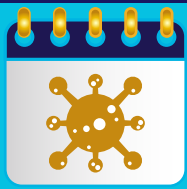


# things you need to know...



Musicians' Pension Fund of Canada



## Trustees Amend Plan to Help During COVID-19

In 2020, the COVID-19 pandemic brought live, in-person music to a near standstill. That made it difficult for potential Plan members to become Plan members, because the lack of work caused service-recognition interruptions related to plan-member eligibility.

Recognizing the challenging work situation that exists for potential Plan members during the pandemic, the Trustees approved a Plan amendment to help. The amendment ignores any gaps in service with no

contributions from April 1, 2020, through December 31, 2021, when determining membership eligibility.

The amendment helps those who may have been close to becoming members at the time the pandemic started and would have had their pre-pandemic credits cancelled by a six-month-or-more pandemic-enforced break in contributions. Between April 1, 2020, and December 31, 2021, potential plan members continue to accumulate the consecutive 24 months of vesting service needed for Plan membership, even if contributions to the Plan are not made on their behalf (see the examples below).

### Examples of how the amendment helps

**Example #1:** Henry is a violinist just starting out in his career. On April 1, 2020, he had 17 consecutive months of contributions when the pandemic began. Henry has been unable to perform live music since then. So, no additional pension contributions have been made to the Plan on his behalf.

Without the Plan amendment, Henry would have had a six-month break in contributions in October 2020, and, under the normal Plan rules, his contributions would have been cancelled. When Henry returns to work, he would have started from zero in accumulating the required 24 months of contributions to attain Plan membership.

However, because the Plan now ignores contribution breaks from April 1, 2020, through December 31, 2021, Henry's 17 months were not subject to cancellation, and he will have attained his 24 months toward membership on November 1, 2020; he also became vested in his benefit as of November 1, 2020.

**Example #2:** Joan is a musician who is also starting out in her career. However, unlike Henry, she had her first pension contribution made to the Plan on her behalf in July of 2020.

With the Plan amendment, Joan (like Henry) can continue to accumulate time toward the required 24 months of vesting service to attain Plan membership, because the Plan ignores contribution breaks from April 1, 2020, through December 31, 2021.

However, if by June 2022, Joan has not had any additional contributions made on her behalf, she will not accumulate the required 24 months of vesting service needed to attain Plan membership. On July 1, 2022, she will start from zero in accumulating the required 24 months of contributions.

**Example #1:**  
Contribution Gap From April 1, 2020 to December 31, 2021, Is Counted for Purposes of Determining Plan Membership



**Example #2:**  
Contribution Gap From April 1, 2020 to December 31, 2021, Is Counted for Purposes of Determining Plan Membership



### There are several ways to become a Plan member

You can become a Plan member on the first day of the year following the year in which you have:

- 700 hours of employment with a participating employer, or
- Covered earnings that are at least 35% of the year's maximum pensionable earnings.

However, most participants become Plan members if they have 24 months of vesting service without having a six-month service break during which employer contributions are not made on their behalf.

### It is possible to be a vested Plan member and have a zero benefit.

You must have at least \$100 of contributions in your account for a benefit to start accruing. However, once a participant has vested and has attained Plan membership, contributions will remain in the account and will not cancel.

Also, any future contributions will continue to accumulate and will not cancel.

If you have questions about the Plan amendment, please contact the Fund office at [info@mpfcana.ca](mailto:info@mpfcana.ca) or 416-497-4702.