

Pension Plan

Amendment No. 1

(Amendment to clarify termination rights for Members terminating Service within 10 years of Normal Retirement Date)

The Sponsor Board hereby resolves to amend the plan text of the Pension Plan for Employees of the University of Prince Edward Island (“Pension Plan”) as follows:

1. Amend the Pension Plan text to add as Section 1.13A the following definition for “Early Retirement Date”:

1.13A “**Early Retirement**” means, where Service with the Employer has terminated, commencing receipt of a reduced pension benefit prior to the Normal Retirement Date.

2. Amend the Pension Plan text to add the heading “Normal Retirement” between Sections 5.1 and 5.2.
3. Amend the Pension Plan text to revoke and replace Sections 5.4, 5.5, and 5.6 with the following, including the addition of the heading “Early Retirement” to precede Section 5.4:

Early Retirement

5.4 If a Member terminates Service with the Employer prior to their Normal Retirement Date, for reasons other than death, and the Member is within 10 years of their Normal Retirement Date, for purposes of the Plan, the Member shall make an election between:

- (a) Early Retirement and immediately commence receipt of their reduced pension benefit as determined in accordance with Section 5.5; or
- (b) not to retire early and defer payment of accrued pension benefits until a later date.

5.5 Where a Member elects Early Retirement in accordance with Section 5.4(a), the pension benefit payable to them shall be reduced to reflect the commencement of the pension benefit prior to their Normal Retirement Date as follows:

- (a) the amount of their monthly pension benefit shall be determined in the same manner as prescribed in Section 5.3 but reduced by $\frac{1}{4}$ of 1% for each month their Early Retirement Date is prior to the **earlier of the** date upon which the Member would have reached the age of 60 or their age plus service would total 85 (Rule of 85); and
- (b) payment of the reduced pension benefit shall commence on the first day of the month coincident with or immediately following their Early Retirement Date.

5.6 Where a Former Member who elected to defer payment of their accrued pension benefits under Section 5.4(b), subsequently elects Early Retirement and wishes to commence receiving their pension benefit prior to their Normal Retirement Date:

- (a) the amount of their monthly pension benefit shall be determined in the same manner as prescribed in Section 5.3 but reduced to the Actuarial Equivalent amount required to reflect the earlier commencement of the pension benefit prior to their Normal Retirement Date; and
- (b) payment of the reduced pension benefit shall commence on the first day of the month coincident with or immediately following their Early Retirement date.

4. Amend Section 5.7 of the Pension Plan text to strike out the text “Sections 5.4 and 5.5” in the first sentence, and replace it with “any other provision in Section 5”, such that the first sentence of 5.7 shall now read:

*Notwithstanding **any other provision in Section 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...*

5. Amend the Pension Plan text to add the heading “Postponed Retirement” between Sections 5.9 and 5.10.

6. Amend Section 5.10 of the Pension Plan text to strike out the text “January or July nearest to” as it appears in the second sentence of the Section and replace it with the following text: “the month immediately following”, such that the sentence shall now read:

*The Member’s retirement shall be effective and pension payments shall commence on the first day of **the month immediately following** the date upon which the Member wishes to retire, provided that the Member’s retirement shall not be later than:*

7. Amend the Pension Plan text to revoke and replace Sections 9.2, 9.3, and 9.4 with the following:

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, and the Member is within ten (10) years of their Normal Retirement Date, the Member shall be entitled to elect one of the following options:

- (a) Make an election under Section 5.4(a) and commence receiving a reduced pension benefit calculated in accordance with Section 5.5; or
- (b) Make an election under Section 5.4(b) and leave the Member’s contributions in the Plan, in which event the Member will receive a pension commencing at a later date in accordance with either of Section 5.3 or Section 5.6 as applicable.

9.3 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, and the Member is more than ten (10) years prior to their Normal Retirement Date, the Member shall be entitled to elect one of the following options:

- (a) leave the Member's contributions in the Plan, becoming a Former Member, and defer payment of their accrued pension benefits until their Normal Retirement Date, at which time their pension benefit shall be determined in the same manner as prescribed in Section 5.3; or
- (b) leave the Member's contributions in the Plan, becoming a Former Member, and defer payment of their accrued pension benefits until an Early Retirement date selected by the Former Member that is no more than 10 years prior to their Normal Retirement Date, upon which date they shall commence receiving a reduced pension benefit determined in the same manner as prescribed in Section 5.6; or
- (c) in accordance with Section 10, transfer from the Pension Plan an amount equal to the Commuted Value of the pension benefit to which the Member is entitled under Section 9.3(a), plus any Additional Voluntary Contributions accumulated with Interest.

9.4 Where a Member elects to transfer under 9.3(c) and 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 benefit 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.

8. Section 10.1 is amended to add the following bold text to the Section:

10.1 Any Member who ceases employment with the Employer **and who is more than ten (10) years prior to their Normal Retirement Date** may direct that any benefit to which they are entitled under Section 9 (Termination of Employment), shall be transferred to the pension plan of their new employer (if that pension plan permits such transfers) or to a registered retirement savings plan subject to any limits imposed by the *Income Tax Act* and Regulations thereunder in respect of such transfers.

9. Amend the following Sections of the Pension Plan text to add a reference to Section 9.2 before the reference to Sections 9.3 with respect to a Member's election to defer their retirement:

- a. Section 3.6
- b. Section 8.1
- c. Section 8.2

SIGNED this 12 day of November, 2025

Alex MacBeath, Co-Chair Employer Representative

George Jia, Co-Chair, Union Representative

