EMPLOYEE BENEFITS PROGRAM

Pension and Benefit Arrangements for Active Employees

INCLUDING FACULTY, STAFF AND EMPLOYEES OF CUPE LOCAL 793

CURRENT AS OF JANUARY 2023

UNIVERSITY OF WATERLOO

INTRODUCTION

EMPLOYEE BENEFITS PROGRAM

The purpose of this booklet is to provide a description of the pension and benefits arrangements that are provided to employees of the University. These arrangements are an important component of employees' total compensation package. The information contained in this booklet describes the coverage and provisions as they exist on January 2023.

The benefits highlighted in this booklet are not an exhaustive list of the benefits provided to employees of the University. Benefit information that is governed by the University policies posted on the Secretariat website are not repeated in this booklet (e.g. reduced workload, tuition benefit, vacation, maternity/parental leave EI top up, etc.). In addition, benefits that are provided by the provincial (e.g. OHIP) or federal (e.g. EI, CPP, OAS) governments are not described within the booklet – please refer to government documentation and their websites for information about these programs.

Third party service providers are involved with providing some or all aspects of the non-pension benefits; the Human Resources department is responsible for collecting your information and deductions to enable your coverage to be in effect. The Pension Services team within the Human Resources department is responsible for the administration of the pension plan, utilizing a third party provider's system to calculate entitlements and the trustee to make benefit payments.

Human Resources representatives are available to provide assistance and information with any aspects of the employee benefits program. Questions regarding extended health, dental, and the Employee Family Assistance Program (EFAP) benefit provisions are best directed to the service providers as a first point of contact; the Human Resources department is the first point of contact for the disability, life insurance and pension benefits.

We're here to help

VISIT OUR WEBSITE

The Human Resources website (**uwaterloo.ca/human-resources**) has the most up to date information, as well as forms and procedures involved with the employee benefits program.

HR HELP

Contact **hrhelp@uwaterloo.ca** or by phone at **519-888-4567, ext. 45935** if you have any questions regarding your non-pension benefits.

PENSION SERVICES

Contact the Pension Services team within the Human Resources department at **pensions@uwaterloo.ca** or by phone at **519-888-4567, ext. 43573** if you have any questions regarding your pension or the vacation exchange program.

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GENERAL INFORMATION

OVERVIEW

The following table provides some pertinent details for the benefits that are included in this booklet:

BENEFIT	ADMINISTRATOR	REFERENCE NUMBER	CONTACT INFORMATION	OTHER INFORMATION
PENSION	University of Waterloo	Registered Pension Plan (RPP) Registration Number 0310565 Not applicable for the payroll pension plan	Pension Services team within the Human Resources department with system support provided by LifeWorks Ariel	CIBC Mellon is the Trustee myPENSIONinfo is accessible through the Human Resources website
HEALTHCARE				
Extended Health and Dental	Green Shield Canada (GSC)**	Not applicable	1-888-711-1119 greenshield.ca	Certificate number is your Employee ID preceded by WTL which is included on your benefits ID card
GSC Travel Assistance	Green Shield Canada	Not applicable	Toll free: › From within Canada and U.S.A call 1-800-936-6226 › Or call collect 0-519-742-3556 when traveling outside Canada or U.S.A. › From within Mexico call 001-800-101-0061 Or call collect 0-519-742-3556 when traveling outside Canada or U.S.A.	Always travel with your benefits ID card which includes this important contact information
DISABILITY				
Sick Leave	University of Waterloo	Not applicable	Disability Benefits Specialist within the Human Resources department and the Occupational Health team	A third party early referral provider is engaged for complex cases that meet a set of defined criteria
Long Term Disability	Sun Life Financial*	Contract 103355	Please contact the Human Resources department with any questions	
LIFE INSURANCE	Sun Life Financial	Contract 50813	Please contact the Human Resources department with any questions	Participant of the University Life Insurance Plan (ULIP)
EMPLOYEE & FAMILY ASSISTANCE PROGRAM (EFAP)	Homewood Health	Not applicable	1-800-663-1142 (English) 1-866-398-9505 (French) 1-888-384-1152 (TTY) 604-689-1717 International (call collect) homeweb.ca	

* Canada Life for claims prior to May 1, 2022
** Canada Life for claims prior to January 1, 2023

BENEFIT SUMMARY

The following table provides a summary of the provisions provided through the program:

BENEFIT	PROVISIONS
Pension	Defined benefit arrangement based on a formula that considers earnings and years of pensionable service
Healthcare*	80 per cent to 100 per cent reimbursement for eligible medical services and supplies; 95 per cent reimbursement for basic dental and 50 per cent reimbursement for major dental and orthodontia services (maximums apply)
Disability	Salary continuance during sick leave and 85 per cent of net take home pay during LTD
Life Insurance	Up to six times annual earnings plus spousal coverage up to a maximum of $200,000
Employee & Family Assistance Program (EFAP)	Short term counselling plus online and telephone services geared towards an individual's health and wellbeing

* The University has an agreement with Green Shield Canada whereby the University has full liability for Healthcare (other than GSC Travel Assistance) benefits outlined in this booklet. This means that the University has agreed to fund these benefits and they are, therefore, uninsured. All claims will, however, be processed by Green Shield Canada.

LEGISLATIVE BENEFITS

Legislative benefits are mandatory and are provided to all eligible employees. The University, along with its employees, are obligated to contribute to certain programs, which are set out by Federal and Provincial statute. The following table provides a summary of the required legislative benefits:

BENEFIT	DESCRIPTION
Ontario Health Insurance Plan (OHIP)*	OHIP is the government-run health insurance plan for the Canadian province of Ontario. The University is responsible to pay the Employer Health Tax charge at a rate of 1.95 per cent of earnings to help fund the Plan.
Workplace Safety and Insurance Board (WSIB)	WSIB provides insurance benefits to workers who have a work-related injury or illness. The University is responsible to pay a rate of $0.20 per $100 earned to an earnings maximum of $110,000.
Employment Insurance (EI) **	EI provides temporary income support to unemployed workers. As an employee you are required to pay 1.63 per cent of insurable earnings and the University contributes 1.163 per cent of insurable earnings.
Canada Pension Plan (CPP)	CPP provides contributors and their families with partial replacement of earnings in the case of retirement, disability or death. Both employees and the University contribute to the plan at a rate of 5.95 per cent of pensionable earnings.

* Or other provincial healthcare plans for employees who reside outside of Ontario.
** The University receives a rebate on EI premiums due to the sick leave benefit. Regulations require that some of the rebate be shared with employees. This is accomplished through the University's employee life insurance premium cost sharing arrangement.

COST SHARING ARRANGEMENT

The cost sharing arrangement for a full-time employee is summarized below:

BENEFIT	UNIVERSITY PAID	EMPLOYEE PAID
PENSION	Based on actuarial valuation report*	Earnings based formula (See Cost Summary)
HEALTHCARE (single and family coverage)	100 per cent	0 per cent
DISABILITY		
Sick Leave	100 per cent	0 per cent
Long Term Disability	0 per cent	100 per cent
LIFE INSURANCE		
Basic Life (1 times annual earnings)	100 per cent	0 per cent
Additional Basic Life (1 to 2 times annual earnings)**	67 per cent	33 per cent
Optional Life (1 to 3 times annual earnings)***	0 per cent	100 per cent
Spousal Life***	0 per cent	100 per cent
EMPLOYEE & FAMILY ASSISTANCE PROGRAM (EFAP)	100 per cent	0 per cent

* The University's contributions to the pension plan are determined by an actuary and are outlined in the actuarial valuation report that must be filed with the regulatory authorities every three years.

** University portion reduces to 0 per cent and employees' portion increases to 100 per cent at age 65 and the Optional Life Rate Table applies.

*** Optional Life Rate Table is used to calculate premium based on age, sex and smoker status.

NOTES:

Part-time employees are responsible for a portion of the benefit premiums that are paid 100 per cent by the University. For example, a part-time employee that works three days per week, year round, would have a FTE (full-time equivalency) of 60 per cent – the employee would be responsible for paying 40 per cent of the premiums.

All benefits continue while on an approved leave of absence, however employee paid benefits will need to be paid in advance for the duration of the leave (LTD and Optional Life insurance, and extended health and dental for part-time employees). Individuals who are members of the pension plan, have the option to waive pension contributions during the portion of their leave where they are not receiving pay from the University, however this may affect credited service.

Premiums for extended health, dental and LTD are waived as well as Pension contributions for individuals who are currently receiving LTD benefit payments. Optional life premiums are paid by the University while on LTD. Spousal life however must continue to be paid by the employee.

COST SUMMARY

Benefits provided by Green Shield Canada and Sun Life Financial are renewed annually with rate changes taking effect each May 1. The Homewood Health contract was implemented on September 1, 2016 and is not subject to an annual renewal.

BENEFIT	MONTHLY COSTS EFFECTIVE MAY 1, 2022	
PENSION	Member contributions to the pension plan are calculated as follows: › 7.80 per cent of base earnings up to the YMPE, plus › 11.20 per cent of base earnings exceeding the YMPE Maximum contributions for 2023 are $22,672. The YMPE for 2023 is $66,600. Base earnings is your regular earnings and does not include overtime pay, stipends, shift premiums, etc.	
HEALTHCARE		
Extended Health	$71.24 Single	$227.33 Family
Dental	$48.72 Single	$146.60 Family
DISABILITY*		
Sick Leave	Not applicable	
Long Term Disability	1.015 per cent of earnings Maximum insured annual earnings $190,549	
LIFE INSURANCE*		
Basic Life (1 times annual earnings)	$0.126 per $1,000 of coverage	
Additional Basic Life (1 to 2 times annual earnings)	$0.126 per $1,000 of coverage (until age 65, Optional Life Rate Table applies for coverage between ages 65-69)	
Optional Life (1 to 3 times annual earnings)	See Optional Life Rate Table (costs are based on age, sex, smoking status)	
Spousal Life	See Optional Life Rate Table (costs are based on age, sex, smoking status)	
EMPLOYEE & FAMILY ASSISTANCE PROGRAM (EFAP)	$2.50 per employee	

* Excludes any applicable tax

Optional Life Rate Table*

AGE	MALE SMOKER	MALE NON-SMOKER	FEMALE SMOKER	FEMALE NON-SMOKER
Less than 24	$0.0425	$0.0175	$0.0175	$0.012
24-34	$0.050	$0.024	$0.0277	$0.0175
35-39	$0.0574	$0.0277	$0.0351	$0.024
40-44	$0.0777	$0.0425	$0.050	$0.0277
45-49	$0.1398	$0.0638	$0.0768	$0.0453
50-54	$0.249	$0.1213	$0.1277	$0.0768
55-59	$0.4148	$0.2037	$0.2037	$0.1213
60-64	$0.600	$0.300	$0.3324	$0.1981
65-69	$0.8675	$0.4343	$0.5231	$0.325

* per $1,000 of coverage per month

ELIGIBILITY

Non-Pension Benefits

Employees must have a work commitment of at least 33 per cent to be considered eligible for non-pension benefits. There are two programs of coverage: full and temporary.

COMPONENT	TEMPORARY*	FULL**
Extended Health	Included	Included
Dental	--	Included
Long Term Disability	--	Included
Sick Leave	6 working days per year (pro-rated)	Included
Basic Life Insurance	Included	Included
Additional Basic Life Insurance	--	Included
Optional Life Insurance	--	Included
Spousal Life Insurance	--	Included
Employee & Family Assistance Program (EFAP)	--	Included

* Temporary appointments of one year or more but less than two years.
** Includes temporary full and part-time employees with an appointment duration of two years or more.

Employees who are hired into regular on-going positions (includes temporary appointments of two years or more) become eligible for the **full benefit program** as of their date of hire. Employees who are renewed for a third one-year appointment become eligible for the full benefit program at the beginning of their third year.

Employees (includes academic, Post-Doctoral Fellow and Research Associates) who are hired on a temporary appointment of at least one year but less than two years are eligible for the **temporary benefits program**.

Employees who have temporary appointments of at least three months but less than one year are not eligible for either the temporary or full benefit programs but are eligible for six working days per year (pro-rated) of paid sick leave (does not apply to casual or occasional employees).

To be eligible for the extended health benefit, employees and any qualifying dependents must be covered under the applicable provincial health care plan or be enrolled in the University Health Insurance Plan (UHIP) which provides provincial healthcare replacement coverage.

Pension Benefits

Employees who are hired into regular on-going positions of at least 33 per cent Full Time Equivalency (FTE) (including academic, Post-Doctoral Fellow and Research Associates) become eligible to participate in the pension plan on the first of the month following or coincident with their date of hire.

Pension eligibility for all other employees is determined as follows:

Once eligible to join the pension plan, participation is mandatory as of January 1st following or coincident with the employee's 35th birthday (does not apply to casual or occasional employees).

EMPLOYEE	PENSION ELIGIBILITY
Staff	A contract (or series of consecutive contracts) needs to exceed two years. For consecutive contracts, eligibility is met at the start date of the contract that takes the employee over the two year mark, even if the two-year period will be reached at a later date within that period. 33 per cent FTE is also required.
Faculty (excluding Definite Term Lecturers)	An appointment (or series of appointments) needs to exceed one year. For consecutive appointments, eligibility is met at the beginning of a subsequent appointment, even if the one-year period will be reached at a later date within that period. 33 per cent FTE is also required.
Definite Term Lecturers with a one year appointment	May elect to participate in the pension immediately if they have a FTE of at least 33 per cent; their participation is mandatory on the first day of the month following completion of five continuous years of employment. When promoted to a higher rank of faculty employment (including continuing lecturer), if under 35 years of age at the date of promotion, participation is optional. If over 35 years of age at the date of promotion, participation is mandatory.
Other	An employee who does not meet one of the above employment descriptions is eligible to join the pension plan following two consecutive calendar years in which earnings are at least 35 per cent of the Year's Maximum Personable Earnings (YMPE) or hours worked are at least 700, in each year.

WHO QUALIFIES AS YOUR SPOUSE?

Under the pension plan, a spouse is defined as a person to whom the employee is:

1. Legally married, provided you and your spouse are not living separate and apart; or
2. Not legally married, but you and that person are cohabiting continuously in a conjugal relationship for at least three years; or
3. Not legally married, but you and that person are cohabiting in a conjugal relationship of some permanence, if together you are the parents of a child as set out in Section 4 of the *Children's Law Reform Act* (Ontario).

For life insurance, healthcare benefits (i.e. extended health, dental) and the EFAP, you can only cover one spouse at a time, defined as:

1. An individual to whom you are legally married; or
2. Your common-law spouse who is an individual of either sex with whom you have been cohabiting for a period of at least 12 months and whom you publicly represent as your spouse.

WHO QUALIFIES AS YOUR DEPENDENT?

Your dependent child is eligible for coverage through the healthcare and EFAP benefits as long as they reside with you and/or dependent on you, and are not regularly employed and also meet the following definition of a dependent below.

1. Your natural child (or your spouses natural child); or
2. Your legally adopted child; or
3. Your step-child

Additionally, such a child must be:

a) Your unmarried child under age 21

b) Your unmarried child under age 25 if enrolled and in full-time attendance at an accredited college, university, or educational institute

c) Your child (regardless of age) who became totally disabled while eligible under a) or b) above, and has been continuously disabled since that time and is considered a dependent as defined under the Income Tax Act (ITA); to qualify under the ITA, the following conditions must be true:

- a) Disability tax credit is claimed by you for your disabled dependent, and
- b) Unmarried, unemployed, financially dependent on you, and
- c) Dependent lives with you or resides in an institution or group home, or
- d) Does not reside with you due to divorce or separation.

Prior to September each year, the Human Resources department requires confirmation of continued eligibility for healthcare coverage for dependent children over age 21. With the exception of those who are eligible based on criteria c) and a onetime attestation has been collected.

ENROLMENT

Employees who are newly eligible for benefits will receive enrollment instructions in their Workday account.

For non-pension benefits, it is in the best interest of the employee to log into Workday and complete enrollment within the first month of eligibility. Employees who do not complete this within 31 days of their hire date will be considered late applicants and the default benefit set-up will apply (i.e. healthcare for yourself only, life insurance at 1 times salary, your Estate defaulted as your beneficiary). To change your coverage after this, approval of Evidence of Insurability by the benefits provider may be required (i.e. Sun Life Financial for life insurance, Green Shield Canada for healthcare benefits). If an employee with a part-time or fractional load appointment is covered for comparable healthcare benefits under this or another group plan, they may waive this coverage. If at a later date the other coverage ends, the employee must enroll for coverage under this program at that time.

Employees who are eligible to join the pension plan but are under age 35 can waive participation until it becomes mandatory. This can be completed by choosing the waive option during benefit enrollment in Workday. Members will not be allowed to purchase service back to when they were first eligible to join if they chose not to join the plan at that time. Once an employee has joined the pension plan, they must remain a member of the plan and cannot suspend membership until their employment is terminated. If plan participation is mandatory but the enrollment process has not been completed, you will be enrolled in the pension plan with your Estate defaulted as your beneficiary. However, please note that if you are married, your spouse is entitled to the pre-retirement death benefit payable from the pension plan regardless of your beneficiary designation, unless a completed spousal waiver form has been submitted to HR. If plan participation is voluntary, your plan entry date must be the first of the month following the enrollment entry date in Workday.

UPDATING YOUR RECORDS

To ensure your coverage is kept up-to-date, please update any of the following changes in your Workday account:

› Change of name and/or spousal status or contact information, including your mailing address, telephone number, and personal email address;
› Change in dependents and/or spousal status; annual confirmation of continued overage dependent status, if applicable;
› Designating a primary and/or contingent beneficiary or beneficiaries and changing your designation(s) when necessary (original form with your wet signature is always required). It is important to note that under the pension plan, your spouse is entitled to the pre-retirement death benefit regardless of who you have designated as your beneficiary, unless a waiver form has been completed and submitted to Human Resources.

If you designate a minor (children under 18) as your beneficiary, it is recommended that you also designate a trustee.

For assistance, please visit **uwaterloo.ca/workday** to view the available step by step instructions on updating benefits records. For further assistance, please contact **hrhelp@uwaterloo.ca**.

PENSION

This section explains the provisions of the pension plan and the rights and obligations for plan members.

The pension plan is a defined benefit arrangement which calculates a member's entitlement based on final average earnings and length of participation/contribution. This means the monthly pension income it provides is based on the average of your earnings leading up to your retirement and how many years you have contributed to the plan. The pension receives cost of living adjustments each year in an attempt to preserve its purchasing power against inflation.

PENSION FORMULA

The formula that is used to calculate a member's pension is based on the following:

- **Final Average Earnings (FAE)** – The average of your annualized base earnings during the 60 continuous months of highest annualized earnings during your last 10 years of employment at the University.
- **Credited Service (CS)** – The number of years and complete months of continuous employment with the University during which you have made required contributions to the pension plan. Credited Service does not include any period during which you did not make contributions.
- **Average Year's Maximum Pensionable Earnings (Average YMPE)** – The five-year average of the Year's Maximum Pensionable Earnings, which is the maximum earnings on which contributions to Canada Pension Plan can be made each year. The Year's Maximum Pensionable Earnings, or YMPE, changes each year. The Average YMPE is the average of the YMPE in the year of retirement and the YMPEs in the four preceding years. For example, in 2023 the average YMPE is $66,600 calculated as follows: ($57,400 + $58,700 + $61,600 + $64,900 + $66,600) / 5 = $61,840.

The pension formula is:

1.4 per cent x **FAE** up to **Average YMPE**
\+ 2.0 per cent x **FAE** above **Average YMPE**

Total x CS

The examples that follow illustrate pension calculations for individuals at three different earnings levels. All three examples assume the individuals retire at age 65 with 25 years of credited service and use the 2023 Average YMPE of $66,600 for illustration purposes.

Under the pension plan, the "normal retirement date" is the first of the month coincident with or following a member's 65th birthday. This date must be defined in the plan as required by legislation even though age 65 is no longer a mandatory retirement age in Ontario and many employees choose to work beyond this age.

	PENSION CALCULATION	$35,000 FAE	$70,000 FAE	$110,000 FAE
STEP 1	1.4 per cent of FAE up to Average YMPE	$490	$865.76	$865.76
STEP 2	2.0 per cent of (FAE – Average YMPE) if applicable	$0	$163.20	$963.20
STEP 3	Sum of Step 1 and Step 2	$490	$1,028.96	$1,828.96
STEP 4	Multiply by 25 years of CS	$12,250 per year	$25,724 per year	$45,724 per year

If you continue working past age 65, you must continue making contributions to the pension plan. The *Income Tax Act* requires that your pension start to be paid no later than December 1st of the year that you turn 71, even if you continue to work; as such, if you work past this date, you will receive your pension in addition to your salary. Both incomes are taxable.

The formula determines the single life pension payable on the first of the month following your 65th birthday, with payments guaranteed for 10 years. The single life pension guaranteed 10 year is referred to as the “normal” form of pension. You can retire and commence receiving your pension on a date other than age 65 (i.e. as early as age 55) and you can elect to receive your pension in a different “form” as well. The pension payable differs for each of the options available.

MAXIMUM PENSION

The *Income Tax Act* establishes an upper limit to the pension that can be paid from a registered defined benefit pension plan. This limit means that in 2023 the pension plan cannot pay an annual pension of more than $3,506.67 per year of credited service. In the above example, the maximum pension would be $3,506.67 x 25 or $87,666.75 per year.

The *Income Tax Act* limit goes up each January 1st by the average industrial wage increase, subject to a cap that is reviewed annually by the Pension and Benefits Committee.

PENSION OPTIONS

The options you have under the pension plan differ based on your age at the time that your employment with the University ends.

If your employment ends before age 55

You have the choice of a deferred pension payable from the University pension plan or you can collect the commuted value (transfer the value out of the plan). If you decide to collect the commuted value, you forfeit a future pension payable from the University pension plan.

Deferred Pension
Leave your accrual in the plan to commence receiving a monthly pension from the University at age 65 or as early as age 55.

A reduction will apply if your monthly pension commences prior to age 65. Your pension entitlement will be reduced by 0.5 per cent per month for each month between age 55 and 60 as well as 0.33 per cent for each month between age 60 and 65.

Example:
An employee terminates at age 50 with 20 years of CS and FAE of $65,000 (2023 Average YMPE is used for illustration purposes) and commences their pension on the first of the month following their 60th birthday. A reduction factor of 20 per cent would apply and the pension calculation is illustrated below:

	PENSION CALCULATION	$65,000 FAE and 20 CS
STEP 1	1.4 per cent of FAE up to Average YMPE	1.4 per cent x $61,840 = $865.76
STEP 2	2.0 per cent of (FAE – Average YMPE)	2.0 per cent x ($65,000 – $61,840) = $63.20
STEP 3	Sum of Step 1 and Step 2	$928.96
STEP 4	Multiply by 20 years of CS	$18,579.20 per year
STEP 5	Determine the early retirement reduction	0.33 per cent x 60 months prior to age 65 = 20 per cent reduction
STEP 6	Multiply pension from Step 4 by (1-reduction)	(1-0.2) x $18,579.20 = $14,863.36 per year

Transfer Out
If your pension is less than four per cent of the YMPE, or the value of your pension is less than 20 per cent of the YMPE, the value of your pension will be paid to you in cash less withholding tax, or you can request the full amount be transferred to an unlocked Canadian Registered Retirement Savings Plan (RRSP).

If your pension does not meet the above criteria, you must transfer the commuted value of your accrued pension to one of the following locked-in vehicles:
› Your new employer's Canadian Registered Pension Plan (RPP),
› A Canadian Registered Locked-In Retirement Account (LIRA), or
› If you are 54, a Canadian Registered Life Income Fund (LIF).

You and the organization receiving the funds must sign a Locking-In Agreement to certify that the transferred funds will be administered in compliance with the requirements of Ontario's *Pension Benefits Act* and the *Income Tax Act* (Canada).

If your employment ends on or after age 55

You have the choice of an immediate or deferred pension payable from the University pension plan.

Members with 10 years of continuous regular service are eligible for retiree life and extended health benefits provided the immediate pension option is elected; those who elect a deferred pension forfeit these retiree benefits. Eligibility for post-retirement benefits is under review by the Pension and Benefits Committee and it is strongly advised that employees discuss eligibility for post-retirement benefits with Human Resources before completing the retirement intention on Workday.

A reduction will apply if your monthly pension commences prior to age 62. Your pension entitlement will be reduced by 0.5 per cent for each month your pension commencement date precedes age 62.

Example:
An employee retires on the first of the month following their 60th birthday, with 20 years of CS and FAE of $65,000 (2023 Average YMPE is used for illustration purposes). A 12 per cent reduction would apply as illustrated below:

	PENSION CALCULATION	$65,000 FAE and 20 CS
STEP 1	1.4 per cent of FAE up to Average YMPE	1.4 per cent x $61,840 = $865.76
STEP 2	2.0 per cent of (FAE – Average YMPE)	2.0 per cent x ($65,000 – $61,840) = $63.20
STEP 3	Sum of Step 1 and Step 2	$928.96
STEP 4	Multiply by 20 years of CS	$18,579.20 per year
STEP 5	Determine the early retirement reduction	0.5 per cent x 24 months prior to age 62 = 12 per cent reduction
STEP 6	Multiply pension from Step 4 by (1-reduction)	(1-0.12) x $18,579.20 = $16,349.69 per year

OTHER PENSION FORMS

Single Life Pension, Guaranteed 5 Years, 15 Years or No Guarantee

Instead of a 10 year guarantee period, a five year or 15 year guarantee period is available which respectively will increase or decrease the amount of your pension compared to the normal form. Alternatively, you can elect no guarantee period which will increase the pension payable during your lifetime but provides no payments after your death.

Joint and Survivor Pension

If you have a spouse when you retire, pension legislation requires that unless you and your spouse sign a waiver, the form of pension you elect must provide a pension to your surviving spouse on your death, equal to no less than 60 per cent of the pension you were receiving. The amount of pension payable to you under a joint and survivor pension will be lower than the normal form pension because a pension will be paid for your lifetime, as well as your spouse's lifetime.

There are two main choices under the joint and survivor form of pension:

a. **Reducing on Member's Death** – The pension will be paid to you as long as you live. When you die, if your spouse at retirement has survived you, a reduced pension will be paid to your spouse for your spouse's lifetime. At retirement, you choose if the survivor pension will be equal to 50 per cent, 60 per cent, 75 per cent or 100 per cent of the pension that you were receiving immediately prior to your death.

   If your spouse at retirement predeceases you, the pension being paid to you will continue, without reduction, until your death and then it will stop.

b. **Reducing to 60 per cent on Member's Death OR Spouse's Death** – The full pension will be paid to you while both you and your spouse at retirement are alive. Upon the death of either you or your spouse, the monthly pension will reduce to 60 per cent and will be paid to the survivor (you or your spouse) for the survivor's lifetime.

A month before your actual retirement date, the amount of pension for all forms of pension will be provided to you in a benefit statement prepared by the Pension Services team within the Human Resources department. Once pension payments have commenced, you are not permitted to change the form of pension chosen.

COST OF LIVING ADJUSTMENT (COLA)

Your monthly pension will be adjusted on each May 1st subsequent to your pension commencement depending on the change in the Consumer Price Index (CPI) published by Statistics Canada. The COLA adjustment is equal to the ratio of the average monthly CPI of the previous calendar year divided by the average monthly CPI of the preceding calendar year, to a maximum of 1.05, or 5 per cent which is applied to pension earned up to December 31, 2013. Pension earned after December 31, 2013 will receive 75 per cent COLA adjustments, to a maximum of 1.0375, or 3.75 per cent. If the COLA adjustment exceeds these limits, the Pension & Benefits Committee will determine if any amount above the limits will be included in the COLA calculation, taking into consideration the fund's ability to afford the cost. The first COLA adjustment applied is pro-rated to reflect the number of months leading up to May 1st that the pension was paid.

COLA is applied as follows:

1) Pension benefit earned as of December 31, 2013 is multiplied by 100 per cent of COLA
2) Pension benefit earned as of date of retirement less pension benefit earned as of December 31, 2013 in 1 above, is multiplied by 75 per cent of COLA

Example:
A member is retiring on February 1, 2023.

Pension accrual as of December 31, 2013[1] = $3,000 per month
Pension accrual as of January 31, 2022[2] = $3,900 per month

Assuming COLA is 2 per cent, the May 1, 2023 increase to the member's pension would be:
1) Pension of $3,000 increased by 100 per cent of COLA (2 per cent), or $60; plus
2) Pension of $900 ($3,900 - $3,000) increased by 75 per cent of COLA (1.5 per cent) or $13.50.

While the May 1, 2023 COLA increase equals $73.50 ($60 + $13.50), the cost of living adjustment is pro-rated to reflect that pension has only been paid for 3 months leading up to May 1st the COLA adjustment would be pro-rated, or 3/12ths of the full adjustment. However, if the member is already receiving the maximum pension for 2023, the *Income Tax Act* does not allow a COLA adjustment be paid until the following calendar year, or May 1, 2024 in this example.

[1] based on 3 year FAE and CS, as at December 31, 2013
[2] based on 5 year FAE and CS, as at date of retirement

EXCESS CONTRIBUTIONS

Member required contributions are credited with interest annually using the five-year personal fixed-term chartered bank deposit rates. When your employment ends with the University, a calculation will be performed to determine whether your required contributions, plus interest, exceed 50 per cent of the value of your pension. Any excess will be refunded to you.

TRANSFER–IN OPTION

When hired at the University, employees are allowed to transfer their pension accrual from their previous employer's pension plan (i.e. organization that provided employment immediately prior to coming to work at the University) into the UWaterloo pension plan. If you meet the required criteria, a calculation will be performed to determine the credited service that you will be able to purchase. To take advantage of this provision, you must initiate the application process within your first six months of employment with the University.

MARITAL BREAKDOWN

Please note that pension is considered family property and legislation provides entitlement to a member's former spouse of no more than 50 per cent of the pension benefit that accrued during the marital relationship. If you and your former spouse agree to split your pension and require payment be made from the pension plan while you are still an active member, you must request that the University determine the value of your pension for marital breakdown purposes. There is a $600 administration fee to request this value. The University is required to pay your spouse's portion only if appropriate legal documents have been filed with Human Resources and the administration fee has been paid.

VACATION EXCHANGE PROGRAM

Employees who are approaching retirement can choose to elect a one-time salary adjustment of approximately two per cent in exchange for one week or five days of vacation for each year you participate in the program. This increase in earnings is paid as of the effective date that you enter into this exchange, and three years is the maximum number of years an employee can participate in this program.

To participate, you must declare an irrevocable retirement date – although you could choose to retire earlier, you cannot choose to retire later than your declared date. In addition, the latest declared retirement date is as follows:

› For staff and union employees: first of the month coincident with or following attainment of age 71 (age 66 for CUPE)
› For faculty: first of the month following the end of the academic term in which you turn age 71

If you have entered into a permanent reduced workload, which also requires that you declare a retirement date, your declared retirement date under the two programs must be the same date.

The exchange normally increases the amount of your pension since it is based on the average of your best consecutive 60 months of annualized earnings over the 10 years immediately preceding retirement. The online myPENSIONinfo tool accessed through the Human Resources website does not provide estimates for participating in this program but if you are interested to learn the impact, the Pension Services team is available to assist.

Entering into this program does not have an impact on your salary for the annual increase merit purposes or any other earnings based benefits such as life insurance and Long Term Disability.

DEATH BENEFITS

In accordance with the Ontario *Pension Benefits Act*, the death benefit is payable to your spouse (as defined by the Act) unless you and your spouse have completed the appropriate waiver form. Payment options for your spouse include a lump sum less withholding tax, transfer to a Canadian Registered Retirement Savings Plan (RRSP), or an immediate or deferred pension. If a waiver form has been completed and submitted to Human Resources, the death benefit will be paid in a lump sum less withholding tax to your beneficiary or your estate if you have not designated a beneficiary.

If you die while actively employed at the University, the pension plan provides a death benefit equal to the value of the pension benefit accrued to the date of death, plus the amount by which your own required contributions plus interest exceed half of this value.

If you die while in receipt of a pension, any death benefit will depend on the form of pension you chose when you retired. When no further pension is payable (i.e. your pension, and under a joint and survivor pension your spouse's survivor pension, have ended due to death), your beneficiary or estate will be paid a refund equal to the amount by which your own required contributions plus interest at retirement, less any excess contributions paid to you, exceed the total pension payments that were paid. This refund, referred to as a minimum guaranteed payout, does not apply to the single life pension with no guarantee.

YOUR RIGHTS AND RESPONSIBILITIES

Active members of the pension plan are provided an annual pension statement by June 30th each year. This statement outlines the amount of pension that has accrued to the end of the preceding year and summarizes pertinent details of the plan. Commencing with 2017, an annual pension statement will also be sent to all retirees in receipt of a pension from the University as well as any former employees who elected a deferred pension when they left the University. It is important to inform Human Resources of any changes to your personal information, such as beneficiary designations, marital status changes, etc., updating your account in Workday. When making changes to beneficiary designation(s) **an original signed paper beneficiary designation form must also be sent to and received by Human Resources, located at East Campus 1. Once received and processed, the event in Workday will be completed and the change will take effect.**

When your active employment ends, regardless of your age at that time, you will be provided a benefit statement that outlines your pension entitlements and options available to you. It explains what you are required to do, and provides the time frame within which you must act. It is important to complete your form within the required time frame.

All members have the right to request access to plan documents (all versions of the plan text and amendments, documents filed to support the application for plan registration and amendments, documents that delegate the administration of the pension plan or pension fund, statement of investment policies and procedures), all required filings with the Financial Service Commission of Ontario (FSCO), and correspondence within the last five years between FSCO, the University and the University's service providers. Contact the Pension Services team within the Human Resources department to request access to any of this information.

INVESTMENT OF THE PENSION FUND

Your required contributions, together with those of the University, are paid into a pension trust fund. The services of professional money management firms are used to invest the fund.

The University, through committees with representation from Faculty, Staff, CUPE and University Executives is responsible for setting investment objectives for the pension fund. These objectives include activities such as retaining appropriate investment managers, as well as monitoring the performance of these money managers.

Each year the plan's actuary (Aon Hewitt) analyzes both present and future pension commitments that exist in our pension plan and reports on the adequacy of the pension trust fund. The solvency of the pension fund is governed by requirements of the *Ontario Pension Benefits Act*.

HEALTHCARE BENEFITS

Section under development – see Green Shield Canada (GSC) booklet in the meantime

To access your GSC booklet, register and login to GSC everywhere or contact GSC directly.

DISABILITY BENEFITS

SICK LEAVE

The sick leave benefit provides continued income for non-occupational illnesses and injuries where there is identifiable and verifiable medical evidence that you need to be away from the workplace. All medical information is kept confidential by Occupational Health and is not shared without specific informed and signed consent. Occupational Health Nurses assess the medical documentation for the majority of cases to confirm that absences are medically verifiable; however, complex cases do arise that require external expertise and we have partnered with a third party provider for this assessment service.

Your Coverage

Sick leave is payable as salary continuance to those who have provided identifiable and verifiable medical evidence to support their absence. There is no waiting period for sick leave eligibility. The maximum leave period differs between different categories of employees and is based on the length of contract/ type of appointment.

Employees with Full Benefits
Non-Union Staff (full and part time) in University Support Group (USG) 5 and above with on-going appointments and Faculty members:

› 180 calendar days of sick leave (reduces to 120 calendar days for employees who are age 69 and older)

All other employees (including Canadian Union of Public Employees local 793) with on-going appointments:

› 90 calendar days of sick leave. After five years of service, one additional calendar day credited for each complete month worked. Maximum credited sick leave is 180 calendar days (reduces to 120 calendar days for employees who are age 69 and older)

› As per the Collective agreement, Canadian Union of Public Employees Local 793 are entitled to the following sick leave days during their probationary period:
  - 10 days for 12 month Probationary period
  - 5 days for 6 month Probationary period

Employees with Temporary Benefits
Employees with an appointment duration of at least three months and up to two years are eligible for six working days of sick leave per year (pro-rated based on appointment duration). Employees with an appointment duration of less than three months are not eligible for sick leave.

When Coverage Ends

As long as an employee is actively employed with the University, coverage for sick leave continues.

Employees must provide identifiable and verifiable medical evidence throughout their absence to continue to be eligible for sick leave. Employees must provide medical evidence to support a safe return to work.

LONG TERM DISABILITY

The long-term disability (LTD) benefit is intended to provide income continuance when sick leave expires for all eligible employees. LTD is adjudicated independently by our insurer, Sun Life Financial based on the medical evidence available at the point of claim and throughout the duration of the claim.

Your Coverage

LTD benefits may be payable when sick leave expires. Employees who have exhausted their sick leave benefits and are awaiting Sun Life Financial's decision on their LTD application, may be eligible to receive EI sickness benefits. If LTD benefits become payable retroactively, some or all of the EI sickness benefits may need to be repaid.

LTD benefits are calculated on the employee's last salary upon which LTD premium was paid. If Sun Life Financial approves the LTD application, the employee receives 85 per cent of a prescribed pre-LTD net salary to a maximum insured salary ($190,549 effective May 1, 2022). Each May 1st the maximum insured salary is subject to an indexing decision by the Pension & Benefits Committee. Please refer to the benefit premium section for the annual maximum insured salary.

Employees who are eligible for the LTD benefit may be required to apply for the Canada Pension Plan (CPP) Disability Benefit. Under the terms of the contract with Sun Life Financial, the LTD benefit is offset by the initial taxable CPP disability benefit. Should CPP Disability Benefits be awarded retro actively to a period during which an employee received sick leave benefits, the employee will be required to repay the University the amount of CPP payable during that period.

Definition of Disability

An employee is considered totally disabled if with an objective medical opinion they are unable to perform the regular duties of their own occupation during the LTD qualifying period and the subsequent two years of total disability.

After two years of LTD, the definition changes and the benefit is paid only if the employee is considered totally disabled and is unable to work at any occupation for which they are qualified, or may reasonably become qualified by training, education or experience.

The University does not have partial disability insurance. If at the end of two years the employee is no longer eligible for LTD but unable to return to full-time work, the employee is required to consider options, which may include part time or reduced load or other suitable work on or off campus.

Periodically, while on LTD, medical evidence satisfactory to Sun Life Financial must be provided as requested.

Recurrence

If an employee returns to work after receiving the LTD benefit and is again totally disabled by the same illness or injury within the six months following the return, they may be eligible to begin receiving the LTD benefit immediately. Employees totally disabled by the same illness or injury after a six-month period at work will be required to fulfill a new qualifying period.

Impact on Pension

While you are receiving LTD benefit payments, you will continue to accrue credited service under the pension plan but you will not be required to make contributions. Your salary in effect when you commenced receiving LTD (pre-disability salary) may receive a cost-of-living adjustment (COLA) pending annual review and approval by the Pension & Benefits Committee.

Should your disability continue to age 65, your LTD benefit will cease and your pension will commence. The calculation of your pension will be based on your final average earnings (including any COLA adjustments) and your credited service, including the years and months when you were receiving LTD benefits.

When Coverage Ends

Coverage for the benefit ceases 6 months prior to the attainment of age 65. Employees who qualify for LTD continue to collect benefit payments as long as they meet the definition of disability and to a maximum age of 65.

LIFE INSURANCE

This benefit provides you with basic life insurance after your first full day of employment; insurance that requires evidence of insurability does not become effective until the date of approval by Sun Life Financial. Coverage is initially based on your annual salary at the time of initial employment, and is revised each time you have a change in your salary.

If an employee is not actively at work on the date they would otherwise become insured, the individual will become insured only when again actively at work; however, all disabled employees not covered by premium waiver will be accepted as active employees at the condition that premium is paid for these employees.

A spouse who, on the date they would otherwise become insured, is confined in an establishment providing medical care or treatment, will become insured only on the day following the date of discharge from the last establishment or, if they transferred to another establishment providing medical care or treatment, on the day following the date of discharge from the last establishment to which they have been transferred.

YOUR COVERAGE

The minimum amount of life insurance employees must have is one times their annual salary. This coverage is referred to as basic life.

You may choose to have up to three times your annual salary within 31 days of employment without evidence of insurability. If you choose to increase your coverage after 31 days of employment, evidence of insurability must be submitted to Sun Life Financial for approval before coverage can take effect. The coverage above one times your earnings and up to three times your earnings is referred to as additional basic life.

You may elect to increase your insurance to up to six times your annual salary; however, this level of coverage requires that you submit evidence of insurability to Sun Life Financial for approval before coverage can take effect. The coverage above three times your earnings is referred to as optional life.

All employee life insurance in excess of $600,000 is subject to evidence of insurability regardless of the date of application. The overall limit of employee life insurance is $2,000,000.

In addition to employee life insurance, if you have a spouse, you may choose spousal life insurance in multiples of your annual salary up to a maximum of $200,000. This coverage requires that your spouse submits evidence of insurability to Sun Life Financial for approval before coverage can take effect.

If you die while in regular on-going service with the University, a death benefit equivalent to one month's base salary (no deductions) will be payable to your spouse or estate through continuation of payroll.

BENEFICIARY DESIGNATION

You are the beneficiary for any approved optional spousal life coverage.

You designate a beneficiary (or beneficiaries) for your life insurance coverage to avoid it being paid to your estate. If your estate is your beneficiary (either by designate or default), the life insurance will be distributed in according to the terms of your last Will and Testament (Will). The insurance proceeds will not be accessible until the Will has been probated by the courts and are subject to estate taxes.

When naming a beneficiary, it is important to consider the legal implications of your decision.

1. If you name your spouse, or another relative, friend or charitable organization, the insurance monies will be paid directly to them if they are of legal age (18 years or older).

2. If the named beneficiary is under legal age at the time of your death, proceeds will be held in trust by the Province of Ontario and the money, plus accrued interest, will be paid out when the individual reaches 18 years. To avoid the additional administrative costs for this service and to ensure the monies are available in a timely manner, you should consider naming a trustee for the funds.

3. You may wish to name a contingent beneficiary. This is the person(s) who will receive the insurance monies should your named beneficiary predeceases you or die at the same time as you.

EMPLOYEE'S INTENTION	SAMPLE WORDING
Wish to name two people in equal shares	John Doe, my spouse, and Jane Doe, my sister in equal shares.
Wish to name a trustee for two minors (under age of 18 years)	John Doe, in trust for my son, James Smith and my daughter Jane Smith, during the years of their minority in equal shares. Note: you may wish to specify another age where the proceeds would be held by your Trustee e.g. "while they are under the age of 21 years."
Wish to name a contingent beneficiary	If John Doe predeceases me, benefits should be paid to my son, James Smith and my daughter Jane Smith in equal shares.
Wish to designate a flat amount to one beneficiary and the excess amount in equal shares (For this example, the employee has $250,000 in group life insurance)	John Doe, my spouse in the amount of $150,000, my son Charlie and daughter Sara the remaining amount in equal shares.

To assign or change your beneficiary designation, please initiate this change by logging into your Workday account. **An original signed paper beneficiary designation form must also be sent to and received by Human Resources, located at East Campus 1. Once received and processed, the event in Workday will be completed and the change will take effect.**

WHEN COVERAGE ENDS

If you continue working past the end of the year you turn age 69, your life insurance coverage reduces to the retiree life insurance benefit with the premium paid by the University.

Employees who resign from the University after age 55 with 10 or more years of continuous service in a permanent position and who elect an immediate pension option, qualify for the retiree life insurance ($6,300 flat amount as of January 1, 2023). Eligibility for post-retirement benefits is under review by the Pension and Benefits Committee and it is strongly advised that employees discuss eligibility for post-retirement benefits with Human Resources before completing the retirement intention on Workday. If an employee elects a deferred pension, eligibility for the retiree life benefit is forfeited.

Employees are eligible to convert all or a portion of their life insurance amount through Sun Life Financial within 31 days of coverage loss either due to age (i.e. reduction at age 69) or due to employment ending. The advantage of exercising this conversion option is that medical evidence of insurability is not required. Employees who are interested in this option can obtain the necessary forms by contacting HRHelp at **hrhelp@uwaterloo.ca** or by stopping by our office, located at East Campus 1.

EMPLOYEE & FAMILY ASSISTANCE PROGRAM

EMPLOYEE & FAMILY ASSISTANCE PROGRAM

In addition to providing confidential short-term Counselling Services, the program also offers Life Smart Services – a series of work-life services for expert advice, information, and coaching that you and your eligible family members can access and use in your own way.

Counselling Services are available in person (suspended during the pandemic), by telephone or online for a variety of reasons, including:

› Stress Management
› Depression and Anxiety
› Alcohol/drug abuse
› Marital and Couple problems
› Family-of-origin conflicts
› Gambling
› Violence/Trauma
› Emotional/Individual issues
› Bereavement and loss
› Workplace issues

Life Smart Services are available by telephone for work-life balance assistance (not available outside of North America), these include:
› Life Balance Solutions – childcare, parenting, elder and family care, relationship solutions, financial consultation, legal advisory
› Health Smart Coaching – smoking cessation, jumpstart your wellness , nutritional counselling
› Career Smart Coaching – career coaching/counselling, pre-retirement planning, shift worker support

Online services include:
› **E-learning courses** – available through Homewood Health's website, offer self-directed, confidential and interactive online courses designed to help one take charge of one's health and wellbeing
› **Busy Family** – childcare and eldercare resource locators (not available outside of North America)
› **Health Library** – access to a comprehensive library of medical information
› **Health and Wellness Assessments** – tools to assess health risk and develop improvement plans

Individuals can contact Homewood Health directly by phone (1-800-663-1142) or through their website (**homeweb.ca**) 24 hours a day, seven days a week, and 365 days of the year. When individuals call, they will be asked a series of questions to confirm their eligibility for the program and to enable aggregate statistical reporting. In an emergency, consultation can be arranged within hours. Instant support is always available over the phone. Online resources are available after registering for a username and password at **homeweb.ca**.

Please be assured that the program is **confidential.** Your private information, including whether you or your dependents have accessed the program, is never shared by Homewood Health with family members or the University.

ABOUT THIS INFORMATION

The Pension & Benefits Committee of the University is responsible for the design and modification of these programs. The following guiding principles inform decisions:

› There will be one pension and benefits plan for all members of the University community regardless of the type of work performed or the employee group to which one belongs
› Benefits are provided for both the employee and their family where relevant
› Employees should be covered for catastrophic events
› The current level of benefits should be maintained
› Cost implications to both the University and its employees should be considered

The Committee assembles on a monthly basis (with the exception of July and August) to review regular reports and approve annual changes to coverage and costs, if applicable.

In addition to coverage and costs associated with the pension and benefits arrangements, other provisions may be amended from time to time subject to the approval of the Board of Governors and as recommended by the Pension & Benefits Committee.

While every effort has been made to give accurate information, the foregoing does not intend to fully describe the pension and benefits arrangements provided to active employees. The official plan texts, policies, and documents govern in all cases, and where there is a conflict between those texts, policies and documents and this summary, the former shall govern.

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