$3,000	\$2,611,000

<sup>1</sup> Pensions paid monthly, but bi-weekly amounts shown for illustrative purposes.

CPP and OAS amounts subject to change

## Where can I get more information?

Watch these short videos to learn the value of DBplus

- [Introduction to DBplus](#)
- [How does DBplus work?](#)

Visit the CAAT website

Visit [www.caatpension.ca](http://www.caatpension.ca) for more information about CAAT and DBplus.

Check out the [Members](#) section for more resources, including:

- [Member Handbook](#)
- [Pension Purchase Booklet](#)

## Education sessions

Closer to when you become a member, CAAT will hold multiple online education sessions to help you learn more about DBplus. CAAT's pension experts will explain how DBplus works and what you'll get as a member.

These sessions will be held about 1 month before you start contributing to the pension plan and the times will be communicated directly to you by CAAT and your employer.

## When will I join the CAAT pension plan

- Throughout January 2024, the Province will be collecting information from provincially licensed and funded centres and family home child care agencies. Using this information, the Province, CAAT and group benefits administrator HANS will make a determination about when each organization will join plans. Options are May 1, July 1, October 1, and December 1. All will be onboard by December 31, 2024. Information about the date will be communicated to employees by their employer.
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