
THE UNIVERSITY OF BRITISH COLUMBIA



Human Resources
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Date: April 24, 2007

To: Faculty and Executives Enrolled in the Income Replacement Plan (IRP)

From: Michelle Berner, Director, Human Resources (Total Compensation)

Re: Changes to IRP Premium Rate, Effective May 1, 2007

The Income Replacement Plan (IRP) is an employee-funded long-term disability plan that provides you with a monthly income if you become disabled, and have been unable to work for a period of twenty-six weeks as a result of the disability (the qualifying period).

Plan assets come from employee premiums and investment income. Plan liabilities are the cost of providing monthly income to claimants, now and in the future. Each year the IRP plan assets and liabilities are analyzed by an actuary from a benefits consulting firm. From this analysis, called a valuation, a recommendation is made about the magnitude of any required premium adjustment in order to sustain current and future liabilities.

The most recent valuation indicated that an increase in the premium rate from 0.8% to 0.9% of base salary is required. For example, the new monthly deduction for a faculty member with a monthly salary of \$8,500 will now be \$76.50 (it was formerly \$68.00).

This premium increase will appear on your May 15th, 2007 pay statement.

The premium rate will continue to be reviewed on an annual basis, and may be adjusted upward or downward, depending on the valuation results.

Questions may be directed to Natasha Malloff at natasha.malloff@ubc.ca or Michelle Berner at michelle.berner@ubc.ca.

Thank you.