

**THE RETIREMENT PLAN FOR  
NON-TEACHING EMPLOYEES OF  
SCHOOL DISTRICT NO. 43 (COQUITLAM)**

**Amended and Restated Plan Text  
Effective January 1, 2018**

**SD43 (COQUITLAM) BOARD OF EDUCATION**

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Date: July 18, 2018

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# 1 INTRODUCTION

## **1.1 Effective Date**

The Plan became effective on May 1, 1955. It was amended several times over the following years, including a significant amendment for the implementation of minimum standards legislation in BC in 1993. The Plan was last restated on September 30, 2015 to incorporate all amendments up to that date, including amendments to comply with the new *Pension Benefits Standards Act* (British Columbia).

This document constitutes the amended and restated Plan text with effect from **January 1, 2018**. Except as otherwise provided herein or as is necessary to give effect to the terms of the Plan, this Plan text applies to Members who terminate membership, retire or die after December 31, 2017. Except as otherwise provided by law, the pension and related benefits of a Member who terminated membership, retired or died before January 1, 2018 must, subject to the foregoing exceptions, be determined by the terms of the Plan text in force on the date the Member terminated membership, retired or died.

## **1.2 Purpose**

The purpose of the Plan is to provide pension and related benefits to eligible Employees of the Board and to their spouses and beneficiaries.

## **1.3 Interpretation**

Article 2 contains definitions used in the Plan. Defined terms are capitalized where used. If other documents or legislation are amended from time to time, references to them in this Plan refer to the amended versions unless otherwise stated.

## **1.4 Plan Closure**

The Plan is closed effective December 31, 2017. After December 31, 2017: (i) no Employees will be enrolled as Members in the Plan, and (ii) all Members of the Plan as at December 31, 2017 who have not had a Cessation of Service (with the exception of Members who are permitted to continue to participate in the Plan after December 31, 2017 pursuant to the NTPP Letter of Agreement between the Board and the Union dated December 15, 2017) will cease to accrue benefits under the Plan and as of January 1, 2018 will commence to accrue benefits under the MPP in accordance with the Bulk Assets and Liabilities Transfer Agreement between the Board and the Board of Trustees of the MPP. Pursuant to the Bulk Assets and Liabilities Transfer Agreement, liability for all benefits accrued under the Plan by such Members to December 31, 2017 is transferred to the MPP, with the result that Members who are transferred to the MPP have no further right or claim of any kind under or in respect of the Plan.

Members who have not had a Cessation of Service and are permitted to continue to participate in this Plan after December 31, 2017 are listed in Appendix B.

## 2 DEFINITIONS

**“2% Pension”** means the Pension whose monthly amount is determined in Subsection 8.2.

**“Actuarial Excess”** means, in relation to the Plan prior to termination, the amount, if any, by which the value of the assets of the Plan exceeds the value of the liabilities of the Plan, both calculated in the prescribed manner.

**“Actuarially Equivalent”** means, subject to Subsection A.2 of Appendix A, equal in actuarial value. Actuarial value must be calculated using methods and assumptions adopted by the Committee. The methods must not result in differentiation of benefit amounts on the basis of gender.

**“Actuary”** means the Fellow of the Canadian Institute of Actuaries appointed by the Committee under the Plan.

**“Appointed Hours”** means, for the purpose of determining post-1996 Pensionable Service,

- (a) in respect of periods of Service other than Leaves Of Absence, the following hours worked during the periods by a Member:
  - (i) regular hours in accordance with the Member's notice of appointment,
  - (ii) paid overtime hours,
  - (iii) paid vacation hours,
  - (iv) hours of paid casual or draw time work,
  - (v) for speech and language pathologists and audiologists, 1,950 hours, or such other deemed annual quota as is from time to time determined by the Committee, multiplied by the fraction of their appointment to a full-time position multiplied by the fraction of a calendar year that the periods represent and,
- (b) in respect of Leaves Of Absence, Deemed Appointed Hours.

No Appointed Hours are credited in respect of lump sum payments on Cessation Of Service to settle rights still existing at that time, such as banked vacation pay, severance, unused sick leave trust entitlements, and service recognition lump sums.

No Appointed Hours are credited in respect of periods when the Employee is not a Member.

If the Member or Employee has more than one appointment, the hours under each are to be added together.

**“Approved”** means approved or accepted by the Committee on conditions specified by the Committee.

**“Benchmark Fraction”** means, for a calendar year,

- (a) if the Member has 1,500 or more Appointed Hours in the calendar year, a fraction equal to one, or,
- (b) if the Member has less than 1,500 Appointed Hours in the calendar year, a fraction equal to the ratio of the Member's Appointed Hours to 1,500.

For the purpose of this definition, a calendar year is the period covered by the pay periods ending in a calendar year.

**“Board”** means the Board of Education of School District No. 43 (Coquitlam). The Board is the sponsor and administrator of the Plan. Notwithstanding its ability to delegate certain administrative functions, the Board retains ultimate authority and responsibility for administering the Plan in accordance with the terms of this Plan text, the PBSA, and the Income Tax Act, and has a duty to prudently and reasonably supervise the Committee.

**“Cash Lump Sum”** means a payment, other than a Locked-In Transfer, in the form of a cash lump sum, some or all of which may be transferred in accordance with the Income Tax Act to another registered arrangement.

**“Cessation of Service”** means cessation of all employment with the Board, as recorded in the employment records of the Board. The summer gap in employment for Employees with 10-month continuing contracts does not constitute Cessation Of Service. A transfer to a position covered by another pension plan in which the Board participates will be considered a Cessation of Service for Plan purposes.

**“Committee”** means the committee appointed by the Board and the Union to perform administration duties related to the Plan and to act on behalf of the Board as described in Article 16 and in the Governance Policy.

**“Commuted Value”** of a benefit means the lump sum which is determined by the Pension Administrator on the advice of the Actuary, in accordance with the recommendations for the computation of transfer values of pensions issued by the Canadian Institute of Actuaries, to be Actuarially Equivalent to that benefit.

**“Contributory Participation Rate”** means the percentage of the normal rate of Plan participation that a Member elects during a Leave Of Absence, determined in accordance with Section 6.

**“CPI”** means the Consumer Price Index (Canada), all items, as reported by Statistics Canada.

**“CPP Offset”** means the monthly reduction in a Member’s 2% Pension amount as determined in Subsection 8.3.

**“Deemed Appointed Hours”** means deemed Appointed Hours to be credited in respect of Leaves Of Absence.

Where a Member is working in at least one permanent appointed position at the commencement of the Leave Of Absence, Deemed Appointed Hours are the regular appointed hours in respect of the Member's appointments (both permanent and temporary) in place at the date of commencement of the Leave Of Absence, multiplied by the Member's Contributory Participation Rate for the Leave Of Absence.

The Committee may credit Deemed Appointed Hours in other cases where it considers that such credit is justified to provide equitable treatment of other Members during Leaves Of Absence. The principles applied to any such other cases must be reasonably similar for practical purposes to those applying to a Member referred to in the previous paragraph.

If there is difficulty in determining the regular appointed hours in respect of the Member's appointments in place at the date of commencement of the Leave Of Absence, the Committee shall determine a reasonable estimate of such deemed Appointed Hours, based on the advice of the Pension Administrator. Such an estimate will be binding for all purposes of the Plan thereafter.

No Deemed Appointed Hours are credited in respect of periods when the Employee is not a Member.

**“Deemed Pensionable Earnings”** means amounts of deemed Pensionable Earnings on which contributions are paid in respect of Leaves Of Absence.

Where a Member is working in at least one permanent appointed position at the commencement of the Leave Of Absence, Deemed Pensionable Earnings are the Pensionable Earnings which would be paid at current rates for the Member's regular appointed hours in respect of the appointments (both permanent and temporary) in place at the date of commencement of the Leave Of Absence, multiplied by the Member's Contributory Participation Rate for the Leave Of Absence.

The Committee may credit Deemed Pensionable Earnings in other cases where it considers that such credit is justified to provide equitable treatment of other Members during Leaves Of Absence. The principles applied to any such other cases must be reasonably similar for practical purposes to those applying to a Member referred to in the previous paragraph.

If there is difficulty in determining the Pensionable Earnings which would be paid at current rates for the Member's regular appointed hours in respect of the appointments in place at the date of commencement of the Leave Of Absence, the Committee shall determine a reasonable estimate of such deemed Pensionable Earnings, based on the advice of the Pension Administrator. Such an estimate will be binding for all purposes of the Plan thereafter.

No Deemed Pensionable Earnings are credited in respect of periods when the Employee is not a Member.

**“Deferred Pension”** means a Pension payable to a Deferred Pensioner in accordance with Section 10, or a corresponding previous provision of the Plan in force before 1997, and includes the associated Pre-Retirement Death benefit calculated in accordance with Section 11.

**“Deferred Pension Early Commencement Reduction”** means the percentage reduction that may apply to a Deferred Pension, as described in Subsection 8.5.

**“Deferred Pensioner”** means a Member who has undergone a Termination Of Employment and is entitled to a Deferred Pension which has not commenced.

**“Deferred Salary Plan”** means an Approved plan under which an Employee forgoes a percentage of Pensionable Earnings for a period of employment (the saving period) then takes a leave of absence during which the forgone Pensionable Earnings is paid (the payout period). The plan must qualify as a prescribed plan or arrangement under the Income Tax Act so that the forgone Pensionable Earnings is taxed in the payout period and not in the saving period.

**“Defined Benefit Limit”** means, for a calendar year, one-ninth of the money purchase limit for the year as defined under Subsection 147.1(1) of the Income Tax Act as amended from time to time, or such higher limit as prescribed by the Income Tax Act.

**“Disability Retirement”** means Cessation of Service of a Member before age 60 that counts as Disability Retirement in accordance with Subsection 7.4.

**“Early Retirement”** means Cessation of Service of a Member before age 65 that counts as Early Retirement in accordance with Subsection 7.2.



**“Early Retirement Reduction”** means the percentage reduction that may apply to a Member's benefits on Early Retirement, as described in Subsection 8.4.

**“Employee”** means a Board employee who is not classed by the Board as a B.C. certified teacher. It includes employees who are members of the Union, exempt staff, and, prior to January 1, 1999, speech and language pathologists who are members of the Coquitlam Teachers Association. After December 31, 1998, speech and language pathologists who are members of the Coquitlam Teachers Association, and who are required to join the B.C. Teachers' Pension Plan, are not employees for the purposes of membership eligibility in the Plan.

**“Employment Standards Act”** means the Employment Standards Act of British Columbia and associated regulations.

**“Excess Contributions”** means, in relation to a Member's Pension and to Required Contributions, an amount equal to the excess, if any, of

- (a) the sum of the Required Contributions and any Board contributions payable under Section 5 that are paid by the Member in accordance with special rules applying during Leaves of Absence described in Section 6, all with Interest over
- (b) 50% of the Commuted Value of the Pension.

**“Family Law Act”** means the Family Law Act of British Columbia and associated regulations.

**“Fund”** means the fund established under the Trust Agreement to hold the assets of the Plan.

**“Governance Policy”** means the written policy established as required under the PBSA which outlines the structures and processes for overseeing, managing and administering the Plan, and in accordance with which the Plan is administered.

**“Grossed-up Pensionable Earnings”** means, for a calendar year after 1996, a Member's Pensionable Earnings for the period in that year when the person was a Member divided by the Member's Benchmark Fraction for that year. For this purpose, Pensionable Earnings for the period in a year when the person was a Member may be determined using a reasonable approximation such as total Pensionable Earnings for the calendar year multiplied by the ratio of Service while a Member during the calendar year to total Service during the calendar year.

**“Highest 3 Grossed-Up Pensionable Earnings”** means, in relation to a Member's Cessation Of Service, the greater of the “best 3 calendar year average” and the “final 3 average” of the Member's Grossed-up Pensionable Earnings, determined as follows.

If, excluding the calendar year of Cessation Of Service unless the Cessation Of Service occurred at the end of that year, the Member has at least 3 consecutive post-1996 calendar years of Grossed-up Pensionable Earnings, the “best 3 calendar year average” is the highest average of the Member's Grossed-Up Pensionable Earnings over any consecutive group of 3 of those years. Otherwise the “best 3 calendar year average” is nil.

The “final 3 average” of the Member's Grossed-Up Pensionable Earnings is

- (a) (i) the Member's Grossed-Up Pensionable Earnings for the calendar year of Cessation Of Service

*multiplied by*

- (ii) the Member's Benchmark Fraction for that year

plus

- (b) the Member's Grossed-Up Pensionable Earnings for each of the two preceding calendar years

plus

- (c) (i) the Member's Grossed-Up Pensionable Earnings for the calendar year preceding the two calendar years referred to in (b)

*multiplied by*

- (ii) one minus the Member's Benchmark Fraction for the year of Cessation Of Service

divided by 3.

If the calendar years in (a), (b), and (c) all occur after 1996, the divisor is 3 even if the Member has no Grossed-Up Pensionable Earnings during some of them. If some occur before 1997, they are excluded from the determination in (a), (b), and (c) and the divisor is reduced to the Benchmark Fraction for the year of Cessation Of Service plus the number of post-1996 calendar years recognized in (b).

**“Highest 3 Pensionable Earnings”** means, in relation to a Member’s Cessation Of Service, the “best 3 calendar year average” of the Member's Pensionable Earnings, determined as follows.

Only participating Pensionable Earnings are recognized. These are Pensionable Earnings

- (a) for post-1996 years, in respect of which contributions have been made in accordance with Sections 4, 5, and 6, and,
- (b) for pre-1997 years, which have been recognized as such in the records maintained by the Board, based on the terms of the Plan and administrative practice before 1997.

If, excluding the calendar year of Cessation Of Service unless the Cessation Of Service occurred at the end of that year, the Member has at least 3 consecutive calendar years of participating Pensionable Earnings, the “best 3 calendar year average” is the highest average of the Member's participating Pensionable Earnings over any consecutive group of 3 of those years.

Otherwise the “best 3 calendar year average” is the sum of the Member's participating Pensionable Earnings over the latest calendar years, up to a maximum of 3, divided by 3.

**“Income Tax Act”** means the Income Tax Act (Canada) and associated regulations.

**“Interest”** means interest credited to Required Contributions.

Interest is credited for each year or fraction of a year at the rate for that year. The rate for a year is an average of five-year chartered bank deposit rates, published monthly as CANSIM Series V122515 by

Statistics Canada. The average applying to a year is the average of the CANSIM rates published for each of the 12 months of the preceding year, rounded to the next higher 1/4%.

Interest for a fraction of a year is calculated as the rate for the year multiplied by the fraction, measured to complete weeks.

Interest for a year or fraction of a year applies to Required Contributions and Interest, if any, at the end of the previous year and to Required Contributions paid in the year. Interest on Required Contributions paid by payroll deduction in the year is calculated at 50% of the applicable rate.

**“Late Retirement”** means Cessation of Service of a Member after age 65 that counts as Late Retirement in accordance with Subsection 7.3.

**“Leave Of Absence”** means a period during which a person is a Member, receives less than full pay from the Board, and remains an Employee but does not work, such as

- (a) general leave,
- (b) layoff,
- (c) Pregnancy Or Parental Leave,
- (d) periods of receipt of sickness or disability benefits from a sickness or disability trust or plan or, if less than full pay, from the Board,
- (e) leave to hold public office or union office while not participating in another pension plan associated with that office,
- (f) periods of receipt of sickness income benefits from the Unemployment Insurance Commission,
- (g) periods of receipt of income benefits from the Workers Compensation Board,
- (h) educational leave,
- (i) strikes, lockouts or similar labour interruptions, and
- (j) Deferred Salary Plan leave.

The summer gap in employment for Employees with 10-month continuing contracts does not constitute Leave Of Absence.

**“Legislated Late Commencement Age”** means the lesser of the age specified in the PBSA and the age specified in the Income Tax Act as the age on which a pension must commence without further delay, regardless of whether the Member is still an active Employee of the Board.

**“Limited Member”** means a person who has rights under the Plan arising from a notice of marriage breakdown filed with the Committee in accordance with the Family Law Act.

**“Locked-In Retirement Account”** or “LIRA” means an RRSP that is prescribed under the PBSA to be a locked-in retirement account.

**“Locked-In Transfer”** of a benefit means transfer of the Commuted Value of that benefit to one of the following retirement plans on behalf of the person to whom the benefit is payable, as elected by that person:

- (a) a registered pension plan of that person's employer,
- (b) a life annuity contract,
- (c) a life income fund,
- (d) a Locked-In Retirement Account, or
- (e) a retirement income fund prescribed under the PBSA.

Subject to the exceptions noted below, the funds must comply with all locking-in requirements of the PBSA.

If the Committee is satisfied that the person entitled to the benefit has an illness or disability that is terminal or likely to considerably shorten his or her life, the person may instead elect to convert the benefit to a lump sum payment or payments whose total amount is equal to the present value of the benefit determined on a basis acceptable to the Committee.

If the Committee is satisfied that the person entitled to the benefit is a Non-Resident, the person may instead elect to convert the benefit to a lump sum payment or payments whose total amount is equal to the present value of the benefit determined on a basis acceptable to the Committee.

If the Commuted Value of the pension to which the person is entitled is less than an amount prescribed under the PBSA, the person may instead elect to convert the benefit to a lump sum payment equal to the present value of the benefit determined on a basis acceptable to the Committee and to transfer such amount out of the Plan.

**“Maximum Disability Pension”** means the maximum Pension that can be paid from the Plan on Disability Retirement under the Income Tax Act. It is described in Appendix A.1.3.

**“Maximum Pension After 65”** means the maximum Pension After 65 that can be paid from the Plan under the Income Tax Act. It is described in Appendix A.1.1.

**“Maximum Pension To 65”** means the maximum Pension To 65 that can be paid from the Plan under the Income Tax Act. It is described in Appendix A.1.2.

**“Maximum Transfer Amount”** means, for the purposes of Sections 10, 12, 13 and 14 inclusive, an amount equal to A times B where

- (a) A is the lesser of
  - (i) the Member's 2% Pension minus the Member's CPP Offset and
  - (ii) the Member's Maximum Pension After 65, and
- (b) B is the present value factor in the following table which appears in Section 8517(1) of the Regulations to the Income Tax Act, based on the interpolated age of the Member in years and completed months.

Age	Present Value Factor	Age	Present Value Factor
Under 50	9.0	61	11.7
50	9.4	62	12.0
51	9.6	63	12.2
52	9.8	64	12.4
53	10.0	65	12.4
54	10.2	66	12.0
55	10.4	67	11.7
56	10.6	68	11.3
57	10.8	69	11.0
58	11.0	70	10.6
59	11.3	71	10.3
60	11.5	72 or over	0.0

**“Member”** means a person who has joined the Plan and remains entitled to benefits under it.

**“MPP”** means the Municipal Pension Plan (Canada Revenue Agency Registration Number 0359158, BC Registration Number P085497).

**“Non-Resident”** means an individual who has satisfied the requirements set out in the Income Tax Act to be a non-resident of Canada for tax purposes. Proof of such status must be provided to the Committee on request.

**“Non-Transferable Cash Lump Sum”** means a cash lump sum payment to an individual that, under the terms of the Income Tax Act, is not eligible for direct rollover to an RRSP or other registered arrangement.

**“Normal Benefit”** means the benefit payable in the absence of an election to receive an Optional Benefit.

**“Normal Retirement”** means Cessation of Service of a Member in the month of attainment of age 65 that counts as Normal Retirement in accordance with Subsection 7.1.

**“Optional Benefit”** means a benefit that the person entitled to a Normal Benefit has the right to elect instead of the Normal Benefit.

**“Paying Agent Agreement”** means the agreement between the Board and the Trustee dated December 6, 1998 which confirms that the Board may make required payments before remitting net Member and Board contributions to the Fund and that this arrangement complies with the fundholder rules under the PBSA.

**“Payment To A Beneficiary”** means, in relation to a deceased person, a payment to the following person in accordance with the following conditions.

- (a) The payment is made to
  - (i) a beneficiary (which may include the personal representative of the person's estate) or, in specified shares, to more than one beneficiary validly designated by the deceased person on an Approved form filed with the Pension Administrator,

(ii) if there is no validly designated beneficiary, to the personal representative of the deceased person's estate.

(b) The payment is subject to the following conditions.

(i) A payment to the personal representative of a person's estate is for credit of the estate.

(ii) If the designated beneficiary is a minor, the payment must be made to the Public Trustee in trust for the minor.

(iii) If the person had a Spouse at the date of death who has not filed a Spouse Waiver, the beneficiary designation is void and, subject to any Spouse Rights Conditions arising out of a previous spousal relationship of the deceased person, the Spouse shall be entitled to the benefit.

(iv) If

(A) the deceased person's benefits under the Plan are subject to any Spouse Rights Conditions arising out of a previous spousal relationship of the deceased person and

(B) the Pension Administrator has paid benefits in a manner that would be valid in the absence of any Spouse Rights Conditions before receiving notice of those Spouse Rights Conditions,

the Spouse Rights Conditions remain valid but the Pension Administrator is not liable to make further payment or pursue the former spouse's claim.

(v) If the payment is made to a deceased person's Spouse, it is made as a Cash Lump Sum. Otherwise, it is made as a Non-Transferable Cash Lump Sum.

**"PBSA"** means the Pension Benefits Standards Act of British Columbia and associated regulations.

**"Pension"** means a Pension To 65 or a Pension After 65.

**"Pension Administrator"** means the party responsible for record-keeping, processing of benefit calculations, and other administrative functions in accordance with Section 16.

**"Pension After 65"** means the pension benefit payable after a Member's 65th birthday.

**"Pension To 65"** means the pension benefit payable up to, and if the Member's birthday falls on the first of a month, including, the Member's 65th birthday.

**"Pensionable Earnings"** means

(a) for years before 1997, the amount recorded as such in the records maintained by the Board for that period, based on the terms of the Plan and administrative practice before 1997, and,

(b) for years after 1996, T4 earnings from the Board,

(i) excluding

(A) taxable benefits,

- (B) any allowance paid for part-time or casual work which is in lieu of benefits or vacations,
- (C) any other taxable allowances,
- (D) lump sum payments on Cessation Of Service to settle rights still existing at that time, such as banked vacation pay, banked overtime, severance, unused sick leave trust entitlements, and service recognition lump sums, and
- (E) any earnings paid in respect of Leaves Of Absence,

(ii) plus, in respect of Leaves Of Absence, Deemed Pensionable Earnings,

all as determined by the Board.

For the purpose of (b)(i)(D), where a Member receives a lump sum vacation payout on Cessation Of Service and the date of Cessation Of Service is delayed by the length of the vacation, the lump sum will be treated as if it was Pensionable Earnings and will be deemed to have been paid over the pay periods that would have applied had it been paid bi-weekly through payroll.

In respect of a partial calendar year, T4 earnings means amounts earned for that partial calendar year that will be included at year-end in T4 earnings for that calendar year.

Unless reinstated in accordance with Subsection 3.3.1, Pensionable Earnings does not include Pensionable Earnings before a previous Termination of Employment.

**“Pensionable Service”** means,

- (a) for years before 1997, the number of years and fractions of a year recorded as such in the records maintained by the Board for that period, based on the terms of the Plan and administrative practice before 1997, and,
- (b) for years after 1996, the sum of the Member's Benchmark Fractions for those years.

Unless reinstated in accordance with Subsection 3.3.1, Pensionable Service does not include Pensionable Service before a previous Termination of Employment.

**“Pensioner”** means a Member who is receiving a Pension.

**“Plan”** means the Retirement Plan for Non-Teaching Employees of School District No. 43 (Coquitlam), as set out in this text.

**“Pregnancy Or Parental Leave”** means leave taken in connection with childbirth or adoption that is provided under terms of the Employment Standards Act.

**“Pre-Retirement Death”** means death of a Member prior to Pension commencement.

**“Reciprocal Agreement”** means an agreement described in Subsection 16.11.

**“Required Contributions”** means contributions that, subject to special rules during Leaves Of Absence, must be paid by a Member in accordance with Section 4.

**“Retirement”** means Cessation of Service which counts as Disability Retirement, Early Retirement, Normal Retirement, or Late Retirement under Section 7.

**“Retirement Service”** means Service that is counted towards qualification for Early Retirement and Disability Retirement in accordance with Section 7 and towards qualification for an immediate Spouse Pension on Pre-Retirement Death in accordance with Section 11.

It is equal to

- (a) pre-1997 Pensionable Service

plus

- (b) post-1996 Service in respect of which contributions are made, multiplied by, in the case of Leaves Of Absence included in such Service, the Member's Contributory Participation Rate.

Unless reinstated in accordance with Subsection 3.3.1, Retirement Service does not include Retirement Service before a previous Termination of Employment.

**“RRSP”** means a registered retirement savings plan within the meaning of the Income Tax Act

**“Service”** means an Employee's period of employment by the Board. Service includes Leaves Of Absence in accordance with Section 6 and periods that occur when the Employee is not a Member but would otherwise satisfy the definition of “Leave Of Absence” in Section 2.

Unless reinstated in accordance with Subsection 3.3.1, Service does not include Service before a previous Termination of Employment.

**“Small Pension Limit”** means, a limit in relation to a Pension, such that the Pension or Deferred Pension is less than the limit at a specified date if and only if the Commuted Value of the Pension or Deferred Pension does not exceed twenty percent (20%) of the YMPE in the year in which the Commuted Value is determined. Where the Small Pension Limit applies, the Plan may require that the benefit be paid out of the Plan in the form described in the applicable section rather than allowing the Member or Spouse to retain a right to a deferred or immediate Pension under the Plan.

**“Spouse”** means, in relation to a Member at a specified time a person who was not a Limited Member and to whom one of the following applies:

- (a) the person was married to the Member and had not lived separate and apart from the Member for a continuous period longer than two (2) years; or
- (b) the person had lived with the Member in a marriage-like relationship for a period of at least two (2) years immediately preceding the date.

**“Spouse Rights Conditions”** means conditions on payout of benefit arising in respect of an agreement or court order filed in accordance with the Family Law Act.

**“Spouse Waiver”** means a written waiver by a Spouse of

- (a) the right to have a Member elect a normal form joint and 60% survivor Pension with the Spouse as joint pensioner or another optional form Pension that provides a more generous survivor pension to the Spouse or



(b) the right to receive a benefit in the event of the Member's Pre-Retirement Death.

The waiver must be in a form and completed in a manner that complies with the PBSA.

In addition, the waiver must be accompanied by evidence satisfactory to the Committee that the Spouse has obtained independent legal advice before signing it.

**“Statement of Investment Policy and Procedures”** or “SIPP” means the written policy established as required under the PBSA in respect of the plan's portfolio of investments and in accordance with which the Fund is invested.

**“Termination Date”** means the date on which the Plan is terminated.

**“Termination of Employment”** means Cessation Of Service of a Member other than by reason of Retirement or death.

**“Totally And Permanently Disabled”** means suffering from total and permanent disability in respect of which the Member qualifies for Canada Pension Plan disability benefits.

In the absence of such qualification, the Committee reserves the right to accept that a Member is Totally And Permanently Disabled if

(a) the Member has applied for Canada Pension Plan disability benefits and been refused them and

(b) the Committee is satisfied, on the basis of certification by a medical doctor who is selected by the Committee and who is legally licensed to practice in a Canadian province or in the place of the Member's residence, that the Member is suffering from total and permanent disability that causes inability to perform any occupation to which the Member's education and training are suited.

**“Trust Agreement”** means the agreement governing the Fund, and shall be deemed to include the Paying Agent Agreement.

**“Trustee”** means the trustee or trustees who hold the Fund in accordance with the Trust Agreement.

**“Union”** means the Canadian Union of Public Employees, Local 561.

**“YMPE”** means, in respect of a calendar year, the Year's Maximum Pensionable Earnings under the Canada Pension Plan.

### **3 ELIGIBILITY AND ENROLMENT**

#### **3.1 Membership**

No Employee is permitted to join the Plan after December 31, 2017.

#### **3.2 No Opting Out**

After becoming a Member, an Employee remains subject to the Plan's contribution and other requirements so long as the Member retains any actual or potential entitlement to benefits under the Plan.

#### **3.3 Re-Hire of a Member Before or After Retirement**

##### **3.3.1 Re-Hire of a Member Before Retirement**

If a Member who has undergone Termination Of Employment again becomes an Employee after December 31, 2017, the Member shall not be permitted to re-join the Plan as an active Member. Such an individual may join the MPP if the individual is eligible under the terms of the MPP.

##### **3.3.2 Re-Hire of a Member After Retirement**

If a Pensioner again becomes an Employee after December 31, 2017, the Pension shall continue and the Pensioner shall not be permitted to re-join the Plan as an active Member. Such a Pensioner may join the MPP if the Pensioner is eligible under the terms of the MPP.

#### **3.4 Members Not Initially Transferred to MPP**

If a Member identified in Appendix B dies or terminates employment with the Board prior to returning to active employment, the Member will be entitled to pre-retirement death, termination, or retirement benefits, as applicable, under this Plan.

If a Member identified in Appendix B returns to active employment with the Board and is not eligible for membership in the MPP, the Member shall remain in this Plan until their termination of employment, retirement or death and shall be entitled to benefits under this Plan.

If a Member identified in Appendix B returns to active employment with the Board prior to January 1, 2021 and is eligible for membership in the MPP, the Member shall be immediately enrolled in the MPP effective on the date of return to active employment, and the assets and liabilities associated with such Member will be transferred to the MPP in accordance with the Bulk Assets and Liabilities Transfer Agreement between the Board and the Board of Trustees of the MPP. Such Members who are enrolled in the MPP have no further right or claim of any kind under or in respect of the Plan. If a Member identified in Appendix B returns to active employment with the Board after December 31, 2020 and is eligible for membership in the MPP, the Member shall be treated in accordance with Section 4 of the NTPP Implementation Letter of Agreement entered into by the Parties in June 2018.

## **4 MEMBER CONTRIBUTIONS**

### **4.1 Coverage**

Each Member who is accruing Service must make Required Contributions to the Fund by payroll deduction. Required Contributions in the amount specified in subsection 4.2 commence on joining the Plan and, subject to the following rules, cease on Cessation Of Service.

Special rules apply during Leaves Of Absence. These are described in Section 6.

### **4.2 Amount**

Their amount is, subject to any applicable limits under the Income Tax Act:

<b>Required Contributions</b>	
<b>On Cumulative Pensionable Earnings in a Year up to YMPE</b>	<b>On Cumulative Pensionable Earnings in a Year over YMPE</b>
4.9%	6.6%

For this purpose, cumulative Pensionable Earnings over the YMPE for a year will be restricted to the amount of Highest 3 Pensionable Earnings or Highest 3 Grossed-up Pensionable Earnings that would produce, for one year of Pensionable Service, a Pension After 65 on Normal Retirement equal to the amount referred to in sub-paragraph (a)(ii) of the definition of “annual benefit limit” in Subsection A.1.4. for the year.

### **4.3 Remittance**

Required Contributions for a pay period ending in a month are to be remitted by the Board to the Fund.

The remittance to the Fund must be made within 30 days after the end of the month. It must not be paid to the Fund before January 1 of the year in which the month occurs.

## **5 EMPLOYER CONTRIBUTIONS**

### **5.1 Coverage**

The Board must make contributions in the amount specified in subsection 5.2 to the Fund in respect of the Members, Service, and Pensionable Earnings for which Required Contributions are paid by Members.

Special rules apply during Leaves Of Absence. These are described in Section 6.

### **5.2 Amount**

The Board will contribute to the Fund, in accordance with the PBSA, amounts which are estimated by the Actuary to be adequate to fund the benefits provided by the Plan.

If the Actuary determines that the Plan has a remaining surplus after any application of surplus to provide pension increases for inflation in accordance with subsection 15.6, the Board, at its discretion and subject to the PBSA, may use all or part of any remaining surplus to finance all or part of its contribution requirement.

Any Board contribution that would make the Plan subject to revocation under the Income Tax Act shall be returned to the Board.

### **5.3 Remittance**

Board contributions for a pay period ending in a month are to be remitted by the Board to the Fund within 30 days after the end of that month and in no event later than 30 days after the end of the calendar quarter to which they relate. They must not be paid to the Fund before January 1 of the year in which the quarter occurs.

### **5.4 Solvency Reserve Account**

The Board may establish a solvency reserve account within the Fund for payments made in respect of a solvency deficiency, in accordance with the PBSA.

Notwithstanding any other provision in the Plan, the Board may apply to the Superintendent of Pensions under the PBSA for consent to withdraw the Actuarial Excess from the Fund's solvency reserve account (if any) while the Plan is ongoing, as permitted by the PBSA and in the prescribed manner.

## **6 CONTRIBUTIONS AND SERVICE AND EARNINGS CREDITS DURING LEAVES OF ABSENCE**

### **6.1 Participation During Leaves Of Absence**

After a cumulative total of 15 normal working days of Leave Of Absence in a single calendar year, a Member may elect to participate in the Plan in respect of periods of Leave Of Absence. The Member can choose participation at 100% of the approximate level of participation that would have occurred had the Leave Of Absence not occurred. In the absence of such an election, the Member will not participate during such periods of Leave Of Absence. The following rules apply.

### **6.2 Qualifying Leaves Of Absence**

A period of Leave Of Absence qualifies for participation election if

- (a) it is a continuation of a Leave Of Absence which commenced in a previous calendar year and which qualified for participation pursuant to paragraph (b), or,
- (b) it occurs in a calendar year in which the Member has already had 15 normal working days of Leave Of Absence (in which case the period of Leave of Absence which qualifies for participation shall not include those 15 days of Leave of Absence).

The Committee has the right to determine conclusively whether a Leave Of Absence qualifies under these criteria.

### **6.3 Contributory Participation Rate**

A Member's Contributory Participation Rate for a Leave Of Absence is

- (a) if the Member elects a 100% level of contributory participation for the Leave Of Absence, 100%, and
- (b) if the Member does not make an election in respect of the Leave Of Absence, 0%.

### **6.4 Contributions During Leaves Of Absence**

A Member must make Required Contributions in respect of a Member's Leave Of Absence based on the Member's Deemed Pensionable Earnings for that Leave of Absence and the contribution rates specified in Section 4.

Board contributions must also be made in respect of a Member's Leave Of Absence based on the Member's Deemed Pensionable Earnings for that Leave Of Absence. However, the amount of the Board's contributions in respect of a Member's Leave of Absence shall not be calculated in accordance with Section 5, but shall be calculated as equalling one and a half times the rate of Required Contributions.

During a Member's Leave Of Absence, the Board may pay the Member's Required Contributions and the Member may pay the Board's contributions. Regardless of who pays them, they shall be treated as Required Contributions and Board contributions respectively.

## **6.5 Leave Of Absence Participation Elections**

### **6.5.1 Elections For Future Leaves Of Absence**

The Member may elect a Contributory Participation Rate of 100% in respect of future periods of Leave Of Absence. In this case

- (a) the election will become effective from the start of a pay period following its date of signature, as agreed between the Member and the Pension Administrator,
- (b) contributions must be paid bi-weekly for periods of Leave Of Absence after the effective date of the election,
- (c) the election remains effective for all subsequent periods of Leave Of Absence that qualify for participation election under Subsection 6.2 until altered or revoked by the Member,
- (d) alteration or revocation is permitted but cannot be retroactive, and
- (e) if the Member fails to make any payment in accordance with the terms of the election, the election will be cancelled from the date of default on, so that the Member's subsequent Contributory Participation Rate will be 0%, and the Member may not make a new election in respect of future contributions until after the end of that Leave Of Absence.

### **6.5.2 Elections For Past Leaves Of Absence**

The Member may elect a Contributory Participation Rate of 100% in respect of past periods of Leave Of Absence in respect of which the Member's Contributory Participation Rate was 0%. In this case

- (a) contributions must be paid in a lump sum with Interest calculated from the date such Required Contributions would have been made pursuant to subsection 6.5.1 to the date the lump sum payment is made in respect of all such periods of Leave Of Absence (part purchases are not permitted),
- (b) the lump sum payment, to the extent that it is paid by the Member and not the Board, must be paid by transfer of funds from the Member's RRSP, and
- (c) the election must be made and the contributions paid before Cessation Of Service, except that the Committee may extend this time limit in cases where it considers that a Member, for reasons other than lack of funds, was unable to comply with it.

## **6.6 Service And Earnings Credits During Leaves Of Absence**

During Leaves Of Absence, Members receive credit for Deemed Appointed Hours and Deemed Pensionable Earnings, as described in the definitions of those terms, that reflect their Contributory Participation Rates.

## **7 RETIREMENT DATES**

### **7.1 Normal Retirement**

Normal Retirement of a Member is Cessation Of Service for reasons other than death in the month of attainment of age 65.

The Member's Normal Retirement effective date is the first of the month first following age 65.

### **7.2 Early Retirement**

Early Retirement of a Member is Cessation Of Service for reasons other than death before the month in which the Member attains age 65, but no earlier than:

- (a) if the Member has less than 10 years of Retirement Service, the month of attainment of age 55, and,
- (b) if the Member has 10 or more years of Retirement Service, the month of attainment of age 50.

The Member's Early Retirement effective date is the first of the month following the month of that Cessation of Service.

### **7.3 Late Retirement**

Late Retirement of a Member is Cessation Of Service for reasons other than death after the month in which the Member attains age 65.

The Member's Late Retirement effective date is the first of the month following the Cessation of Service.

If Cessation of Service has not occurred before December of the calendar year which the Member attains Legislated Late Commencement Age, it will be deemed to have occurred on November 30 of that year.

### **7.4 Disability Retirement**

Disability Retirement of a Member is Cessation Of Service

- (a) after 10 or more years of Retirement Service,
- (b) before age 60, and
- (c) because the Member is Totally And Permanently Disabled.

The Member's Disability Retirement effective date is the first of the month first following the Cessation of Service.

## **8 PENSION FORMULAE**

### **8.1 Pension Formulae**

The following subsections describe the calculation of the formula amounts used to determine amounts of Pension payable under the Plan. The formulae used to determine benefit limits under the Income Tax Act are included in Appendix A.

### **8.2 2% Pension**

A Member's 2% Pension is a monthly amount equal to 1/12th of the sum of:

(a) for pre-1997 Pensionable Service,

(i) 2%

*multiplied by*

(ii) the Member's Highest 3 Pensionable Earnings

*multiplied by*

(iii) the Member's pre-1997 Pensionable Service, and,

(b) for post-1996 Pensionable Service,

(i) 2%

*multiplied by*

(ii) the Member's Highest 3 Grossed-up Pensionable Earnings

*multiplied by*

(iii) the Member's post-1996 Pensionable Service.

### **8.3 CPP Offset**

A Member's CPP Offset means an amount by which the Member's 2% Pension is reduced to reflect the expectation that part of the 2% Pension will be provided by the Canada Pension Plan. The monthly amount of the reduction is 1/12th of the sum of:

(a) for pre-1997 Pensionable Service,

(i) 0.7%

*multiplied by*

(ii) the lesser of the Member's Highest 3 Pensionable Earnings and the YMPE in the year prior to the date of Cessation Of Service.

*multiplied by*



- (iii) the Member's post-1965, pre-1997 Pensionable Service, and
- (b) for post-1996 Pensionable Service,
  - (i) 0.7%
 

*multiplied by*
  - (ii) the lesser of the Member's Highest 3 Grossed-up Pensionable Earnings and the YMPE in the year prior to Cessation Of Service.
 

*multiplied by*
  - (iii) the Member's post-1996 Pensionable Service.

## **8.4 Early Retirement Reduction**

### **8.4.1 Without Board Consent**

The Member's Early Retirement Reduction is nil in the following circumstances:

- (a) In respect of the Pension for pre-1997 Pensionable Service, if the Member's Early Retirement effective date occurs on or after the earliest of the following dates:
  - (i) the first of the month following the month in which the Member attains age 65,
  - (ii) if the Member has more than 10 years of Pensionable Service, the first of the month following the month in which the Member attains age 60, and
  - (iii) the first of the month following the date on which the sum of the Member's age and Pensionable Service (without further accrual) equals 80,

OR
- (b) In respect of the Pension for post-1996 Pensionable Service, if the Member's Early Retirement effective date occurs on or after the earliest of the following dates:
  - (i) the first of the month following the month in which the Member attains age 65,
  - (ii) if the Member has more than 10 years of Pensionable Service, the first of the month following the month in which the Member attains age 60, and,
  - (iii) if the Member has attained age 55, the first of the month following the date on which the sum of the Member's age and Pensionable Service (without further accrual) equals 80.

If a Member's Early Retirement effective date occurs before the earliest of those dates, the Member's Early Retirement Reduction is a percentage reduction, or a reasonable approximation thereto determined by the Committee based on the advice of the Actuary, such that the reduced Pension payable on the Member's Early Retirement effective date is Actuarially Equivalent to a Pension commencing on the earliest of those dates (this provision to be applied separately in respect of pre-1997 and post-1996 Pensionable Service).

**8.4.2 With Board Consent**

If a Member takes Early Retirement and the Board explicitly consents to the calculation of the Member’s Early Retirement Reduction in accordance with this Subsection 8.4.2, the Early Retirement Reduction in Subsection 8.4.1 will not apply. Instead, the Member’s Early Retirement Reduction will be a percentage reduction that depends on the Member’s age and years of Pensionable Service at Retirement as determined from the table on the following page:

<b>Member’s Status on Early Retirement Effective Date</b>						
<b>Age at Retirement</b>	<b>Satisfies “80 rule”<sup>1</sup></b>		<b>Has 10 or more years Pensionable Service; does not satisfy “80 rule”<sup>1</sup></b>		<b>Has less than 10 years Pensionable Service; does not satisfy “80 rule”<sup>1</sup></b>	
	55 or over	under 55	60 or over	50 or over, under 60	60 or over	50 or over, under 60
<b>Early Retirement Reduction applicable to Pension for pre-1997 Pensionable Service</b>	nil	nil	nil	3% from 60 <sup>2</sup>	3% from 65 <sup>2</sup>	actuarial from 65 <sup>3</sup>
<b>Early Retirement Reduction applicable to Pension for post-1996 Pensionable Service</b>	nil	6% from 60 <sup>2</sup>	nil	6% from 60 <sup>2</sup>	6% from 65 <sup>2</sup>	actuarial from 65 <sup>3</sup>

**Notes**

1. “80 rule” means the sum of the Member’s age and years of Pensionable Service at Retirement is at least equal to 80.
2. “x% from y” means x% multiplied by the number of years by which the Member’s Early Retirement effective date precedes the first of the month following attainment of age y. For this purpose, complete calendar months each count as 1/12 of a year. The reduced pension resulting from this form of reduction is subject to a minimum of the reduced pension that would result from the application of Subsection 8.4.1 instead of this Subsection 8.4.2.
3. “Actuarial from 65” means a percentage reduction, or a reasonable approximation thereto determined by the Committee based on the advice of the Actuary, such that the reduced pension payable on the Member’s Early Retirement effective date is Actuarially Equivalent to a Pension commencing on the first of the month following attainment of age 65 whose amount is equal to the Member’s Pension on Early Retirement before application of the Early Retirement Reduction.

## **8.5 Deferred Pension Early Commencement Reduction**

The Deferred Pension Early Commencement Reduction of a Deferred Pensioner who elects to commence a Deferred Pension on or after the earliest of the following dates is nil:

- (a) In respect of the Deferred Pension for pre-1997 Pensionable Service,
  - (i) the first of the month following the month in which the Member attains age 65,
  - (ii) if the Member has more than 10 years of Pensionable Service, the first of the month following the month in which the Member attains age 60, and
  - (iii) the first of the month following the date on which the sum of the Member's age and Pensionable Service (without further accrual after the date of Termination Of Employment) equals 80,

OR

- (b) in respect of the Pension for post-1996 Pensionable Service,
  - (i) the first of the month following the month in which the Member attains age 65,
  - (ii) if the Member has more than 10 years of Pensionable Service, the first of the month following the month in which the Member attains age 60, and,
  - (iii) if the Member has attained age 55, the first of the month following the date on which the sum of the Member's age and Pensionable Service (without further accrual after the date of Termination Of Employment) equals 80.

If the Deferred Pensioner elects to commence the Deferred Pension before the earliest of those dates, the Deferred Pension Early Commencement Reduction is

- (c) in the case of a Member who
  - (i) qualifies for Early Retirement,
  - (ii) is under age 55, and
  - (iii) elects, in accordance with Subsection 13.2, to receive, as an Optional Benefit on Early Retirement, the benefits provided under Section 10,

and in respect of whom

- (iv) the Board explicitly consents to the calculation of the Member's Early Retirement Reduction in accordance with Subsection 8.4.2,

the amount specified in Subsection 8.4.2, and,

- (d) in the case of any other Member, a percentage reduction, or a reasonable approximation thereto determined by the Committee based on the advice of the Actuary, such that the reduced Pension payable on the chosen commencement date is Actuarially Equivalent to a Pension commencing on

the earliest of the dates for which the Deferred Pension Early Commencement Reduction is nil (this provision to be applied separately in respect of pre-1997 and post-1996 Pensionable Service).

## **9 FORM OF PENSION PAYMENT**

### **9.1 Normal Form**

#### **9.1.1 Normal Joint And 60% Survivor Form For Member With Entitled Spouse At Pension Commencement**

This subsection applies to a Member who has a Spouse at Pension commencement if that Spouse has not filed a Spouse Waiver with the Pension Administrator. The normal form of payment of a Pension to such a Member is the normal joint and 60% survivor form payable as follows. The Pension is payable in monthly amounts to the Member on the first day of each month from and including the month in which the Pension commences up to and including the month of the Member's death. After the Member's death, 60% of the payments that would have been made if the Member had not died are continued to the Spouse for the Spouse's subsequent lifetime, if any.

Where an amount of Pension is described as being paid in the normal form, that amount applies if it is payable in the normal form described in subsection 9.1.2. If the Pension is payable under the normal form described in this subsection 9.1.1, the amount payable shall be adjusted so that the Pension is Actuarially Equivalent to a Pension of the original amount payable in the normal form described in subsection 9.1.2.

#### **9.1.2 Normal Life Guaranteed 10 Form For Member With No Entitled Spouse At Pension Commencement**

This subsection applies to a Member who, at Pension commencement, does not have a Spouse or has a Spouse who has filed a Spouse Waiver. The normal form of payment of a Pension to such a Member is the normal life guaranteed 10 form payable as follows. The Pension is payable in monthly amounts to the Member on the first day of each month from and including the month in which the Pension commences up to and including the month of the Member's death. After the Member's death, if less than 120 monthly payments have been made, the remainder are payable in accordance with Subsection 9.1.5.

#### **9.1.3 Normal Form For Entitled Spouse On Member's Pre-Retirement Death**

This subsection applies to a Spouse who becomes entitled to a Pension on the Member's Pre-Retirement Death in accordance with Section 11. The normal form of payment of a Pension to such a Spouse is the normal life form payable as follows. The Pension is payable in monthly amounts to the Spouse on the first day of each month from and including the month in which the Pension commences up to and including the month of death.

#### **9.1.4 Pension Reductions At 65**

Where, after the Member's death, a Pension becomes payable to a surviving Spouse as a percentage of the original Member's Pension, the surviving Spouse's Pension is, if the Member's death occurs before the Member's 65th birthday, that percentage of the Member's Pension To 65 up to, and if the Member's birthday falls on the first of a month, including, the date on which the Member's 65th birthday would have occurred and thereafter that percentage of the Member's Pension After 65.

#### **9.1.5 Guarantee Payments**

In respect of a Pension payable with a guarantee period, the Member or, in the case of a Pension payable to a Spouse after the Member's death, the Spouse, may designate a beneficiary to receive payments due after the Member's or Spouse's death. On written application to the Pension Administrator, supported by any

evidence required by the Pension Administrator, the Member or Spouse as applicable may change the beneficiary designation at any time. Payments due to the beneficiary are payable directly to the beneficiary and do not form part of the deceased Member's or Spouse's estate. If the Member or Spouse has not designated a beneficiary or if the designated beneficiary has predeceased the Member or Spouse, the Commuted Value of the payments due after the Member's or Spouse's death shall be paid in a lump sum to the estate of the Member or Spouse.

## **9.2 Optional Forms**

### **9.2.1 Amount Of Optional Form Pensions**

The amount of a Pension payable in an optional form is calculated so that the optional form Pension is Actuarially Equivalent to the corresponding normal form Pension.

### **9.2.2 Optional Form For Member With Entitled Spouse At Pension Commencement**

This subsection applies to a Member who has a Spouse at Pension commencement if that Spouse has not filed a Spouse Waiver with the Pension Administrator. The optional forms of payment of a Pension available to such a Member are joint and survivor forms payable with a continuing percentage to the surviving Spouse, if any, of more than 60% but not more than 100% or payable with a guarantee period of 5 or 10 years, or payable with both the higher continuing percentage and a guarantee period, and in other respects payable the form described in Subsection 9.1.1. The Committee may place restrictions on the percentages made available within the 60% to 100% range. If an option is elected with a guarantee period, and the Member dies after Pension commencement and before expiry of the guarantee period, payments will continue in full to the Spouse until the end of the guarantee period at which point they will reduce to the continuing percentage elected of the payments that would have been made if the Member had not died, and will continue to the Spouse for the Spouse's subsequent lifetime, if any. If both the Member and the Spouse die before the end of the guarantee period, the remaining payments are payable in accordance with subsection 9.1.5.

### **9.2.3 Optional Forms For Member With No Entitled Spouse At Pension Commencement**

This subsection applies to a Member who, at Pension commencement, does not have a Spouse or has a Spouse who has filed a Spouse Waiver. The optional forms of payment of a Pension to such a Member are the single life form or the life guaranteed 5 form. These are payable in the same way as the normal life guaranteed 10 form described in subsection 9.1.2, except that,

- (a) in the case of the single life form there is no guarantee period and
- (b) in the case of the life guaranteed 5 form the guarantee period is 5 years.

### **9.2.4 Election Of Optional Forms**

Election of optional forms must be made in accordance with rules set from time to time by the Committee in accordance with the requirements of the PBSA.

## 10 BENEFITS ON TERMINATION OF EMPLOYMENT

### 10.1 Normal Benefit

The Normal Benefit on Termination Of Employment of a Member is

- (a) if the Deferred Pension in (b) is less than the Small Pension Limit
- (i) a Cash Lump Sum equal to the lesser of the Maximum Transfer Amount and its Commuted Value plus
  - (ii) a Non-Transferable Cash Lump Sum equal to any excess of the Commuted Value over the Maximum Transfer Amount, otherwise,
- (b) a Deferred Pension as follows:
- payable to: the Member, subject to any Spouse Rights Conditions
- form: normal form described in Section 9, subject to any applicable actuarial adjustment as stated in Subsection 9.1.1 or 9.2.
- commencement date: the first of a month selected by the Member that is no later than the first of the month following the month in which the Member's 65th birthday occurs and which is no earlier than the earliest of:
- (i) if the Member has less than 10 years of Retirement Service, the first of the month following the month of attainment of age 55, and,
  - (ii) if the Member has 10 or more years of Retirement Service, the first of the month following the month of attainment of age 50.
- monthly amount: Pension To 65: the lesser of
- (i) the Member's 2% Pension, less the Member's Deferred Pension Early Commencement Reduction, and
  - (ii) the Member's Maximum Pension To 65, and
- Pension After 65: the lesser of
- (iii) the Member's 2% Pension minus the CPP Offset, less the Member's Deferred Pension Early Commencement Reduction, and
  - (iv) the Member's Maximum Pension After 65.

In addition, the Normal Benefit includes payment of any Excess Contributions determined at commencement of the Deferred Pension as a Cash Lump Sum at commencement of the Deferred Pension or on application before commencement of the Deferred Pension and after the date of Termination Of Employment.

Any Cash Lump Sum may be transferred to the Member's registered retirement savings plan, subject to the Income Tax Act.

## **10.2 Optional Benefits**

On application and subject to any Spouse Rights Conditions, a Member to whom the Small Pension Limit does not apply may elect, instead of the Normal Benefit, the following Optional Benefits:

- (a) a Locked-in Transfer of the lesser of the Maximum Transfer Amount and the Commuted Value of the Deferred Pension,
- (b) a Non-Transferable Cash Lump Sum equal to any excess of the Commuted Value over the Maximum Transfer Amount, and
- (c) payment of Excess Contributions, if any, as a Cash Lump Sum at Termination Of Employment.

Notwithstanding the above, in the event that a Member does not elect one of the Optional Benefits within the timeframe prescribed by the PBSA, the Member shall be deemed to have elected the Normal Benefit.



## **11 BENEFITS ON PRE-RETIREMENT DEATH**

### **11.1 Pre-Retirement Death With No Spouse - Normal Benefit**

This subsection 11.1 applies in the event of Pre-Retirement Death of a Member who, at the date of Pre-Retirement Death, had the Vesting Service Requirement, and

- (a) had no Spouse, or
- (b) had a Spouse who has filed a Spouse Waiver.

The Normal Benefit is the benefit stated herein.

The Normal Benefit is Payment To A Beneficiary of 100% of the Commuted Value of,

- (a) in the case of a Deferred Pensioner, the Deferred Pension to which the Member was entitled immediately before the date of death,
- (b) in the case of a Member who was an Employee immediately before the date of death and who had qualified for Early Retirement at the date of death, the Pension to which the Member would have been entitled under subsection 13.1 if Early Retirement had occurred on the date of death, and,
- (c) in the case of a Member who was an Employee immediately before the date of death and who had not qualified for Early Retirement at the date of death, the Deferred Pension to which the Member would have been entitled under subsection 10.1 if Termination Of Employment had occurred on the date of death.

In addition, the Normal Benefit includes payment as a Payment To A Beneficiary of any Excess Contributions related to the Pension or, if not previously paid, to the Deferred Pension, as applicable.

For greater certainty, any Payment to a Beneficiary to be made to an individual may only be transferred to the individual's registered retirement savings plan after any necessary approval under the Income Tax Act has first been obtained.

### **11.2 Pre-Retirement Death With No Spouse - Optional Benefits**

No Optional Benefits are available in place of the Normal Benefit in subsection 11.1.

### **11.3 Pre-Retirement Death With Spouse - Normal Benefit**

#### **11.3.1 Qualification Conditions For Normal Benefit**

Subsection 11.3 applies in the event of Pre-Retirement Death of a Member who, at the date of Pre-Retirement Death had a Spouse who has not filed a Spouse Waiver.

#### **11.3.2 Payment Conditions For Normal Benefit**

The Normal Benefit is,

- (a) if the Pension in (b) is less than the Small Pension Limit , a Cash Lump Sum to the Spouse equal to its Commuted Value, which may not be transferred to another registered arrangement unless any necessary approval under the Income Tax Act has first been obtained, and,

(b) otherwise, a Pension as follows:

payable to:	the Spouse, subject to any Spouse Rights Conditions
form:	normal form described in subsection 9.1.3
commencement date:	the first of the month first following the Member's Pre-Retirement Death
monthly amount:	determined in accordance with subsection 11.3.3.

In addition, the Normal Benefit includes payment as a Cash Lump Sum to the Spouse of any Excess Contributions related to,

- (c) in the case of a Deferred Pensioner, the Deferred Pension to which the Member was entitled immediately before the date of death, if such Excess Contributions have not been previously paid,
- (d) in the case of a Member who was an Employee immediately before the date of death and who had qualified for Retirement at the date of death, the Pension to which the Member would have been entitled under subsection 13.1 or 14.1 if Retirement had occurred on the date of death, and,
- (e) in the case of a Member who was an Employee immediately before the date of death and who had not qualified for Retirement at the date of death, the Deferred Pension to which the Member would have been entitled under subsection 10.1 if Termination Of Employment had occurred on the date of death.

### **11.3.3 Amount Of Normal Benefit**

The amount of the Pension payable under subsection 11.3.2 is the greater of, as applicable,

- (a) (i) in the case of a Member who was an Employee immediately before the date of death and who had qualified for Early Retirement at the date of death, the amount of level Pension which is Actuarially Equivalent to the Pension, composed of a Pension To 65 and a Pension After 65, determined as if the Member had taken Early Retirement on that date, elected a joint and survivor optional form continuing at 100% to the surviving Spouse under subsection 9.2.2, then died before receiving any payments, or
- (ii) in the case of a Member who was an Employee immediately before the date of death and who had qualified for Normal or Late Retirement at the date of death, the amount of Pension determined as if the Member had taken Retirement on that date, elected a joint and survivor optional form continuing at 100% to the surviving Spouse under subsection 9.2.2, then died before receiving any payments, or
- (iii) in the case of a Member who was a Deferred Pensioner immediately before the date of death and who had the right to elect commencement of the Deferred Pension at the date of death, the amount of level Pension which is Actuarially Equivalent to the Pension, composed of a Pension To 65 and a Pension After 65, determined as if the Member had remained alive and had elected to commence the Deferred Pension on that date, elected a joint and survivor optional form continuing at 100% to the surviving Spouse under subsection 9.2.2, then died before receiving any payments, and

- (b) the least of
  - (i) the Member's 2% Pension minus the CPP Offset, both calculated including, except in the case of a Deferred Pensioner, the additional Pensionable Service which would have been expected to accrue in the period, if any, from the Member's date of Pre-Retirement Death to the first of the month following attainment of age 60 if that period had been a Leave Of Absence with a 100% Contributory Participation Rate,
  - (ii) the Member's Maximum Pension After 65, and
  - (iii) 1/12 of the YMPE for the year in which the Pre-Retirement Death occurs,or, in the case of (ii) and (iii), such other corresponding limit as is required at the applicable time under the Income Tax Act.

#### **11.4 Pre-Retirement Death - Optional Benefits**

On application, the Spouse referred to in subsection 11.3 may elect, instead of the Normal Benefit in subsection 11.3, the following Optional Benefit:

- (a) subject to first having obtained any necessary approval of the transfer under the Income Tax Act, a Locked-in Transfer of the Commuted Value of the Pension calculated under subsection 11.3 and
- (b) payment of Excess Contributions, if any, as a Cash Lump Sum.

## **12 BENEFITS ON DISABILITY RETIREMENT**

### **12.1 Disability Retirement - Normal Benefit**

On Disability Retirement, the Normal Benefit payable to a Member is,

- (a) if the Pension in (b) is less than the Small Pension Limit,
  - (i) a Cash Lump Sum equal to the lesser of the Maximum Transfer Amount and its Commuted Value plus
  - (ii) a Non-Transferable Cash Lump Sum equal to any excess of the Commuted Value over the Maximum Transfer Amount and,

(b) otherwise, a Pension as follows:

- payable to: the Member, subject to any Spouse Rights Conditions
- form: normal form described in Section 9, subject to any applicable actuarial adjustment as stated in subsection 9.1.1
- commencement date: the Member's Disability Retirement effective date
- monthly amount: the least of
- (i) the Member's 2% Pension minus the CPP Offset, both calculated with the addition of 50% of the additional Pensionable Service which would have been expected to accrue in the period, if any, from the Member's Disability Retirement to the first of the month following attainment of age 60 if that period had been a Leave Of Absence with a 100% Contributory Participation Rate,
  - (ii) the Member's Maximum Pension After 65, and
  - (iii) the Member's Maximum Disability Pension

In addition, the Normal Benefit includes payment of Excess Contributions related to the Pension in (b), if any, as a Cash Lump Sum at Retirement.

### **12.2 Disability Retirement - Optional Benefits**

On application and subject to any Spouse Rights Conditions, the Member may elect, instead of the Pension, a Pension payable in an optional form described in section 9.

The Member may elect to commence the Pension after age 55 but before age 60, in which case the Pension will be as described in paragraph 12.1 (a) but subject to reduction of its amount so that it is Actuarially Equivalent to the Pension referred to in paragraph 12.1(a).

## **13 BENEFITS ON EARLY RETIREMENT**

### **13.1 Early Retirement - Normal Benefit**

On Early Retirement, the Normal Benefit payable to a Member is,

- (a) if the Pension in (b) is less than the Small Pension Limit ,
  - (i) a Cash Lump Sum equal to the lesser of the Maximum Transfer Amount and its Commuted Value plus
  - (ii) a Non-Transferable Cash Lump Sum equal to any excess of the Commuted Value over the Maximum Transfer Amount, and,
- (b) otherwise, if (a) does not apply, the Pension calculated as follows:

payable to:	the Member, subject to any Spouse Rights Conditions
form:	normal form described in Section 9, subject to any applicable actuarial adjustment as stated in subsection 9.1.1
commencement date:	the Member's Early Retirement effective date
monthly amount:	Pension To 65: the lesser of <ul style="list-style-type: none"><li>(i) the Member's 2% Pension, less the Member's Early Retirement Reduction, and</li><li>(ii) the Member's Maximum Pension To 65, and</li></ul> Pension After 65: the lesser of <ul style="list-style-type: none"><li>(iii) the Member's 2% Pension minus the CPP Offset, less the Member's Early Retirement Reduction, and</li><li>(iv) the Member's Maximum Pension After 65.</li></ul>

In addition, the Normal Benefit includes payment of any Excess Contributions related to the Pension in (b) as a Cash Lump Sum at Retirement.

### **13.2 Early Retirement - Optional Benefits**

On application and subject to any Spouse Rights Conditions, the Member may elect, instead of the Pension, a Pension payable in an optional form described in section 9. On application and subject to any Spouse Rights Conditions, a Member who is under age 55 at the date of election may elect to receive, instead of the benefits provided under this Section 13, the benefits that would be provided under Section 10 if the Member's Early Retirement had been a Termination Of Employment.

## **14 BENEFITS ON NORMAL OR LATE RETIREMENT**

### **14.1 Normal Or Late Retirement - Normal Benefit**

On Normal Retirement or Late Retirement, the Normal Benefit payable to a Member is,

- (a) if the Pension in (b) is less than the Small Pension Limit ,
  - (i) a Cash Lump Sum equal to the lesser of the Maximum Transfer Amount and its Commuted Value plus
  - (ii) a Non-Transferable Cash Lump Sum equal to any excess of the Commuted Value over the Maximum Transfer Amount, and,
- (b) otherwise, if (a) does not apply, the Pension calculated as follows:

payable to: the Member, subject to any Spouse Rights Conditions

form: normal form described in Section 9 subject to any applicable actuarial adjustment as stated in subsection 9.1.1

commencement date: the Member's Retirement effective date

monthly amount: the lesser of

- (i) the Member's 2% Pension minus the CPP Offset, and
- (ii) the Member's Maximum Pension After 65.

In addition, the Normal Benefit includes payment of any Excess Contributions related to the Pension in (b) as a Cash Lump Sum at Retirement.

### **14.2 Normal Or Late Retirement - Optional Benefits**

On application and subject to any Spouse Rights Conditions, the Member may elect, instead of the Pension, a Pension payable in an optional form described in section 9.

## **15 PENSION INCREASES FOR INFLATION**

### **15.1 Application Of Increases**

The amount of each monthly payment of a Pension will be adjusted in accordance with subsections 15.2, 15.3 and 15.4 on each April 1.

If the calculated CPI change for the calculation of the adjustment on any date is negative, the Pension will not be reduced, but subsequent adjustments shall be calculated so that they do not produce a greater Pension than would have resulted if the reduction had been applied.

### **15.2 Amount of Increases in Respect of Pre-1997 Pensionable Service**

Subject to the provisions related to negative CPI changes in Subsection 15.1, the adjustment on each April 1, to the amount of Pension earned in respect of Pensionable Service prior to January 1, 1997 shall be

- (a) the amount of Pension that would have been payable in the absence of the adjustment, but after any prior adjustments, multiplied by
- (b) the percentage change in the CPI from December of the second previous year to December of the previous year, multiplied by,
- (c) 1/4 times the number of complete calendar quarters of the previous year throughout which the Pension was payable.

### **15.3 Amount of Increases in Respect of Post-1996 Pensionable Service**

Subject to subsection 15.4, the adjustment on each April 1 prior to April 1, 2019 to the amount of Pension earned in respect of Pensionable Service after 1996 shall be determined in accordance with the terms of the Plan text in effect on December 31, 2017. Commencing April 1, 2019, the adjustment on each April 1 to the amount of Pension earned in respect of Pensionable Service after 1996 shall be:

- (a) the amount of Pension that would have been payable in the absence of the adjustment, multiplied by
- (b) 1.05%, multiplied by
- (c) 1/4 times the number of complete calendar quarters of the previous year throughout which the Pension was payable.

### **15.4 Special Rule Applicable to April 1, 2018 Adjustment in Respect of Post-1996 Pensionable Service**

Despite subsection 15.3, the adjustment on April 1, 2018 for the calendar quarter from January 1, 2018 to March 31, 2018 to the amount of Pension earned in respect of Pensionable Service after 1996 shall be the amount that is the greater of:

- (a) the amount of Pension that would have been payable in the absence of the adjustment, multiplied by 1.05%, multiplied by 1/4; and
- (b) the amount of the adjustment to the Pension determined as of April 1, 2018 in accordance with the terms of the Plan text in effect on December 31, 2017, multiplied by 1/4.

## **16 ADMINISTRATIVE PROVISIONS**

### **16.1 Committee**

#### **16.1.1 Constitution**

The Committee consists of the following 9 members:

- (a) 4 persons appointed by the Board, each of whom shall be a voting member,
- (b) 4 persons appointed by the Union, each of whom shall be a voting member, and
- (c) 1 person elected by the Pensioners, who shall be a non-voting member.

New Committee members are selected and inducted in accordance with the criteria set out in the Retirement Committee Member Selection Policy. Appointments are made for terms of 2 years. They may be renewed or extended. The Board and the Union shall arrange for vacancies of their appointees to be filled immediately. Unappointed deputies are not permitted to stand in for members, except on a temporary basis with the consent of and on terms set by vote of the other members of the Committee.

The members appointed by the Union have the right to appoint one of their number to act as chair of the Committee. The Union may request that the Board appoint the chair from one of the Board's number. The chair has full voting rights and may make motions. The members appointed by the Board are responsible for appointing one of their number to act as secretary of the Committee or the Committee may engage a secretary who is not a member of the Committee. In the event that the chair or secretary is unable to discharge their responsibilities in connection with a meeting, the Committee shall appoint an alternate member to fulfil the role for the purpose of that meeting.

Five (5) voting Committee members constitute a quorum. Decisions of the Committee are by majority vote of those voting members present at a Committee meeting provided that the majority vote includes at least two Union and two Board appointees. (The chair does not have a casting vote.) Decisions can be made only when there is a quorum.

The Committee shall designate at least 2 of its voting members as having signing authority on its behalf and a document signed on behalf of the Committee requires the signatures of 2 of these voting members of whom one shall be a Board appointee and one of whom shall be a Union appointee.

The Board shall notify the Trustee of the names of the members of the Committee and of the names of those having signing authority.

#### **16.1.2 Powers And Duties**

Where the Board has delegated duties to the Committee, the Committee shall exercise, or shall supervise and oversee the Board Staff and external service providers in exercising, the following functions:

- (a) the day to day administration of the Plan, including the determination of payment of benefits and expenses and performance of such other Plan management functions including, without limitation, functions such as:



- (i) interpreting the provisions of the Plan and resolving questions relating to its administration in a way that is consistent with its provisions, including, without limitation, in respect of such matters as (i) eligibility, (ii) measurement of pensionable service and (iii) calculation of benefits;
  - (ii) authorizing and directing all payments from the Plan, including reasonable expenses for counsel and agents, administration, insurance, communications to members, conference attendance by Committee members authorized by collective agreement, and any other reasonable expenses incurred by the Committee in connection with the Plan;
  - (iii) employing, on behalf of the Board, counsel and agents to provide clerical, medical, legal, investment, administrative, and actuarial services necessary or appropriate for administration of the Plan; and
  - (iv) in the event of an administrative error, varying the provisions of the Plan to the extent necessary to permit reasonable rectification of the error consistent with the intent of the Plan;
- (b) approving and adopting actuarial methods and assumptions for administration of the Plan, arranging for actuarial valuations of the Plan's assets and liabilities and reviewing and approving actuarial reports;
  - (c) in conjunction with investment agents and advisors, formulating a SIPP and recommending it for adoption by the Board, and entering into contractual arrangements with investment managers on the Board's behalf in fulfillment of the terms of the SIPP;
  - (d) maintaining oversight of the investments of the Plan and enforcement of the SIPP;
  - (e) maintaining oversight of, and recommending any changes to, the custodial arrangements for the Plan;
  - (f) maintaining oversight of legal issues involving the Plan, including dealing with claims involving the Plan;
  - (g) dealing with regulatory authorities involving the Plan;
  - (h) the monitoring of the compliance of the Plan, its administration, funding and investment with the terms of the Plan, the PBSA, the Income Tax Act and regulatory governance standards, and the preparation of reports on pension governance and compliance;
  - (i) pension related communications with Plan members and other stakeholders;
  - (j) coordination of Plan governance with the Board's policies on conduct, conflicts, privacy, confidential information and document retention; and
  - (k) such other duties or functions related to the Plan as the Committee may choose to monitor as are generally consistent with the Committee's Terms of Reference.

## **16.2 Benefits Administration and Record-Keeping**

The Board has overall responsibility for the administration of rights and benefits and for the maintenance of the membership records required under the Plan. Subject to reasonable monitoring procedures, it may

delegate these functions to a separate Pension Administrator, which may be the Board or another person or corporation reasonably qualified to undertake them.

### **16.3 Disclosure**

The Pension Administrator shall provide information to eligible Employees, Members, Spouses, Beneficiaries, and other individuals entitled to benefits under the Plan as required by the PBSA within the time periods prescribed under the PBSA.

The Pension Administrator shall comply with all other disclosure requirements of the PBSA.

### **16.4 Elections And Defaults**

Where a person has the right to make an election under the Plan, the Committee may stipulate, in compliance with the requirements of the PBSA, a time limit for the making of that election. If it establishes such a time limit, it must also determine, in accordance with the terms of the Plan, the default provision that applies if the election is not made within the time limit.

If an individual entitled to a benefit under this Plan elects in accordance with the Plan provisions to transfer the Commuted Value of that benefit out of the Plan, the Pension Administrator must ensure that such transfer occurs within 60 days of the individual filing the relevant documentation.

The Committee may set conditions as to the form in which elections must be made and may refuse to recognize elections that are not made in the required form.

### **16.5 Evidence Of Age and Entitlement**

Each person claiming entitlement to benefit must provide such information, including proof of age, marital status, employment, income, death, disability, leave of absence etc., as the Pension Administrator may reasonably request for the purposes of administering the Plan.

The Committee may refuse to make or continue payment of any benefit if it judges that the information the Pension Administrator has received is not adequate.

### **16.6 Release Upon Payment of Benefit**

The full payment of benefits in accordance with the terms of the Plan in respect of any Member constitutes a complete and binding discharge of all obligations owed by the Plan in respect of that Member's entitlement. After the payment of benefits is complete, neither that Member, nor any other person will have any further right or claim of any kind against the Plan in respect of that Member.

### **16.7 Non-Assignment Of Benefits**

Except in the case of a claim filed under the terms of the Family Law Act, benefits and rights provided under the Plan may not be surrendered, assigned, or in any other way that is prohibited by the PBSA or by the Income Tax Act anticipated. Any attempt to do so is void.

### **16.8 Errors And Liability**

In the event of an administrative error, the Committee may take such steps as it considers necessary and appropriate to permit reasonable resolution of the error in a manner consistent with the intent of the Plan.

The Committee may enter into insurance contracts to insure the Fund against insurable losses. The Committee may also enter into insurance contracts to insure its members against claims resulting from their action or inaction in their capacity as Committee members.

### **16.9 Marriage Breakdown**

A person who qualifies as the spouse of a Member under the Family Law Act and delivers to the Pension Administrator the notice prescribed under the Family Law Act will become a Limited Member of the Plan and, receive in accordance with the Family Law Act, a share of the benefits accrued in respect of the Member.

The Committee may require that the Plan charge fees for administering Limited Member claims. These fees may not exceed the maximum administrative fees permitted under the Family Law Act.

### **16.10 Reciprocal Agreements**

Subject to all requirements of the Income Tax Act and the PBSA, the Board may enter into agreements that provide for portability of pension rights or benefits on transfer of Members to and from other pension plans. The terms of such an agreement form part of the terms of the Plan.

## **17 FUND**

### **17.1 Structure**

The Fund was established by the Board and is maintained under the provisions of the Trust Agreement for the sole purpose of financing the Plan. The Fund consists of all the assets of the Plan and of the trust constituted by the Trust Agreement.

A Trustee was selected by the Board and may be changed from time to time by the Board. The Trustee is charged with holding and dealing with the Fund under the provisions of the Trust Agreement.

### **17.2 Powers And Duties Of Trustee**

The powers and duties of the Trustee are determined by the Trust Agreement and include the following requirements:

- (a) no less frequently than monthly, it shall receive from the Board the Board's contributions together with Member Required Contributions and any other deposits that may be made in accordance with the Plan, less, in accordance with the Paying Agent Agreement and written confirmation from the Committee, the funds required for payments under the Plan;
- (b) it shall receive all the income of the Fund;
- (c) it shall invest and re-invest the Fund as directed by the Committee in accordance with the requirements of the Income Tax Act and the PBSA;
- (d) it shall maintain such records and accounts and shall render such financial statements and reports as may be required from time to time by the Committee.

All payments under the Plan shall be made by the Board in accordance with the Paying Agent Agreement or shall be provided for solely from the Fund and solely to the extent that such Fund shall suffice therefor. If the Fund should be insufficient to provide for any payment under the Plan whatsoever, the Committee, the Board, and the members, directors, officers, agents and representatives of either or both of them shall not be liable for any such payment in any manner whatsoever.

### **17.3 Annuity Purchase**

If the Plan has not been terminated, the Board reserves the right at any time to enter into a contract with an insurance company in order to transfer assets, relating to the benefits to which a Deferred Pensioner or a Pensioner is entitled, from the Fund to an insurance company in order to purchase an annuity in the form of a pension that is required or allowed by the PBSA.

The Board will ensure that any such annuity:

- (a) in respect of a Deferred Pensioner, provides him or her with the same benefits that the Deferred Pensioner would have received from the Plan had the annuity purchase not been made; and
- (b) in respect of a Pensioner, provides payments to him or her in the same amount and form as the pension that the Pensioner would have received from the Plan had the annuity purchase not been made.

Provided section 89.1 of the PBSA is complied with, the purchase of any such annuity shall constitute a full and final settlement of the right of the person or persons in respect of whose benefits the annuity was purchased and the Board and the Fund shall be discharged from all further liability to the person in respect of whose benefits the annuity has been purchased.

## **18 PLAN AMENDMENT AND TERMINATION**

### **18.1 Powers Of The Board To Alter The Plan**

Subject to the restrictions described in this Section, the Board has the power to

- (a) amend the Plan,
- (b) terminate the Plan,
- (c) divide the Plan into two or more parts, or
- (d) merge the Plan with another plan.

### **18.2 Limited Power of the Retirement Committee to Amend the Plan**

In its capacity to amend the Plan provided in subparagraph 18.1(a), the Board authorizes the Committee established under the Plan to effect housekeeping amendments and to effect certain other amendments that are necessary or desirable for:

- (a) compliance with the PBSA or Income Tax Act or other applicable legislation, and/or
- (b) effective administration of the Plan.

The Committee can only approve amendments if they do not result in significant changes in discretionary policy and if they do not require any adjustment to the Board's contribution rate in effect at the effective date of the amendment.

The Committee must make the decision to approve such an amendment at a regular or special meeting of the Committee and the adopted amendment must form part of the official minutes of the meeting.

The Committee may also adopt updated versions of the Plan which consolidate previous versions of the Plan with subsequent amendments.

In all other circumstances, the power to amend the Plan remains with the Board.

### **18.3 Restrictions On Exercise Of Board's Powers**

The Board's powers under this Section are restricted as follows.

- (a) Exercise of these powers cannot result in payment of any part of the Fund to the Board (other than a return of the Actuarial Excess pursuant to subsection 5.4) unless all Plan benefits have been increased to the maximum amounts defined in Appendix A applied in accordance with the requirements for registration of pension plans under the Income Tax Act.
- (b) Article 6.13 of the collective agreement between the Board and the Union provides that the Board shall not alter the Plan except with the unanimous approval of the Committee. In the NTPP Letter of Agreement dated December 15, 2017, the Board and the Union agreed that Article 6.13 of the collective agreement does not apply to alterations to the Plan needed to give effect to that agreement. Therefore, the Committee did not have to approve the adoption of the January 1, 2018 restatement of the Plan text.

- (c) If benefits have been increased to these maximum amounts and all or part of the Plan is being terminated, any remaining portion of the Fund relating to the terminating portion of the Plan must be returned to the Board.
- (d) Exercise of these powers cannot otherwise result in use of any part of the Fund for any purpose other than the provision of Plan benefits arising from Member entitlements and payment of related expenses.
- (e) In the event of division of the Plan into two or more parts, the Fund must be divided among those parts in proportion to their respective actuarial liabilities immediately before division determined by the Board based on the advice of the Committee and the Actuary.
- (f) For any proposed merger of the Plan with another plan to proceed, the Actuary must provide an opinion that the terms of the proposed merger do not result in any material reduction of benefit security.
- (g) In the event of termination of the Plan, the provisions of paragraph 18.4(b) shall be deemed to apply if and only if any new plan which a Member may join will recognize Service under this Plan for the purposes of eligibility and vesting in the new plan.

#### **18.4 Benefits on Plan Termination**

- (a) For the purposes of determining Members' benefits under the Plan on termination of the Plan, all Members who are not Pensioners or Deferred Pensioners on the Termination Date shall be deemed to have undergone a Cessation of Service on that date and shall become entitled to benefits as Pensioners and Deferred Pensioners, as the case may be, based on their Pensionable Service and Highest 3 Pensionable Earnings to that date. If a Member is deemed to have Retired as a consequence of the Member's deemed Cessation of Service, the Early Retirement Reduction applicable to the Member's Pension shall be calculated in accordance with subsection 8.4.1. All Commuted Values calculated under subsection 18.5 shall reflect this Early Retirement Reduction.
- (b) Notwithstanding the above, and subject to the restriction described in subparagraph 18.3(g), the Board may require that, subject to any Spouse Rights Conditions, members who become entitled to benefits as Deferred Pensioners have their benefits paid out of the Plan as follows:
  - (i) a Locked-in Transfer of the lesser of the Maximum Transfer Amount and the Commuted Value of the Deferred Pension,
  - (ii) a Non-Transferable Cash Lump Sum equal to any excess of the Commuted Value over the Maximum Transfer Amount, and
  - (iii) payment of Excess Contributions, if any, as a Cash Lump Sum at the Termination Date.

#### **18.5 Allocation Of Assets On Plan Termination**

- (a) In the event of the termination of the Plan, the assets of the Fund will be allocated as follows:
  - (i) For each Pensioner, the Commuted Value of the remaining Pension payments,
  - (ii) For each Member whose pension has not commenced, the Commuted Value of the Pension or Deferred Pension accrued at the Termination Date and any Excess Contributions.

- (b) If assets of the Fund are insufficient to complete the allocation described under paragraph (a), assets allocated thereunder will be reduced to the extent necessary to provide for accrued benefits in respect of which no unfunded liability exists.
- (c) If assets of the Fund are still insufficient to complete the allocations under paragraph (a), then the allocations thereunder will be further reduced to the extent necessary, on a pro rata basis, until the total of allocations equals the assets of the Fund.
- (d) Following allocation of the Fund in the above manner, should there still remain assets in a solvency reserve account established pursuant to subsection 5.4, the Board may withdraw the remaining balance of such solvency reserve account as permitted by the PBSA and in the prescribed manner.
- (e) Following allocation of the Fund in the above manner, should there still remain assets of the Fund unallocated, the remainder shall be allocated to increase the amounts allocated under paragraph (a), but in no circumstance shall the allocation to any person be such as to increase the Pension above the Maximum Pension To 65 or the Maximum Pension After 65 which could be paid to that person.
- (f) Any assets which still remain will be returned to the Board.
- (g) Once the above allocation is complete, the Committee shall cause the assets of the Fund to be distributed by way of Locked-In Transfers, Non-Transferable Cash Lump Sums, purchases of an annuity contract from a licensed insurer or payment of a Cash Lump Sum to the Board, as the case may be.



## **APPENDIX A - INCOME TAX ACT LIMITS ON BENEFITS**

### **A.1 Maximum Pension Limits**

#### **A.1.1 Maximum Pension After 65**

The monthly amount of a Member's Maximum Pension After 65 determined in relation to a specified year is 1/12 of

- (a) the annual benefit limit for the applicable year

*multiplied by*

- (b) Pensionable Service.

#### **A.1.2 Maximum Pension To 65**

A Member's Maximum Pension To 65 is the Member's Maximum Pension After 65 plus the product of

- (i) 25%,
- (ii) the average of the YMPE for the calendar year of Pension commencement and the two preceding ones,
- (iii) the Member's Post-1965 Pensionable Service, subject to a maximum of 35 years, and
- (iv) 1/35.

#### **A.1.3 Maximum Disability Pension**

The monthly amount of a Member's Maximum Disability Pension is the greater of

- (a) 1/12 of the YMPE for the year in which the Disability Retirement effective date occurs and
- (b) the Member's 2% Pension minus the CPP Offset, both calculated without the additional years of Pensionable Service referred to in Section 12.

#### **A.1.4 Terms Used In Calculating Maximum Limits**

- (a) The annual benefit limit is the lesser of
  - (i) 2% of the Member's highest 3-year average indexed annual Pensionable Earnings reduced, in the case of Early Retirement before any of the following events has occurred, by 0.25% for each month, if any, from the date of earliest of them to Pension commencement date, calculated as if the Member had continued to render Pensionable Service until then
    - (A) attainment of age 60,
    - (B) completion of 30 years of Pensionable Service, and
    - (C) attainment of total years of age and Pensionable Service of 80, where

ages and periods for calculating reductions are measured in years and each complete calendar month is counted as one-twelfth of a year, and

(ii) the Defined Benefit Limit for the year in which Pension payments commence.

or such other amount as is prescribed by the Income Tax Act.

(b) A Member's highest 3-year average indexed annual Pensionable Earnings is the highest average of the Member's indexed Grossed-up Pensionable Earnings calculated in the same way as Highest 3 Grossed-up Pensionable Earnings, but with indexed Grossed-up Pensionable Earnings substituted for Grossed-up Pensionable Earnings.

A Member's indexed Grossed-up Pensionable Earnings in respect of a year equals the Member's Grossed-up Pensionable Earnings for the year multiplied by the ratio of the average wage measure for the calendar year in which Pension commencement occurs to the average wage measure for 1986 or the year in which the Grossed-up Pensionable Earnings were accrued, whichever is later.

If the Member has less than 36 months of Pensionable Earnings, the average is based on the actual number of months.

(c) The average wage measure for a year is the Canadian average industrial wage as published by Statistics Canada for September of the preceding year or such other measure as is prescribed by the Income Tax Act.

## **A.2 Minimum Actuarial Reduction On Early Retirement**

The Actuarially Equivalent percentage reductions referred to in Subsections 8.4.1, 8.4.2, and 8.5 must be at least equal to 0.25% times the number of months of the reduction period.

**APPENDIX B –  
MEMBERS (WITH NO CESSATION OF SERVICE) WHO ARE REMAINING  
IN PLAN ON JANUARY 1, 2018**

<b>First Name</b>	<b>Last Name</b>
Tina	Ahooja
Marjorie	Allen
Sheyanne	Almond
Thaddeus	Alvero
Kristin	Austman
Brittany	Beaubien
Margherita	Beraldin
Marilynn	Bilyk
Carolina	Birchmore
Kathie	Calder
Tim	Chan
Vinay	Chatralia
Navneet	Cheema
Tian You	Chong
Wendy	Cornford
Barbara	Dajani
Ashleigh	Davenport
Brian	Day
Sital Kaur	Dhillon
Antonietta	Dorvault
Lisa	Faria
Gil	Feliciano
Jane	Gorse
Kim	Graham
Marnie	Haines
Eric	Halstead
Tracy	Hebert
Thomas Rodney	Henderson
Alycia	Henryecz
Loretta	Hooper
Lisa	Johnson
Laurie	Jones
Shelley	Kennedy
Kamla	Kumar
Diane	Leginus
Sylvia	Louvros
Edwin	Lui
Penelope	Martin

Ian	Mcmeiken
Dale	Meers
Stephanie	Misic
Beata	Nowakowska
Viveka	Pillay
Susan	Porco
Carol	Price
Jordana	Reioh
Carrie	Rule
Marina	Santos
Sunila	Singh
Christina	Sladich
Ashley	Southall
Jessica	Stark
Tina	Tang
Elaine	Tao
Deborah	Ticehurst
Colleen	Williams
Melissa	Williams
Casey	Williamson
Janet	Winship