

Pension Plans

DBPP-Defined Benefits Pension Plans: In this type of pension, the amount of the pension benefit is determined by the rules of the plan and the pensioner's years of service in the plan. The benefit is paid for the life of the pensioner and has provisions for the pension to continue to the surviving spouse. This type of plan is prevalent with larger union companies and public service workers.

DCPP-Defined Contribution Pension Plans: The amount that is contributed into the plan is a factor of a percentage of your income. But the potential income is not known. It is based on the results of both the contribution amounts and the investment earnings. There is no guarantee regarding how long the payments will continue nor is there a spousal provision for continued benefits. The surviving spouse or beneficiary will simply receive the remaining balance.