

**Pension Plan for Non-Professional Staff  
of University of Guelph  
Amended and Restated as of  
June 30, 2015**

UNOFFICIAL OFFICE CONSOLIDATION

**June 30, 2015**

Document revision date: August 3, 2018

## **Instructions**

This document is an unofficial office consolidation of the Pension Plan for Non-Professional Staff of University of Guelph (the “Plan”), amended and restated as of June 30, 2015, and as subsequently amended as indicated in the table below.

This document is provided for ease of reference to the current Plan provisions, however, it should not be used as substitute for the official Plan document, which is available upon request from:

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## **List of Plan Amendments**

| <b>Amendment Number</b> | <b>Effective Date(s)</b>       | <b>Section(s) Amended</b> |
|-------------------------|--------------------------------|---------------------------|
| 1                       | May 1, 2016                    | 5.01(a)                   |
| 2                       | January 1, 2017<br>May 1, 2017 | 2.39(b)(ii)<br>5.01(a)    |

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## **Article 1 – Introduction**

- 1.01 This document constitutes the Pension Plan for Non-Professional Staff of University of Guelph, being amended and restated herein as of June 30, 2015.
- 1.02 The primary purpose of the Plan is to provide periodic payments to eligible employees of University of Guelph after retirement and until death who are employed on and after the Effective Date.
- 1.03 The Plan as contained herein shall be applicable to Members who are in the employment of the University on or after June 30, 2015; benefits in respect of a Member whose employment ceased prior to June 30, 2015 shall be determined in accordance with the terms of the Plan at the time of such cessation of employment except as required by Applicable Pension Laws or Revenue Rules and as may be specifically provided herein.
- 1.04 The Plan is intended to be a pension plan accepted for registration under Revenue Rules and Applicable Pension Laws. The Plan shall be designed, written and administered to comply with the requirements for registration under Revenue Rules and Applicable Pension Laws. If the Plan fails to comply with any such requirements, the University may in its sole and absolute discretion amend the Plan so to comply, or discontinue the Plan.

Any amendment to the Plan is conditional upon acceptance for registration under both Revenue Rules and Applicable Pension Laws, and may be modified or withdrawn by the University, in its sole and absolute discretion if the amendment is not accepted for registration under either Applicable Pension Laws or Revenue Rules.

## **Article 2 – Construction, Interpretation and Definitions**

### **Construction and Interpretation**

- 2.01 References to a sub-paragraph, paragraph, Section or an Article, mean a sub-paragraph, paragraph, Section or an Article in this Plan.
- 2.02 The Plan shall be governed and administered in accordance with Revenue Rules and Applicable Pension Laws, and shall be construed in accordance with the laws of the Province of Ontario, except for those rights and obligations which are solely within the jurisdiction of Canada or another province.
- 2.03 All monetary references in the Plan are to be construed as being expressed in terms of the lawful currency of Canada.

### **Definitions**

In this Plan the following terms shall, unless the context clearly indicates otherwise, have the following meanings:

- 2.04 “Actuarial(ly) Equivalent” means a benefit of equivalent value but of different form of payment to a specified benefit, as determined on a basis of calculation adopted by the University on the advice of the Actuary and which is in accordance with Applicable Pension Laws and Revenue Rules, and in effect on the date such determination is being made. Notwithstanding the foregoing, the University may adopt a basis that eases administration of the Plan, including the use of unisex factors, provided that such basis is not precluded by Applicable Pension Laws and Revenue Rules.
- 2.05 “Actuary” means an individual from time to time appointed by the University to carry out actuarial valuations and provide such actuarial advice and services as may be required from time to time for the purposes of the Plan. The Actuary shall at all times be a person who is a Fellow of the Canadian Institute of Actuaries.

- 2.06 “Applicable Pension Laws” means the Pension Benefits Act (Ontario) and any regulation pursuant thereto and any amendments or substitutes therefor as well as any similar statute applicable to the Plan and any regulation pursuant thereto adopted by the federal or any provincial government.
- 2.07 “Beneficiary” means that person last designated by the Member to receive any benefit under this Plan in the event of the death of the Member according to the provisions of Article 12 or in the absence of an effective designation of a Beneficiary, the estate of the Member.
- 2.08 “Best Average Earnings” means the annual average of a Member’s highest thirty-six (36) consecutive months of Earnings or, where the Member’s Continuous Service is less than thirty-six (36) months, the annual average of the Member’s Earnings during the Member’s Continuous Service.
- For the purposes of this Section only, the Member’s Continuous Service shall exclude any period not included in the Member’s Credited Service and during which the Member has not actually received Earnings from the University, and the Member’s Continuous Service before and after such period shall be deemed contiguous.
- 2.09 “Board” means the Board of Governors of the University.
- 2.10 “CPI Increase” means the increase in the cost of living as measured by the percentage by which the average Consumer Price Index for Canada, as published by Statistics Canada, over the twelve (12) month period ending in April of the Year of Review exceeds the average Consumer Price Index for Canada, as published by Statistics Canada, over the twelve (12) month period ending in April immediately preceding the Year of Review.
- 2.11 “Child(ren)” means the child or children of a Member.

The designation of Child ceases on the later of:

- (a) the end of the calendar year in which such Child attains age eighteen (18); and

- (b) if applicable, the later of the time at which such Child ceases to be in full-time attendance at an educational institution or the time at which such Child ceases to have a mental or physical infirmity, however in no instance shall such time exceed the Child's attainment of age twenty-one (21).

The term Child(ren) as used in this document includes a legally adopted child or children, a stepchild or stepchildren and a common-law child or children.

- 2.12 "Continuous Service" means the service of a Member as defined in Article 4, used to determine eligibility for benefits.
- 2.13 "Contribution Rate Change Date" means the date on which the Member Required Contributions set out in Article 5 changes.
- 2.14 "Credited Service" means the service of a Member as defined in Article 4, used to determine the amount of benefits for which a Member is eligible.
- 2.15 "Date of Determination" means the date as of which a benefit is to be calculated under the Plan, as specified in each relevant Section, and being one of:
  - (a) a Member's Retirement Date, a Member's date of termination of employment or a Member's date of death, whichever shall first occur; and
  - (b) the date of amendment or discontinuance of the Plan or the date of consolidation or merger of the Plan with another plan.
- 2.16 "Dependant" means, at the time of a Member's death, a parent, grandparent, brother, sister or grandchild of the Member who, at the time of the Member's death, is both dependent on the Member for support, and:
  - (a) is under nineteen (19) years of age and will not attain nineteen (19) years of age in the calendar year of the Member's date of death;
  - (b) is in full-time attendance at an educational institution; or

- (c) is dependent on the Member by reason of mental or physical infirmity.

The designation of Dependant ceases on:

- (d) for a Dependant covered under paragraph 2.16(a), the end of the calendar year in which such Dependant attains age eighteen (18);
- (e) for a Dependant covered under paragraph 2.16(b), the time at which such Dependant ceases to be in full-time attendance at an educational institution; and
- (f) for a Dependant covered under paragraph 2.16(c), the time at which such Dependant ceases to have a mental or physical infirmity.

2.17 “Early Retirement Date” means the date specified in Section 7.02.

2.18 “Earnings” means:

- (a) for purposes of determining a Member’s Required Contributions, the basic earnings paid by the University under its normal practices, including income deferred by written agreement between the University and the Member, but excluding bonuses, overtime payments and special payments or indemnities or reimbursement for expenses. Notwithstanding the foregoing, for each calendar year subsequent to 1992, such earnings shall be limited by an amount established by the University, after consultation with the Actuary; and
- (b) (i) for purposes of determining a Member’s benefit entitlement, the amount determined in accordance with paragraph (a) above, excluding the limitation established by the University for calendar years subsequent to 1992, provided, however, that with respect to an Employee employed on a part time basis, such earnings shall be calculated as though the Member had been employed on a full time basis. The Earnings of a Totally and Permanently Disabled Member shall, during the period of such Total and Permanent Disability, be deemed to be equal to the Member’s Earnings during the twelve (12) month period immediately preceding the date on



which the Member became Totally and Permanently Disabled, increased annually in the manner described under sub-paragraph 2.18(b)(ii).

(ii) for purposes of sub-paragraph 2.18(b)(i), the Earnings of such Totally and Permanently Disabled Member shall be deemed to be adjusted effective January 1 of each year following the Member's date of Total and Permanent Disability and while the Member remains Totally and Permanently Disabled, with the first such adjustment being effective January 1, 1994. The adjustment shall be:

- (A) as at January 1, 1994, the percentage increase in the Member's salary base level during the period commencing from the later of April 30, 1993 and the date on which the Member became Totally and Permanently Disabled, and ending on January 1, 1994; and
- (B) as at each subsequent January 1, the percentage increase in the Member's salary base level during the period commencing from the later of the previous January 1 and the date on which the Member became Totally and Permanently Disabled, and ending on such January 1.

For purposes of sub-paragraph 2.18(b)(ii):

- (C) the Member's salary base level shall be the salary base equivalent to the salary grade level for the Member's position immediately prior to becoming Totally and Permanently Disabled; and
- (D) the annual increase shall be equal to the base increase provided to the Totally and Permanently Disabled Member's union, association or group, exclusive of merit pay, bonuses, incremental increases or any other improvement provided to the Totally and Permanently Disabled Member's union, association or group.

- 2.19 “Effective Date” means September 1, 1965.
- 2.20 “Eligible Retired Member” means a Member, Spouse, Successor Spouse, Child or Joint Annuitant as defined herein or in accordance with the prior terms of the Plan who, at the end of the applicable Year of Review, is receiving income in accordance with the terms of the Plan.
- 2.21 “Employee” means a permanent full time or part time member of the non-professional staff of the University or such other member of the non-professional staff as the University may from time to time designate.
- 2.22 “Fund” means the fund established for the purposes of the Plan as set forth herein and established in accordance with the terms and provisions of the Funding Agreement, to which all contributions to the Plan shall be made and from which all benefits under the Plan shall be payable.
- 2.23 “Funding Agency” means the trust and/or insurance company and/or any group of individual trustees or any combination thereof eligible under Applicable Pension Laws, designated by the University and holding the whole or a portion of the assets of the Fund at any time pursuant to the terms of a Funding Agreement.
- 2.24 “Funding Agreement” means any trust deed, agreement or agreements executed from time to time between the University and any Funding Agency, including any insurance or annuity contract or contracts issued by a Funding Agency and including any amendments which are from time to time made to any such documents, pertaining to the custody of the investments of the Fund.
- 2.25 “Interest” means the amount of money credited to Required Contributions and Voluntary Contributions in accordance with Article 6.
- 2.26 “Joint Annuitant” means a person or Dependant designated as such by the Member in an election made under Section 11.02.

- 2.27 “Member” means an Employee who has joined the Plan in accordance with Article 3 and who continues to be entitled to benefits under the Plan.
- 2.28 “Normal Retirement Date” means the date specified in Section 7.01.
- 2.29 “OSSTF Member” means a member of the Ontario Secondary School Teachers’ Federation/Technical, Administrative, Research, Agricultural (OSSTF/TARA) District 35.
- 2.30 “Pensions Committee” means such persons as have been designated and authorized by the Board to act on behalf of the University in accordance with the provisions of Section 19.01.
- 2.31 “Plan” means the Pension Plan for Non-Professional Staff of University of Guelph set forth in this document and includes any amendments which are from time to time made hereto.
- 2.32 “Plan Year” means January 1, 1989 to September 30, 1989, and subsequently twelve (12) calendar months beginning on October 1 of a calendar year and ending on September 30 of the immediately following calendar year.
- 2.33 “Postponed Retirement Date” means the date specified in Section 7.03.
- 2.34 “Regular Employment” means either
- (a) Full-time employment with the University, or
  - (b) Part-time employment or employment on a temporary or fixed-term basis with the University starting upon an Employee’s completion of both:
    - (i) twenty-four (24) months of Continuous Service, and
    - (ii) either of:

(A) earned at least thirty-five percent (35%) of the YMPE with the University, or

(B) worked at least seven hundred (700) hours with the University in two (2) consecutive calendar years.

2.35 “Required Contributions” means

(a) contributions which a Member makes to this Plan in accordance with Article 5; and

(b) contributions which a Member was required to make to another registered employees’ pension plan and which are transferred to the Plan in accordance with Section 14.01.

2.36 “Retirement Date” means the Early, Normal or Postponed Retirement Date on which a Member actually retires.

2.37 “Retirement Plan” means the Retirement Plan of University of Guelph as amended from time to time.

2.38 “Revenue Rules” means the provisions of the Income Tax Act (Canada) and any applicable provincial income tax act, and any relevant regulations thereto, as they may be amended from time to time, pertaining to pension plans or funds registered under the Income Tax Act (Canada) as they are applicable to this Plan.

2.39 “Spouse” means at the time a determination is required a person:

(a) who is married to the Member, or

(b) who is not married to the Member and is living with the Member in a conjugal relationship,

(i) continuously for a period of not less than three (3) years, or

(ii) in a relationship of some permanence, if they are the parents of a child as set out in section 4 of the Children's Law Reform Act,

provided that the person is not living separate and apart from the Member at that time.

2.40 "Successor Spouse" means, in respect of a retired Member who has a Spouse at the Member's Retirement Date but not at the date of the Member's death, the person who, at the date which is one (1) year prior to the date of death of such Member, meets the following eligibility requirements:

- (a) the person who married the Member subsequent to the Member's Retirement Date; or
- (b) where a Member does not have a married Spouse under paragraph (a), the person who has resided with such Member in a conjugal relationship as the Member's spouse for a continuous period of three (3) years or more subsequent to the Member's Retirement Date and has been publicly represented by such Member as the Member's Spouse;

provided that not more than one (1) person shall be a Spouse or Successor Spouse hereunder and in the event of more than one (1) person having claims to be such, the determination of the University as to which person shall be the Successor Spouse, on the basis of evidence available to it and which it considers sufficient for the purposes of such determination, shall be final.

2.41 "Total and Permanent Disability" means a physical or mental impairment, as certified in writing by a qualified medical doctor licensed to practice under the laws of a province or the place where the Member resides, which meets the qualification criteria for receipt of benefits under the University's disability plan and prevents the Member from performing the duties of employment in which the Member was engaged before the commencement of the impairment. A Member who meets the conditions for Total and Permanent

Disability shall be deemed to be “Totally and Permanently Disabled” for purposes of the Plan.

The disability of the Member shall be deemed to cease on the earlier of the date on which the Member ceases to qualify as disabled in accordance with the above requirements and the Normal Retirement Date.

- 2.42 “UGFSEA Unit 1 Member” means a member of the University of Guelph Food Service Employees Association Unit 1.
- 2.43 “UGFSEA Unit 2 Member” means a member of the University of Guelph Food Service Employees Association Unit 2.
- 2.44 “USW Member” means a United Steelworkers member of Local 4120 as defined in the Ontario Labour Relations Certificate 2984-01-R dated March 6, 2002.
- 2.45 “University” means University of Guelph.
- 2.46 “YMPE” means in any year, without regard to a Member’s actual Earnings, the Year’s Maximum Pensionable Earnings established each year under the Canada Pension Plan as amended from time to time. Notwithstanding the foregoing, in the event that the Canada Pension Plan is terminated, replaced, or amended significantly such that the YMPE is reduced or eliminated, the University retains the right to use an equivalent measure of pensionable earnings, provided such measure is permitted under Revenue Rules.
- 2.47 “YMPE Average” means the annual average YMPE in effect during the sixty (60) consecutive months immediately preceding a Member’s Date of Determination.
- 2.48 “Year of Review” means the twelve (12) month period commencing October 1.

## **Article 3 – Membership**

### **3.01 Eligibility to Join Plan**

(a) *Full-Time Employees*

Effective October 1, 2014, an Employee who is an OSSTF Member, a UGFSEA Unit 1 Member or a UGFSEA Unit 2 Member who is in full-time employment, other than an Employee who is employed on a temporary or fixed-term basis, with the University, and is not a member of or eligible to become a member of another registered pension plan sponsored by the University shall become a Member of the Plan on the first day of the month coincident with or immediately following his or her date of hire.

(b) *Part-Time Employees*

Effective October 1, 2014, an Employee who is in part-time employment with the University or who is employed by the University on a temporary or fixed-term basis, is an OSSTF Member or a UGFSEA Unit 1 Member or a UGFSEA Unit 2 Member, and is not a member of or eligible to become a member of another registered pension plan sponsored by the University may become a Member of the Plan on the first day of any month following the later of October 1, 2014, the date he or she becomes an Employee and the date he or she satisfies the conditions specified under Regular Employment.

(c) For greater certainty, an Employee who was not a Member of the Plan on July 1, 1981 was not permitted to join the Plan on or before October 1, 2014 but could elect to become a member of the Retirement Plan in accordance with the terms of that plan.

- 3.02 Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of the University or to interfere with the rights of the University to discharge or lay-off any Employee at any time and to treat the Employee without regard to the effect which such treatment might have upon him or her as a Member.
- 3.03 Upon joining the Plan, the Employee shall complete and sign the enrolment form provided by the University, thereby authorizing the deduction of contributions from his or her Earnings and designating a Beneficiary.
- 3.04 While a Member remains in employment with the University the Member may not discontinue the Member's active membership in the Plan nor withdraw any contributions from the Plan, except if so permitted upon discontinuance of the Plan; provided, however, that effective July 1, 1981 and at three (3) year intervals thereafter, a Member who most recently joined the Plan on or before July 1, 1981 may elect to become a member of the Retirement Plan.

For clarity, an OSSTF Member, a UGFSEA Unit 1 Member or a UGFSEA Unit 2 Member who became a Member of the Plan on or after October 1, 2014 shall not be entitled to elect to become a member of the Retirement Plan while the Member remains in employment with the University.



## **Article 4 – Service**

### **4.01 Continuous Service**

- (a) Continuous Service means the period of uninterrupted employment of a Member with the University beginning with the date on which the Member was last employed by the University and ending on the earliest of:
- (i) resignation or voluntary cessation of service by the Employee;
  - (ii) discharge for cause;
  - (iii) failure to return to work on expiration of an approved leave of absence unless due to circumstances beyond the control of the Employee and approved after the fact by the University or prior to expiration of any re-employment rights provided by law;
  - (iv) death;
  - (v) retirement;
  - (vi) any other permanent severance of the employment relationship, unless re-employed by the University within one (1) year and one (1) day after such termination of employment and the Member did not elect to receive a lump sum transfer in accordance with Article 13 prior to his or her date of re-employment; and
  - (vii) the discontinuance of the Plan without immediate substitution of a successor registered pension plan.
- (b) The following shall not constitute interruption of employment, unless and until the Member fails to return to active employment upon expiry of the period concerned:

- (i) leave of absence duly authorized by the University, including but not restricted to, leave on account of sickness, accident, disability qualifying for benefits under the University's disability plan, maternity, parenting, or other leave prescribed by employment standards legislation;
- (ii) in the event of a national emergency, the Member's joining the Canadian armed forces or engaging full-time in national service work for Canada;
- (iii) temporary suspension of employment that lasts less than two (2) years, is expected to be temporary in nature, and provided that the Member does not elect to receive benefits in accordance with Article 13.

#### 4.02 **Transfer of Employment**

The transfer of a Member within the University to a category of employment such that the Member ceases to be an Employee for the purposes of this Plan, shall not constitute a termination of employment for the purposes of Article 13. In the event of such transfer, the Member's:

- (a) Continuous Service (for vesting purposes) shall include all periods of uninterrupted employment of the Member while he or she remains in the employment of the University; and
- (b) Credited Service (for benefit computation purposes) shall exclude those periods of the Member's employment with the University while the Member is not an Employee.

Notwithstanding the above, where benefits become payable in respect of periods of Credited Service accrued before and after such transfer of employment, such benefits shall be payable in accordance with Appendix A.

#### 4.03 **Re-Employment**

Except as provided under paragraph 4.01(a)(vi), in the event that an Employee terminates employment other than by retirement, and is subsequently re-employed with the University, his or her periods of Continuous Service shall be treated separately, and the second period shall be considered to start from the date of said subsequent re-employment for the purposes of the Plan, unless otherwise agreed in writing by the University under specified applicable conditions.

In the event that the Employee retires on his or her Retirement Date and is subsequently re-employed by the University, the Employee shall have the following options:

- (a) the Employee's retirement income shall cease and such Employee shall accrue additional Continuous Service and Credited Service; or
- (b) the Employee shall continue to receive his or her retirement income and shall not accrue further Continuous Service or Credited Service.

For greater certainty, if the Employee elects the option set out in paragraph (a), the Employee's election under Article 11 in respect of his or her Retirement Date prior to such period of re-employment shall apply.

#### 4.04 **Credited Service**

Credited Service with respect to a Member means the sum of a Member's Continuous Service subsequent to the Effective Date in respect of which the Member has made Required Contributions pursuant to Sections 5.01, 5.03, 5.04, 5.06, or has not been required to contribute pursuant to paragraphs 5.01(c) or Section 5.02 or the service, if any, credited to a Member under Section 14.01.

Credited Service in respect of a part-time Member shall be determined in proportion to the Member's workload as determined by the University for the period of time during which the Member is so employed.

#### 4.05 **Exclusion from Credited Service**

Notwithstanding the provisions of Section 4.04, Credited Service shall not include:

- (a) any period of active membership in any other registered pension plan of the University for which a benefit is credited under such other registered pension plan, except as provided in this Plan; or
- (b) any period of temporary absence or military service during which such Member is not eligible to receive either Earnings or income under the University's disability plan in respect of which the Member has not contributed in accordance with Sections 5.03 or 5.04; or
- (c) any period of Continuous Service in excess of the greater of a Member's Credited Service as of September 30, 1986 and thirty five (35) years.

#### 4.06 **Special Limit on Credited Service**

Notwithstanding the provisions of Section 4.04, in no event, shall the total periods of Credited Service included under Sections 5.03, 5.04 and 5.06 in respect of a Member for calendar years after 1990, excluding those throughout which the Member suffers a physical or mental impairment, as certified in writing by a qualified medical doctor, that prevents the Member from performing the duties of employment in which the Member was engaged before the commencement of the impairment, exceed the sum of:

- (a) five (5) years; and
- (b) the periods of parenting, as defined in Revenue Rules, subject to a maximum of thirty-six (36) months of such periods of parenting and a maximum of twelve (12) months for any one period of parenting.

## Article 5 – Required Contributions

5.01 (a) Subject to Section 5.02, in each calendar year or portion thereof from the later of the Contribution Rate Change Date and the date of the Member’s initial membership until the earliest of the Member’s transfer to a category of employment in which the Member is not eligible for the Plan, the Member’s termination of employment, the Member’s Retirement Date, the Member’s death, the Member’s completion of 35 years of Credited Service and the discontinuance of the Plan, each Member shall contribute monthly, by regular payroll deduction, based on the union, association or group which represents the Member, as applicable, as follows:

| <b>Applicable Union, Association or Group</b> | <b>Contribution Rate Change Date</b> | <b>% of Earnings Up to of Equal to the YMPE</b> | <b>% of Earnings Above the YMPE</b> |
|---|--------------------------------------|---|-------------------------------------|
| OSSTF   | May 1, 2017                          | 7.80  | 9.14                                |
| UGFSEA Unit 1                                 | May 1, 2017                          | 7.32  | 9.02                                |
| UGFSEA Unit 2                                 | May 1, 2017                          | 7.27  | 8.97                                |
| USW   | April 30, 2012                       | 4.10  | 5.25                                |

- (b) Notwithstanding paragraph (a), in no event shall the contributions made by a Member during any calendar year exceed the maximum amount permitted under Revenue Rules.
- (c) Notwithstanding paragraph (a), the Board may, in its sole discretion, in circumstances of illness, disability or special compensation arrangements, waive the contributions otherwise required under this Section.

5.02 In the event that a Member becomes Totally and Permanently Disabled, the Member shall not be required to contribute to the Plan.

5.03 A Member who is on a period of leave during which the Member does not have Earnings and where legislation applicable to the Member requires that the Member be permitted to make Required Contributions to the Plan during such period, may elect to make the

Required Contributions that the Member would have been required to make had he or she been in active employment during such period. The rate of Earnings upon which the Member's contributions are based shall be used in the determination of the Member's Best Average Earnings.

- 5.04 If a Member is absent from work without pay (excluding any period of Total and Permanent Disability and any period described in Section 5.03), then subsequent to such period a Member may, upon his or her return to active employment with the University and subject to Section 5.05, elect to make up a full record of Credited Service for the period of such absence during which no contributions were made by the Member. Alternatively, such Member may elect to continue to contribute to the Plan during such period of absence.
- 5.05 The election to make additional contributions under Section 5.04 shall be made in writing by the Member on a form provided by the University, within one (1) month of the end of the period of absence from work except that in the case of a Member who elects to continue to contribute to the Plan during his or her period of absence, in accordance with Section 5.04, such election shall be made within one (1) month of the commencement of the period of absence from work.

The total amount of such additional contributions shall equal two (2) times the amount of contributions which the Member would have paid on the Earnings which the Member would have received if he or she had been regularly employed on a full-time basis during such period of absence. Such amount shall be paid as follows:

- (a) If the Member returns to work immediately following such period of absence, by a lump sum contribution within one (1) month of return or by regular payroll deductions at the rate required to repay such additional contributions over the same length of time as his or her period of absence; or
- (b) If the Member retires following such period of absence, by a lump sum contribution within one (1) month after Retirement Date.

- The rate of Earnings upon which the Member's contributions are based shall be used in the determination of the Member's Best Average Earnings.
- 5.06 In the event of a leave of absence granted for professional improvement at less than full salary, a Member may elect to contribute during such period at a rate which is based on the Earnings the Member would have received had he or she worked during such leave of absence. In this case, the Member's Continuous Service and Credited Service shall accrue in full during such leave of absence and the rate of Earnings upon which the Member's contributions are based shall be used in the determination of the Member's Best Average Earnings.
- 5.07 An election by a Member under Section 14.01 which creates additional benefits in respect of a period of employment after 1989 and before the calendar year in which such election is made, and which must be certified by the Minister of National Revenue in accordance with Revenue Rules, shall not be operative until such certification has been received for that Member, and such additional benefits will not be paid as a result of the election prior to certification. The University shall apply for certification before any contributions are made to the Plan in respect of such election.
- 5.08 Contributions made under this Article 5 shall be paid into the Fund within the time limits specified in Applicable Pension Laws.

## **Article 6 – Interest Credits**

- 6.01 (a) Interest shall be credited on Required Contributions from the first day of the month following the month in which such contributions were made to the Plan. Interest shall be compounded annually at the end of each Plan Year, with further proportionate Interest up to the date on which the payment is made or up to the Member's Retirement Date, whichever shall first occur.
- (b) (i) Effective April 30, 1993, the annual rate of Interest credited to accumulated Required Contributions at December 31, 1965 and the end of each subsequent Plan Year shall be the calendar year average of the yields of five (5) year personal fixed term chartered bank deposit rates (CANSIM V122515).
- (ii) Notwithstanding the foregoing, the total Interest credited to a Member's accumulated Required Contributions shall not be less than such total Interest immediately prior to April 30, 1993.



## **Article 7 – Retirement Dates**

### **7.01 Normal Retirement**

The Normal Retirement Date of a Member is the first day of the month next following or coincident with the attainment of age sixty-five (65).

### **7.02 Early Retirement**

A Member may retire on an Early Retirement Date which shall be the first day of any month following or coincident with the Member's attainment of age fifty-five (55).

### **7.03 Postponed Retirement**

- (a) A Member may postpone retirement on a year-to-year basis but not beyond the first day of December of the calendar year during which the Member attains age sixty-nine (69).
- (b) The date of the Member's retirement in accordance with this Section shall be the Member's Postponed Retirement Date.

## Article 8 – Retirement Income Formula

8.01 (a) The formula described in this Section is used in the calculation of the retirement income in respect of a Member and the amount derived therefrom is the basis on which the actual amount of retirement income will be determined in accordance with the applicable provisions of the Plan.

The annual amount of retirement income as of such Member’s Date of Determination shall, subject to the provisions of Articles 9 and 10, be equal to (i) multiplied by (ii), where:

- (i) equals the benefit rate specified in paragraph (b) below based on the union, association or group which represents the Member; and
- (ii) equals the Member’s Credited Service while a Member of the union, association or group which represents the Member.

(b) The benefit rate based on the union, association or group which represents the Member is as follows:

| <b>Applicable Union, Association or Group</b> | <b>% of the Member’s Best Average Earnings up to the YMPE</b> | <b>% of the Member’s Best Average Earnings in excess of the YMPE</b> |
|---|---|--|
| OSSTF   | 1.600   | 2.000  |
| UGFSEA Unit 1 and UGFSEA Unit 2               | 1.500   | 2.000  |
| USW   | 1.367   | 1.667  |

(c) Where a Member has been a member of more than one union, association or group specified in paragraph (b), his or her benefit shall be determined with reference to the provisions of paragraphs (a) and (b) as they apply to each period of Credited Service while a member of the applicable union, association, or group.

## **Article 9 – Amount of Retirement Income**

### **9.01 Normal Retirement**

A Member who retires on the Member's Normal Retirement Date will receive an amount of retirement income computed in accordance with Article 8, using the Member's Normal Retirement Date as the Member's Date of Determination.

### **9.02 Early Retirement**

(a) For the purpose of determining the earliest age upon which a Member may retire without a reduction of benefits under this Section 9.02 and, for purposes of determining the value of benefits payable upon termination of employment under Section 13.01, if applicable, the following definitions apply:

- (i) "Earliest Unreduced Age" means the age specified in Section 9.02(c); and
- (ii) "Earliest Unreduced Points" means the number of points equal to the Member's age and Credited Service as specified in Section 9.02(c).

(b) A Member who retires on an Early Retirement Date will receive an amount of retirement income computed in accordance with Article 8 using the Member's Early Retirement Date as the Member's Date of Determination, reduced by one-quarter of one percent (0.25%) for each complete month by which the Member's Early Retirement Date precedes the earliest of:

- (i) the Member's Normal Retirement Date; and
- (ii) the later of (A) and (B) where:
  - (A) is the date on which the Member first attains the Earliest Unreduced Age; and

(B) is the date on which the sum of the Member's age and Credited Service would have equaled the Earliest Unreduced Points had the Member continued in employment following the Member's Early Retirement Date.

(c) The Earliest Unreduced Age and Earliest Unreduced Points applicable to this Section 9.02, based on the union association or group the Member belongs to, if applicable, are as follows:

| <b>Applicable Union, Association or Group</b>  | <b>Earliest Unreduced Age</b> | <b>Earliest Unreduced Points</b> |
|--|-------------------------------|----------------------------------|
| OSSTF Members  | 60                            | 90                               |
| UGFSEA Unit 1 and UGFSEA Unit 2 Members  | 55                            | 85                               |
| A Member other than an OSSTF Member, a UGFSEA Unit 1 Member, or a UGFSEA Unit 2 Member | 55                            | 85                               |

(d) Where a Member has been a member of more than one union, association or group specified in paragraph (c), or also has periods of Credited Service during which he or she was not a member of any such union, association or group, his or her early retirement benefits shall be determined with reference to the provisions in paragraphs (a) and (b) as they apply to each such period of Credited Service while a member of the applicable union, association or group.

### 9.03 **Postponed Retirement**

A Member retiring on a Postponed Retirement Date shall be entitled to receive an amount of retirement income payable from the Member's Postponed Retirement Date and computed in accordance with Article 8 using the Member's Postponed Retirement Date as the Member's Date of Determination.

### 9.04 **Minimum University Cost**

Notwithstanding the foregoing, a Member entitled to a retirement income under Article 9 in respect of Credited Service on and after January 1, 1987, excluding any Credited Service purchased under Section 14.01 on or after January 1, 2007, shall, in addition to such retirement income receive the amount, if any, of the Member's Required Contributions made pursuant to Sections 5.01, 5.03 or 5.06 on or after January 1, 1987 and 50% of any contributions made under Section 14.01 for Credited Service purchased on or after January 1, 1987 and before January 1, 2007, together with Interest, that is in excess of fifty percent (50%) of the Actuarial Equivalent value of such retirement income.

## **Article 10 – Revenue Rules Maximum Pension**

Notwithstanding the provisions of any other Articles, in no event shall the total amount of retirement income payable at an annual rate to a Member under the Plan and any other registered pension plan of the University for the same years of Credited Service, exceed at the Date of Determination the maximum amount described in this Article.

### **10.01 Maximum Benefit on Normal or Postponed Retirement Date**

Any amount of retirement income computed in accordance with Sections 9.01 or 9.03 on the Member's Normal or Postponed Retirement Date, as applicable, shall not exceed the product of (a) and (b), as follows:

- (a) is the lesser of (i) and (ii) where:
  - (i) is two percent (2%) of the average of the best three (3) years' remuneration of the Member on the Member's Normal or Postponed Retirement Date, as applicable, as defined under Revenue Rules; and
  - (ii) is two thousand eight hundred and eighteen dollars and eighty-nine cents (\$2,818.89), or such other amount at the Member's Normal or Postponed Retirement Date, as applicable, which may be used to determine the maximum retirement income under Revenue Rules.
- (b) is pensionable service, not exceeding thirty-five (35), which is acceptable for such purposes under Revenue Rules.

#### 10.02 **Maximum Benefit on Early Retirement Date**

Any amount of retirement income computed in accordance with Section 9.02 shall not exceed the maximum pension specified in Section 10.01, using the Member's Early Retirement Date instead of the Member's Normal or Postponed Retirement Date, multiplied by one hundred percent (100%) less one quarter of one percent (0.25%) for each month, if any, that the Member's Early Retirement Date precedes the earliest of the day on which:

- (a) the Member attains age sixty (60);
- (b) the Member has completed or would have completed had the Member continued in employment, thirty (30) years of Continuous Service; and
- (c) the aggregate of the Member's age and years of Continuous Service is or would be had the Member continued in employment, eighty (80).

#### 10.03 **Maximum Benefit on Termination of Employment**

Any amount of retirement income computed in accordance with Section 13.01 shall not exceed the maximum pension specified in Section 10.01, using the Member's date of termination of employment instead of the Member's Normal or Postponed Retirement Date, multiplied by one hundred percent (100%) less one quarter of one percent (0.25%) for each month, if any, that the pension commencement date precedes the earliest of the day on which:

- (a) the Member attains age sixty (60);
- (b) the Member has completed or would have completed had the Member continued in employment, thirty (30) years of Continuous Service; and
- (c) the aggregate of the Member's age and years of Continuous Service is or would be had the Member continued in employment, eighty (80).

10.04 The provisions of this Article 10 shall not apply to any amounts of retirement income payable to the Member under Sections 9.04 or 13.02.



## **Article 11 – Payment of Retirement Benefits**

### **11.01 Normal Form**

- (a) The normal form of retirement income payable shall be determined as of the Member's Retirement Date and, except as provided below, payment thereof shall be in the form of monthly instalments beginning on the last day of the month in which the Member's Retirement Date occurs and continuing thereafter during the Member's lifetime.
- (b) Upon the death of a retired Member without a Spouse or a Successor Spouse prior to receiving sixty (60) monthly payments, the balance of such payments shall be paid to the Member's Beneficiary.
- (c) Upon the death of a retired Member with a Spouse or a Successor Spouse, such Spouse or Successor Spouse shall receive a monthly pension for life equal to sixty percent (60%) of the pension in payment to the Member immediately preceding the Member's death; provided, however, that if the payments are made to a Successor Spouse and the Successor Spouse is more than five (5) years younger than the deceased Member, the pension payable to the Successor Spouse shall be Actuarially Equivalent to the pension which would be payable to a Successor Spouse who is exactly five (5) years younger than the deceased Member.

### **11.02 Election of Optional Form**

A Member may elect, in lieu of the normal form of retirement income described in Section 11.01, any optional form of retirement income acceptable under Applicable Pension Laws and Revenue Rules as may be available and as may be approved by the University from time to time, including but not limited to the forms described below.

If, at the Member's Retirement Date, a Member has a Spouse and the optional form of pension elected by the Member does not include a survivor pension that is at least equal to the pension determined under Section 11.01(c), the Member's election must include a

spousal waiver in the written form prescribed by the University and as required under Applicable Pension Laws.

A Member who, at the Member's Retirement Date, has a Spouse and/or Children, may elect, in lieu of both the normal form of retirement income as described in Section 11.01 and the Children's death benefit described in Section 12.03, an optional form of retirement income payable to him or her during the Member's lifetime with the provision that upon the Member's death after retirement a percentage of such income shall continue to be paid to the Joint Annuitant for his or her lifetime equal to one hundred percent (100%) or seventy-five percent (75%), whichever the Member shall elect, and further provided that the Joint Annuitant under such election shall be the Member's Spouse or Successor Spouse, or in the absence of a Spouse or Successor Spouse, the Member's Children. However, the proportionate share of retirement income payable to each such Child shall not exceed sixty-six and two-thirds percent (66 2/3%) of the retirement income that the member was receiving before the Member's death. If the Joint Annuitant is the Member's Spouse or Successor Spouse, the retirement income payable to each such Spouse or Successor Spouse shall be paid during his or her lifetime. If the Joint Annuitant is the Member's Children, the proportionate share of retirement income payable to each such Child shall be paid until the surviving Child ceases to be so designated.

A Member may elect, in lieu of both the normal form of retirement income as described in Section 11.01 and the Children's death benefit described in Section 12.03, to receive retirement income payable to him or her during the Member's lifetime, with the provision that should the Member die before he or she has received payments for a period of ten (10) or fifteen (15) years, whichever the Member shall elect, then either the remainder of the payments shall be paid to the Member's Beneficiary or the commuted value of the remaining payments shall be paid to the Member's Beneficiary or the Member's estate.

Such written election in prescribed form must be filed with the University prior to the Member's Retirement Date.

The retirement income payable under the elected option shall be the Actuarial Equivalent of the retirement income payable under the normal form as described in Section 11.01 and, in the case of a Member with Children at the Member's Retirement Date, the death benefit as described in Section 12.03. Any such option shall involve life contingencies, and any certain period shall not exceed fifteen (15) years. Further, no guarantee shall be permitted on the pension to a Joint Annuitant except for the outstanding portion of any guaranteed term relating to the Member.

### 11.03 **Small Benefits**

If the annual retirement income payable to the Member at Normal Retirement Date under this Plan is not more than four percent (4%) of the YMPE as at the Date of Determination, or the lump sum Actuarial Equivalent of such retirement income is less than twenty percent (20%) of the YMPE as at the Date of Determination (or such other larger amount as may be commuted in accordance with Applicable Pension Laws), the University may direct the payment of an Actuarially Equivalent lump sum to the recipient.

On and after July 1, 2012, if a Spouse or Successor Spouse becomes entitled to a survivor pension pursuant to Article 11 and if the Spouse's or Successor Spouse's retirement income is not more than four percent (4%) of the YMPE in the year of the Member's death, or the lump sum Actuarial Equivalent of such retirement income is less than twenty percent (20%) of the YMPE in the year of the Member's death, the University may direct the payment of an Actuarially Equivalent lump sum to the Spouse, or Successor Spouse, as applicable.

### 11.04 **Shortened Life Expectancy**

The Actuarial Equivalent of retirement income currently being paid or required to be paid under the Plan may be paid in a lump sum at the discretion of the Member if the Member:

- (a) Establishes that the Member has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years, as certified in writing by a physician who is licensed to practise medicine in a jurisdiction in Canada;
- (b) Provides an application in the prescribed form; and
- (c) Satisfies any other conditions prescribed by Applicable Pension Laws.

#### 11.05 **Commutation of Death Benefits**

- (a) The amount of retirement income payable to a Member's Beneficiary under a guarantee option may, if so requested by the Beneficiary, be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.
- (b) The amount of any retirement income payable to a Member's estate under a guarantee option shall be paid in a lump sum Actuarially Equivalent to the remaining retirement income payments under the guarantee option.

## **Article 12 – Death Benefits**

### **12.01 Death Benefits Prior to Retirement Date**

- (a) Subject to Section 12.05, if a Member dies prior to the Member's Retirement Date, there shall be paid to the Member's Spouse a lump sum payment equal to the retirement income that would have been payable in accordance with the amount determined under Article 13 had the Member terminated employment on the date of the Member's death.
- (b) If the Member has no Spouse at date of death, or if the Spouse has waived the right to the above benefit in accordance with Applicable Pension Laws, the above benefit shall be payable to the Member's Beneficiary.

### **12.02 Death Benefits for Terminated Employees**

If a Member has ceased to accrue Continuous Service and has an entitlement to retirement income benefits as determined in accordance with Section 13.01, and if the death of such Member occurs prior to the commencement of such retirement income, there shall be paid to the Member's Spouse the benefit determined under Section 13.01, to the extent that such benefit has not previously been paid. The payment of such amount shall serve as a full discharge of the obligations of the Plan. If the Member has no Spouse at date of death, or if the Spouse has waived the right to the above benefit in accordance with Applicable Pension Laws, the above benefit shall be payable to the Member's Beneficiary.

### **12.03 Children's Death Benefits After Retirement Date**

A Children's death benefit shall be payable under the following circumstances:

- (a) on the death of a Spouse or a Successor Spouse who, at the date of death, was receiving a death benefit in accordance with Section 11.01; or

- (b) on the death of a Member after the Member's Retirement Date who is survived by neither a Spouse nor a Successor Spouse and who, at the date of death, was receiving a benefit in accordance with Section 11.01.

The Children's death benefit shall be payable in monthly instalments in respect of surviving Children commencing on the last day of the month in which the death of the Member, the Spouse or the Successor Spouse, whichever is applicable, occurs and shall be paid in respect of each such Child until the youngest surviving Child ceases to be so designated.

The Children's death benefit shall be in the form of a pension payable in respect of each Child where such pension shall be an equal proportionate share of (i) and (ii), whichever is applicable, where:

- (i) equals the pension payable to the Spouse or Successor Spouse pursuant to Section 11.01 or 11.02 immediately preceding the death of the Spouse or Successor Spouse; or
- (ii) equals the pension which would be payable to the natural parent of such Children pursuant to Section 11.01 if such parent were the Spouse of the deceased Member at the Member's date of death.

#### 12.04 **Minimum Death Benefit**

A minimum death benefit shall be payable in the event of the death of a Member subsequent to the Member's Retirement Date.

The minimum death benefit shall be the excess of (a) over (b) where:

- (a) equals the deceased Member's accumulated Required Contributions with Interest to the Member's Retirement Date; and
- (b) is the sum of the payments made in respect of the Member and shall include the payments made to the Member while he or she was alive, the payments made to

the Member's surviving Spouse, Successor Spouse, Joint Annuitant or Beneficiary after the death of the Member and the payments made in respect of the Child(ren) after the death of the Member.

The minimum death benefit computed in accordance with this Section shall be payable to the last recipient of income from the Plan or, if such recipient is deceased, to the Member's estate.

#### 12.05 **Alternative Forms of Payment**

A Member's Spouse may elect that the Actuarial Equivalent of any lump sum amounts payable under paragraph 12.01(a) or Section 12.02 to such Spouse be paid to:

- (a) provide for an immediate or deferred life annuity to the Spouse, without a guarantee period or with a guarantee period of complete years not exceeding fifteen (15) years;
- (b) another registered pension plan, if that plan so permits;
- (c) a registered retirement savings plan of the Spouse; or
- (d) any other registered arrangement allowed under Applicable Pension Laws and Revenue Rules;

as designated by the Spouse or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, the death benefit shall be payable as an immediate life annuity.

#### 12.06 **Beneficiary Designation**

A Member shall designate in writing a Beneficiary to receive any benefits payable under the Plan upon the death of such Member and may change such designation from time to time. Such designation or change must be in accordance with any law applicable to the Member and shall be in such form and executed in such manner as the University may,

from time to time, determine. Any designation or change must be filed with the University. In the absence of an effective designation of a Beneficiary, the University shall instruct the Funding Agency to make payment of any death benefits under this Plan to the estate of the Member and any such payment shall completely discharge all liability with respect to the amount paid.



## Article 13 – Termination of Employment

- 13.01 (a) A Member whose employment with the University is terminated for any reason other than retirement, shall be entitled to receive benefits as follows:
- (i) *For a Member who joined the Plan on or before July 1, 1981*
    - (A) Subject to Section 13.03, a lump sum amount equal to the greater of the sum of (a) and (b) compared to (c), where:
      - (a) equals two (2) times the sum of the Member's Required Contributions to this Plan pursuant to Sections 5.01, 5.03, or 5.06, with Interest; and
      - (b) equals the Member's Required Contributions to this Plan pursuant to Section 5.04, with Interest and the amount transferred in respect of the Member under Section 14.01, if any, with Interest; and
      - (c) equals the lump sum amount which is Actuarially Equivalent to the pension to which the Member is entitled under paragraph (B) below; or
    - (B) A retirement income, payable in accordance with Article 11 and commencing on the last day of the month in which the Member's Normal Retirement Date occurs, computed in accordance with Article 8 using the Member's date of termination of employment as his or her Date of Determination. The Member may elect commencement of such retirement income from the last day of any month in the ten (10) year period prior to his or her Normal Retirement Date; in such event, such retirement income will be reduced by a factor of one-quarter of one percent (0.25%) for each

complete month, if any by which the commencement date precedes the earliest of:

- (1) the Member's Normal Retirement Date; and
- (2) the date on which the sum of the Member's age and Credited Service would have first equaled eighty-five (85) had he or she continued in employment after his or her date of termination of employment.

(ii) *For a Member who joined the Plan on or after October 1, 2014 and who terminates prior to attaining age 55*

- (A) Subject to Section 13.03, a lump sum amount which is Actuarially Equivalent to the pension to which the Member is entitled under paragraph (B) below; or
- (B) A retirement income, payable in accordance with Article 11 commencing on the last day of the month in which the Member's Normal Retirement Date occurs, computed in accordance with Article 8 using the Member's date of termination of employment as his or her Date of Determination. The Member may elect commencement of such retirement income from the last day of any month in the ten (10) year period prior to his or her Normal Retirement Date; in such event, such retirement income will be reduced on an Actuarially Equivalent basis.

(iii) *For a Member who joined the Plan on or after October 1, 2014 and who terminates on or after attaining age 55*

- (A) Subject to Section 13.03, a lump sum amount which is Actuarially Equivalent to the pension to which the Member is entitled under paragraph (B) below; or

- (B) A retirement income, payable in accordance with Article 11 commencing on the last day of the month in which the Member's Normal Retirement Date occurs, computed in accordance with Article 8 using the Member's date of termination of employment as his or her Date of Determination. The Member may elect commencement of such retirement income from the last day of any month in the ten (10) year period prior to his or her Normal Retirement Date; in such event, such retirement income will be reduced by a factor of one-quarter of one percent (0.25%) for each complete month, if any by which the commencement date precedes the earliest of:
- (1) the Member's Normal Retirement Date; and
  - (2) the later of the date on which the Member first attains his or her Earliest Unreduced Age, and the date on which the sum of the Member's age and Credited Service would have first equaled his or her Earliest Unreduced Points, both as defined in Section 9.02, had he or she continued in employment after his or her date of termination of employment.

### 13.02 **Minimum University Cost**

Notwithstanding the foregoing, a Member entitled to a retirement income under Article 13 in respect of Credited Service on and after January 1, 1987, excluding any Credited Service purchased under Section 14.01 on or after January 1, 2007, shall, in addition to such retirement income receive the amount, if any, of the Member's Required Contributions made pursuant to Sections 5.01, 5.03 or 5.06 on or after January 1, 1987 and 50% of any contributions made under Section 14.01 for Credited Service purchased on or after January 1, 1987 and before January 1, 2007, together with Interest, that is in

excess of fifty percent (50%) of the Actuarial Equivalent value of such retirement income.

### 13.03 **Transfer Options**

Subject to Section 14.03, a lump sum amount calculated under Section 13.01 may be transferred to:

- (a) the registered pension plan of a successor employer if the subsequent employer's plan so permits;
- (b) a registered retirement savings plan under which the Member is the annuitant, provided that the trustee of such plan agrees to administer the total transfer amount as a fully locked-in deferred pension benefit; or
- (c) any other locked-in registered arrangement allowed under Applicable Pension Laws and Revenue Rules.

### 13.04 **Involuntary Termination**

If a Member accruing benefits is involuntarily terminated by the University, and the sum of the Member's age plus the greater of Continuous Service or period of Plan membership determined at the Member's Date of Determination equals 55 or more, the Member shall be entitled to elect:

- (a) an unreduced pension benefit commencing on the Member's Normal Retirement Date;
- (b) a reduced or unreduced pension benefit commencing on a date selected by the Member with any adjustment determined in accordance with Section 9.02 as if the Member had continued in employment following the commencement date chosen by the Member; or

- (c) a transfer of the Actuarially Equivalent value of the benefit in (a) or (b) above in accordance with Section 13.03.

The pension benefits payable pursuant to this Section 13.04 shall be based on the applicable Best Average Earnings and Credited Service of the Member up to his or her date of termination of employment.

Notwithstanding the above, such a Member shall only be entitled to the benefits in this Section 13.04 if the circumstances of his or her termination of employment are an “activating event” under Section 74 of the Ontario Pension Benefits Act.

## **Article 14 – Transfers**

### **14.01 Transfer from Registered Plan of Previous Employer**

Funds transferred from the previous employer's registered pension plan may be accepted into the Fund at the sole discretion of the University. Amounts so transferred will be applied to purchase additional Credited Service in respect of the Member's service with the previous employer, to the extent that such Credited Service constituted eligible service, as defined under Revenue Rules, for pension benefits under the previous employer's registered pension plan.

### **14.02 Transfers of Lump Sum Amounts**

Any cash settlement to which the Member is entitled in accordance with Sections 9.04, 11.03 or 13.02 may be paid into:

- (a) the registered pension plan of a subsequent employer of the Member, if the subsequent employer's plan so permits;
- (b) a registered retirement savings plan under which the Member is the annuitant; or
- (c) any other registered arrangement allowed under Applicable Pension Laws and Revenue Rules.

### **14.03 Maximum Transfer Limits**

- (a) An amount transferred in accordance with Sections 13.03, or 14.02, shall not exceed, if such transfer is not made to a defined benefit provision of a registered pension plan, the greater of the Member's Required Contributions with Interest and the product of:
  - (i) the annual amount of retirement income that would be payable at Normal Retirement Date, using the Member's date of termination of employment or Retirement Date, as applicable, as the Date of Determination; and

- (ii) the appropriate factor from the following table:

| <b>Attained Age at<br/>Date of Calculation</b> | <b>Factor</b> |
|--|---------------|
| Under 50                                       | 9.0           |
| 50   | 9.4           |
| 51   | 9.6           |
| 52   | 9.8           |
| 53   | 10.0          |
| 54   | 10.2          |
| 55   | 10.4          |
| 56   | 10.6          |
| 57   | 10.8          |
| 58   | 11.0          |
| 59   | 11.3          |
| 60   | 11.5          |
| 61   | 11.7          |
| 62   | 12.0          |
| 63   | 12.2          |
| 64   | 12.4          |
| 65   | 12.4          |
| 66   | 12.0          |
| 67   | 11.7          |
| 68   | 11.3          |
| 69   | 11.0          |
| 70   | 10.6          |
| 71   | 10.3          |

For non-integral ages lower than 64, the appropriate factor shall be determined on an interpolated basis.

- (b) If the amount to be transferred exceeds the maximum transferable amount in accordance with paragraph (a) above, the excess shall be paid in cash to the Member or remain in the Plan to provide a retirement income to the Member, at the sole discretion of the Member, and as specified in Applicable Pension Laws and as permitted under Revenue Rules.

## **Article 15 – Contributions and Funding**

### **15.01 University Contributions**

Based upon the amounts estimated by the Actuary and subject to Section 15.02, the University will contribute to the Fund such amounts as are necessary to provide for the benefits accruing in that year and to fund any unfunded liability and any experience deficiency in accordance with, and within the time limits specified in, Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the University at any time is limited to such contributions as should have theretofore been made by it in accordance with Applicable Pension Laws. Notwithstanding the foregoing, contributions made to the Plan after 1990 by the University shall only be made if they are eligible contributions in accordance with Revenue Rules.

### **15.02 Actuarial Surplus**

Subject to the provisions of Applicable Pension Laws, any surplus determined by actuarial valuation, or a portion thereof, may be:

- (a) used to reduce the contributions of the University otherwise required under the Plan; or
- (b) subject to Article 10, used to increase benefits provided under the Plan; or
- (c) to the extent allowed and subject to any conditions or approval procedures under the Applicable Pension Laws and Revenue Rules, returned to the University.

### **15.03 Excess Contributions**

In the event that the University or a Member makes a contribution to the Plan which would cause the Plan's registration to be revocable under Revenue Rules then, subject to conditions or approval procedures under Applicable Pension Laws, such contributions shall be returned to the University or the Member, as applicable.



#### 15.04 **Fund**

- (a) The retirement income and other benefits provided under this Plan shall be financed by a Fund established for the purposes of the Plan.
- (b) The Pensions Committee shall be responsible for the selection of a Funding Agency, and its appointment by the Board. The Fund or a portion thereof shall be maintained and administered by the Funding Agency in accordance with the terms of a Funding Agreement entered into between the University and the Funding Agency. The University and the Funding Agency may agree to amend the form and the terms of the Funding Agreement at any time.
- (c) Subject to Applicable Pension Laws, the retirement income and other benefits provided under this Plan, payable hereunder shall be paid only to the extent that they are provided for by the assets held under the Fund, and no liability or obligation to make any contributions thereto or otherwise shall be imposed upon the Funding Agency or the University other than in accordance with Section 15.01.
- (d) The investment of the Fund shall be made in accordance with Applicable Pension Laws and Revenue Rules.
- (e) Fees of the Funding Agency, fees of an investment manager, investment brokerage, transfer taxes and similar costs arising as a result of the making of investments, sale of assets or realization of investment yield, and the expenses reasonably incurred or compensation properly paid in the course of the administration of the Plan, shall be paid from the Fund or by the University in cash as determined by the University.

#### 15.05 **Claims on the Fund**

No Member or any person claiming through the Member, by virtue of any provision of this Plan, shall have any right to, or any interest in, any part of the Fund except to the

extent provided from time to time under the Plan and the Funding Agreement, and any Member or other person having any claim through him or her shall have recourse solely to the Fund for payment of any benefits hereunder. Under no circumstances shall any liability attach to the University or Funding Agency, or any member of the Board or Pensions Committee or any employee of the University for payment of any benefits or claims hereunder.

## **Article 16 – Protection of Benefits**

16.01 Except as permitted under Section 16.02 and subject to Applicable Pension Laws and the portability and commutation provisions of any other Article of the Plan, no benefit, right or interest provided under the Plan shall be:

- (a) capable of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, seizure, attachment or other legal or equitable process; and
- (b) capable of being given as security or surrendered;

and, for the purposes of this Section:

- (c) assignment does not include assignment by the legal representative of a deceased individual on the distribution of the individual's estate; and
- (d) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan under Revenue Rules.

16.02 Notwithstanding Section 16.01, when the legal marriage or spousal relationship of a Member and such person's Spouse is terminated, the pension earned during the term of the marriage or spousal relationship may be split as provided under Applicable Pension Laws, and in accordance with any written judicial decision which may take precedence, provided that the total value of benefits with respect to such Member shall not exceed the Actuarial Equivalent value of the benefits prior to such splitting.

Subject to Applicable Pension Laws, a Spouse of a Member whose spousal relationship with the Member has broken down after retirement may elect to waive entitlement to the survivor benefit in Article 11 by delivering to the University a written waiver after the commencement of the Member's pension, in the form and manner prescribed by Applicable Pension Laws. Notwithstanding the receipt of such a waiver, there shall be no adjustment to the Member's monthly pension.

16.03 If the University shall receive evidence which in its absolute discretion is satisfactory to it that:

- (a) a person entitled to receive any payment provided for in the Plan is physically or mentally incompetent to receive such payment and to give a valid release therefor,
- (b) another person or an institution is then maintaining or has custody of such payee, and
- (c) no guardian, committee or other representative of the estate of such payee shall have been duly appointed,

then the University may direct the payment to such other person or institution, and such payment shall be a valid and complete discharge to the Plan for the payment.

In the absence of the appointment of a legal guardian, any benefit payable to a minor may be paid to such adult or adults as have, in the absolute discretion of the University, assumed the custody and principal financial support of such minor.

## **Article 17 – Amendment or Discontinuance**

### **17.01 Amendment**

The University expects to continue the Plan indefinitely, but nevertheless reserves the right to:

- (a) amend the Plan,
- (b) modify the Plan,
- (c) terminate the Plan, or
- (d) merge or consolidate the Plan with any other registered pension plan adopted by the Board,

provided that no such action shall adversely affect any right with respect to benefits which have accrued immediately prior to the time such action is taken, except as provided in Sections 17.02 and 17.04. The accrued benefits will be computed using as the applicable Date of Determination, the earlier of the date the Member ceases to accrue Continuous Service and the date of the amendment, modification, termination, merger or consolidation of the Plan.

Any amendment of the Plan shall be made by the adoption of a resolution by the Board.

All such amendments shall be binding on the University and on each Member.

### **17.02 Amendment Required to Maintain Registration**

Notwithstanding any other provisions of the Plan, the University may amend the Plan as is necessary to maintain the registration of the Plan under Applicable Pension Laws and Revenue Rules. Section 17.01 shall not restrict the University's ability to make an amendment to the Plan, including, but without limiting the generality of the foregoing, an amendment providing for benefits to be reduced, when the purpose of the amendment is

to maintain such registration of the Plan. Any such benefit reduction shall be subject to conditions or approval procedures under Applicable Pension Laws.

#### 17.03 **Certification of Post-1989 Additional Benefits**

An amendment to the Plan which creates additional benefits in respect of a period of employment after 1989 and which must be certified by the Minister of National Revenue in accordance with Revenue Rules shall not be effective in respect of a Member until such certification has been received for that Member, and such additional benefits will not be paid as a result of the amendment prior to certification. The University shall apply for such certification before it makes any contributions to the Plan in respect of such amendment.

#### 17.04 **Discontinuance**

In the event the Plan shall be discontinued at any time, the assets of the Fund shall be allocated to provide, to the extent of said assets subject to Applicable Pension Laws, the retirement income and other benefits then accrued under this Plan. The accrued benefits will be computed using the date the Member ceases to accrue Continuous Service as the applicable Date of Determination. Such allocation shall be made in accordance with an allocation schedule then established by the University in consultation with the Actuary and filed with and approved by the appropriate authorities in accordance with Applicable Pension Laws.

17.05 The provisions for the accrued retirement income and other benefits described in Section 17.04 may be in the form of cash, annuity contracts, the transfer of monies to other registered pension plans or to approved registered vehicles or the continuation of the Fund, or a combination thereof, at the discretion of the University and as permitted under Applicable Pension Laws and Revenue Rules.

17.06 Upon discontinuance of the whole Plan, any assets of the Fund remaining after full provision has been made for the accrued retirement income and other benefits as described in Section 17.04 may be returned to the University or, at the option of the

University, used to increase such benefits, subject to Article 10, in such manner as the University in its discretion shall determine, subject to Revenue Rules.

## **Article 18 – Disclosure**

### **18.01 Plan Explanation**

On or before the date an Employee becomes eligible for membership in the Plan, the University shall provide to such Employee a written description of the Plan. Such description shall explain the pertinent terms and conditions of the Plan and amendments thereto as applicable to the Employee, and shall outline the rights and obligations of the Employee with reference to the benefits available under the Plan.

The University shall provide a similar explanation of any amendment to the Plan to each Employee affected by the amendment as required under Applicable Pension Laws.

### **18.02 Inspection**

The University shall permit a Member, or the Member's authorized agent to inspect, or make extracts from, the Plan text and any other related documents required to be made available under Applicable Pension Laws, at any reasonable time at such offices of the University as are designated by the University.

### **18.03 Benefits Statement**

Upon cessation of employment of a Member or upon termination of the Member's active membership in the Plan, the University shall provide the Member with a written statement of the benefits to which he or she is entitled as may be prescribed by Applicable Pension Laws and within the time prescribed by Applicable Pension Laws.

### **18.04 Other Information**

The University shall provide such other information regarding the Plan, statistical or otherwise, as is required under Applicable Pension Laws and Revenue Rules.



#### 18.05 **Limitation**

Such explanation, statement or other information provided shall have no effect on the rights or obligations of any person under the Plan, and shall not be referred to in interpreting or giving effect to the provisions of the Plan. The University shall not be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

## **Article 19 – Administration**

- 19.01 The Plan shall be administered by the University. To facilitate any action required to be taken by the University under the provisions of the Plan, the Board has established the Pensions Committee to act on behalf of the University.
- 19.02 The Pensions Committee may from time to time direct that appropriate records be maintained and may establish rules for the administration of the Plan. The University through its delegated authority by the Pensions Committee shall have the exclusive right to interpret the Plan provisions and to decide any matters arising hereunder in the administration and operation of the Plan. All interpretations and decisions shall be applied as nearly as may be possible in a uniform manner to all Members similarly situated.
- 19.03 The University shall indemnify and save harmless the members of the Pensions Committee and any other employees who are involved in the administration of the Plan from the effects and consequences of their acts, omissions and conduct in their formal capacity to the extent permitted by law except for their own wilful and intentional malfeasance or misconduct. No part of the Fund shall be used for indemnification payments.
- 19.04 The University and members of the Pensions Committee shall be entitled to rely conclusively upon all tables, valuations, certifications, opinions and reports which shall be furnished by an actuary, accountant, counsel or other professional person who shall be employed or engaged for such purposes.
- 19.05 Whenever the records of the University are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.
- 19.06 An eligible Employee, Member, Beneficiary, Joint Annuitant, Spouse, Successor Spouse or Child shall sign such application forms prescribed by the University and furnish proof of age and furnish such other data and sign such documents as the University deems

necessary or desirable for the proper administration of the Plan or to evidence initial or continued eligibility for a benefit hereunder.

In the absence of actual notice to the contrary, the University shall make payment in accordance with information provided by the Member. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of a benefit, or where a person makes a claim that is inconsistent with information provided by the Member, the University may obtain court directions or seek an interpleader order and the costs in respect thereof may to the extent permitted by law, be charged against the benefit to be paid.

## Article 20 – Indexation of Post-Retirement Benefits

20.01 Each Eligible Retired Member shall, with respect to the Year of Review commencing October 1, 1988, and every Year of Review thereafter, be entitled to an increase in the Member's retirement income equal to the product of (a), (b) and (c) where:

- (a) is such Eligible Retired Member's retirement income as at the beginning of the applicable Year of Review;
- (b) is the excess, if any, of the lesser of (i) and (ii), over (iii), where:
  - (i) equals the applicable CPI Increase;
  - (ii) equals eight percent (8.00%);
  - (iii) equals the lesser of the applicable CPI Increase and:
    - (A) in respect of each Year of Review commencing on the dates given in the table below, the applicable annual percentage shown in the table below;

| <b>Year of Review Commencing</b> | <b>Applicable Percentage</b> |
|----------------------------------|------------------------------|
| October 1, 1989                  | 2.00%                        |
| October 1, 1990                  | 2.00%                        |
| October 1, 1991                  | 2.00%                        |
| October 1, 1992                  | 0.00%                        |
| October 1, 1993                  | 0.00%                        |
| October 1, 1994                  | 0.00%                        |
| October 1, 1995                  | 0.00%                        |
| October 1, 1996                  | 0.00%                        |
| October 1, 1997                  | 0.00%                        |
| October 1, 1998*                 | 0.51%                        |
| October 1, 1999*                 | 0.00%                        |
| October 1, 2000**                | 0.00%                        |
| October 1, 2001                  | 2.00%                        |
| October 1, 2002                  | 2.00%                        |
| October 1, 2003                  | 0.76%                        |

\*Ad hoc increase effective September 30, 2000

\*\*Ad hoc increase effective July 31, 2002

(B) in respect of each other Year of Review: two percent (2.0%) per annum; and

(c) is one twelfth (1/12) of the lesser of twelve (12) and the number of months by which the Eligible Retired Member's Retirement Date precedes September 1 of the Year of Review.

Payment of the increase determined in this Section 20.01 shall commence with the payment due as of September 30 coincident with the end of each Year of Review.

- 20.02 The increases under this Article shall not, in any event, be in excess of those allowable under Revenue Rules. In particular, in no event shall the total amount of increased retirement income payable to a Member at an annual rate under the Plan and any other pension plan of the University exceed the retirement income in the year of commencement adjusted to reflect increases in the Consumer Price Index for Canada as published by Statistics Canada.
- 20.03 Payment of any increase under this Article shall be in the same form and payable for the same period as the other retirement income payable under the Plan.
- 20.04 For the purpose of this Article, the Retirement Date of a Member's Spouse, Successor Spouse, Children or Joint Annuitant shall be deemed to be the Retirement Date of such Member or, where the Member died prior to the Member's Retirement Date, the date of such Member's death.

## **Appendix A – Inter-Plan Transfers**

A-1.01 For the purposes of this Appendix A, the following definitions shall apply:

- (a) “Determination Date” means the effective date of the transfer of a Member within the Pension Plans sponsored by the University.
- (b) “Pension Plans” means the registered pension plans sponsored by the University.
- (c) “Transferred Member” means a Member who transfers plan membership in accordance with Section 4.02.
- (d) “Transferee Plan” means the Pension Plan in which a Transferred Member was actively participating immediately prior to the date on which the Transferred Member retired, terminated or died.
- (e) “Transferor Plan” means the Pension Plan a Member is enrolled in prior to a transfer in accordance with Section 4.02.

A-1.02 In respect of a Transferred Member, the benefits payable as a result of prior membership in one or more of the Transferor Plans shall be paid from the Transferee Plan.

A-1.03 The benefit payable from the Transferee Plan shall be paid under the terms of the Transferor Plan as in effect as at the date of such retirement, termination or death.

A-1.04 Assets shall be transferred in respect of each Transferred Member from the fund established for each of the Transferor Plans to the fund established for the Transferee Plan.

A-1.05 The assets to be transferred under Section A-1.04 of this Appendix A shall be determined as at September 30, 1988 in respect of each Transferred Member on or prior to September 30, 1988, and at the Determination Date in respect of Transferred Members after September 30, 1988.

A-1.06 Such assets shall be equal to the ongoing actuarial liability under the Transferor Plan as at the Determination Date in respect of each Transferred Member, with interest at the ongoing valuation interest rate for the period from the Determination Date to the first of the month immediately prior to the date on which the transfer is made.

A-1.07 A transfer of assets made in accordance with this Appendix A shall constitute a full and complete discharge of the Transferor Plan's liability in respect of the Transferred Member. For greater certainty, in no event shall there be a duplication of benefits payable under the Pension Plans in respect of any period of service.