

## **Musicians' Pension Fund of Canada**

One of the most valuable benefits available to professional musicians is the ability to participate in the **Musicians' Pension Fund of Canada**.

The Fund is completely independent of the AFM or their Locals. The Fund is governed by a board of trustees representing both Employer and Employee interests. With the assistance of their professional advisors and in compliance with government regulations, the trustees make all major plan decisions. The contributions are paid by your Employers. Musicians are not allowed to make their own contributions. Contributions are paid on the basis of Collective Bargaining agreements, or pursuant to Local tariffs. Contributions are always based on scale for the work. If there is no agreement or provision in your tariff of fees for the type of work you do, you have the ability to negotiate pension. Certain conditions apply. At no time can the pension contribution rate be more than 18% of the scale fee for the engagement.

The Fund's investments are handled by investment managers who are carefully selected and monitored by the trustees with the assistance of professional advisors. The Fund's assets are presently at just under \$800M. The Plan provides Normal, Early, Deferred, Special Retirement, Disability and Survivor benefits. The Plan provides a Defined Benefit. This means that you know now what your retirement benefit will be based on the amount of contributions received on your behalf.

Here is a pension example which will clearly illustrate the importance of participation in the "musicians' pension fund". Let's say scale for a casual (one night) club date is \$90 plus a 10% (\$9) pension contribution. The scale, plus pension is less than \$100. If you did 100 of those \$90 dates per year, for 25 years, you are going to end up with \$22,500 in your account. Add in a few other pensionable engagements throughout your working career and you can easily wind up with \$25,000 in pension contributions.

At age 65 the Musicians' Pension Fund of Canada would pay you \$407 per month as a life only benefit. If you should live for twenty years, the \$25,000 in contributions that you had accumulated would have generated \$97,680 in benefits for you. It is hard to fathom, but it's true.

The above example is based on all work being done after January 1, 2013. If you have done work prior to that date it is a much more complex calculation as the Fund has different rates for different time periods. We urge that members go to the Fund's website [www.mpfcanada.ca](http://www.mpfcanada.ca) for detailed examples. Members can also sign in to their own record and do benefit estimates based on their own details.

If you are a busy musician during your career and do a lot of recording and CBC and personal concert and tour dates, there is nothing to say that you couldn't end up with \$50K, \$75K or \$100K in your pension account.

If you are vested and die before you retire, your spouse is entitled to a pre-retirement spouse's benefit. Your spouse will have a choice on the form of the benefit. This will depend on the provincial legislation you were affected by. In Alberta, your spouse would have a choice of an immediate monthly pension for their lifetime, with a 120 month guarantee or they could transfer the commuted value of your accrued benefit, in accordance with the Portability Option as provided in the Plan.

If you die after you retire, and you were receiving a Joint & Survivor pension, your spouse will receive a survivor benefit.

For explanations and examples of the Fund's other benefits visit their website at [www.mpfcanada.ca](http://www.mpfcanada.ca) or contact the Fund office for details. You can write to the Fund at 605-200 Yorkland Blvd., Toronto, ON M2J 5C1 or email at [info@mpfcanada.ca](mailto:info@mpfcanada.ca)

**Disclaimer** In the event of any differences in interpretation between this article and the official Rules and Regulations of the Plan, the official Rules and Regulations of the Plan will apply.