

**Appendix C Plan Text – Execution Version**

**PENSION PLAN FOR THE EMPLOYEES  
OF THE UNIVERSITY OF PRINCE EDWARD ISLAND  
PLAN RULES**

Consolidated and Restated Effective January 1, 2017

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### SECTION 1 – Definitions

- 1.1 **"Actuarial Equivalent"** means having an equal value as determined by the Actuary.
- 1.2 **"Actuary"** means a Fellow of the Canadian Institute of Actuaries appointed by the Trustees to render actuarial services under the Plan.
- 1.3 **"Administrator"** means the Board of Trustees.
- 1.4 **"Additional Voluntary Contributions"** has the meaning ascribed to that term in Section 4.9.
- 1.5 **"Beneficiary"** means the person for the time being designated as such in accordance with the provisions of the Plan.
- 1.6 **"Best Average Salary"** means the average of the best three years of Earnings paid to the Employee by the Employer.
- 1.7 **"Board of Trustees"** or **"Trustees"** is the board of trustees established by the Trust Agreement.
- 1.8 **"Compensation"** has the same meaning as assigned in subsection 147.1 of the *Income Tax Act*.
- 1.9 **"Common-law partner"** means another individual who has cohabited with the Member in a conjugal relationship for at least one year, neither being married to each other or to any other person.
- 1.10 **"Commuted Value"** of any benefit referred to in these Plan Rules means a single amount equal to the Actuarial Equivalent of the benefit to which the member would otherwise be entitled. Such Commuted Value shall not differentiate on the basis of the sex of the member.
- 1.11 **"Continuous Service"** has the meaning ascribed to that term in Section 2.3.
- 1.12 **"Dependant"** at the time of the Member's death means a parent, grandparent, brother, sister, child or grandchild of the Member who is dependent on the Member for support and is:
- (a) under 19 years of age and will not attain 19 years of age in the calendar year of the Member's death,
  - (b) in full-time attendance at an educational institution, or
  - (c) dependent on the Member by reason of physical or mental infirmity.
- 1.13 **"Disabled"** means, in relation to a Member, suffering from a physical or mental impairment that prevents the individual from performing the duties of the employment in which the Member was engaged before the commencement of the impairment.
- 1.14 **"Earnings"** means a Member's annual base salary, or the total annual earnings if less, as determined by the Administrator, on which the Member makes contributions to the Plan, and excludes other compensation such as bonuses, incentive compensation, compensation for overtime and other fluctuating emoluments as determined from time to time by the Administrator. "Earnings" for the purpose of determining benefits in respect of any period during which a Member is employed on a less than full-time basis shall mean the "Earnings" as described above which would have been paid to the Member during the period had the Member been employed on a full-time basis. Earnings for the purpose of determining benefits and contributions shall be inclusive of Prescribed Compensation.
- 1.15 **"Effective Date"** means the effective date of the Plan, January 1, 2017.

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- 1.16 **"Eligible Survivor Period"** means the period commencing on the Member's date of death and ending on the latest of such of the following days as are applicable:
- (a) where the Dependant is under 19 years of age throughout the calendar year that includes the date of death of the Member, the earlier of
    - (i) December 31 of the calendar year in which the Dependant attains age 18, and
    - (ii) the day of death of the Dependant,
  - (b) where the Dependant is in full-time attendance at an educational institution on the later of the day of death of the Member and December 31 of the calendar year in which the Dependant attains age 18, the day on which the Dependant ceases to be in full-time attendance at an educational institution, and
  - (c) where the Dependant is dependent on the Member by reason of physical or mental infirmity, the day on which the Dependant ceases to be infirm, or, if there is no such day, the day of death of the Dependant.
- 1.17 **"Employee"** means a person employed on a full-time or part-time basis with the Employer, excluding any person who is "connected" with the Employer as per the meaning assigned under Income Tax Regulation 8500, working a minimum of 13.5 hours per week, whose position has been designated as regular within the Employer.
- 1.18 **"Employer"** has the meaning ascribed to that term in the Sponsors Agreement.
- 1.19 **"Employer Required Contributions"** has the meaning ascribed to that term in Section 4.7.
- 1.20 **"Former Member"** means a person who was formerly a Member of the Plan and who, not being a Pensioner, is no longer an Employee in accordance with Section 9 (Termination of Employment).
- 1.21 **"Fund"** has the meaning ascribed to that term in the Trust Agreement.
- 1.22 **"Funding Agreement"** means the Funding Agreement which is attached as Appendix "A" to the Sponsors Agreement as amended from time to time.
- 1.23 **"Fund Manager"** means such trust company, insurance company or investment counsellor as the Administrator may from time to time appoint for the purpose of the management and investment of the Fund.
- 1.24 **"Integration Ratio"** is the minimum of:
- (a) 1, and
  - (b) the fraction equal to the aggregate of the Member Required Contributions between January 1, 1990 and June 30, 2010, divided by the aggregate of 6% of the Earnings between January 1, 1990 and June 30, 2010 upon which the Member has made Member Required Contributions.
- 1.25 **"Interest"** with respect to Required Contributions shall be determined from year to year by the Administrator and, with effect from January 1, 2013 and each January 1 thereafter, shall be equal to the average yield of 5-year personal fixed term chartered bank deposit rates (CANSIM series V 122515) over the past year.
- Interest with respect to Additional Voluntary Contributions shall be the calculated net rate earned by the Fund.

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- 1.26 **"Maximum Pension"** means,
- (a) In respect of retirements occurring before July 1, 1996, the provisions of the Plan in effect at the time of retirement.
  - (b) In respect of retirements occurring on or after July 1, 1996:
    - (i) In respect of the annual amount of lifetime retirement benefits payable to the Member for the calendar year in which the lifetime retirement benefits commence to be paid, an amount equal to the product of the number of years of Pensionable Service of an Employee and the lesser of:
      - (A) the greater of (a) \$1,722, and (b) 1/9 of the Money Purchase Limit as assigned by subsection 147.1(1) of the *Income Tax Act*, and
      - (B) 2% of the average of the Member's highest Compensation for three years.
    - (ii) in respect of the amount of the annual amount of benefits payable to the Member for a particular calendar year after the year in which the lifetime retirement benefits commence to be paid, an amount equal to the product of:
      - (A) the amount determined under subparagraph (b)(i) above, and
      - (B) the greatest of all amounts each of which is the ratio of:
        - (1) the average Consumer Price Index for a calendar year not earlier than the calendar year in which the lifetime retirement benefits commence to be paid and not later than the particular year
        - to
        - (2) the average Consumer Price Index for the calendar year in which the lifetime retirement benefits commence to be paid.
- 1.27 **"Member"** means an Employee who is enrolled in the Plan and whose membership has not been terminated.
- 1.28 **"Member Required Contributions"** has the meaning ascribed to that term in Section 4.1.
- 1.29 **"Normal Retirement Date"** has the meaning ascribed to that term in Section 5.2.
- 1.30 **"Part-time Fraction"** means, in respect of a period during which a Member is employed on a less than full-time basis, an amount determined by dividing the Member's actual Earnings in the period by the corresponding Earnings that would be paid to a Member employed on a full-time basis in otherwise exactly the same employment category as the Member.
- 1.31 **"Pension Adjustment"** of a Member for a calendar year means the total of the Member's Pension Credits in respect of this Plan.
- 1.32 **"Pension Credit"** of a Member means the measure of benefits accruing to the Member in a calendar year as determined in accordance with Part LXXXIII of the Income Tax Regulations.
- 1.33 **"Pensionable Service"** has the meaning ascribed to that term in Section 2.2.
- 1.34 **"Pensioner"** mean a person for whom a pension under this Plan has commenced.
- 1.35 **"Plan"** means the Pension Plan for the Employees of the University of Prince Edward Island as set out on these and the following pages and as amended from time to time.

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- 1.36 **"Prescribed Compensation"** means an amount calculated in accordance with Income Tax Regulation 8507(2) in respect of an Eligible Period of Temporary Absence of Absence which is also a qualifying period in accordance with Income Tax Regulation 8507(3) or a period during which the Member is Disabled. The total of the periods of reduced pay and Temporary Leaves of Absence for which compensation can be prescribed in respect of a Member is limited to the equivalent of five years of remuneration plus, the equivalent of an additional three years of remuneration for periods of parental leave occurring within the twelve months immediately following the birth or adoption of a child.
- 1.37 **"Required Contributions"** means Member Required Contributions and Employer Required Contributions.
- 1.38 **"Retirees Sub-fund"** has the meaning ascribed to that term in Section 12.1.
- 1.39 **"Service"** has the meaning ascribed to that term in Section 2.1.
- 1.40 **"Sponsors Agreement"** means the agreement, including all appendices, executed between the Employer and the Unions dated November 24, 2017 as amended from time to time.
- 1.41 **"Spouse"** means
- (a) either of a man and woman who
    - (i) are married to each other,
    - (ii) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
    - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement, or
  - (b) is a Common-law partner as defined in Section 1.9.
- 1.42 **"Survivor's Pension"** is a pension payable to the deceased Member's Spouse as long as the Spouse survives.
- 1.43 **"Temporary Leave of Absence"** of a Member with respect to the Employer, means a period after 1991 throughout which the Member does not render services to the Employer by reason of an approved leave of absence or temporary layoff other than a period during which the Member is Disabled.
- 1.44 **"Transferred Contributions"** has the meaning ascribed to that term in Section 4.4.
- 1.45 **"Trust Agreement"** means the agreement and declaration of trust dated November 24, 2017 and which forms Appendix "B" to the Sponsors Agreement.
- 1.46 **"Unions"** means the University of Prince Edward Island Faculty Association, Bargaining Unit #1, University of Prince Edward Island Faculty Association, Bargaining Unit #2, The Canadian Union of Public Employees, Local 1870, The Canadian Union of Public Employees, Local 501, and The International Brotherhood of Electrical Workers, Local 1928.
- 1.47 **"YBE"** means the Year's Basic Exemption as defined in the Canada Pension Plan.
- 1.48 **"YMPE"** means the Year's Maximum Pensionable Earnings as defined in the Canada Pension Plan.

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- 1.49 Words importing the masculine include the feminine and words importing the singular include the plural, or vice versa, as the context requires.
- 1.50 Capitalized terms not defined herein have the meaning ascribed to them in the Sponsors Agreement or its appendices.
- 1.51 In the event any term of the Plan herein conflicts with a term of the Sponsors Agreement or its appendices, the provisions of the Sponsors Agreement and its appendices prevail to the extent of the conflict.

### SECTION 2 – **Service**

2.1 "**Service**" means employment in Canada on a regular full time basis with an Employer including continuous employment, if any, with the Prince of Wales College providing such employment immediately preceded employment with an Employer. It includes periods during which an Employee is on sick leave or is disabled and in receipt of long term disability benefits under a plan sponsored by the Employer and any period during which an Employee is on leave of absence approved by the Employer.

2.2 "**Pensionable Service**" means

- (a) the number of years, with proportional allowance for fractional years, during which the Member contributed in accordance with Section 4.1 hereof;

plus

- (b) the number of years, if any, with proportional allowance for fractional years, in respect of a Member's Transferred Contributions or past service contributions in accordance with Sections 4.4 or 4.14. In respect of a former member of the St. Dunstan's University Pension Plan such number of years shall be the actual number of years he contributed to that Plan. In respect of any other person such number of years shall be calculated on an Actuarial Equivalent basis, provided that the amount so credited in respect of post 1991 periods shall be limited to periods in respect of which:

- (i) benefits attributable to employment of the Member with a former employer accrued to the Member under a defined benefit provision of another registered pension plan ("**RPP**") and the Member has ceased to be a member of that other plan,
- (ii) contributions were made by or on behalf of the member under a money purchase provision of another RPP and the Member has ceased to be a member of that other plan, or
- (iii) was a period of employment in Canada with a former employer which was also an eligibility period for an RPP of the former employer;

plus

- (c) a period in respect of a defined benefit provision of an RPP of a former employer of the Member for which funds have been transferred under the terms of a reciprocal agreement in accordance with Section 10 of this Plan;

plus

- (d) a period of a Temporary Leave of Absence, provided that contributions have been made by the Member in accordance with Section 4.12 of this Plan;

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plus

- (e) a period during which the Member is Disabled and contributions have been made to the Plan in accordance with Section 7 of the Plan;

plus

- (f) the period between the Member's date of hire and date of entry to the pension plan, including any periods of employment with the Prince of Wales College or St. Dunstan's University. For each year of service to be purchased, the amount of contributions required shall be determined on an Actuarial Equivalent basis. The contributions shall be made in accordance with Section 4.3 or 4.12 of the Plan;

plus

- (g) a period of temporary leave of absence where the Member did not contribute in accordance with Section 4.12. The contributions shall be made in accordance with Section 4.4 or 4.14 of the Plan;

plus

- (h) a period during which a Member was credited with Pensionable Service with the Employer, after which the Employee terminated from the Plan, and received their entitlement under Section 9. For each year of service to be purchased, the amount of contributions required shall be determined on an Actuarial Equivalent basis. The contributions shall be made in accordance with Section 4.4 or 4.14 of the Plan.

For such purchases in respect of service prior to January 1, 1992, the required amount must be transferred from the Member's registered retirement savings plan (RRSP). To the extent that RRSP funds are not sufficient to pay the full required amount of the prior Pensionable Service, the Member may make an additional contribution to fund the difference. If the Member chooses not to make the additional payment Pensionable Service shall be granted in the proportion that the contribution made is to the total required cost.

Notwithstanding (a) above, in respect of a period during which a Member was employed on a less than full-time basis and made contributions in accordance with Section 4.1, Pensionable Service shall mean the equivalent years or parts thereof of credit which are the fractions of each year or part thereof during such periods of less than full-time employment; such fraction being determined by dividing the Member's actual Earnings during the period of less than full-time employment by the corresponding Earnings that would be paid to an Employee employed on a full-time basis in exactly the same employment category as the Member.

2.3 "**Continuous Service**" means Service during a continuous period on a regular basis and employment shall be deemed continuous notwithstanding:

- (a) Leave of absence of definite duration by written permission of the Employer and any extension thereof, of defined period, granted in writing by the Employer at the request or with the consent of the Employee, provided employment by the Employer is resumed forthwith at the end thereof;
- (b) Service in the Armed Forces of her Majesty or Her Allies excluding periods of enlistment in peacetime, provided employment with the Employer is resumed within ninety days of the termination of said service or within such longer period as



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may be provided by law for the protection of employment rights following military service;

- (c) A layoff for a period of less than six months.
- 2.4 An Employee whose employment with the Employer is terminated due to resignation, discharge or layoff for a period of six months or more, and who is re-employed by the Employer shall not be credited with any Pensionable Service for employment prior to the date he or she is re-employed. This shall not be construed as alienating any previously granted benefits, however.

### SECTION 3 – Eligibility and Membership

- 3.1 Subject to Section 3.3, each Employee of an Employer who was a Member of the Plan on the Effective Date continues to be a Member of the Plan.
- 3.2 Subject to Section 3.3, each Employee who commences employment with an Employer subsequent to the Effective Date shall become a Member of the Plan coincident with his or her commencement of employment.
- 3.3 No Employee may contribute to this Plan and accrue benefits hereunder during a period in respect of which he is contributing and accruing benefits under either *The Teachers' Superannuation Act* or the *Civil Service Superannuation Act*, both of the Province of Prince Edward Island.
- 3.4 A Member with two or more years of membership in the Plan who becomes employed on a less than full-time basis must continue to make contributions to the Plan in respect of his less than full-time earnings.
- 3.5 A Member with less than two years of membership in the Plan who becomes employed on a regular part-time basis working less than 13.5 hours per week, shall immediately cease contributions to the Plan.
- 3.6 A Member whose contributions to the Plan are suspended in accordance with Section 3.5 shall be treated during the period of suspension as a deferred Member entitled to a deferred pension calculated as at the date of cessation of contributions in accordance with Section 9.3. Should such a Member resume employment on a full-time or regular part-time basis, working a minimum of 13.5 hours per week, the Member shall immediately resume contributions to the Plan and shall recommence accruing benefits in the normal manner. The Member's benefits in respect of the years of Pensionable Service prior to the date of suspension shall be subsequently re-determined provided in any case that the Member's Earnings during the period of suspension shall not be included in determining the Member's Best Average Salary.
- 3.7 Members shall enroll in the Plan by completing such forms as may be required by the Administrator.
- 3.8 No Member may withdraw from the Plan while still employed by an Employer.
- 3.9 Notwithstanding the foregoing provisions, the Administrator may, at its option, permit an Employee to join the Plan at any time.

### SECTION 4 – Contributions

- 4.1 In respect of service prior to July 1, 2010, each Member shall contribute to the Plan by payroll deduction, an amount in respect of each pay period equal to 6% of their corresponding salary less their contributions for the same period to the Canada Pension

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Plan using the contribution rate to the Canada Pension Plan in effect July 1, 1969, but using the YMPE and the YBE for the year in which the contribution was made.

In respect of service between July 1, 2010 and October 31, 2012, each Member shall contribute to the Plan by payroll deduction, an amount in respect of each pay period equal to 7.2% of their corresponding salary less their contributions for the same period to the Canada Pension Plan using the contribution rate to the Canada Pension Plan in effect July 1, 1969, but using the YMPE and the YBE for the year in which the contribution was made.

In respect of service on or after November 1, 2012, each Member shall contribute to the Plan by payroll deduction, an amount in respect of each pay period equal to:

- (a) 9.23% of their corresponding salary less their contributions for the same period to the Canada Pension Plan using the contribution rate to the Canada Pension Plan in effect July 1, 1969, but using the YMPE and the YBE for the year in which the contribution was made, plus
- (b) Until July 1, 2025, 0.88% of their corresponding salary.

Notwithstanding the foregoing, a Member employed on a less than full-time basis who in accordance with Section 3.6 continues contributions to the Plan shall contribute by payroll deduction in each period an amount equal to the contribution which would be required if the Member was employed on a full-time basis multiplied by the Member's Part-time Fraction. Contributions made pursuant to this Section 4.1 and Section 4.3 below are referred to herein as the "**Member Required Contributions**".

4.2 Notwithstanding the above, the total of a Member Required Contributions made under Section 4.1, in respect of a calendar year after 1990 shall not exceed the lesser of:

- (a) 9% of the total of the Member's Compensation from the Employer, and
- (b) the total of \$1,000 and 70% of the total of all Pension Credits of the Member in respect of the Employer determined without regard to subsections 8302(2)(b) and 8302(3)(g) of the Income Tax Regulations

except in the case where a waiver is granted under subsection 8503(5) of the Income Tax Regulations.

4.3 Notwithstanding Sections 4.1 and 4.2, from the Effective Date, Member Required Contributions shall be determined in accordance with the Funding Agreement, being Appendix "A" to the Sponsors Agreement, as amended from time to time.

4.4 Each Member may transfer to this Plan an amount from a registered retirement savings plan recognized under the *Income Tax Act* or from a registered pension fund or plan recognized under the *Income Tax Act*. Such amounts shall be referred to herein as the Member's "**Transferred Contributions**".

4.5 Prior to the Effective Date, the Employer each year shall contribute such amounts, if any, that are not less than those recommended by the Actuary as necessary to provide the benefits accruing to Members in respect of that year of Service as provided hereunder, after taking into account all assets of the Plan, including Member Required Contributions in respect of such year, and all other relevant factors. Any such Employer contributions shall be made coincident with the Member Required Contributions.

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- 4.6 Prior to the Effective Date, the Employer, in addition to the contributions required under Section 4.5 hereof, shall make such special contributions as may be required to liquidate any actuarial deficiencies that are incurred from time to time.
- 4.7 Notwithstanding Sections 4.5 and 4.6, from the Effective Date, the Employer shall make contributions to the Fund determined in accordance with the Funding Agreement, being Appendix "A" to the Sponsors Agreement, as amended from time to time. Employer contributions made in accordance with Sections 4.5, 4.6 and 4.7 shall be referred to as "**Employer Required Contributions**" herein.
- 4.8 A Member may make additional voluntary contributions (the "**Additional Voluntary Contributions**"), in the year, to the Plan by payroll deduction in respect of current Service with the Employer to the extent permitted under the *Income Tax Act* and Regulations thereunder.
- 4.9 All Additional Voluntary Contributions made by the Member and any Transferred Contributions for which Pensionable Service has not been credited shall be accumulated with Interest and used to provide additional benefits for the Member in accordance with the provisions of Section 5 (Retirement Benefits). Such Additional Voluntary Contributions may not be withdrawn while the Employee remains a Member of the Plan.
- 4.10 Any Member who did not join the Plan when first eligible to do so may elect to contribute in respect of years prior to becoming a Member of the Plan.
- 4.11 The Required Contributions, Additional Voluntary Contributions and Transferred Contributions, and any other contributions to the Fund, shall be paid to the Board of Trustees, or as they may direct, to be administered in accordance with the terms of the Trust Agreement.
- 4.12 Notwithstanding Sections 4.1 and 4.3, during a period of Temporary Leave of Absence for the purpose of sabbatical leave as approved by the Employer, a Member shall continue to accrue Pensionable Service under the Plan in respect of such periods provided that the Required Contributions are made to the Plan during such periods, subject to the Prescribed Compensation requirements.
- 4.13 A contribution made under this Plan by a Member or by the Employer may be returned to the person who made the contribution to avoid revocation of the registration of this Plan under the *Income Tax Act*.
- 4.14 Each Member of the Plan may make contributions to purchase eligible periods of past service in accordance with Section 2.2 of the Plan. The contributions shall be payable in the form of a lump sum payment unless the Administrator approves payments in the form of instalments.

### SECTION 5 – Retirement Benefits

- 5.1 A Member is eligible for retirement benefits upon retirement, as provided in this Section. Retirement benefits shall be paid in the form of a pension commencing on Retirement Date and monthly thereafter in an amount equal to the benefit described in the subsections below. The annual benefit, however, excluding the benefit based on Additional Voluntary Contributions shall not exceed the Maximum Pension. Monthly payments shall continue to be made so long as the Pensioner lives. Should the Pensioner die before he has received 120 monthly payments, the monthly payments shall be continued to his Beneficiary or if there is no Beneficiary, to his estate, until 120 monthly payments in total have been made, unless an optional form of pension has been selected.

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5.2 The "**Normal Retirement Date**" under the Plan of each Member whose date of birth is between January 1st and June 30th shall be the first day of July nearest to the date upon which the Member attains his 65th birthday. The Normal Retirement Date under the Plan of each Member born between July 1st and December 31st shall be the first day of January nearest to the date upon which the Member attains his 65th birthday.

5.3 For any Member who retires prior to July 1, 2010, the monthly normal retirement pension payable to the Member shall be one-twelfth of the total of (a) plus (b) as follows:

(a) in respect of Pensionable Service prior to January 1, 1990, the product of (1) times (2), where

(1) is 2% of Best Average Salary;

(2) is the number of years and fractional years of Pensionable Service prior to January 1, 1990 attributed to the Member at his date of retirement;

plus

(b) in respect of Pensionable Service after December 31, 1989, the product of (1) times (2) times (3), where

(1) is 2% of the Best Average Salary;

(2) is the number of years and fractional years of Pensionable Service attributed to the Member at his date of retirement;

(3) is the Integration Ratio.

For any Member who retires on or after July 1, 2010, the monthly normal retirement pension payable to the Member shall be one-twelfth of the total of (a) plus (b) plus (c) as follows:

(a) in respect of Pensionable Service prior to January 1, 1999, the product of (1) times (2), where

(1) is 2% of Best Average Salary;

(2) is the number of years and fractional years of Pensionable Service prior to January 1, 1999 attributed to the Member at his date of retirement;

plus

(b) in respect of Pensionable Service between January 1, 1999 and July 1, 2010, the product of (1) times (2) times (3), where

(1) is 2% of the Best Average Salary;

(2) is the number of years and fractional years of Pensionable Service attributed to the Member at his date of retirement;

(3) is the Integration Ratio;

plus

(c) in respect of Pensionable Service on or after July 1, 2010, the product of (1) times (2), where

(1) is the sum of (A) plus (B) plus (C), where

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- (A) 2% of the Best Average Salary up to the average YBE for the same 3 years that were included in the determination of the Best Average Salary; plus
    - (B) 1.5% of the same Best Average Salary in excess of the same average YBE and up to the average YMPE for the same 3 years that were included in the determination of the Best Average Salary; plus
    - (C) 2% of the same Best Average Salary in excess of the same average YMPE;
  - (2) is the number of years and fractional years of Pensionable Service attributed to the Member at his date of retirement.
- 5.4 If, for reasons other than death, a Member's Service is terminated within 10 years prior to his Normal Retirement Date, such Member may elect, in lieu of the benefits provided under Section 9 (Termination of Employment), to receive an early retirement pension payable in equal monthly instalments, as described in Section 5.1 commencing on the first day of the month coincident with or immediately following his actual retirement.
- 5.5 The monthly early retirement pension payable to each Member who is entitled to receive an early retirement pension under Section 5.4 shall be determined in the same manner as prescribed in Section 5.3, but reduced to an Actuarial Equivalent amount in order to reflect the earlier commencement of pension.
- 5.6 Notwithstanding Section 5.5 and subject to Section 5.7, when early retirement is being imposed on an Employee who would otherwise qualify for early retirement under Section 5.4 and the reason for such early retirement arises through the reduction or the discontinuance of the Employer's Educational Programs or support services in the Employee's particular field of expertise then, in individual cases, at the discretion of the Employer, provision may be made for payment of a pension at the early retirement date without actuarial reduction.
- 5.7 Notwithstanding Sections 5.4 and 5.5, the amount of pension payable in respect of all Service, to a Member who retires on or after July 1, 1996 but prior to the earliest of:
- (a) the attainment of age 60,
  - (b) the completion of thirty years of Service or Pensionable Service, if greater, or
  - (c) the date upon which the Member's age plus years of Service or Pensionable Service, if greater, total 80,
- shall not be greater than the lesser of:
- (d) the amount of pension accrued to the Member's actual Retirement Date calculated in accordance with Section 5.3 reduced by  $\frac{1}{4}$  of 1% for each month prior to the date upon which the Member would have met one of (a), (b), or (c) above had the Member remained in employment with the Employer; or
  - (e) the Maximum Pension determined in respect of the Member's Service reduced by  $\frac{1}{4}$  of 1% for each month prior to the date upon which the Member would have met one of (a), (b), or (c) above had the Member remained in employment with the Employer.
- 5.8 Notwithstanding Section 5.5, any active Member who retires from the employ of the Employer within ten years prior to their Normal Retirement Date during the period July 1, 1996 to July 1, 1997 or after January 1, 2002, and whose age plus Service or Pensionable

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Service, if greater, totals at least 85 shall receive an immediate early retirement pension calculated in accordance with Section 5.9.

- 5.9 Notwithstanding Section 5.5, any Member who retires from the employ of the Employer on or after the attainment of age 60, or having met the requirements of Section 5.8, shall receive an early retirement pension determined in the same manner as described in Section 5.3 without any adjustment to reflect the early commencement of pension.
- 5.10 Should a Member postpone his retirement beyond his or her Normal Retirement Date, she or he may continue to make Member Required Contributions under the Plan in which event pension credits shall continue to be earned according to Sections 5.1, 5.3 and 5.4. The Member's retirement shall be effective and pension payments shall commence on the first day of January or July nearest to the date upon which the Member wishes to retire, provided that the Member's retirement shall not be later than:
- (a) The end of the calendar year in which a Member attains age 71, if the Member was born before 1926, or after 1939.
  - (b) December 31, 1997 if the Member was born in 1926 or 1927; and
  - (c) the end of the calendar year in which the Member attains age 69 if the Member was born in 1928 through 1939 inclusive.

Pension payments shall commence on this date and shall continue for a minimum of 120 months.

- 5.11 If the annual amount of pension payable is less than 2% of the YMPE, the Administrator reserves the right to pay the pension less frequently than monthly but not less frequently than annually and the right to pay the Actuarial Equivalent value of the pension payments in a lump sum. This clause applies to all pension benefits, including survivor benefits, payable under this Plan.
- 5.12 Any retirement or survivor's pension in the course of payment on June 30, 1996 shall be increased as of July 1, 1996 such that the amount of pension payable in respect of Service prior to 1990 shall not be less than the pension that would have been payable on July 1, 1996 had the Member's normal retirement pension accrued to the earlier of the Member's death or retirement been equal to 2% of the Member's Best Average Salary, at the time of retirement or death, per year of Pensionable Service prior to 1990 and indexing had been applied up to July 1, 1996 at the same rates of indexing as applied to the survivor's or pensioner's benefits since benefits commenced subject to the Maximum Pension, the requirements of Revenue Canada, and the *Income Tax Act* and Regulations thereunder.
- 5.13 Effective July 1, 1996, the amount of pension payable upon Normal Retirement Date to deferred vested members, who terminated prior to that date, in respect of Pensionable Service prior to January 1, 1990 shall not be less than an amount equal to 2% of the Member's Best Average Salary, at the time of termination, per year of Pensionable Service prior to January 1, 1990.

### SECTION 6 – Normal and Optional Forms of Retirement Benefits

- 6.1 (a) The normal form of pension payable under the Plan is a pension payable monthly for as long as the Pensioner shall survive with payments guaranteed for a period of ten years.
- (b) Notwithstanding subsection 6.1(a), a Member having a Spouse at the time of retirement must elect a pension corresponding to an optional form provided in subsection 6.2(b), with the further restriction that the joint pensioner referenced in

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subsection 6.2(b) must be the Member's Spouse, and under which payments continue at a minimum of 60% of such pension for the joint pensioner's life. In the event that a Member with a Spouse wishes to receive their pension in a form provided in any of subsections 6.1(a), 6.2(a) or (c), or 6.2(b) under an option providing less than a 60% Joint and Survivorship pension, the Member and their Spouse must complete a waiver form agreeing to waive the survivor entitlement.

6.2 In lieu of the normal form of pension payable at retirement, a Member entitled to such a benefit may elect to receive a pension corresponding to one of the following optional forms, the amount of which shall be the Actuarial Equivalent of the amount of pension payable in the normal form:

- (a) Optional Guaranteed Period - A pension payable for one of the following periods certain and for the lifetime of the Member thereafter:
  - (i) for the period such that the payments received equal the sum of the Member's required and Additional Voluntary Contributions accumulated with Interest to the date of retirement;
  - (ii) for 5 years;
  - (iii) for a period equal to the life expectancy of the Member but not in excess of 15 years;
- (b) Joint and Survivorship Pension - A pension payable to the Member for his lifetime and continuing thereafter for a specified period to the named joint pensioner. Where the joint pensioner is the Member's Spouse or former Spouse the Member may elect that payments continue at 100%, 75%, 66 $\frac{2}{3}$ %, 60% or 50% of such pension, and the payments shall continue for the joint pensioner's life. In the case of a Dependant, benefits shall continue to the end of the Eligible Survivor's Period and the amount of the joint pension shall not exceed 66 $\frac{2}{3}$ %; or
- (c) Any other form acceptable to the Department of National Revenue, Taxation.

6.3 The amount of pension under any optional form in respect of a Member's Additional Voluntary Contributions shall be calculated as stated in Section 4.8.

6.4 A Member may elect an optional settlement hereunder by filing written notice thereof with the Administrator prior to the commencement of his pension. A Member may also, in like manner, revoke a previous election prior to the commencement of his pension.

### SECTION 7 – Disability Waiver

7.1 If a Member becomes Disabled prior to his Normal Retirement Date, but after he has been a Member of the Plan for 10 years or more and it is established to the satisfaction of the Administrator that such Member by reason of mental or physical disability is incapable of effectively performing his regular duties with the Employer the Member shall be deemed to be on leave of absence approved by the Employer and he shall continue to accumulate Pensionable Service until

- (a) the Administrator ceases to be satisfied that such disability continues to exist,
- (b) the Member is no longer Disabled,
- (c) the Member becomes eligible for a normal retirement pension, or
- (d) the Member dies,

whichever is first to occur.

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- 7.2 During such period of disability when receiving sick leave or other benefits from an Employer sponsored program, the Employer shall make, on behalf of the Member, the Member Required Contributions in accordance with Section 4.1.
- 7.3 During the period in which a Member is Disabled and accruing Pensionable Service under this Section, eligible Earnings shall be deemed to the Member's annual rate of Earnings in effect immediately prior to the date the Member became Disabled.
- 7.4 Benefits shall not be paid in respect of any period after December 31, 1991 during which the Member was Disabled and accruing Pensionable Service under this Plan unless the Administrator has received satisfactory written proof from a medical doctor, licensed to practice under the laws of a province of Canada, or the place where the Member lives that the Member was Disabled.
- 7.5 Notwithstanding the foregoing, benefits and contributions under this Section in respect of Pensionable Service after January 1, 1992 shall be in accordance with the Prescribed Compensation requirements.

### SECTION 8 – Death Benefits

- 8.1 If the death of a Member or a terminated Member who has elected a deferred pension under Section 9.3 hereof occurs before a pension has become payable to him under the Plan and such Member leaves neither a Spouse nor orphan children under the age of 18 years, an amount equal to the sum of his or her Member Required Contributions, Transferred Contributions, if any, and any Additional Voluntary Contributions accumulated with Interest in each case, shall be paid to his Beneficiary or, in the absence of a Beneficiary, to his estate.
- 8.2 If the death of a Member or a terminated Member who has elected a deferred pension under Section 9.3 hereof occurs before a pension has become payable to him under the Plan and such Member leaves a Spouse or orphan child(ren) under the age of 18 years who is or are a Dependant, a survivors' pension will become payable in equal monthly instalments commencing on the first of the month coincident with or immediately following his date of death and payable until the later of
- (a) the date of the death of the Spouse, and
  - (b) the date as of which the youngest child attains the age of 18 years.
- Such survivors' pension shall be paid to the Spouse, if any, during her/his lifetime, or, in the event of there being no Spouse, to the guardian of the children.
- 8.3 The amount of monthly survivors' pension payable in accordance with Section 8.2 above shall be determined as 75% of the pension calculated in accordance with Section 5.3 hereof provided, however, that in the event of the Spouse being more than 10 years younger than the deceased Member, the survivors' pension otherwise payable to the Spouse shall be reduced to the Actuarial Equivalent of a pension payable to a Spouse exactly 10 years younger than the deceased Member.
- 8.4 Notwithstanding the above, the annual survivors' pension payable in respect of one survivor for Pensionable Service on or after January 1, 1992 shall not exceed an amount equal to  $66\frac{2}{3}\%$  of the following:
- (a) if the Member is under 65 years of age at death, the greater of
    - (i) benefit accrued by the Member to the death without reduction, and



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- (ii) the lesser of the benefit which would have accrued to the Member at age 65 and  $\frac{3}{2}$  of the YMPE in the year of the Member's death;
  - (b) if the Member is age 65 or over at death, the benefit accrued to the date of death without reduction.
- 8.5 Upon the death of a Pensioner receiving the normal form of pension, monthly payments shall continue to his Beneficiary for the remainder of the 10 year guarantee period, if any. If there is no living designated beneficiary, the value of any of payments remaining in the guaranteed period shall be payable to the Member's estate in a lump sum.
- 8.6 Upon the death of a Pensioner who was receiving an optional form of pension, the benefits payable, if any, shall be in accordance with the optional form of pension elected at the time of retirement.

### SECTION 9 – Termination of Employment

- 9.1 If the Service of a Member who has been a Member for a period of less than two years is terminated for reasons other than by death or retirement, the Member shall be entitled to receive an amount equal to the sum of his or her Member Required Contributions, Transferred Contributions, if any, and Additional Voluntary Contributions, accumulated with Interest in each case, and the payment of such an amount shall constitute full and final settlement of all benefits payable under the Plan.
- 9.2 If the Service of a Member who has been a Member for a period of two years or more is terminated for reasons other than by death or retirement, the Member shall be entitled to benefits in accordance with whichever of the options described below applies, subject to any applicable legislation.

Notwithstanding the above, in the event that a Member ceases employment with the Employer and is within ten (10) years of Normal Retirement Date, the Member must elect a retirement benefit in accordance with Section 5.

#### 9.3 Option 1

Leave the Member's contributions in the Plan, in which event the Member will receive a pension commencing on their Normal Retirement Date, which shall be determined in the same manner as prescribed in Section 5.3 hereof.

The Former Member may elect to commence their pension within 10 years of their Normal Retirement Date. A pension commenced prior to the Former Member's Normal Retirement Date shall be the Actuarial Equivalent of the pension otherwise payable on their Normal Retirement Date.

#### 9.4 Option 2

Transfer from this Plan to a registered retirement savings plan as recognized under the *Income Tax Act*, an amount equal to the Commuted Value of the pension benefit to which the Member is entitled under option 1 above, plus any Additional Voluntary Contributions accumulated with Interest.

Where the Member Required Contributions accumulated with Interest (excluding Transferred Contributions and Additional Voluntary Contributions) exceeds one-half the Commuted Value of the Member's pension in respect of Pensionable Service accrued while the Member was employed by the Employer, the Member is entitled to a refund of any such excess.

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Where the Member's Transferred Contributions accumulated with Interest exceeds the Commuted Value of the Member's pension benefit credited in respect of Transferred Contributions, the Member is entitled to a refund of any such excess.

### SECTION 10 – Portability of Benefits

- 10.1 Any Member who ceases employment with the Employer may direct that any benefit to which he is entitled under Section 9 (Termination of Employment), shall be transferred to the pension plan of his new employer (if that pension plan permits such transfers) or a registered retirement savings plan subject to any limits imposed by the *Income Tax Act* and Regulations thereunder in respect of such transfers.
- 10.2 The Administrator of this Plan is authorized to accept transfers of funds from the pension plan of a new Member's former employer. In the absence of a reciprocal agreement with such former employer, any such transfer shall be administered as if it was a Transferred Contribution made by the Member.
- 10.3 The Board of Trustees may enter into a reciprocal agreement with another employer in Canada in order to permit the transfer of contributions between this Plan and the other employer's plan subject to any applicable government regulations relating to such arrangements.

### SECTION 11 – Funding and Investment

- 11.1 The Board of Trustees shall make arrangements to establish a Fund to be administered by a custodian for the accumulation and investment of all contributions made by Members and the Employer in accordance with the provisions of the Sponsors Agreement and its appendices and any applicable legislation.
- 11.2 The Board of Trustees shall appoint a Fund Manager to invest and reinvest the assets of the Fund in accordance with investment policies established by the Trustees and Sponsors. All investments shall be in accordance with the *Income Tax Act* and Regulations thereunder.
- 11.3 All costs for administrative, investment, and actuarial services under the Plan shall be paid out of the Fund.

### SECTION 12 – Payment of Retirement Pensions and Survivors' Pensions

- 12.1 (a) The sub-fund known as the “**Retirees’ Sub-fund**” shall be abolished as of January 1, 2000, such that there shall no longer exist a physically separate segment of the Fund in respect of pensions in the course of payment.
- (b) Assets in the Retirees’ Sub-fund as of January 1, 2000 shall continue to be assets of the Fund, but shall not be physically separated from other assets of the Fund as of that date.
- (c) On and after January 1, 2000, all pension benefits payable to Pensioners and joint pensioners under this Plan shall be paid from the Fund.
- (d) Pensions in the course of payment under the Plan as of January 1, 2001 shall be increased to the extent that the Fund earns investment income at a rate greater than the rate of interest required according to the actuarial assumptions used in the most recent formal actuarial valuation of Plan to value such pensions.
- (e) The percentage increases to be made effective January 1, 2001 and thereafter, calculated in accordance with subsection 12.1 (d), shall be determined by dividing:

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- (i) 100% plus the four year running average net earned rate of Interest (including realized and unrealized capital gains and net of realized and unrealized losses) expressed as a percentage of the average market value of the Fund, by
- (ii) 100% plus the rate of interest (expressed as a percentage) used in the most recent formal actuarial valuation of the Plan to value pensions to Pensioners and joint pensioners, and
- (iii) deducting 100% from the result thus obtained,

provided that in any event the percentage increase applied shall not exceed the corresponding increase in the Consumer Price Index between the calendar year immediately preceding the January 1 in question and the preceding calendar year.

### SECTION 13 – Administration

- 13.1 The Administrator, as defined in Section 1, shall ensure that the Plan and the Fund are administered in accordance with the Sponsors Agreement, including appendices and this Plan text, as may be amended in accordance with their terms from time to time.

### SECTION 14 – Explanation and Disclosure

- 14.1 The Administrator shall provide each Employee eligible for membership in the Plan with:
- (a) A written explanation of the terms and conditions of the Plan and any of its amendments applicable to him;
  - (b) A written explanation of the rights and duties of the Employee with references to the benefits available to him;
  - (c) An annual statement showing:
    - (i) the amount of the Member Required Contributions and Additional Voluntary Contributions, if any, during the preceding year, and
    - (ii) the Member's total contributions to the Plan, with Interest up to the end of the preceding year;
  - (d) Any other information required by government regulations.

### SECTION 15 – Amendment or Termination of Plan

- 15.1 The Plan may only be amended or terminated in accordance with the relevant provisions of the Sponsors Agreement.
- 15.2 Subject to the requirements of the Sponsors Agreement and appendices and any relevant legislation, if the Plan is terminated and not replaced by a new plan, the assets of the Fund shall be used to provide the following benefits:
- (a) the pension benefits to which the Pensioners and their joint annuitants are entitled, at the date of the Plan's termination; and
  - (b) a pension for each Member and Former Member of the Plan who has not yet started to receive a pension, equal to the pension earned in accordance with Section 5 as at the date of the Plan's termination, and payable at Normal Retirement Date or such other date as may be allowed according to Sections 5 and 6, and increased by the amount of pension that can be provided by the Member's or Former Member's Additional Voluntary Contributions, if any.

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- 15.3 If, after providing for the pensions described in Section 15.2, there are assets remaining in the Fund (the “overall remaining assets”), then any portion of such assets arising through the use of current salaries rather than projected salaries in the provision of pensions for Members shall be used solely for the benefit of Members. Any assets remaining thereafter shall be returned to the Employer, unless application of this subsection results in less than 50% of the overall remaining assets being used solely for the benefit of Members. In this latter case, only 50% of the overall remaining assets shall be returned to the Employer, with the balance (after application of this subsection) being used, on the advice of the actuary, to further improve benefits for Pensioners, their joint pensioners, Members, and Former Members as at the date of termination.

### SECTION 16 – General

- 16.1 The primary purpose of the Plan is to provide periodic payments to Members after retirement and until death in respect of their Service as Employees.
- 16.2 The establishment of the Plan shall not give any Employee or Member the right to be retained in the service of the Employer nor shall it prevent the Employer from discharging an Employee or Member at any time.
- 16.3 Subject to legal requirements and, if applicable, a Court Order, no benefits under the Plan may be attached by creditors or assigned or alienated by the recipients.
- 16.4 Notwithstanding Section 16.3, no right of a person under this plan is capable of being assigned, charged, anticipated, given as security or surrendered, and, for the purposes of this provision,
- (a) assignment does not include:
    - (i) assignment pursuant to a decree, order of judgment of a competent tribunal or a written agreement in settlement of rights arising as a consequence of the breakdown of a marriage or other conjugal relationship between an individual and the individual's Spouse or former Spouse (where such assignment is a requirement of any applicable provincial pension legislation), or
    - (ii) assignment by the legal representative of a deceased individual in the distribution of the Member's estate, and
  - (b) surrender does not include a reduction in benefits to avoid revocation of the registration of the Plan under the *Income Tax Act*.
- 16.5 The Administrator shall have the right to require satisfactory proof of age prior to the commencement of any pension or annuity and proof of survival on the due date of each payment, in respect of the life or lives upon which the pension or annuity depends.
- 16.6 All contributions and benefit payments under this Plan shall be made in lawful currency of Canada.
- 16.7 The Board of Trustees shall, at the direction of the Sponsor Board, cause actuarial valuations of the Plan to be made at regular intervals, and not less often than every three years, all in accordance with the Sponsors Agreement.
- 16.8 The Pension Adjustment and past service Pension Adjustments made in respect of this Plan shall be determined in accordance with Part LXXXIII of the Income Tax Regulations and shall be appropriate with regard to that Part and the purpose for which the amount is determined.
- 16.9 The Pension Adjustment of a Member for a calendar year may not exceed the lesser of:

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- (a) the Money Purchase Limit for the year as defined in subsection 147(1) of the *Income Tax Act*, and
  - (b) 18% of the Member's Compensation in respect of the Member's Service.
- 16.10 All past service benefits provided in respect of Service on or after January 1, 1992 under this Plan shall comply with subsection 147.1(10) of the *Income Tax Act*.
- 16.11 All benefits provided in respect of the Plan shall be in accordance with the provisions of the Plan.
- 16.12 No contributions shall be made to this Plan except those made in accordance with Section 4 and Section 10.2 of this Plan.
- 16.13 There shall be no distributions made from this Plan except payments of benefits in accordance with the provisions of the Plan, transfers in accordance with Sections 9 & 10 of the Plan, and payments in accordance with Sections 4.13, 11.3 and 15.3 of the Plan.