

**University Of Waterloo
Pension Plan**

Unofficial Consolidation as at
May 1, 2020

(includes plan restatement
effective January 1, 2011 and
subsequent amendments 1-6)

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Article 1 – Establishment of the Plan

- 1.01 The University of Waterloo Pension Plan was established July 1, 1960 to provide retirement benefits for all eligible Employees of the University.
- 1.02 The Plan was revised effective January 1, 1969 and effective July 1, 1977 the Plan was revised and restated.
- 1.03 The Plan was further revised and restated as follows:
- (a) effective January 1, 1987, to incorporate amendments to that date and changes required under the *Pension Benefits Act, 1987* (Ontario);
 - (b) effective January 1, 1992 to incorporate changes required as a result of amendments to the Income Tax Act; and
 - (c) effective May 1, 2000 to incorporate through consolidation all amendments to the Plan since the previous restatement as of January 1, 1992, including amendments to the Plan made as of May 1, 2000.
- 1.04 The Plan is herein amended and restated effective January 1, 2011 to incorporate all amendments since the restatement of May 1, 2000 and to make various other changes to clarify the wording of the Plan.
- 1.05 Unless stated otherwise, the terms of the Plan as restated shall apply to Members who Retire, terminate employment or die on or after January 1, 2011 and the benefits of Members who Retired, terminated employment, died, or were transferred to another category of employment not covered by the Plan prior to this date shall be determined by the terms of the Plan in effect at the time of that event. See Appendix for various historical provisions of the Plan.

Article 2 – Definitions

The following words and phrases when used in this text shall have the following meanings unless a different meaning is clearly required by the context.

- 2.01 “**Actuarial Equivalent**” means an actuarially equal value computed by reference to the rate of interest and actuarial tables in effect at the time, adopted by the Pension Committee for purposes of the Plan on the recommendation of the Actuary, subject to any requirements of the Pension Benefits Act and the Income Tax Act.
- 2.02 “**Actuary**” means an independent qualified actuary who is a Fellow of the Canadian Institute of Actuaries and who is appointed by the Pension Committee.
- 2.03 “**Affiliated Organization**” means the employers that participate in the Plan as identified in Schedule A hereto.
- 2.04 “**Beneficiary**” means the person, persons, organization or organizations designated by the Member pursuant to Section 10.05 to receive a payment or payments, if any, under the provisions of the Plan.
- 2.05 “**Board of Governors**” means the Board of Governors of the University.
- 2.06 “**Commuted Value**” means a lump-sum amount which is the actuarial present value of a Member’s benefits computed at the rate or rates of interest and using the actuarial tables adopted by the Pension Committee on the recommendation of the Actuary, subject to the provisions of the Pension Benefits Act and the Income Tax Act.
- 2.07 “**Consumer Price Index**” means the arithmetic average of the monthly Consumer Price Indices for the twelve (12) months ended December 31 for a specified calendar year, as calculated by Statistics Canada for Canada as a whole and, should such index be replaced by another, the index substituted would be the most recent Consumer Price Index series published, arithmetically adjusted to the same basis.
- 2.08 “**Continuous Employment**” means employment with the University on a regular basis without interruption except for periods of vacation, authorized sick leave, periods of approved disability, or periods of leave of absence with or without pay duly authorized by the University, periods of lay-off, and periods of absence due to injury in respect of which the Member is entitled to Workers’ Compensation benefits that are included in Credited Service under Section 2.11. Continuous Employment includes employment on a reduced work load.

Notwithstanding the foregoing, separate periods of employment with the University shall be considered a single period of Continuous Employment in the following circumstances:

- (a) the periods of employment are separated by a period of not more than twelve (12) months during which the Employee was not employed by the University;
- (b) the periods of employment are separated by a period of not more than eighteen (18) months where the earlier period of employment with the University was terminated as a result of an organizational restructuring under which the Employee’s position was eliminated; or

- (c) the periods of employment are separated by a period of employment with the University on a part-time basis before January 1, 1988 during which the Employee was not eligible to accrue benefits under the Plan.
- 2.09 “**Contract Year**” means the twelve (12) month period commencing with the first of the month of original appointment to the University.
- 2.10 “**Credited Interest**” means interest on a Member’s contributions made to this Plan, calculated as follows:
- (a) up to and including December 31, 2011, compounded annually from the first day of the month following the month in which the contribution was made to the first day of the month in which a determination thereof is to be made at a rate equal to the four-year moving arithmetical average of the annual rate of return of the market value of the Pension Fund, excluding the portion of the Pension Fund invested in real return bonds, net of expenses;
 - (b) after December 31, 2011 for required Member contributions, on balances as of December 31, 2011 and on contributions made thereafter, compounded annually from December 31, 2011 or from the first day of the month following the month in which the contribution was made, as applicable, to the first day of the month in which a determination thereof is to be made, at a rate equal to the calendar year average of the five-year personal fixed-term chartered bank deposit rates as determined by the Canadian Socio-Economic Information Management System (CANSIM) series V122515, or its successor; and
 - (c) after December 31, 2011 for additional voluntary contributions, on balances as of December 31, 2011 at a rate equal to the rate of return on the market value of the Pension Fund, excluding the portion of the Pension Fund invested in real return bonds, net of expenses.
- 2.11 “**Credited Service**” means the number of full years and completed months of Continuous Employment;
- (a) prior to July 1, 1960 while a participant under the Dominion of Canada Government Annuity Plan; and
 - (b) on and after July 1, 1960 during which the Member made required contributions to the Plan, but does not include any period of Continuous Employment in respect of which the Member withdrew or suspended his or her required contributions to the Plan.

Credited Service shall also include:

- (c) any period of absence due to injury in respect of which the Member is entitled to receive benefits under the *Workplace Safety and Insurance Act, 1997*, S.O. 1997, c. 16, Sch. A, and within the twelve (12) month period following the date of the injury, provided that if the Member is not approved for long term disability benefits the Member continues to make required Member contributions from the date that long term disability benefits would have been payable if the claim had been approved;
- (d) any period of absence required by law to be granted in respect of maternity or parental leave provided that the Member continues to make required Member contributions during the absence;

- (e) any period of absence without pay during which the Member makes required contributions to the Plan;
- (f) subject to any restrictions prescribed under the Income Tax Act with respect to periods of reduced pay, a Member who transfers to a reduced work load within ten (10) years of his or her Normal Retirement Date and after completion of at least ten (10) years of Continuous Employment will continue to accrue Credited Service at the rate of one year for each year on reduced work load, provided that the Member contributes to the Plan based on his or her Earnings. This applies whether:
 - (i) he or she works throughout the year at reduced work load; or
 - (ii) he or she works at full load for a portion of the year equal to his or her reduced work load required for the full year and does not work during the balance of the year.

If the Member chooses to contribute to the Plan based on his or her Reduced Earnings instead, the Member shall be credited with a reduced amount of Credited Service equal to the proportion his or her reduced work load bears to a regular full-time work load;

- (g) a Member on reduced work load other than as described in (f) above, or a Member employed on a part-time basis shall be credited with a reduced amount of Credited Service equal to the proportion his or her reduced work load bears to a regular full-time work load;
- (h) a Member on a sabbatical leave will continue to accrue Credited Service at the rate of one year for each year of the sabbatical, provided that the Member contributes to the Plan based on his or her Earnings. If the Member chooses to contribute to the Plan based on his or her Reduced Earnings instead, the Member shall be credited with a reduced amount of Credited Service equal to the proportion his or her Reduced Earnings are less than the Member's Earnings; and
- (i) years of Credited Past Service purchased pursuant to Article 12.

Notwithstanding the foregoing:

- (j) in respect of periods of absence before January 1, 1992, other than for periods when a Member is Totally Disabled, the period of Credited Service granted in respect of any approved period of unpaid leave of absence is limited to a maximum full-time equivalent of two years; and
- (k) in respect of periods of absence and reduced workloads after December 31, 1991, other than for periods when a Member is Totally Disabled, the aggregate Credited Service granted in respect of approved unpaid leaves of absence is limited to a maximum full-time equivalent of eight years provided that not more than five of those eight years are credited in respect of absences that are not within the twelve (12) month period following the birth or adoption of a child of the Member.

2.12 "**Defined Benefit Limit**" shall have the meaning given to this term under the Income Tax Act.

2.13 "**Early Retirement Date**" means a Member's Early Retirement Date as set out in Article 5.

2.14 **“Earnings”** means:

- (a) for staff Employees, the normal earnings paid according to basic monthly salary or basic weekly salary as indicated in the official payroll records of the University for a normal work month or a normal work week for the particular job classification, but excluding overtime pay, reimbursement for expenses, special payments for special services, shift premiums, week-end provisions, special allowances and other like payments; and
- (b) for faculty Employees, the normal earnings paid according to basic monthly salary as indicated in the official payroll records of the University, but excluding reimbursement for expenses, administrative stipends, faculty research fellowships, seasonal stipends, summer teaching stipends, special payments for special services, consulting fees, special allowances and other like payments.

Earnings of an Employee employed on a part-time basis, while on reduced work load, or while on a sabbatical leave, are deemed to be the Earnings that the Employee would have been paid if he or she had worked full-time. Earnings of an Employee while on paid disability leave of absence are deemed to be the Employee’s Earnings immediately prior to commencement of the disability leave of absence, adjusted annually by an amount to be determined by the Pension Committee, taking into account other factors including the cost of living adjustment awarded to pensioners and the salary increases awarded to active faculty and staff, subject always to the limitations in the Income Tax Act.

Earnings of an Employee during a leave of absence without pay that is included in Credited Service are deemed to be the Employee’s Earnings immediately prior to the commencement of the leave.

2.15 **“Employee”** includes the following:

- (a) a regular, ongoing full-time staff or faculty employee of the University on full work load or on authorized reduced work load as determined by the University under its normal practices;
 - (b) a regular, ongoing part-time staff or faculty employee of the University on full work load or on authorized reduced work load as determined by the University under its normal practices; and
 - (c) a regular, ongoing faculty employee of the University on authorized fractional work load as determined by the University under its normal practices;
- but does not include:
- (d) a casual employee employed for less than three months or on intermittent bases, or who does not have regularly scheduled hours of work, or who is employed under an arrangement where they may elect to work or not when requested to do so;
 - (e) a full- or part-time staff employee with a fixed appointment duration of two years or less following the appointment date or with a series of fixed appointments which together amount to a duration of two years or less; or

- (f) a full- or part-time faculty employee with a fixed appointment duration of one year or less following the appointment date or with a series of fixed appointments which together amount to a duration of one year or less.
- 2.16 **“Excess Contributions”** means the amount, if any, by which a Member’s accumulated required contributions to the Plan, plus Credited Interest thereon, exceeds 50% of the Commuted Value of the Member’s accrued benefit to date of determination.
- 2.17 **“Final Average Earnings”** shall be determined as follows:
- (a) the average of the Member’s Earnings during the 36 consecutive months of highest Earnings (“averaging period”) during 120 months of his or her Continuous Employment immediately preceding the earliest of the Employee’s date of termination of employment, Retirement or death; however, at the end of each month in calendar years 2014 and 2015, the 36 consecutive month averaging period shall be increased by one month such that effective December 31, 2015 and thereafter, the averaging period shall be determined over 60 consecutive months during 120 months of his or her Continuous Employment preceding the earliest of the Employee’s date of termination of employment, Retirement or death;
 - (b) for a Member who is laid-off or on a leave of absence including a sabbatical leave, and provided he or she returns to the University after the period of absence, the averaging period referred to in (a) may include all or part of the period of absence, as necessary, and Earnings during the leave of absence shall be deemed as though the Member was employed by the University during the period of absence;
 - (c) for a Member who has fewer months of Continuous Employment than the averaging period referred to in (a) at the date of determination, Final Average Earnings means the average of the Member’s earnings during the total period of the Member’s Continuous Employment; and
 - (d) notwithstanding (a) above, for a Member who, effective December 31, 2012 or earlier and pursuant to University compensation arrangements, has opted to convert one week of annual vacation entitlement in each year preceding retirement (to a maximum of three) into a 2.0% salary increase, the averaging period referred to in (a) shall remain at 36 consecutive months after January 1, 2014.
- 2.18 **“Funding Excess”** means the excess (if any) of the actuarial value of assets over the actuarial liability as indicated in the actuarial report most recently filed with the Financial Services Commission of Ontario.
- 2.19 **“Income Tax Act”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) and the Regulations thereunder, as amended or replaced from time to time.
- 2.20 **“Member”** means an eligible Employee or former Employee who has completed and filed with the University the necessary enrollment forms and who continues to be eligible for benefits under the Plan.
- 2.21 **“Normal Retirement Date”** means a Member’s Normal Retirement Date as set out in Article 5.
- 2.22 **“Pension Benefits Act”** means the *Pensions Benefits Act*, R.S.O. 1990, c.P.8, and the Regulations thereunder, as amended or replaced from time to time.

- 2.22.1 **“Pension Cap”** means \$3,400 effective January 1, 2021, increased thereafter each calendar year commencing January 1, 2022 by one-third (1/3) of the percentage increase in the Average Industrial Wage, calculated on an annual basis. For purposes of this Section, “Average Industrial Wage” means the average industrial wage as published by Statistics Canada under the authority of the *Statistics Act* (Canada) for purposes of increasing the Year’s Maximum Pensionable Earnings and the maximum pension pursuant to the Income Tax Act.
- 2.23 **“Pension Commencement Date”** means the date that pension is due to commence and shall be the first day of the calendar month following the date of the Member’s Retirement, subject to the provisions of Article 6.
- 2.24 **“Pension Committee”** means the Pension & Benefits Committee provided for in Article 15. Any reference to the Pension Committee shall refer to the Pension Committee or any delegate thereof for purposes of administration.
- 2.25 **“Pension Fund”** means the fund established pursuant to Article 14 hereof in order to provide for the payment of the benefits described in the Plan.
- 2.26 **“Plan”** means the University of Waterloo Pension Plan, established July 1, 1960 and most recently amended and restated as at January 1, 2011.
- 2.27 **“Plan Year”** means January 1 to December 31.
- 2.28 **“Postponed Retirement Date”** means a Member’s Postponed Retirement Date as set out in Article 5.
- 2.29 **“Post-Retirement Cost Of Living Factor”** means the Post-Retirement Cost of Living Factor as set out in Article 7.
- 2.30 **“Reduced Earnings”** means the earnings that are actually received by the Member while the Member is receiving less than the Member’s Earnings as a result of a reduced work load, a sabbatical leave or working part-time.
- 2.31 **“Retire or Retirement”** means, with respect to a Member, a termination of employment for any reason other than death, on or after the date the Member becomes eligible to receive an early retirement pension pursuant to Section 6.02 (Early Retirement).
- 2.32 **“Spouse”** means at the time a determination of marital status is required, a person to whom the Member is:
- (a) legally married, provided the Member is not living separate and apart from that person;
 - (b) not legally married but the Member and that person are cohabitating continuously in a conjugal relationship for at least three (3) years; or
 - (c) not legally married but the Member and that person are cohabitating in a conjugal relationship of some permanence and are jointly the natural or adoptive parents of a child, both as defined in the *Family Law Act*, R.S.O. 1990, c.F.3.
- 2.33 **“Totally Disabled”** means a Member who is certified to be totally disabled by a medical doctor who is licensed to practice in Canada or where the Member resides, and either:

- (a) in receipt of disability income under the long term disability insurance plan of the University;
or
- (b) not able to return to work because of health reasons, his or her period of paid sick leave has expired, and he or she is in the qualifying period for the long term disability insurance plan of the University.

Members not eligible for the long term disability insurance plan must be independently judged as totally disabled by a medical doctor who is licensed to practice in Canada or where the Member resides, satisfactory to the University.

- 2.34 “**Trustee**” means an insurance company authorized to carry on a life insurance business in Canada or a trust company and includes any combination or successors thereof appointed by the University to hold, administer and invest the assets of the Pension Fund.
- 2.35 “**Trust Agreement**” means any agreement or agreements now or hereafter executed between the University and the Trustee for purposes of this Plan.
- 2.36 “**University**” means the University of Waterloo, a university chartered under the laws of the Province of Ontario and, where the context so requires means the governing body of the University and its Board of Governors in their collective capacity
- 2.37 “**Year’s Maximum Pensionable Earnings**” means the “Year’s Maximum Pensionable Earnings” from time to time in effect under the *Canada Pension Plan*, R.S.C. 1985, c. C-8.

Article 3 – Eligibility Requirements and Enrolment

3.01 Employees (Other Than Definite-Term Lecturers)

Each Employee who is employed on a full-time or part-time basis (provided he or she has at least one third annual commitment) and who is not ranked as a definite-term lecturer:

- (a) is eligible to join the Plan on the first day of any month coincident with or next following his or her date of employment;
- (b) is required to join the Plan on the first day of the month coincident with or next following his or her date of employment if he or she is thirty-five (35) years of age at the date of employment; and
- (c) is required to join the Plan on the first day of the calendar year coincident with or next following his or her thirty-fifth (35th) birthday if he or she is under thirty-five (35) years of age at the date of employment.

3.02 Definite-Term Lecturers

Each Employee who is employed as a definite-term lecturer on a full-time or part-time basis (provided he or she has at least one third annual commitment):

- (a) is eligible to join the Plan on the first day of any month coincident with or next following his or her date of employment;
- (b) is required to join the Plan on the first day of the month coincident with or next following the date he or she is promoted to a higher rank of faculty employment (including the rank of continuing lecturer), if he or she is thirty-five (35) years of age at the date of promotion; and
- (c) is required to join the Plan on the first day of the month following his or her completion of five (5) years of Continuous Employment.

3.03 Employees – Less than one third annual commitment

An Employee with less than one third annual commitment who has in each of the two immediately preceding calendar years:

- (a) earned at least 35% of the Year's Maximum Pensionable Earnings under the Canada Pension Plan while working for the University; or
- (b) worked at least 700 hours for the University,

shall be eligible to join the Plan on the first day of any month coincident with or next following the date on which such conditions are satisfied. Once an Employee joins the Plan pursuant to this Section 3.03, he or she shall remain a Member of the Plan until his or her termination of employment, death or Retirement, even if he or she does not meet the threshold set out in (a) and (b) above in any calendar year(s) after joining the Plan.

3.04 Enrolment and Waiver Form

Any Employee with at least one third annual commitment, including a lecturer, who is eligible to join the Plan shall be automatically enrolled upon meeting the eligibility criteria set out in Subsections 3.01(a) or 3.02(a), unless participation in the Plan is optional for the Employee under the provisions of the Plan and he or she submits the required waiver form to the Pension Committee prior to the first day of the month following the date he or she becomes eligible to join the Plan.

Any Employee with less than one third annual commitment who meets the eligibility criteria set out in Section 3.03 shall be enrolled in the Plan on the first day of the month next following the date he or she submits the required application to the join the Plan to the Pension Committee.

Article 4 – Contributions

4.01 Required Member Contributions

(a) General

Subject to Section 4.01(b), (c), (d) and (e), each Member is required to contribute to the Plan by payroll deduction for each year (including a partial year) of participation in accordance with the following table:

Effective Date	Contribution Rate on Earnings	
	Not in Excess of Year's Maximum Pensionable Earnings (for that year)	Exceeds Year's Maximum Pensionable Earnings (for that year)
May 1, 2020	6.95%	9.95%
May 1, 2021	7.40%	10.60%
May 1, 2022	7.80%	11.20%

Notwithstanding the above, a Member shall not be required to contribute for any period while he or she is Totally Disabled.

(b) Part-Time

A Member who is part-time shall contribute to the Plan by payroll deduction for each year (including a partial year) of participation in accordance with the following table:

Effective Date	Contribution Rate on Reduced Earnings	
	Not in Excess of Year's Maximum Pensionable Earnings (for that year)	Exceeds Year's Maximum Pensionable Earnings (for that year)
May 1, 2020	6.95%	9.95%
May 1, 2021	7.40%	10.60%
May 1, 2022	7.80%	11.20%

Notwithstanding the above, a Member shall not be required to contribute for any period while he or she is Totally Disabled.

- (c) Reduced Work Load
A Member who has received approval from the University for a reduced work load and is receiving Reduced Earnings shall contribute to the Plan based on his or her Earnings as outlined in (a) above unless the Member elects to contribute to the Plan in accordance with (b), based on his or her Reduced Earnings instead.
- (d) Sabbatical Leave and Other Leaves
A Member who is on a sabbatical leave or another leave of absence approved by the University and who is receiving Reduced Earnings shall contribute to the Plan based on his or her Earnings as outlined in (a) above unless the Member elects to contribute to the Plan in accordance with (b), based on his or her Reduced Earnings instead.
- (e) ITA Limits
Notwithstanding any other provision in the Plan, a Member's contributions for any year under Section 4.01(a), (b), (c) and (d) shall not exceed the maximum amount permitted under the Income Tax Act for that year.
- (f) Past Contribution Rates
See Appendix for past required member contribution rates.

4.02 University Contributions

- (a) Subject to Section 4.02(b), (c) and (d), the University shall each year make contributions to the Pension Fund as are required, based on the certification of the Actuary, to provide:

- (i) the normal cost of the benefits currently accruing to Members under the Plan; and

- (ii) for the proper amortization of any going concern unfunded liability or solvency deficiency,

both in accordance with the Pension Benefits Act, after taking into account all relevant factors including the assets of the Pension Fund and the required Member contributions.

For greater certainty, upon submission to the applicable regulatory authorities of an actuarial valuation report with an effective date on or after December 31, 2017, the University is obligated to make contributions in respect of:

- (iii) the provision for adverse deviations in respect of the normal cost;

- (iv) any amendment that increases going concern liabilities; and

- (v) any reduced solvency deficiency under the Plan.

Notwithstanding the above, the University's contributions to the Plan under this Section 4.02 shall be offset by any amounts contributed to the Pension Fund by an Affiliated Organization on behalf of its Members.

- (b) No contributions shall be made by the University to the Pension Fund, in accordance with Section 4.02(a), unless it is an eligible contribution as defined by the Income Tax Act.
- (c) If at any time while the Plan continues in existence the Actuary certifies that there is Funding Excess in respect of the benefits defined in the Plan, the University's contribution

obligations under Section 4.02(a) may be reduced by an equal amount or by a lesser amount, all as determined by the University based on the recommendation of the Pension Committee and subject to any protocols established by the Pension Committee and any limitations prescribed by the Pension Benefits Act.

- (d) If at any time while the Plan continues in existence there is a prior year credit balance as defined by the Pension Benefits Act, the University's contribution obligations under Section 4.02(a) may be reduced by an equal amount or by a lesser amount, all as determined by the University.
- (e) The University's contributions in respect of the normal cost of benefits shall be paid in monthly installments within 30 days following the month for which the contributions are payable. The University's contributions in respect of special payments to amortize an unfunded actuarial liability or solvency deficiency shall be payable in equal monthly installments throughout the year.
- (f) Subject to the prior approval of the Superintendent of Financial Services, any overpayment by the University in the year in excess of the amount required to be contributed under Section 4.02(a) may be returned to the University out of the Pension Fund, provided the payment is a permissible distribution in accordance with the Income Tax Act.

4.03 Additional Voluntary Contributions

Prior to January 1, 1999, each member was permitted to elect to make additional voluntary contributions to an individual account maintained on behalf of the Member under the Plan, in an amount and manner as may have been approved by the Pension Committee. Credited Interest on such contributions was allocated at least annually to the Member's individual account. A Member's additional voluntary contributions to the Plan in any given year could not exceed the maximum amount permitted under the Income Tax Act for that year.

Effective January 1, 1999, Members are no longer permitted to make additional voluntary contributions to the Plan.

4.04 Remittance Of Member Contributions

The University shall remit to the Trustee, for deposit to the Pension Fund, all sums received by the University from a Member or deducted from a Member's pay, within 30 days following the month in which such sums are received or deducted.

4.05 General Provisions

- (a) No required or voluntary contributions may be withdrawn by a Member while he or she is in Continuous Employment; and
- (b) Subject to Section 6.03(b), Members shall continue to make required Member contributions to the Plan until the date of actual Retirement, death or termination.

4.06 Contributions By A Member For Past Service Upon Returning From Political Leave of Absence

- (a) Subject to Subsections 4.06(b) and (c) below, a Member, who has taken an authorized unpaid leave of absence for the purpose of a political leave approved by the University and who returns to service with the University, has the option to contribute an amount equal to the required Member contributions, plus Credited Interest, that would have been made if the Member had not taken the Political Leave, in order to increase the Member's Credited Service under the Plan by the length of time the Member was on the Political Leave. Such required Member contributions shall be based upon the Member's Earnings immediately prior to the Political Leave, plus any scale or range adjustments that may have been granted to the Member during the leave. An election made pursuant to this Section 4.06 shall be subject to certification of any past service pension adjustment required under the Income Tax Act.

Upon payment by Member of the required amount, and upon certification of any past service pension adjustment as defined in the Income Tax Act, the Member's Credited Service shall be increased accordingly.

- (b) The option described in Section 4.06(a) shall be permitted only if the Member, as a condition of the Member's political office, was required to participate in another pension arrangement during the Member's Political Leave and thereby the Member's participation in the Plan was suspended effective the date of commencement of the Political Leave.
- (c) Where a Member returns to service with the University in accordance with Section 4.06(a) and is entitled to a deferred vested benefit in another pension arrangement as referred to in Section 4.06(b), such Member shall not be permitted the option provided for in Section 4.06(a).

Article 5 – Retirement Dates

5.01 Normal Retirement Date

The Normal Retirement Date of a Member is the first day of the month coincident with or next following his or her attainment of age 65.

5.02 Early Retirement Date

An Early Retirement Date is the first day of any month within ten (10) years of a Member's Normal Retirement Date when a Member elects to Retire early and is eligible to receive an immediate pension under the Plan as described in Section 6.02.

5.03 Postponed Retirement Date

A Postponed Retirement Date is the first day of any month following the Normal Retirement Date of a Member who has remained in Continuous Employment, when the Member elects to Retire and commence a postponed retirement pension under the Plan as described in Section 6.03 (Postponed Retirement).

If the Member has not elected to Retire and commence a postponed retirement pension under the Plan by December 1st of the calendar year in which the Member attains the maximum age as prescribed for this purpose under the Income Tax Act, this date will be deemed to be the Member's Postponed Retirement Date for pension purposes.

Article 6 – Amount of Pension

6.01 Normal Retirement

On his or her Normal Retirement Date, a Member shall be entitled to an annual pension equal to:

1.4% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the four immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the four immediately preceding years,

multiplied by

his or her years of Credited Service.

6.02 Early Retirement

(a) At Least Age 62 But Less Than Age 65

A Member who Retires early in accordance with Section 5.02 and who is at least 62 years of age but less than 65 years of age, shall be entitled to the annual pension described in Section 6.01 above based on Credited Service, Final Average Earnings and average Year's Maximum Pensionable Earnings as at his or her Early Retirement Date, with no reduction for commencement prior to age 65.

(b) At Least Age 55 But Less Than Age 62

A Member who Retires early in accordance with Section 5.02 shall be entitled to elect to:

- (i) receive an immediate annual pension determined in accordance with Section 6.01 above based on Credited Service, Final Average Earnings and average Year's Maximum Pensionable Earnings at actual Retirement date, reduced by one half of 1% for each month by which the Member's Early Retirement Date precedes the date that the Member would have attained age 62. In no event will the reduced early retirement pension be less than the Actuarial Equivalent of the pension at Normal Retirement Date before the application of reduction factors, nor will the early retirement reduction be less than the minimum reductions set out in (c) below; or
- (ii) be treated as a termination of employment and receive a deferred pension, determined in accordance with Section 6.01 above based on Credited Service, Final Average Earnings and average Year's Maximum Pensionable Earnings at actual termination date, commencing on the first day of any calendar month up to and including the Member's Normal Retirement Date, reduced by one half of 1% for each month by which the Member's Pension Commencement Date precedes the date that the Member would have attained age 62. In no event will the reduced early retirement pension be less than the Actuarial Equivalent of the pension at

Normal Retirement Date before the application of reduction factors, nor will the early retirement reduction be less than the minimum reductions set out in (c) below.

(c) Minimum Early Retirement Reduction

Any reduced early retirement pension shall be reduced by at least by 1/4 of 1% per month for each month by which the Member's Pension Commencement Date precedes the earliest of the day on which:

- (i) the Member will attain age 60;
- (ii) the Member's age plus Continuous Employment (excluding periods of lay-off) would have equaled 80; and
- (iii) the Member would have completed 30 years of Continuous Employment (excluding periods of lay-off).

6.03 Postponed Retirement

- (a) Subject to Sections 6.03(b) and 6.03(c), a Member who postpones his or her Retirement in accordance with Section 5.03 shall continue making required Member contributions to the Plan pursuant to Section 4.01 until his or her Postponed Retirement Date, and shall commence receiving on his or her Postponed Retirement Date, an annual pension payable in equal monthly installments determined in accordance with Section 6.01 based on the Member's Credited Service, Final Average Earnings and average Year's Maximum Pensionable Earnings at his or her Postponed Retirement Date, subject to Section 6.07.
- (b) Notwithstanding Section 6.03(a), a Member who is a faculty Employee employed by the University since prior to January 1, 1969 and who has been continuously employed since that time shall, if he or she elects by no later than his or her Normal Retirement Date to postpone his or her Retirement for a period of no more than three years following the first of the month coinciding with or next following the end of the Contract Year during which he or she attains age 65, also be entitled by no later than his or her Normal Retirement Date to: (i) elect to discontinue making required Member contributions to the Plan pursuant to Section 4.01 as of his or her Normal Retirement Date; and (ii) commence receiving on his or her Postponed Retirement Date, an annual pension payable in equal monthly installments which is the Actuarial Equivalent of the pension to which he or she would have been entitled if he or she had commenced receiving his or her pension on his or her Normal Retirement Date.
- (c) Notwithstanding Section 6.03(a), a Member who is a non-union staff Employee employed by the University since prior to January 1, 1969 and who has been continuously employed since that time shall, if he or she elects by no later than his or her Normal Retirement Date to postpone his or her Retirement for a period of no more than three years following the first of the month coinciding with or next following his or her Normal Retirement Date, also be entitled by no later than his or her Normal Retirement Date to: (i) elect to discontinue making required Member contributions to the Plan pursuant to Section 4.01 as of his or her Normal Retirement Date; and (ii) commence receiving on his or her Postponed Retirement Date, an annual pension payable in equal monthly installments which is the Actuarial Equivalent of the pension to which he or she would have been entitled if he or she had commenced receiving his or her pension on his or her Normal Retirement Date.

6.04 Transfer of Commuted Value

- (a) A Member who Retires under Section 5.01 or 5.02 shall be entitled to elect to be treated as a termination of employment and transfer the Commuted Value of the annual pension determined under Section 6.01 or Section 6.02, as applicable, out of the Plan's fund in the manner described in Section 11.03.
- (b) Notwithstanding (a) above, for a Member who Retires under Section 5.01 or 5.02 after January 1, 2014, the Commuted Value option will no longer be available, unless the Member has a child within the meaning of the Income Tax Act who is eligible for the impairment credit under the Income Tax Act.
- (c) A Member who Retires under Section 5.03 and whose annual pension is determined under Section 6.03(b) shall be entitled to elect to be treated as a termination of employment and transfer the Commuted Value of the annual pension out of the Plan's fund in the manner described in Section 11.03, provided the Member's Retirement date is no later than three years following the first of the month coinciding with or next following the end of the Contract Year during which he or she attains age 65.
- (d) A Member who Retires under Section 5.03 and whose annual pension is determined under Section 6.03(c) shall be entitled to elect to be treated as a termination of employment and transfer the Commuted Value of the annual pension out of the Plan's fund in the manner described in Section 11.03, provided the Member's Retirement date is no later than three years following the first of the month coinciding or next following his or her Normal Retirement Date.

6.05 Pension From Additional Voluntary Contributions

A Member who has made additional voluntary contributions to this or any predecessor plan shall be entitled to receive, at the Member's option:

- (a) a refund of the accumulated additional voluntary contributions with Credited Interest, payable in a lump sum cash settlement or as a transfer to a registered retirement savings plan or a registered retirement income fund, as designated by the Member and in accordance with the Pension Benefits Act; or
- (b) an indexed pension which can be provided at actual retirement date by the accumulated additional voluntary contributions with Credited Interest.

6.06 Maximum Member Cost

On Retirement, a Member's required contributions with Credited Interest shall not provide for more than 50% of the Commuted Value of the benefits earned determined in accordance with the provisions of the Pension Benefits Act.

The Pension Committee can offer one or more of the following options with respect to Excess Contributions arising from the application of this section:

- (a) payment to the Member in a lump-sum cash settlement at Pension Commencement Date, as required by the Pension Benefits Act;
- (b) used to purchase an additional amount of immediate or deferred life annuity from an insurer designated by the Member;

- (c) transferred to another registered pension plan or tax exempt trust or plan designated by the Member;
- (d) transferred to a registered retirement savings plan or a registered retirement income fund designated by the Member and in accordance with the Pension Benefits Act;
- (e) kept in the Plan as an additional voluntary contribution (this option is available only if the Member opts for a deferred pension); or
- (f) used to purchase additional indexed pension from the Plan (this option is available only on Retirement if the Member opts for an immediate pension paid from the Plan).

6.07 Maximum Pension

Notwithstanding any other provision of this Plan to the contrary:

(a) Maximum Pension

The annual lifetime pension payable to a Member in the form of pension selected by the Member under this Plan, including a pension payable under any other registered pension plan sponsored by the University and any pension payable to a Member's Spouse or former Spouse pursuant to Section 16.04, determined at the date on which a determination of a Member's pension benefit is required, including but not limited to the Pension Commencement Date, shall not exceed the years of the Member's Credited Service multiplied by the lesser of:

- (i) the lesser of the Defined Benefit Limit for the year and the Pension Cap; and
- (ii) 2% of the Member's highest average indexed compensation (as defined under the Income Tax Act) in any three non over-lapping periods of twelve (12) consecutive months;

reduced by $\frac{1}{4}$ of 1% for each month by which the Pension Commencement Date precedes the earliest of:

- (I) the day on which the Member will attain age 60;
- (ii) the day the Member's age plus Continuous Employment (excluding periods of lay-off) would have equaled 80;
- (iii) the day the Member would have completed 30 years of Continuous Employment (excluding periods of lay-off); and
- (iv) the day the Member becomes totally and permanently disabled, as defined under the Income Tax Act.

This Section 6.07(a) does not apply to additional benefits payable as a result of any Actuarial Equivalent adjustment in respect of postponed retirement, nor to that portion, if any, of the pension derived from a Member's Excess Contributions or additional voluntary contributions.

Notwithstanding the foregoing, in no event will the annual lifetime pension payable to a Member in any form of pension provided under the Plan exceed the maximum set out above in this Section 6.07(a).

(b) Maximum Pension After Pension Commencement Date

The annual lifetime pension payable to a Member under this Plan, including a pension payable to a Member's Spouse or former Spouse pursuant to Section 16.04, for each calendar year after the year in which the pension commences, shall not exceed the maximum pension determined according to Section 6.07(a) multiplied by the percentage increase in the annual Consumer Price Index from the date on which the Member's pension commences.

If the pension payable in respect of a Member has been in payment for less than 12 months, the increase calculated pursuant to this Section 6.07(b) shall be pro-rated over the number of months for which pension payments have been made.

6.08 Pension Adjustment

In no event shall the benefit accrued in a calendar year under Section 6.01 result in a pension adjustment (as defined under the Income Tax Act) in excess of the limits prescribed by the Income Tax Act for any Member.

Article 7 – Post-Retirement Cost of Living Adjustments

7.01 Post-Retirement Cost Of Living Factor

Pension benefits earned under the Plan shall be increased in accordance with the Post-Retirement Cost of Living Factors described in this Section 7.01:

(a) Pension Benefits Accrued Prior to January 1, 2014

For any pension benefits accrued prior to January 1, 2014, based on the Member's Credited Service, average Year's Maximum Pensionable Earnings and Final Average Earnings as at December 31, 2013, and in accordance with the Defined Benefit Limit (subject to a maximum of \$3,088) at Retirement or termination, as applicable, the Post-Retirement Cost of Living Factor shall mean the factor obtained by dividing the Consumer Price Index for the preceding calendar year by the Consumer Price Index for the next preceding calendar year.

In any year in which the Post-Retirement Cost of Living Factor is less than or equal to 1.05, it shall be applied in accordance with Section 7.02 and in any year in which the Post-Retirement Cost of Living Factor is in excess of 1.05, the Post-Retirement Cost of Living Factor may be reduced as described in the following paragraph, but not to a factor that is less than 1.05.

If in any one year, the Post-Retirement Cost of Living Factor is in excess of 1.05, it may be reduced to the extent deemed necessary by the Pension Committee on the advice of the Actuary.

(b) Pension Benefits Accrued On and After January 1, 2014

For any pension benefits accrued on and after January 1, 2014 (including any increase to pension benefits accrued prior to January 1, 2014 as a result of increases in Final Average Earnings and the average Year's Maximum Pensionable Earnings on and after January 1, 2014), the Post-Retirement Cost of Living Factor shall mean the factor obtained as follows:

(the Consumer Price Index for the preceding calendar year **divided by** the Consumer Price Index for the next preceding calendar year, **minus** 1),

multiplied by 0.75,

plus 1.

In any year in which the Post-Retirement Cost of Living Factor is less than or equal to 1.0375, it shall be applied in accordance with Section 7.02 and in any year in which the Post-Retirement Cost of Living Factor is in excess of 1.0375, the Post-Retirement Cost of Living Factor may be reduced as described in the following paragraph, but not to a factor that is less than 1.0375.

If in any one year, the Post-Retirement Cost of Living Factor is in excess of 1.0375, it may be reduced to the extent deemed necessary by the Pension Committee on the advice of the Actuary.

- (c) If the post-retirement cost of living increase given in a year has been less than the Post-Retirement Cost of Living Factor as measured by the Plan, a catch-up will be given, on a cumulative and compounded basis, in the following year or as soon as Plan resources permit and as may be permitted by the Income Tax Act. There will be no retroactivity in any catch-up increase.

7.02 Application Of The Post-Retirement Cost Of Living Factor To Pensions In Payment

Subject to Section 6.07, the pension of each Member, Spouse or Beneficiary receiving pension payments shall be adjusted on July 1 of each year, on the condition that the Member has received at least one regular monthly pension payment prior to July 1, by multiplying the then current amount of such pension by the Post-Retirement Cost of Living Factor for such year.

If, on July 1 of each year, the Member, Spouse and Beneficiary have been in receipt of pension payments for less than twelve (12) months in aggregate, the Post-Retirement Cost of Living Factor shall be pro-rated over the number of months for which pension payments have been made.

In no event shall the multiple of all the Post-Retirement Cost of Living Factors applied since the pension payments originally commenced be less than 1.00.

Notwithstanding the foregoing, adjustments pursuant to this Section, following the adjustment at July 1, 2008, shall be as at May 1 of each year, with the first such adjustment occurring at May 1, 2009 rather than July 1, 2009. For this purpose, any reference to "July 1" under this Section shall read as "May 1" and the adjustment at May 1, 2009 shall be at the rate of ten-twelfths (10/12) of the Post-Retirement Cost of Living Factor for such year subject to further pro-ration, as described above, if the pension has been in payment for less than ten (10) months.

7.03 Application Of A Cost Of Living Factor To Terminated Members' Vested Benefits

Subject to Section 6.07, a Member who has terminated employment and who is entitled to a deferred vested pension under the Plan shall be entitled to the adjustment provided below subject to the terms and conditions set out below:

- (a) If the Member terminated employment prior to January 1, 2008, the adjustment in (d) below shall be applied to the Member's entire deferred vested pension.
- (b) If the Member terminated employment on or after January 1, 2008 and at date of termination was within ten (10) years of his or her Normal Retirement Date or had otherwise completed twenty (20) or more years of Continuous Employment, the adjustment in (d) below shall be applied to the Member's entire deferred vested pension.
- (c) If the Member is not covered under (a) or (b) above, the adjustment in (d) below shall be applied only to the portion of the Member's deferred vested pension earned in respect of Credited Service prior to January 1, 2008.
- (d) The applicable portion of the Member's deferred vested pension pursuant to (a), (b) or (c) above, as the case may be, shall be adjusted on July 1st each year during the deferral period by multiplying the then current amount of such pension by a cost of living factor to be determined by the Pension Committee each year. In no event shall the multiple of all of the cost of living factors applied during the deferral period from January 1, 1987 exceed the percentage increase in the average wage from January 1, 1986, as defined in the Income Tax Act, during the deferral period. If, on such July 1, less than twelve (12) months have

elapsed during the deferral period, the cost of living factor shall be pro-rated over the number of months of the deferral period prior to July 1.

- (e) Notwithstanding the foregoing, the cost of living factor determined by the Pension Committee each year shall not be applied during the deferred period to any Member who terminated employment during the period from July 1, 1977 to December 31, 1986.
- (f) Once the Member's pension has commenced, the Post-Retirement Cost of Living Factor will take effect from July 1 of the calendar year after the Member's Pension Commencement Date, on the condition that the Member has received at least one regular monthly pension payment prior to such July 1.

Notwithstanding the foregoing, adjustments pursuant to this Section, following the adjustment at July 1, 2008, shall be as at May 1 of each year, with the first such adjustment occurring at May 1, 2009 rather than July 1, 2009. For this purpose, any reference to "July 1" under this Section shall read as "May 1" and the adjustment at May 1, 2009 shall be at the rate of ten-twelfths (10/12) of the cost of living factor determined by the Pension Committee subject to further pro-ration, as described above, if less than ten (10) months have elapsed during the deferral period.

Article 8 – Normal And Optional Forms Of Pension

8.01 Normal Form Of Pension

The normal form of pension payable to a Member, shall be an annual pension payable in equal monthly installments commencing on the Member's Retirement date and payable on the first day of each month thereafter for life and guaranteed to continue to the retired Member or to the Beneficiary or estate, as the case may be, for a period of at least 120 months.

8.02 Joint and Survivor Pension

- (a) Notwithstanding Section 8.01 above, a Member who has a Spouse on the Pension Commencement Date shall receive a joint and survivor pension which shall be the Actuarial Equivalent of the normal form of pension described in Section 8.01 payable during the Member's lifetime, with 60% of the Member's reduced pension continuing after his or her death to his or her surviving Spouse for the remaining lifetime of such Spouse.
- (b) In lieu of the pension payable under paragraph (a) above, a Member who has a Spouse on the Pension Commencement Date may elect one of the optional forms of payment offered under the Plan, as adopted by the Pension Committee from time to time, provided that a Member may only elect a form of payment that provides a benefit to the Spouse that is less than 60% of the benefit paid to the Member, or a form of payment under Section 8.03 that provides no benefit to the Spouse, if:
 - (i) the Member delivers to the Pension Committee, within the twelve (12) month period immediately preceding the Pension Commencement Date, the written waiver of the Member and the Member's Spouse in the form and manner as prescribed by the Pension Benefits Act; and
 - (ii) such waiver is not revoked by the Member and the Member's Spouse prior to Pension Commencement Date.

8.03 Other Forms Of Pension

A Member who does not have a Spouse, or who has a Spouse and has waived the joint and survivor pension pursuant to paragraph (b) of Section 8.02, may elect to receive in lieu of the normal form of pension payable in accordance with Section 8.01 above, any other form of payment offered under the Plan, as adopted by the Pension Committee from time to time, that is payable only during the Member's lifetime, or during the Member's lifetime with a guarantee period. Any such optional form of pension shall be the Actuarial Equivalent of the normal form of pension payable as described in Section 8.01.

8.04 General Provisions Relative To Options

The optional forms of pension offered under the Plan shall be consistent with the provisions of the Pension Benefits Act and the Income Tax Act and shall be subject to the following terms and conditions, having due regard for the provisions of Section 8.02:

- (a) An optional form of benefit may be irrevocably elected by a Member at any time prior to Pension Commencement Date by completing the form provided for this purpose.
- (b) An Beneficiary designation may be made or changed by a Member at any time by completing the form provided for this purpose.
- (c) A Member shall no later than the Member's Pension Commencement Date provide proof satisfactory to the Pension Committee of the age of his or her Spouse.
- (d) If a Member is required to or has elected to receive a joint and survivor pension and
 - (i) if the Spouse dies before the Pension Commencement Date, the election shall become void;
 - (ii) if the Member dies before the Pension Commencement Date, the election shall become void and his or her Spouse shall instead receive a benefit determined in accordance with Section 10.01; and
 - (iii) if the Spouse dies after the Pension Commencement Date of the joint and survivor pension, the reduction applied to the Member's pension for the survivor benefit shall continue to apply.
- (e) Revocation of the waiver of a joint and survivor pension and election of a joint and survivor pension or the revocation of the election of another optional form of pension may be made at any time before the Member's Pension Commencement Date.
- (f) If on the death of a Retired Member there are payments outstanding in accordance with Section 8.01 or another form of guaranteed pension under Section 8.03, any benefits payable to the Member's Spouse may, at the written request of the Spouse be commuted and paid in a lump sum. However, any benefits payable to the Member's Beneficiary who is other than a Spouse, or to the representative of the estate of the Member or the Beneficiary, will be commuted and paid in a lump sum.
- (g) Unless a form of pension under which pension payments are made during the Retired Member's lifetime only is elected, a Retired Member and his or her Spouse, Beneficiary and estate shall receive in total, benefits of an amount not less than the Member's required contributions made while a Member of the Plan, plus Credited Interest to the date of Pension Commencement Date and less Excess Contributions already paid to the Member.

8.05 Shortened Life Expectancy

Subject to the Pension Benefits Act, a Member, deferred vested Member or Retired Member with an illness or physical disability that is likely to shorten his or her life expectancy to less than two years and is either in receipt of a pension or is eligible to receive a pension, may apply to the Pension Committee for the withdrawal of his or her Benefits under the Plan, on a non-locked in basis, in the manner prescribed by the Pension Benefits Act.

Article 9 – Disability Benefits

9.01 Disability Benefit

A Member in active employment who is Totally Disabled shall cease making contributions under the Plan and the Member shall continue to accrue pension benefits as an active Member. Such Member shall for all purposes of the Plan, except in determining Excess Contributions, be deemed to have made required Member contributions at the normal rate based on Earnings in effect as at commencement of disability, adjusted each year thereafter up to and including July 1, 1984 by the post-retirement cost of living adjustment awarded to pensioners. Thereafter Earnings will be adjusted each July 1 as determined by the Pension Committee as described in Section 2.14. Notwithstanding the above, any reference to “July 1” under this Section shall read as “May 1” following the July 1, 2008 adjustment and the adjustment at May 1, 2009 shall be at the rate of tenths (10/12) of the cost of living factor as determined by the Pension Committee.

9.02 Cessation Of Disability

A Member who, having been Totally Disabled, ceases to be Totally Disabled shall cease to accrue pension credits. If such Member is returned to active employment by the University he or she shall immediately resume making required Member contributions under the Plan. If the Member is not returned to active employment by the University such Member shall receive the benefits to which he or she is entitled under Article 6 or 11 hereof.

Article 10 – Death Benefits

10.01 Death In Service Before Retirement

If a Member dies in service on or after September 1, 2016, he or she shall be deemed to have terminated employment as of the date of death and the Commuted Value of the deferred life annuity to which the Member would have been entitled under Section 11.02 and any Excess Contributions shall be payable in a lump sum to the Member's Spouse or, where there is no Spouse, or where the Member and the Member's Spouse have delivered to the Pension Committee a written waiver in the form prescribed under the Pension Benefits Act, such amounts shall be payable to the Member's Beneficiary or, if there is no Beneficiary, to the Member's estate.

In addition the Member's Spouse, Beneficiary or estate, as applicable, shall receive an amount equal to the Member's additional voluntary contributions, if any, with Credited Interest to the date of death.

10.02 Death After Termination Of Employment

If a Member who terminated employment and who is entitled to benefits under this Plan dies on or after September 1, 2016 and before commencement of his or her pension, the Commuted Value of the deferred life annuity to which the Member was entitled shall be payable in a lump sum to the Member's Spouse. Where there is no Spouse, or where the Member and the Member's Spouse have delivered to the Pension Committee a written waiver in the form prescribed under the Pension Benefits Act, such amounts shall be payable to the Member's Beneficiary or, if there is no Beneficiary, to the Member's estate.

In addition, the terminated Member's Spouse, Beneficiary or estate, as applicable, shall receive an amount equal to any Excess Contributions and any additional voluntary contributions that the Member elected to keep in the Plan on termination of employment pursuant to Section 11.05(c), with Credited Interest to the date of death.

10.03 Optional Form of Payment

In lieu of any lump-sum amount payable to a Member's Spouse under Sections 10.01 and 10.02 above, the Spouse may elect:

- (a) within 90 days of being advised of the entitlement under this Section, that payment be made to the Spouse in the form of an immediate or deferred life annuity commencing no later than the first day of the month coincident with or next following the Spouse's attaining age 65. Any life annuity elected shall not have a guaranteed period in excess of fifteen (15) years. If the Spouse fails to elect within 90 days of being advised of the entitlement under this Section, the Spouse will be deemed to have elected an immediate annuity without a guaranteed period. The post-retirement cost of living adjustment under Article 7 shall apply to any pension payable under this Section 10.03; or
- (b) within 90 days of being advised of the entitlement under this Section, that payment be made to the Spouse in the form of an immediate transfer to a registered retirement savings plan or a registered retirement income fund.

10.04 Death After Retirement

On the death of a Member after pension commencement, benefits will be paid in accordance with the optional form selected by the Member.

10.05 Beneficiary

Each Member may designate in writing a Beneficiary to receive any amounts payable on his or her death other than those which are required to be paid to the Member's Spouse, and may change such Beneficiary designation by completing and delivering to the Pension Committee the form prescribed for the purpose. If there is no Spouse or Beneficiary surviving on the death of the Member, payment shall be made to the Member's estate.

10.06 Payment Of Death Benefits

Any death benefit payable in a lump sum under the Plan shall be paid as soon as practicable after the Member's death.

Article 11 – Termination of Employment

11.01 Termination Employment

On termination of employment other than Retirement or death, a Member shall be entitled to receive a deferred life annuity commencing at Normal Retirement Date calculated in accordance with Section 6.01 or earlier, subject to Section 6.02 and Section 11.03. Such deferred life annuity shall be paid in the form of pension described in Section 8.01, 8.02 or 8.03, as applicable. Any Excess Contributions shall be dealt with as provided in Section 11.04.

11.02 Transfer Of Commuted Values

- (a) On termination of employment prior to becoming eligible to Retire, a Member may request that an amount equal to the Commuted Value of the deferred pension be transferred:
- (i) to the pension fund of another pension plan on a locked-in basis if the administrator of that plan agrees to accept it;
 - (ii) to a prescribed locked-in retirement savings arrangement; or
 - (iii) for the purchase for the former Member of a deferred life annuity from an insurer licensed in Canada, as designated by the Member, that will not commence before the earliest date on which the former Member would have been entitled to receive pension benefits under this Plan.

The amount of the annuity purchased shall be determined on a basis independent of the gender of the Member.

- (b) The Pension Committee shall not permit a transfer or purchase under paragraph 11.05(a) unless the Pension Committee is satisfied that:
- (i) the transfer or purchase is in accordance with the Pension Benefits Act;
 - (ii) any restrictions in the Pension Benefits Act with regard to the solvency of the Plan have been met; and
 - (iii) the transfer is made in accordance with Section 147.3 of the Income Tax Act.
- (c) Amounts transferred in accordance with paragraph 11.03(a) on and after January 1, 1989 shall not exceed the maximum amount prescribed under the Income Tax Act, and the excess of the Commuted Value, plus Credited Interest, if any, over the amount transferred shall be paid to the Member in a lump sum as permitted under the Income Tax Act and the Pension Benefits Act.

11.03 Early Commencement of Deferred Pension

- (a) A Member who terminates employment and is entitled to a deferred life annuity under Section 11.01 or 11.02 may elect to commence receiving the deferred vested pension on the first day of any calendar month coincident with or next following the Member attaining age 55 and prior to the Member's Normal Retirement Date.

- (b) Subject to the minimum early retirement reduction set out in Section 6.02(c), the amount of pension payable under Section 11.04(a) will be the Member's deferred vested pension payable at Normal Retirement Date reduced by one third of 1% per month for each of the first 60 months by which the Member's Pension Commencement Date precedes the Member's Normal Retirement Date and by one half of 1% for each additional such month. In no event will the pension be less than the Actuarial Equivalent of the pension at Normal Retirement Date before the application of reduction factors.
- (c) Notwithstanding any other provision in the Plan, including this Section 11.03, a Member whose employment is terminated involuntarily (as defined by the Pension Benefits Act) on or after July 1, 2012 and whose age plus Continuous Service equal at least fifty-five (55), may be entitled to additional early retirement enhancements pursuant to Section 74 of the Pension Benefits Act, and such Member's benefits shall be adjusted accordingly.

11.04 Maximum Member Cost

On termination of employment of a Member his or her required Member contributions with Credited Interest shall not provide for more than 50% of the Commuted Value of the deferred life annuity under Sections 11.02 above.

11.05 Treatment Of Excess Contributions and Additional Voluntary Contributions Made To The Plan Prior To January 1, 1999

On termination of employment, the Pension Committee can offer one or more of the following payment options with respect to any Excess Contributions arising under Section 11.05 and any additional voluntary contributions made by a Member to the Plan prior to January 1, 1999 in accordance with Section 4.03 plus Credited Interest:

- (a) payment to the Member in a lump-sum cash settlement as required by the Pension Benefits Act;
- (b) used for the purchase for the former Member of a deferred life annuity from an insurer licensed in Canada and as designated by the Member, that will not commence before the earliest date on which the former Member would have been entitled to receive pension benefits under this Plan;
- (c) kept in the Plan as additional voluntary contributions provided the Member has elected to receive a deferred life annuity under Section 11.02;
- (d) transferred to another registered pension plan or tax exempt trust or plan designated by the Member; or
- (e) transferred to a registered retirement savings plan or a registered retirement income fund designated by the Member and in accordance with the Pension Benefits Act.

The amount of any annuity purchased shall be determined on a basis independent of the gender of the Member.

Article 12 – Transfer of Monies To and From Pension Fund

12.01 Transfers To Pension Fund

A member who was an active member in a Canadian registered pension plan of a previous employer within six (6) months prior to the Member entering the service of the University, may transfer to the Pension Fund monies payable from such registered pension plan provided the following conditions are met:

- (a) the Pension Committee consents to the transfer;
- (b) the Member submits an application for such transfer to the Pension Committee within the later of:
 - (i) six (6) months of entering the service of the University; and
 - (ii) six (6) months of being first permitted to transfer the monies pursuant to the terms of the previous employer's registered pension plan and any applicable legislation;
- (c) the Member has provided:
 - (i) certification from the previous employer that after the transfer to the Pension Fund, no benefits will remain payable to the Member from the previous employer's registered pension plan; and
 - (ii) a summary from the previous employer of the Member's pensionable service and pension adjustment history under that employer's registered pension plan;
- (d) if, in the six (6) months prior to entering the service of the University, the Member was a participant in more than one Canadian registered pension plan, the Member may only apply to transfer to the Pension Fund monies payable from the Canadian registered pension plan in which the Member most recently participated prior to entering the service of the University; and
- (e) the transfer is not from an Affiliated Organization as such a transfer must be made pursuant to Sections 20.03 and 20.04 of the Plan.

12.02 Credited Past Service and Calculation of Pension Benefits

As a result of the transfer to the Plan under Section 12.01 and subject to the certification of any past service pension adjustment (as defined under the Income Tax Act), the Member shall be granted the amount of Credited Service which can be purchased by the transferred amount, based on the recommendation of the Actuary, calculated using the financial and demographic assumptions used for the purpose of performing the last actuarial valuation of the Plan, using the service history of the Member with the previous employer, using Earnings of the Member, and using the assumption that the maximum pension described in paragraph 6.07(a)(I) will be indexed to increases in the Average Industrial Wage to the Member's Normal Retirement Date, as permitted by the Income Tax Act. For purposes of this Section 12.02, and Section 12.04, if applicable, such Credited Service shall be classified as Credited Past Service.

Notwithstanding any other provisions of the Plan:

- (a) Credited Past Service under the Plan shall not be granted in excess of the pensionable service granted to the Member under the registered pension plan of the previous employer; and
- (b) Upon the Member's subsequent Retirement, termination of employment or death, the Member shall be entitled to receive a benefit equal to:
 - (i) the benefit payable in accordance with Articles 6, 10, or 11, as applicable, for Credited Service to the date the termination of the Member's employment, exclusive of the Member's Credited Past Service granted under this Section 12.02, and under Section 12.04, if any; plus
 - (ii) the benefit payable under Articles 6, 10, 11, as applicable, for the Member's Credited Past Service granted under this Section 12.02, and Section 12.04, if any.

In no event shall the commuted value of the benefit with respect to the Credited Past Service be less than the amount transferred into the Plan pursuant to Section 12.01, plus the amount contributed to the Plan pursuant to Section 12.04 if any, credited each Plan Year with interest calculated at a rate equal to the rate of return as can reasonably be attributable to the Pension Fund, excluding the portion of the Pension Fund invested in real return bonds, net of expenses.

The benefit payable to a Member under this Section 12.02(b) shall be payable in the form and manner provided under Articles 6, 10 or 11, as applicable, except as provided in Section 12.03.

Any monies transferred pursuant to Section 12.01 and any contributions made by a Member pursuant to Section 12.04, and any Credited Past Service granted in respect thereof, shall be excluded in determining the Member's Excess Contributions for purposes of Section 6.06 and Section 11.05.

12.03 Vesting And Locking-In

Upon subsequent termination of employment with the University or Retirement under the Plan, the amount transferred to the Plan pursuant to Section 12.01, or the amount contributed to the Plan pursuant to Section 12.04, and the benefits provided therefrom shall be fully vested and the Member shall receive only a pension benefit therefrom or a transfer pursuant to Section 11.03.

12.04 Purchase Of Additional Credited Service

Should the amount transferred to the Plan pursuant to Section 12.01 be insufficient to purchase Credited Service equal to the pensionable service credited to the Member in the previous employer's pension plan, the Member may purchase Credited Service up to or equal to the difference, by contributing an amount or amounts to the Plan, as determined by the Actuary and calculated using the rules described in Section 12.02 to establish the amount of Credited Past Service attributable to the amounts transferred to the Plan. The purchase of Credited Past Service and the making of contributions for that purpose pursuant to this Section 12.04 shall be permitted only after certification of the appropriate past service pension adjustment (as defined under the Income Tax Act) is received from the Canada Revenue Agency, if applicable, and only as permitted pursuant to the Income Tax Act.

12.05 Transfers From Pension Fund

Any transfer of monies from the Pension Fund on behalf of a Member shall be dealt with in accordance with the appropriate paragraphs of Articles 6, 10 and 11.

Article 13 – Payment of Benefits

13.01 General

All amounts due under the Plan shall be payable in accordance with the provisions of this Article 13 and no payment shall be under the Plan unless the payor shall have been authorized by the Pension Committee to act on its behalf.

13.02 Duration Of Pension

Every pension payable hereunder to a Member shall commence as of the date of the Member's Pension Commencement Date, subject to the provisions of Article 6, and shall be payable on the first day of each calendar month thereafter during his or her lifetime subject to the provisions of Article 8.

13.03 Re-Employment Of A Retired Member

The pension payable under the Plan to any Member who Retired and is re-hired by the University and is required to enroll in the Plan under Section 3, shall cease as of the Member's date of re-hire, and shall resume as of the first day of the month following his or her subsequent Retirement, unless contrary to the terms of the Pension Benefits Act and other applicable legislation.

Where the payment of a pension is suspended on account of re-employment, the amount of the pension to be paid on subsequent Retirement, whether before or after Normal Retirement Date, shall be actuarially determined on the basis of the increased service, age, amount of benefit already paid prior to final Retirement, Member contributions and any other relevant factors, subject to any limits prescribed in the Income Tax Act.

Notwithstanding the foregoing, if at any time a Retired Member is in receipt of a pension from the Plan while employed by the University, no contributions shall be made to the Plan for the Member while the Member is in receipt of a pension from the Plan and the Member shall not accrue further benefits during the period.

13.04 Commutation Of Small Payment

In the event that the pension payable at Normal Retirement Date is no more than four (4) percent of the Year's Maximum Pensionable Earnings, or the commuted value of such pension is less than 20% of the Year's Maximum Pensionable Earnings, in the year of the Member's Retirement or termination, the Pension Committee may direct that in lieu of the periodic payments, the Commuted Value thereof be paid to the Member in a lump sum.

In the event that a pension payable to a Member's Spouse on the death of the Member meets the small payment threshold above, the Commuted Value thereof may be paid to the Spouse in a lump sum, at the Spouse's option. The Pension Committee may direct such payment to be made as a lump sum to the Spouse if the Member's Pension Commencement Date was on or after July 1, 2012.

Notwithstanding the above, the Member or Spouse, as the case may be, has the option of transferring any lump sum payable under this Section 13.04 to a registered retirement savings plan or a registered retirement income fund in accordance with the Pensions Benefits Act.

13.05 Payments To Minors And Incompetents

If the Pension Committee shall receive evidence satisfactory to it that a Member, Spouse or Beneficiary entitled to receive any benefit under the Plan is, at the time when such benefit becomes payable, a minor or is physically or mentally incompetent to receive such benefit and to give a valid release thereof and that another person or an institution is then maintaining or has custody of such Member, Spouse or Beneficiary, and that no Committee, guardian or other representative shall have been duly appointed, the Pension Committee may authorize payment of such benefit otherwise payable to the Member, Spouse or Beneficiary to such other person or institution, as permitted by law, and the release of such other person or institution shall be valid and complete discharge for the payment of such benefit.

13.06 Mis-Statement In Application To Enter Plan

If a Member in his or her application to enter the Plan, or in response to any request of the University or the Pension Committee for information, makes any statement which is erroneous or omits any material fact or fails before receiving his or her first pension payment to correct any information previously incorrectly furnished to the University or the Pension Committee for its records, the amount of any overpayment or underpayment theretofore made to such Member shall be deducted from or added to his next succeeding payments as the Pension Committee shall direct.

Article 14 – Pension Fund

14.01 Pension Fund

- (a) The University has established and shall maintain a Pension Fund into which shall be paid the contributions made under the terms of the Plan. The Pension Fund shall not form any part of the revenue or assets of the University.
- (b) At no time shall any part of the corpus or income of the Pension Fund be used for, or diverted to, any purposes other than for the exclusive benefit of Members, their Spouses and Beneficiaries. No person shall have any interest in or right to the Pension Fund or any part thereof, except as expressly provided in the Plan.

14.02 Payment Of Expenses

All normal and reasonable expenses incurred in the operation and administration of the Plan shall be paid from the Pension Fund, unless paid directly by the University. The outside providers of any services related to the operation and administration of the Plan shall be deemed to be retained by the Pension Committee regardless of whether their expenses are paid from the Pension Fund or paid directly by the University.

14.03 Annual Actuarial Examination

At least once in each year the Pension Committee shall cause the liabilities of the Plan to be evaluated by the Actuary who shall report to the Pension Committee as to:

- (a) the soundness and solvency of the Pension Fund in relation to the aforesaid liabilities and the requirements of any applicable legislation; and
- (b) the amount of the contributions by the University for the year in question which would be sufficient to provide for the accruing benefit liabilities.

14.04 Investments

The investments of the Pension Fund shall be restricted to the securities and loans permitted by the Pension Benefits Act and the Income Tax Act or other applicable legislation and shall be made in accordance with the written statement of investment policies and goals for the Plan.

Article 15 – Administration

15.01 Pension Committee

The University through its Board of Governors shall be the administrator of the Plan. The Plan administrator shall have all such powers as may be necessary to carry out the provisions hereof, subject to the terms of the Plan and the powers and obligations provided to the Pension Committee (may also be referred to as the Pension & Benefits Committee) pursuant to Section 15.02. The membership of the Pension Committee and the method of appointing members to the Pension Committee will be as determined from time to time by the Board of Governors.

The Secretariat will function as Secretary to the Pension Committee.

Day-to-day operation of the Plan will be a function of the Human Resources Department with operating decisions based on rules and regulations adopted by the Pension Committee.

15.02 Powers Of Pension Committee

The Board of Governors delegates the responsibility for and control of the administration of the Plan as this directly affects Employees and Members, to the Pension Committee as set out below in this Section 15.02. The Pension Committee's powers and responsibilities shall include, but not be limited to, the following:

- (a) to make and enforce such rules, regulations as it shall deem necessary or proper for the efficient administration of the Plan;
- (b) to make recommendations for changes to the Plan to comply with legislation and to keep the Plan current;
- (c) to appoint and monitor a consulting actuary and to recommend to the Board of Governors the appointment of custodians/trustees and fund managers;
- (d) to interpret the Plan provisions, its interpretation thereof in good faith to be final and conclusive, subject to the Board of Governors and the provisions of the Pension Benefits Act;
- (e) to make determinations with regard to eligibility to participate in the Plan;
- (f) to compute the amount of benefits or other payments which shall be payable to any Member, Spouse, Beneficiary or estate in accordance with the provisions of the Plan, to determine the person or persons to whom such amount shall be paid, and to authorize such payments;
- (g) to prepare accounts and records showing the detailed operation of the Plan and to make an annual report to the Board of Governors;
- (h) to arrange for the annual audit of such records and accounts by independent auditors and review the annual audit;

- (i) to recommend to the Board of Governors for approval an investment policy as described in the Statement of Investment Policies and Procedures; and
- (j) to delegate any of these powers and responsibilities to other parties as it sees fit, subject to any limits set by the Board of Governors.

15.03 Uniform Administration

Whenever, in the administration of the Plan, any action by the Pension Committee, the Board of Governors or the University is required, such action shall be uniform in nature as applied to all persons similarly situated.

15.04 General

Members of the Pension Committee may participate in the benefits under the Plan provided they are otherwise eligible to do so. Except as otherwise provided by the Board of Governors, no member of the Pension Committee shall receive any compensation for his or her services as such. No bond or other security shall be required of any member of the Pension Committee in such capacity in any jurisdiction, except as expressly provided by law.

In administering the Plan neither the Pension Committee, nor any member thereof, nor the Board of Governors, nor any officer or employee thereof, shall be liable for any acts of omission or commission, except for his or its own individual, willful and intentional malfeasance or misfeasance. The University and its officers and directors, and each member of the Pension Committee shall be entitled to rely conclusively on all tables, valuations, certificates, opinions and reports which shall be furnished by an Actuary, accountant, trustee, counsel or other expert who shall be employed and engaged by the University or the Pension Committee.

Article 16 – General Conditions of Membership

16.01 Limitation On The Rights of Members And The Obligations Of The University

The rights of any person entitled to receive any payment or benefit under this Plan shall be limited to the assets of the Pension Fund as existing from time to time. No right or claim of any Employee or other person entitled to receive any payment or benefit under this Plan shall be asserted or made against the University, the Pension Committee or the Officers or Governors of the University by reason of this Plan or of the Trust Agreement except in respect of a benefit provided for by this Plan which has become due and payable in accordance with the provisions hereof.

16.02 Plan Not A Contract Of Employment

Nothing contained in this Plan or in the Trust Agreement shall confer or imply any right in any person to be retained in the service of the University.

16.03 Non-Alienation

Except as specified in Section 16.04 money payable under the Plan is subject to the following restrictions:

(a) Non-Enforceable Transactions:

Any transaction that purports to assign, change, anticipate, surrender, or give as security any right of a person under the Plan or money payable under the Plan shall not be enforceable against the Plan; and

(b) Exemption From Seizure

Money payable under the Plan is exempt from execution, seizure or attachment.

16.04 Alienation Of Benefits On Marriage Breakdown

Upon the breakdown of a Member's spousal relationship, a portion of the pension benefits accrued by the Member under the Plan during the spousal relationship, calculated in accordance with the requirements of the Pension Benefits Act and subject to any limits thereunder, may be assigned pursuant to a court order, domestic contract or arbitration award as permitted by the Pension Benefits Act.

16.05 Explanation To Members and Notice of Amendment

Each Member shall be given a written explanation of the terms and conditions of this Plan and amendments thereto applicable to him or her together with an explanation of his or her rights and duties with respect to the benefits available to him or her under the terms of this Plan.

Each Member, or any other person entitled to payment from the Pension Fund, who is affected by an amendment to the Plan, shall be provided a notice and written explanation of the amendment within the applicable time period prescribed under the Pension Benefits Act.

16.06 Severability

If any provision of the Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Plan and the Plan shall be construed and enforced as if such provision had not been included therein.

16.07 Annual Statement

Each active Member shall be provided with a written statement containing the information prescribed under the Pension Benefits Act in respect of the Member's benefits under the Plan.

Article 17 – Amendment and Termination of the Plan

17.01 Amendment and Termination

The University expects and intends to maintain the Plan in force indefinitely but necessarily reserves the right to amend, terminate or wind-up the Plan in whole or in part at any time. No amendment, termination or wind-up of the Plan shall result in a reduction of any accrued benefits of Members, pensioners, Spouses or Beneficiaries including any cost of living adjustments granted except where due to insufficient funds in the Pension Fund upon termination or wind-up, a reduction of benefits is authorized by the provincial regulatory authorities.

Where an amendment results in a certifiable past service pension adjustment (as defined under the Income Tax Act) in respect of a Member, the amendment shall not apply to such Member prior to certification of the past service pension adjustment in accordance with the Income Tax Act.

If the Plan is wound-up in whole or in part, and in the event of insufficient funds, the University shall make further contributions to the Pension Fund, as required, equal to the difference between the normal cost and the contributions that were remitted in accordance with Section 4.02.

In the event of the termination or wind-up of the Plan, such wind-up will be carried out in accordance with the provisions of the Pension Benefits Act and the Income Tax Act.

17.02 Distribution Of Surplus

Any surplus remaining in the Pension Fund after the satisfaction of all benefit rights or contingent rights accrued under the Plan shall be allocated among all Members, pensioners, Spouses and Beneficiaries in proportion to the Commuted Value, as determined by the Actuary, of the benefits other than voluntary contributions to which they are entitled, subject to the maximum benefit paid under Section 6.07, and subject to certification of any past service pension adjustment under the Income Tax Act.

Article 18 – Applicable Law

18.01 This Plan shall be construed and interpreted in accordance with the laws of the Province of Ontario.

Article 19 – Optional Ancillary Contributions and Optional Ancillary Benefits

19.01 Purpose and Implementation

This Article 19 was added to enable Plan Members to make optional ancillary contributions to the Plan in order to enhance the ancillary features of their pension otherwise payable under the defined benefit component of the Plan. This section is being added to the Plan for the sole purpose of improving Plan Members' ability to save for Retirement on a tax sheltered basis.

The additional benefits associated with this Article 19 are to be fully Member paid. For greater certainty, the maximum member cost rule prescribed by Section 6.06 shall be applied to the pension otherwise payable from the defined benefit component of the Plan, without regard to the optional ancillary benefits associated with this Article 19.

In the event the addition of this Article 19 to the Plan would have the effect under applicable pension legislation of increasing the cost to the University or otherwise providing benefits under the Plan, this Article will be terminated as of its original effective date, and any Member contributions to the Plan made in accordance with this Article 19 will be returned to the affected Members, with interest credited in accordance with Section 19.04.

Notwithstanding any other provision of the Plan, a Member who joins the Plan on or after January 1, 2012, shall not be permitted to make optional ancillary contributions or to participate in the optional ancillary benefits provisions contained in this Article 19. Only those Members who have a balance in a Post-1989 Optional Ancillary Account as at December 31, 2011 shall be permitted to make further optional ancillary contributions to the Plan between January 1, 2012 and December 31, 2013. Effective January 1, 2014, no Member shall be permitted to make any further optional ancillary contributions to the Plan.

19.02 Definitions

The following phrases shall for the purposes of this Article 19 have the following meanings:

Net Contribution Account means “net contribution account” as defined in the Income Tax Act.

Post-1989 Optional Ancillary Account means the account established by the University in the name of the Member, to which shall be credited all the Member's optional ancillary contributions made in accordance with Section 19.03(a) plus applicable interest and/or investment earnings.

19.03 Optional Ancillary Contributions

- (a) Subject to Section 19.03(c) and (g), a Member may elect to make optional ancillary contributions to the Plan in the manner prescribed by the University. Such contributions shall be credited to the Member's Post-1989 Optional Ancillary Account.

- (b) The Member's election to make such optional ancillary contributions, or to vary, suspend, or terminate the amount of such contributions are subject to any terms and conditions as prescribed by the University from time to time, such terms and conditions which shall be submitted to the Canada Revenue Agency.
- (c) The optional ancillary contributions made by a Member in a calendar year shall not exceed the amount, if any, by which
 - (i) the lesser of:
 - (1) 9% of Member's compensation for the year from employers participating in the Plan; and
 - (2) \$1,000 + 70% of the Member's defined benefit pension credits for the year under the Plan,

exceeds

 - (ii) the amount of current service contributions (other than optional ancillary contributions) the Member makes in the year under the defined benefit component of the Plan.
- (d) Each Member's optional ancillary contributions shall be remitted to the Pension Fund within 30 days following the month the amount was deducted or received, and credited to the Member's Post-1989 Optional Ancillary Account in the Pension Fund.
- (e) The amount in a Member's Post-1989 Optional Ancillary Account must be used to provide optional ancillary benefits as described in Section 19.05 and may not be used for any other purpose. Subject to Section 19.07, the Member's Post-1989 Optional Ancillary Account may not be refunded to the Member, the Member's Spouse or Beneficiary, as the case may be.
- (f) The University shall provide to Members who elect to make optional ancillary contributions to the Plan pursuant to this Section 19.03, information described in Section 19.09 in order to assist Members in monitoring their Post-1989 Optional Ancillary Account balances.
- (g) No Member who joins the Plan on or after January 1, 2012 shall be permitted to make optional ancillary contributions to the Plan. Only those Members who have a balance in a Post-1989 Optional Ancillary Account as at December 31, 2011 shall be permitted to make further optional ancillary contributions to the Plan between January 1, 2012 and December 31, 2013. No Member shall be permitted to make any further optional ancillary contributions to the Plan after December 31, 2013.

19.04 Interest on Optional Ancillary Contributions

Each Member's Post-1989 Optional Ancillary Account shall be credited in each Plan Year with interest calculated at a rate equal to the rate of return as can reasonably be attributed to the Pension Fund in respect of such Plan Year.

19.05 Benefits on Termination/Retirement

When a Member Retires, or terminates prior to pension commencement, the Member's Post-1989 Optional Ancillary Account shall be applied to purchase optional ancillary benefits in respect of the pension otherwise payable to the Member from the defined benefit component of the Plan in respect of the Member's service on or after January 1, 1990.

Such optional ancillary benefits shall include the following:

(a) Early Retirement Pension

Provide an early retirement benefit as described in Section 6.02(a), except that the pension described in Section 6.01 based on Credited Service, Final Average Earnings and average Year's Maximum Pensionable Earnings at actual retirement date is reduced by 1/4 of 1% per month for each month by which early retirement precedes the earliest of the dates on which:

- (i) the Member will attain age 60;
- (ii) the Member's age plus Continuous Employment (excluding periods of layoff) would have equaled 80; and
- (iii) the Member would have completed 30 years of Continuous Employment (excluding periods of lay-off);

(b) Bridge Benefit

Provide a bridge benefit, payable monthly, commencing on the Member's Early Retirement Date and payable until the earlier of his or her death or the first of the month in which the Member attains age 65. The amount of such bridge benefit shall be limited as follows:

- (i) The maximum annual bridge benefit shall be equal to an amount up to but not exceeding the sum of the maximum benefits payable to the Member under the Canada Pension Plan, as applicable, and the maximum Old Age Security benefit, that would be payable if the Member were age 65 as at the Member's Pension Commencement Date.
- (ii) The maximum annual bridge benefit described in paragraph (i) above shall be reduced by the minimum amount required by the Income Tax Act, which is a proportional reduction in the case of a Member who has completed less than 10 years of Credited Service at the Pension Commencement Date, and a further reduction of 1/4 of 1% for each month by which the Pension Commencement Date precedes the date that the Member will attain age 60.
- (iii) In addition, the annual bridge benefit (payable under this Section) combined with the annual lifetime pension (payable under Section 6.02 and under an associated defined benefit provision as defined for this purpose by the Income Tax Act, all provided in respect of periods after December 31, 1991), shall not exceed (1) plus (2) as follows:
 - 1. the Defined Benefit Limit, multiplied by the Credited Service of the Member after December 31, 1991; plus

2. 1/35th of 25% of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and each of the two immediately preceding years, multiplied by the Credited Service of the Member after December 31, 1991, not exceeding 35 years;

(c) Survivor Benefits

- (i) Replace the normal form of pension for a Member with a Spouse as provided in Section 8.02(a) with a joint and survivor pension payable in an unreduced amount for the lifetime of the Member and then reduced to an amount not exceeding the 66-2/3% on the death of the Member, with or without a guarantee of up to 60 monthly payments; or
- (ii) Replace the normal form of pension for a Member without a Spouse as provided in Section 8.01 with a pension payable in an unreduced amount for the lifetime of the Member, with or without a guarantee of up to 180 monthly payments;

The cost of purchasing such optional ancillary benefits shall be equal to the Commuted Value of the optional ancillary benefits in respect of the Member.

In the event of the Member's Post-1989 Optional Ancillary Account balance exceeds the Commuted Value of the optional ancillary benefits elected by the Member in respect of the Member's service on or after January 1, 1990, the Member shall not have any entitlement to such excess amount, and such excess amount shall be reallocated from the Member's Post-1989 Optional Ancillary Account in the Pension Fund to the unallocated assets in respect of the defined benefit component of the Plan in the Pension Fund.

19.06 Portability

Alternatively to Section 19.05, in the event a Member Retires, or terminates prior to pension commencement, and elects to transfer the Commuted Value of his or her pension otherwise payable from the defined benefit component of the Plan in accordance with Section 11.05 of the Plan, the transfer amount shall include the Commuted Value of the optional ancillary benefits elected by the Member.

In the event the Member's Post-1989 Optional Ancillary Account balance exceeds the Commuted Value of the optional benefits elected by the Member in respect of the Member's service on or after January 1, 1990, the Member shall not have any entitlement to such excess amount, and such excess amount shall be reallocated from the Member's Post-1989 Optional Ancillary Account in the Pension Fund to the unallocated assets in respect of the defined benefit component of the Plan in the Pension Fund.

For the purpose of greater clarity, the limit prescribed under Section 11.05(c) shall apply to the transfer amount inclusive of the Commuted Value of the optional ancillary benefits elected by the Member.

19.07 Refund of Net Contribution Account

Notwithstanding the prohibition on the refund of part or all of the Member's Optional Ancillary Account described in Section 19.03(e), and notwithstanding the reallocation of the excess portion of the Member's Post-1989 Optional Ancillary Account described in Sections 19.05, 19.06 and 19.08, in the event

The Member's post-1989 Optional Ancillary Account balance, plus the required Member contributions made under the Plan, plus Credited Interest, credited to his or her Net Contribution Account in respect of the defined benefit component of the Plan

exceeds

the Commuted Value of the Member's pension otherwise payable from the defined benefit component of the Plan, plus the Commuted Value of the optional ancillary benefits elected by the Member,

the Member shall be entitled to a refund of such excess amount.

19.08 Pre-Retirement Death

In the event a Member dies prior to pension commencement, the Member's Post-1989 Optional Ancillary Account shall be applied to purchase optional ancillary benefits as if the Member had terminated employment the day before he died. The Member's Spouse shall elect the optional ancillary benefits on the Member's behalf. If the Member does not have a Spouse on the date of death, the University shall elect the optional ancillary benefits on the Member's behalf.

In the event the Member's Post-1989 Optional Ancillary Account balance exceeds the Commuted Value of the optional ancillary benefits elected in respect of the Member's service on or after January 1, 1990, the Member's Spouse or Beneficiary, as applicable, shall not have any entitlement to such excess amount, and such excess amount shall be reallocated from the Member's Post-1989 Optional Ancillary Account in the Pension Fund to the unallocated assets in respect of the defined benefit component of the Plan in the Pension Fund.

For greater certainty, the form of the benefit payable to the Spouse, or to the Beneficiary, pursuant to this Section 19.08, shall be in the same form elected by the Spouse, or payable to the Beneficiary, pursuant to Sections 10.01, 10.02, or 10.03, as applicable.

19.09 Information to Members

In addition to the information required by the Pension Benefits Act to be included on the Member's annual statement, the University shall include a statement of the amount in the Member's Post-1989 Optional Ancillary Account as at December 31 of the statement year.

19.10 Designated Plan

Optional Ancillary Contributions cannot be made in any year that the Plan is a designated plan as defined in the Income Tax Act. Optional ancillary benefits cannot be provided for any period in a year in which the Plan is a designated plan as defined in the Income Tax Act.

Article 20 – Affiliated Organizations

20.01 Plan Interpretation

References to the University shall be interpreted to include the Affiliated Organizations in the following circumstances:

(a) Definition of Employee

The definition of Employee shall include employees of the University and employees of the Affiliated Organizations who otherwise meet the criteria set out in Section 2.15.

Notwithstanding the above, no employee of the University of Waterloo Research & Technology Park Accelerator Centre hired on or after February 1, 2015 shall be eligible to participate in the Plan.

(b) Eligibility Requirements and Enrolment

The eligibility requirements for Employees with less than one third annual commitment set out in Section 3.03(a) shall include earnings while working for one or more Affiliated Organizations and the requirements set out in Section 3.03(b) shall include hours worked for one or more Affiliated Organizations.

(c) Definition of Earnings

The official payroll records of the University in the definition of Earnings at Section 2.14 shall include the official payroll records of the Affiliated Organizations in relation to Employees who are employed by an Affiliated Organization.

Notwithstanding any other provision of the Plan, for the purpose of calculating benefits under the Plan for members who are employees of the University of Waterloo Research & Technology Park Accelerator Centre, Earnings, Final Average Earnings and Year's Maximum Pensionable Earnings shall be determined as at the earlier of the member's termination of employment, retirement, death and January 31, 2017.

(d) Periods of Employment or Re-employment

Any periods of employment or re-employment with the University shall also include periods of employment with one or more of the Affiliated Organizations.

Notwithstanding any other provision of the Plan, any period of employment or re-employment (including Continuous Employment) for members who are employees of the University of Waterloo Research & Technology Park Accelerator Centre shall not include employment or re-employment after January 31, 2017.

(e) Leaves and Reduced Work Load

Any periods of leave with or without pay and periods of reduced work load that are authorized by the University shall include similar periods that are authorized by an Affiliated Organization, as appropriate;

(f) Disability

The long term disability insurance plan of the University referred to in Section 2.33(a) shall include any long term disability insurance plan of an Affiliated Organization. Under Section 9.02 (Cessation of Disability), active employment by the University shall include active employment by an Affiliated Organization, subject to paragraph (d) above.

(g) Transfers to Pension Fund

Service with the University shall include service with an Affiliated Organization for the purposes of Section 12.01 (Transfer to Pension Fund), subject to paragraph (d) above.

(h) Plan Expenses

The University shall include any Affiliated Organization under Section 14.02 (Payment of Expenses); and

(i) General Conditions of Membership

The University shall include the Affiliated Organizations under Sections 16.01 (Limitation On The Rights of Members And The Obligations Of The University) and 16.02 (Plan Not a Contract of Employment).

20.02 Contributions by Affiliated Organizations

(a) Each Affiliated Organization shall each year make contributions to the Pension Fund as are required, based on the certification of the Actuary, to provide:

- (i) the normal cost of the benefits currently accruing to any Members under the Plan while employed by the Affiliated Organization; and
- (ii) the Affiliated Organization's share of the proper amortization of any unfunded liability or solvency deficiency, in relation to the Members currently accruing benefits while employed by the Affiliated Organization,

both in accordance with the Pension Benefits Act, after taking into account all relevant factors including the assets of the Pension Fund and the required Member contributions;

- (b) No contributions shall be made by the Affiliated Organization to the Pension Fund unless it is an eligible contribution as defined by the Income Tax Act.
- (c) If at any time while the Plan continues in existence the Actuary certifies that there is Funding Excess in respect of the benefits defined in the Plan, the Affiliated Organizations' contribution obligations under Section 20.02(a) may be reduced by an equal amount or by a lesser amount, all as determined by the University based on the recommendation of the Pension Committee and subject to any protocols established by the Pension Committee and any limitations prescribed by the Pension Benefits Act.
- (d) If at any time while the Plan continues in existence there is a prior year credit balance as defined by the Pension Benefits Act, the Affiliated Organization's contribution obligations under Section 20.02(a) may be reduced by an equal amount or by a lesser amount, all as determined by the University based on the recommendation of the Pension Committee and subject to any protocols established by the Pension Committee and any limitations prescribed by the Pension Benefits Act.
- (e) The Affiliated Organizations' contributions in respect of the normal cost of benefits under Subsection 20.02(a)(i) shall be paid in monthly installments within 30 days following the month for which the contributions are payable. The Affiliated Organizations' contributions in respect of special payments to amortize an unfunded actuarial liability or solvency deficiency under Subsection 20.02(a)(ii) shall be payable in equal monthly installments throughout the year.
- (f) Any portion of an overpayment that is returned to the University out of the Pension Fund under Section 4.02(f) that can be attributed to an Affiliated Organization(s) may be forwarded to the Affiliated Organization(s), all as determined by the University based on the

recommendation of the Pension Committee and subject to any protocols established by the Pension Committee.

- (g) If the Plan is wound-up in whole or in part, and in the event of insufficient funds, the Affiliated Organizations shall make further contributions to the Pension Fund, as required, equal to the difference between the normal cost of the benefits accrued to Members while employed by the Affiliated Organization and the contributions that were remitted in accordance with this Section 20.02.

20.03 Transfers between the University and an Affiliated Organization

If an Employee of the University is transferred to an Affiliated Organization, such Employee's participation in the Plan shall continue as if no transfer had taken place, except that the Affiliated Organization shall be responsible for making contributions where required under Section 20.02.

If an Employee of an Affiliated Organization is transferred to the University, such Employee's participation in the Plan shall continue as if no transfer had taken place, except that the University shall be responsible for making contributions where required under Section 4.02.

Benefits payable under the Plan shall be calculated on the basis of:

- (a) the Member's Continuous Employment which shall include the Member's employment with the University and the Affiliated Organization;
- (b) the Member's Credited Service, which shall include employment with the University and the Affiliated Organization; and
- (c) the Member's Final Average Earnings taking into account Earnings received from the University and the Affiliated Organization, as appropriate.

Schedule A – List of Affiliated Organizations

Conrad Grebel University College

Renison University College

St Paul's University College

St Jerome's University

Imprint

Canadian Water Network

University of Waterloo Research & Technology Park Accelerator Centre

Appendix – Historical Provisions

A.1.01 Past Member Contribution Rates

The chart below sets out past required Member contribution rates that preceded the rates currently set out in Section 4.01(a) and (b) of the Plan which came into effect on May 1, 2009. In the chart below:

(A) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which does not exceed the Year's Maximum Pensionable Earnings for the year of contribution;

(B) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which exceeds the Year's Maximum Pensionable Earnings for the year of contribution, up to two times the Year's Maximum Pensionable Earnings for the year of contribution if (c) is applicable; and

(C) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which exceed two times the Year's Maximum Pensionable Earnings for the year of contribution.

Applicable Dates of Service	Contribution Rates		
	(A)	(B)	(C)
January 1, 2013 to April 30, 2020	6.25%	8.95%	9.95%
May 1, 2009 to December 31, 2012	5.80%	8.30%	9.65%
July 1, 2008 to April 30, 2009	5.05%	7.85%	9.20%
July 1, 2007 to June 30, 2008	4.80%	7.175%	7.85%
January 1, 2003 to June 30, 2007	4.55%	6.50%	n/a
May 1, 2002 to December 31, 2002	2.73%	3.90%	n/a
May 1, 2001 to April 30, 2002	1.82%	2.60%	n/a
May 1, 2000 to April 30, 2001	1.1375%	1.625%	n/a
May 1, 1999 to April 30, 2000	2.4375%	3.25%	n/a
May 1, 1998 to April 30, 1999	1.1375%	6.50%	n/a
May 1, 1997 to April 30, 1998	2.4375%	3.25%	n/a
September 1, 1995 to April 30, 1997	4.875%	6.50%	n/a
September 1, 1993 to August 31, 1995	4.3875%	5.85%	n/a
January 1, 1987 to August 31, 1993	4.875%	6.50%	n/a

Prior to January 1, 1987, the required Member contribution rate was 6.50%, less the Member's contribution to the Canada Pension Plan.

A.1.02 Past Pension Formula

Prior to the current pension formula in the Plan which came into effect as of January 1, 1999, the pension formula under Section 6.01 was as follows.

For Retirements on or after May 1, 1998 and prior to January 1, 1999:

1.4% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the three immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the three immediately preceding years,

multiplied by

his or her years of Credited Service

For Retirements on or after January 1, 1998 and prior to May 1, 1998:

- (I) for the payment period from his or her Normal Retirement Date to May 1, 1998, an annual pension equal to:

1.3% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

multiplied by

his or her years of Credited Service; and

- (ii) for the payment period on and after May 1, 1998, a recalculated annual pension equal to:

1.4% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the three immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the three immediately preceding years,

multiplied by

his or her years of Credited Service.

For Retirements on or after May 1, 1997 and prior to January 1, 1998:

- (I) for the payment period from his or her Normal Retirement Date to May 1, 1998, an annual pension equal to:

1.3% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

multiplied by

his or her years of Credited Service; and

- (ii) for the payment period on and after May 1, 1998, a recalculated annual pension equal to:

1.4% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

multiplied by

his or her years of Credited Service.

For Retirements on or after January 1, 1987 and prior to May 1, 1997:

1.3% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

multiplied by

his or her years of Credited Service.

For Retirements on or after July 1, 1977 and prior to January 1, 1987:

1.3% of his or her Final Average Earnings not in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

plus

2.0% of his or her Final Average Earnings in excess of the average of the Year's Maximum Pensionable Earnings for the year of Retirement and the two immediately preceding years,

multiplied by

his or her years of Credited Service not in excess of forty years, with proportionate allowance for completed months.

A.1.03 Form of Pension

Prior to the current Plan provisions which have been in effect since February 3, 2009, the Normal and Optional Forms of Pension available under Article 8 (other than a joint and survivor pension) were as set out in the chart below. The joint and survivor option for Members who have a Spouse at Retirement has always been a pension option under the Plan and became mandatory for Members who have a Spouse at Retirement when the Plan was restated effective January 1, 1987, subject to the Spouse completing a waiver of his or her entitlement.

Effective Date of Change	Applicable Retirement Dates	Normal Form of Pension if no Spouse at Retirement, or if Spouse waives entitlement to joint and survivor pension (Section 8.01)	Other Forms of Pension (Section 8.03)
May 1, 2000	May 1, 2000 and prior to March 1, 2009	Life guaranteed for 120 months.	Life only; Increased pension payable for life guaranteed for 60 months; Reduced pension for life guaranteed for 180 months; or Level income option.
May 1, 1998	May 1, 1998 and prior to May 1, 2000	Life guaranteed for 120 months.	Life only; Increased pension payable for life guaranteed for 60 months; Reduced pension for life guaranteed for 180 months; or Level income option.
	May 1, 1997 and prior to May 1, 1998	Life guaranteed for 60 months payable each month until and including April 1, 1998; and Life guaranteed for 120 months each month on and after May 1, 1998.	Life only; Reduced pension for life guaranteed for 120 months for the period of May 1, 1997 to May 1, 1998 and increased pension payable for life guaranteed for 60 months for the period on and after May 1, 1998; Reduced pension for life guaranteed for 180 months; or Level income option.
	January 1, 1992 and prior to May 1, 1997	Life guaranteed for 60 months.	Life only; Reduced pension for life guaranteed for 120 months; Reduced pension for life guaranteed for 180 months; or Level income option.

Effective Date of Change	Applicable Retirement Dates	Normal Form of Pension if no Spouse at retirement, or if Spouse waives entitlement to joint and survivor pension (Section 8.01)	Other Forms of Pension (Section 8.03)
January 1, 1992	January 1, 1992 and prior to May 1, 1997	Life guaranteed for 60 months.	Life only; Reduced pension for life guaranteed for 120 months; Reduced pension for life guaranteed for 180 months; or Level income option.
January 1, 1987	January 1, 1987 and prior to January 1, 1992	Life guaranteed for 60 months.	Life only; Reduced pension for life guaranteed for 120 months; Reduced pension for life guaranteed for 180 months; Reduced Joint and Survivor with contingent annuitant who is not Spouse; or Level income option.
July 1, 1977	July 1, 1977 and prior to January 1, 1987	Life guaranteed for 60 months.	Life only; Reduced pension for life guaranteed for 120 months; or Level income option.