

things you need to know...



Musicians' Pension Fund
of Canada



what is “vesting”?

Vesting in the Pension Plan means you have a right to a pension benefit at retirement, even if you never work in the music industry again.

How do I vest?

There are three ways to vest, depending on when you become a Plan Member.

- 1. If you become a Plan Member after December 31, 2000.** You vest when you become a Plan Member because the requirements for membership and vesting are the same: 24 months of vesting service. Vesting service means time as a Plan Member during which you do not have a six-month lapse in contributions. Alternatively, you become a Plan Member the first day of the calendar year in which you have either:
 - 700 hours of **covered employment** OR
 - Covered earnings equal to or greater than 35% of the **Year's Maximum Pensionable Earnings (YMPE)**.
- 2. If you were already a Plan Member on December 31, 2000 and had contributions made on your behalf after December 31, 2000, but before your membership terminated.**
- 3. If you became a Plan Member before January 1, 2001 and do not have any contributions made on your behalf after December 31, 2000, then you become vested on the earlier date when:**
 - You earn 24 months of vesting service OR
 - You reach age 65 while you are a Plan Member.

What happens to the contributions made on my behalf if I never vest? If you never vest:

- No benefits are payable from the Pension Fund. Any contributions made on your behalf will be cancelled.
- Cancelled contributions will not be returned to the employer or to members.
- You can find additional information on vesting and cancelled contributions in the [Summary Plan Description](#).
- Cancelled contributions stay in the Fund to benefit all members.
- Even if you vest later, cancelled contributions will not be returned to your account or included in your benefit calculation.

DEFINITIONS

Covered Employment

is when you work for an employer who is required to contribute to the Plan based on a Contribution Agreement between the AFM/CFM and your employer or under a local engagement contract.

Year's Maximum Pensionable Earnings (YMPE) is the maximum level of annual earnings on which all employees contribute to the Canada/Quebec Pension Plan (C/QPP). It is used to calculate the maximum C/QPP pension.

