

**Revised Pension Plan  
Of  
Queen's University**

**(Amended and Restated as at January 1, 1994)**

**History Of Plan**

Queen's University has operated a pension plan for members of its staff for a good many years. The first formal plan, called the Retirement Annuity Plan, was amended and restated at January 1, 1949 as the Amended Retirement Annuity Plan. Under both plans, the retirement benefit was that resulting from the payment of specific employee contributions related to earnings and matching University contributions under individual annuity contracts issued by one of several insurance companies.

As of September 1, 1962, the Amended Retirement Annuity Plan was superseded by the Revised Pension Plan Of Queen's University (the "Plan") with respect to those Members who elected to participate in the Plan either as to all earnings or as to subsequent increases in earnings. The Amended Retirement Annuity Plan continued in existence for the balance of Members of that plan, as well as for that portion of earnings covered under the Amended Retirement Annuity Plan as of September 1, 1962 with respect to those Members who so elected. Benefits under the Plan as established at September 1, 1962 were directly related to the earnings on which Members made contributions and were provided under a group contract issued by The Manufacturers Life Insurance Company as Contract GD 3242. By agreement, the University continued to contribute an amount which in total equalled 7-1/2% of the earnings of Plan Members. From this was deducted the amount required to pay the balance of cost of Plan benefits being funded under Contract GD 3242. The excess contributions, after payment of premiums for salary continuance insurance, were then deposited in a supplementary fund established under Contract GD 5526, also issued by The Manufacturers Life Insurance Company. To accommodate Members who had individual contracts under the Amended Retirement Annuity Plan and wished to take advantage of the group basis of funding, provision was made for the cash surrender value of such individual contracts to be deposited to the Member's credit under Contract GA 6369 issued by The Manufacturers Life Insurance Company. Similarly, to make provision for the purchase of benefits with voluntary contributions or with lump sum transfers to the Plan, Contract GA 3337 was issued by The Manufacturers Life Insurance Company.

Various amendments have been made to the Plan since September 1, 1962, in connection with registration under the Pension Benefits Act of Ontario and with integration of the Plan with the Canada Pension Plan when it commenced at January 1, 1966.

As of September 1, 1969, the Plan was further amended and restated, both as to the provision of benefits and with respect to the basis on which benefits were to be provided. Provision was made for the establishment of a trust fund as of that date, into which all future contributions would be deposited, and arrangements were made for securing the payment of the cash surrender values and transfer values of the various contracts in force, with such funds being deposited in the Trust Fund for investment purposes. Specific guarantees were made as to the provision of benefits arising from contributions made prior to that date.

The Plan, as effective on and after September 1, 1969, made provision for benefits arising from required contributions made under both the Amended Retirement Annuity Plan and the Plan on and after September 1, 1962 as well as for the provision of benefits on a "money purchase" basis with contributions made prior to that date.

The Plan was restated as of September 1, 1981, and as of January 1, 1987.

As of September 1, 1987, the Plan was further amended, both as to the number of months to be used for calculation of Final Average Earnings and percentages used in determination of Minimum Guarantee Pension.

The Plan was amended and restated effective January 1, 1988 to incorporate amendments to date and changes required under the *Pension Benefits Act, 1987 (Ontario)*.

The Plan was further amended and restated to incorporate amendments to date and changes required as a result of amendments to the *Income Tax Act (Canada)*, effective January 1, 1992.

The Plan was further amended:

- (a) effective September 1, 1991 to change the normal form of pension;
- (b) effective January 1, 1993 to increase the amount of University money purchase contributions;
- (c) effective July 1, 1993 to apply funding excess to reduce the University's contribution obligations under the money purchase provision for a limited time; and
- (d) effective September 1, 1993, to increase 1958 Supplementary pension benefits to compensate in part certain retirees for cost-of-living increases.

The Plan is hereby amended and restated effective January 1, 1994 to incorporate improved vesting of benefits for active members and all amendments up to this date, with the exception

of changes to the Plan eligibility rules under Section 2, and the addition of a past service buy back provision for certain eligible members under Section 14 which are effective January 1, 1995. The terms of the Plan as restated apply to Members who separate from service or die on and after January 1, 1994. The benefits of Members who separated from service, died, or transferred to another category of employment not covered by the Plan prior to this date, were determined by the terms of the Plan in effect at the relevant date.

This restatement is subject to the acceptance and continued registration of the Plan pursuant to the *Income Tax Act (Canada)* and the *Pension Benefits Act (Ontario)*.

With effect from June 1, 2004, the Plan is hereby consolidated for administrative purposes only to incorporate all amendments executed after the Plan restatement (January 1, 1994) as well as any pending amendments.

## Section 1 – Definitions

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The following words and phrases shall, for purposes of this Plan, have the respective meanings given below, unless the context clearly requires a different meaning. Words importing the singular number shall include the plural and vice versa; and words importing one gender shall extend to and include the other gender and vice versa.

- 1.01 "**Actuarial Equivalent**" shall mean a pension of an actuarially equivalent value computed using the actuarial tables and such other methods and assumptions as may be adopted by the University on the recommendation of the Actuary, for the purposes of the Plan, subject to any requirements of the *Pension Benefits Act* and the *Income Tax Act*. Actuarial Equivalent calculations shall be the same for similarly situated male and female Members.
- 1.02 "**Actuary**" shall mean the actuary or firm of actuaries retained by, but independent of, the University for purposes of the Plan, who is, or one of whose Members is, a Fellow of the Canadian Institute of Actuaries.
- 1.03 "**Beneficiary**" shall mean a beneficiary designated by a Member in accordance with Section 9.01.
- 1.04 "**Board Of Trustees**" shall mean the Board of Trustees of the University.
- 1.05 "**Commuted Value**" shall mean, in relation to benefits that a person has a present or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits computed at the rate of interest and using the actuarial tables adopted by the University on the recommendation of the Actuary, subject to the requirements of the *Pension Benefits Act* and the *Income Tax Act*.
- 1.06 "**Continuous Service**" shall mean unbroken employment with the University since last date of hire including vacation periods, authorized sick leave, periods of leave of absence duly authorized by the University, or other periods of temporary suspension of employment authorized by the University or prescribed by the applicable regulatory authorities.
- 1.07 "**Contributory Earnings**" shall mean in relation to required contributions by Members or by the University on the Member's behalf pursuant to Section 4.01, and University contributions pursuant to Section 4.05(1), that portion of a Member's annual Earnings (or deemed Earnings pursuant to Section 1.13 in the case of a disabled Member) up to the level which ensures that the aggregate contributions to

each Member's Money Purchase Component Account does not exceed the money purchase limit for the year (as defined under the *Income Tax Act*).

- 1.08 ***“Credited Interest”*** shall mean the share of Trust Fund earnings credited to a Member’s Money Purchase Component Account, Past Service Money Purchase Account, Past Service Net Contribution Account, and to voluntary contributions, if any, compounded annually from the first day of the month following the month in which the contribution was made to the first day of the month in which a determination is made, whether by reason of Separation from Service, death or a subsequent payment of benefits; and shall include both:

***“Fund Interest”*** which shall be

- (1) used in the determination of annual adjustments to pensions of Members; and
- (2) credited to the Money Purchase Component Account, Past Service Money Purchase Account, Past Service Net Contribution Account and voluntary contributions, if any, including contributions made during the year to the accounts of those who are Members at the close of the Plan Year, pro-rated if membership is not for the full year, and shall mean interest at a rate calculated by the Actuary as of the close of each Plan Year, based upon Trust Fund earnings as interest and dividends, capital gains and losses (both realized and unrealized) during the year for which such rate is calculated less the administrative expenses incurred in the operation of the Trust Fund; and

***“Fixed Interest”*** which shall be credited only to the accounts of those for whom, by reason of Separation from Service, transfer or death, a determination is made during the Plan Year, and shall mean interest at a rate established from time to time by the Pension Committee, for use in crediting a Member’s Money Purchase Component Account, Past Service Money Purchase Account, Past Service Net Contribution Account and voluntary contributions, if any, from the commencement of the Plan Year to the first day of the month in which Separation from Service, transfer, death or a subsequent payment of benefits occurs.

Credited Interest on lump sum payments out of the Trust Fund shall be compounded annually and calculated from the date at which a determination is required to the end of the month prior to the month of payment at a rate which is reasonably attributable to the operation of the Trust Fund.

- 1.09 ***“Credited Participation”*** shall mean the total number of years and fractions of years credited to a Member by reason of the following:

- (1) A full year of Credited Participation shall be credited to the Member for each year after September 1, 1962 in which the Member contributes or the University contributes on the Member's behalf at the full rate required by Section 4.01(1) of the Plan based on Contributory Earnings for that year. For sake of clarity, the foregoing in this Section 1.09(1) will also apply to a Member who elects to contribute to the Plan at the full rate pursuant to Section 4.01(1)(b) of the Plan based on the Earnings of the Member for that year;<sup>1</sup>
- (2) A fraction of a year of Credited Participation shall be credited to a Member who is a part-time employee found by dividing the Member's actual contributions by the contributions he or she would normally be required to make to the Plan if his or her rate of pay were adjusted to a full-time normal basis;
- (3) Subject to Section 4.01(3), a fraction of a year of Credited Participation shall be credited to the Member for a Plan Year in which the Member contributes or the University contributes on the Member's behalf at a rate less than the full rate required by Section 4.01(1) of the Plan, based on Contributory Earnings for that year, such fraction being found by dividing the Member's actual contributions by his or her normal contributions, based on Earnings for that year. For sake of clarity, the foregoing in this Section 1.09(3) will also apply to a Member who elects to contribute to the Plan at the full rate pursuant to Section 4.01(1)(b) of the Plan based on the Earnings of the Member for that year;<sup>2</sup>
- (4) Subject to Section 4.01(3), Credited Participation shall also include any period of unpaid leave of absence required by law to be granted in respect of maternity or parental leave that commences on or after December 20, 1990, provided that the Member continues making required contributions during the absence.

1.10 "***Credited Past Service***" shall mean a period of service purchased or otherwise granted to a Member in accordance with Section 14, which shall in respect of any period prior to January 1, 1990 exclude any period of unpaid absence in excess of 2 years, and otherwise comply with the requirements of the *Income Tax Act*.

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<sup>1</sup> Section 1.09(1) is amended effective as of January 1, 1998.

<sup>2</sup> Section 1.09(3) is amended effective as of January 1, 1998.

- 1.11 "**Disability**" shall mean a disability throughout which a Member is physically or mentally impaired so that he or she is prevented from performing the duties of employment in which he or she was engaged prior to the impairment and which:
- (1) is certified, in writing, by a medical doctor licensed in Canada or where the Member resides;
  - (2) qualifies the Member for long term income continuance benefits under an insured plan sponsored by the University, or
  - (3) if paragraph (2) above does not apply, qualifies the Member to receive benefits under the *Workers' Compensation Act*, provided that the period of "Disability" in such cases shall be deemed to expire on the date which is 12 months following the date of the Member's injury.
- 1.12 "**Early Retirement Date**" shall have the meaning assigned by Section 5.03.
- 1.13 "**Earnings**" shall mean the employee's regular earnings from the University, excluding overtime, special supplements, summer school, extramural and similar payments.

During any period of Disability of a Member, such Member shall be deemed to receive earnings. The amount of such "deemed earnings" shall be at the rate of the Member's regular earnings immediately prior to the commencement of the Disability, and increased annually to reflect increases in the Consumer Price Index up to a maximum of 5% per year beginning on the January 1 coincident with or following the date on which the Member's period of Disability equals or exceeds one year.

During a period of reduced time/workload during which a Member accrues benefits in accordance with Section 15, the Member's Earnings shall include prescribed compensation within the meaning of the Income Tax Act.<sup>3</sup>

- 1.14 "**Final Average Earnings**" shall mean the average of the Member's Earnings during his or her 48 consecutive months of highest Earnings after September 1 1962 or, if less, his or her total period of service from date of employment but prior to his or her date of Separation From Service; provided, however, that such period shall not include a 12-month period during which the Member was on a University-granted

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<sup>3</sup> Section 1.13 is amended effective as of January 29, 1996.

leave of absence with no contributions, or with a reduced rate of contributions. In this case, the 12 month period shall be disregarded and the next preceding 12-month period shall be counted.

For the sole purpose of computing the Final Average Earnings of a Member who was a part-time employee during any period of Plan participation, his or her Earnings as a part-time employee shall be deemed to be his or her actual Earnings each year multiplied by a fraction, the numerator of which shall be the normal hours of work for employees of the University in that year and the denominator, the employee's regular hours of work as a part-time employee.

- 1.15 "***Income Tax Act***" shall mean the *Income Tax Act, R.S.C. 1952* and the Regulations thereunder, and where applicable includes the provisions of Information Circular 72-13R8 issued by the Department of National Revenue, as amended or replaced from time to time.
- 1.16 "***Investment Counsel***" shall mean such company, companies or person(s) as may be appointed by the University from time to time to be responsible for the investment of the Trust Fund.
- 1.17 "***Member***" shall mean an employee or a former employee who has joined the Plan in accordance with Section 2, and who continues to be entitled to benefits under the Plan.
- 1.18 "***Money Purchase Component Account***" shall mean the account used to record the employee's required contributions to the Plan on and after September 1, 1969, together with the money purchase contributions made by the University, as well as amounts deposited to the employee's credit by reason of the surrendering of contracts under which the Revised Pension Plan was funded between September 1, 1962 and August 31, 1969 and the surrendering of individual policies established under the Amended Retirement Annuity Plan as to premiums paid between September 1, 1962 and August 31, 1969, and the Credited Interest on such amounts (less such administrative charges as the Pension Committee establishes for such accounts, which shall be paid to the University).
- 1.19 "***Past Service Money Purchase Account***" shall mean the money purchase account used to record the amount transferred by a Member from a former employer's pension plan to the Plan in accordance with Section 14 and the Credited Interest on such amounts (less such administrative charges as the Pension Committee establishes for such accounts, which shall be paid to the University).

- 1.20 "***Normal Retirement Date***" shall have the meaning assigned by Section 5.01.
- 1.21 "***Past Service Net Contribution Account***" shall mean the account used to record the amount transferred within the Plan by a Member from the Member's Past Service Money Purchase Account in accordance with Section 14 and the Credited Interest on such amounts (less such administrative charges as the Pension Committee establishes for such accounts, which shall be paid to the University).
- 1.22 "***Pension Benefits Act***" shall mean the *Pension Benefits Act*, Revised Statutes of Ontario 1990, and the Regulations thereunder, as amended or replaced from time to time.
- 1.23 "***Pension Committee***" shall mean the Committee appointed by the Board of Trustees for the purpose of administration of the Plan pursuant to Section 12 hereof.<sup>4</sup>
- 1.24 "***Plan***" shall mean the Revised Pension Plan of Queen's University, as amended and restated effective September 1, 1969, including benefits provided thereunder for contributions and service on and after September 1, 1962, as such Plan may be amended from time to time.
- 1.25 "***Plan Administrator***" shall mean the University.
- 1.26 "***Plan Year***" shall mean the period from September 1, 1969 to August 31, 1970 and annual periods thereafter.
- 1.27 "***Postponed Retirement Date***" shall have the meaning assigned by Section 5.02.
- 1.28 "***Separat(es)(ion) From Service***" shall mean a termination of employment at any time, including retirement from the University.
- 1.29 "***Spouse***" shall mean, at the time a determination of marital status is required, a person of the opposite sex to whom the Member is:
- (1) legally married, provided the Member is not living separate and apart from that person;
  - (2) not legally married, but the Member and that person have been cohabiting continuously in a conjugal relationship for at least 3 years; or

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<sup>4</sup> Section 1.22 is amended effective as of May 3, 1996. All references to the "Pension Board" throughout the Plan are also amended to refer to the "Pension Committee" effective as of May 3, 1996.

- (3) not legally married, but the Member and that person are cohabiting in a conjugal relationship of some permanence and are jointly the natural or adoptive parents of a child, both as defined in the *Family Law Act, 1986 (Ontario)*.
- 1.30 "***Trust Agreement***" shall mean the agreement entered into as of September 1, 1969 between the University and the Trustee establishing the Trust Fund and providing for its administration.
- 1.31 "***Trust Fund***" shall mean the fund established by the University with the Trustee for purposes of the Plan.
- 1.32 "***Trustee***" shall mean such trust company as may be appointed by the University from time to time to hold the Trust Fund.
- 1.33 "***University***" shall mean Queen's University at Kingston.
- 1.34 "***Year's Maximum Pensionable Earnings***" shall mean the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan.

## Section 2 – Eligibility

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### 2.01 Plan Members On December 31, 1993

Each full-time or part-time employee who was a Member of the Plan on December 31, 1993 shall automatically continue as a Member on and after January 1, 1994 in accordance with the provisions hereof.

### 2.02 Full-time Continuing Appointments

#### (1) Appointments Prior To January 1, 1995

Each full-time employee who is appointed to a continuing position prior to January 1, 1995 in academic, administrative, library, technical, secretarial, clerical or maintenance work is eligible to join the Plan at any time, but shall be required to participate not later than the first day of the month next following attainment of age 30.

Notwithstanding the foregoing, compulsory participation does not apply to any employee previously exempted from participation in the Plan.

#### (2) Appointments On And After January 1, 1995

Each full-time employee who is appointed to a continuing position on or after January 1, 1995 in academic, administrative, library, technical, secretarial, clerical or maintenance work is required to join the Plan not later than the date coincident with their appointment to a continuing position.

### 2.03 Part-time Employees

#### (1) Continuing Appointments

Effective January 1, 1985, a part-time employee of the University, who is scheduled to work at least 700 hours per year, and who has been appointed to a continuing position, is eligible to join the Plan one year following the date of the original appointment.

#### (2) Other Appointments

Effective January 1, 1988, in addition to the eligibility requirements as set out

above in Section 2.03(1), an employee who is employed by the University on a less than full-time basis and who has been appointed to a position other than a continuing position is eligible to become a Member on the first day of the month coincident with or next following the completion of 24 months of Continuous Service, provided that he or she has:

- (a) earned at least 35% of the YMPE; or
- (b) worked at least 700 hours,

in each of the 2 immediately preceding consecutive calendar years.

#### 2.04 Full-Time Term And Contract Appointments

##### (1) Appointments Prior To January 1, 1995

An employee of the University who is appointed to a term or contract position prior to January 1, 1995, shall be eligible to join the Plan on any date concurrent with the date that the employee receives an appointment which is to extend beyond one year from his or her original date of appointment.

##### (2) Appointments On And After January 1, 1995

An employee of the University who is appointed to a term or contract position on or after January 1, 1995 shall be required to join the Plan on the date concurrent with the date that the employee receives an appointment which is to extend beyond one year from his or her original date of appointment.

##### (3) Retroactive Plan Participation

An employee who joins the Plan in accordance with this Section 2.04,

- (a) shall have the option of contributing in a lump sum in the current year the amount which he or she would have been required to contribute to his or her Money Purchase Component Account in accordance with Section 4.01 had he or she been a Member of the Plan from his or her date of hire and the University shall contribute on the employee's behalf to the Trust Fund in respect of the Money Purchase provision of the Plan to the credit of the Member's Money Purchase Component Account in accordance with Section 4.05(1). The contributions made by the employee and the University in accordance with this Section

2.04(3)(a) shall be limited to such an amount as will ensure that the total contributions made in respect of the money purchase provision of the Plan, in the year that such contributions are made, do not exceed the money purchase limit for the year (as defined under the *Income Tax Act*); and

- (b) for purposes of the defined benefit provision of the Plan, the employee shall be deemed to have been a Member of the Plan from such date, provided that if an employee exercises the option under paragraph (a) above, the date of Plan participation under the defined benefit provision shall not be established in accordance with this Section 2.04(3) unless the employee's election to contribute in respect of the retroactive Plan participation is exercised before the end of the employee's first year of Continuous Service and any past service pension adjustment (as defined under the *Income Tax Act*) in respect of the employee is certified in accordance with the *Income Tax Act*.

## 2.05 Re-Employment

### (1) Non-Pensioners

If a Member Separates From Service and is subsequently re-employed by the University, he or she will be treated as a new employee for the purposes of the Plan.

Notwithstanding the foregoing, if such Member is re-employed by the University within the 12 month period immediately following his or her Separation From Service, the Member may apply to have his or her Money Purchase Component Account and his or her Credited Participation in respect of Continuous Service prior to, and subsequent to, the date of rehire aggregated.

### (2) Pensioners

If a Member who has commenced to receive a pension is subsequently re-employed by the University, the Member will have the following options:

- (a) the Member may elect to suspend receipt of his or her pension and participate in and contribute to the Plan from the date of rehire to his or her date of subsequent Separation From Service. In this case his or her pension will be suspended until the Member's subsequent

Separation From Service, at which time the pension will be recalculated to reflect additional benefits accrued to the date that the pension recommences; or

- (b) the Member may elect to continue to be paid his or her pension during the period of re-employment, in which case he or she will accrue no further benefits under the Plan.

(3) Wrongful Dismissal

Notwithstanding Sections 2.04, 2.05(1) and (2), a Member who is reinstated in accordance with a settlement agreement or court order shall be deemed to have been a Member during the period of dismissal.

Where the Member elects to contribute the entire Member contribution amount as set out in the settlement agreement or court order, the Member shall be credited with service for the entire period of dismissal.

Where the Member elects to contribute an amount that is less than the entire Member contribution amount as set out in the settlement agreement or court order, the Member shall be credited with a period of service calculated such that the actuarial equivalent value of the benefits provided in respect of such period of credited service is equal to:

- (a) the amount of the University contribution contained in the settlement agreement or court order; and
- (b) the Member contribution, if any, paid to the Plan with respect to the period of dismissal.

Subject to the *Income Tax Act*, in addition to any other benefit payable to the Member under the Plan, the Member shall be entitled to a benefit payable in accordance with the Minimum Guarantee Pension provisions of Section 6, but with references to “Credited Participation” substituted with references to the “period of dismissal”. The Member shall be entitled to all ancillary benefits payable under the Plan in respect of the period of dismissal for which service has been credited.

Notwithstanding the foregoing, retroactive Plan participation shall not be established in accordance with this Section 2.05(3) unless any past service pension adjustment (as defined in the *Income Tax Act*) in respect of the employee is certified in accordance with the *Income Tax Act*.<sup>5</sup>

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<sup>5</sup> New Section 2.05(3) is added to the Plan effective as of June 30, 2002.

### **Section 3 – Participation And Disclosure**

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#### 3.01 Enrolment Forms

To participate in the Plan, each eligible employee shall be required to sign and deliver to the Plan Administrator such enrolment forms as the Plan Administrator may require for this purpose, including authorization to deduct required contributions from the employee's future Earnings.

#### 3.02 Plan Summary

The Plan Administrator shall provide each employee a written explanation of the terms and conditions of the Plan and amendments thereto which are applicable to him or her with reference to the benefits available to him or her under the terms of the Plan.

#### 3.03 Notice Of Amendment

The Plan Administrator shall provide a notice and written explanation of an amendment to the Plan to each Member, or other persons entitled to payment from the Trust Fund who are affected by the amendment, within the applicable time period prescribed under the *Pension Benefits Act*.

#### 3.04 Annual Statement

The Plan Administrator shall provide annually to each Member a written statement containing the information prescribed under the *Pension Benefits Act* in respect of the Member's benefits under the Plan.

#### 3.05 Statement On Separation From Service

When a Member Separates From Service or otherwise ceases to be a Member, the Plan Administrator shall give to the Member, or to any other person who becomes entitled to a benefit under the Plan, a written statement setting out the information prescribed under the *Pension Benefits Act* in respect of the benefits of the Member or other person.

3.06 Inspection Of Documents

The Plan Administrator shall make available for inspection by eligible individuals the documents and information concerning the Plan and the Trust Fund as prescribed under the *Pension Benefits Act*.

3.07 Termination Of Participation Not Permitted

A Member of the Plan shall not be entitled to withdraw from participation in the Plan while he or she remains in the employ of the University, nor shall the Member be permitted to withdraw all or any part of his or her required and/or additional voluntary contributions while an employee of the University. In addition, a Member shall not cease to be a Member merely because he or she earns less than 35% of the YMPE or works less than 700 hours in a calendar year.

Notwithstanding the foregoing, any Geographic Full-Time Faculty Member who otherwise would have been required to join the Plan after July 1, 1990 may elect on a one-time basis not to join the Plan.

## Section 4 – Contributions

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### 4.01 Required Contributions by Members

#### (1) Amount of Member Required Contributions

##### (a) Employee Required Contributions

Subject to Section 4.01(1)(b) below, each Member who is an employee will be required to contribute to the Plan each calendar year through payroll deduction, an amount equal to the total of:

- (i) 4-1/2% of the portion of his or her annual Contributory Earnings which is at a rate not in excess of that Year's Maximum Pensionable Earnings; and
- (ii) 6% of that portion of his or her annual Contributory Earnings which is at a rate in excess of that Year's Maximum Pensionable Earnings.

##### (b) Employee Required Contributions - Optional Formula for Members Whose Aggregate Member and University Required Contributions Are Limited by the Money Purchase Limit

Effective January 1, 1998, each Member who is an employee and whose aggregate Member and University required contributions made to the Plan are limited by the money purchase limit (as defined in the *Income Tax Act*), will have the option, exercised at the Member's election, to make Member required contributions to his or her Member's Money Purchase Component Account each calendar year through payroll deduction in an amount equal to the rate of required contributions prescribed in Section 4.01(1)(a) above, except that for purposes of this Section 4.01(1)(b), the term "Contributory Earnings" shall mean the Member's Earnings up to the level which ensures that the Member's required contributions to his or her Member's Money Purchase Component Account, does not exceed the money purchase limit for the year (as defined in the *Income Tax Act*).<sup>6</sup>

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<sup>6</sup> Sections 4.01(1)(a) and (b) are amended effective as of January 1, 1998.

(2) Contributions While Disabled

Notwithstanding the foregoing, during any period of Disability of a Member, the Member shall not be required to contribute to the Plan, but the University will contribute during the period on the Member's behalf based on his or her Contributory Earnings as defined in Section 1.07.

(3) Contributions While On Leave Of Absence

Notwithstanding the foregoing, where a Member receives less than normal Earnings in a Plan Year due to an approved leave of absence (other than a period of Disability), or due to sabbatical leave, maternity or parental leave, participation in the University's programs entitled "Reduced Periods of Responsibility" or "Self-Funded Leave Plan", the Member may nevertheless make required contributions to the Plan, or the University may contribute to the Plan on such Member's behalf, as permitted or required by the applicable University policy, subject to the following limitations effective January 1, 1991:

- (a) Contributions shall be made only in relation to Earnings actually received for a period during which the Member renders services to the University, unless the Member has been employed by the University for at least 36 months;
- (b) Contributions shall not be made in relation to Earnings not received by a Member ("deemed earnings") if the accumulated proportion of deemed earnings in respect of which contributions have been made on and after January 1, 1991 exceeds the equivalent of eight years of full-time Earnings, and provided that not more than five of those eight years deemed earnings are in respect of periods other than those within the 12 month period following the birth or adoption of a child of the Member;
- (c) Contributions shall not be made in relation to deemed earnings for any period during which the Member participates in any other pension plan or deferred profit sharing plan registered under the *Income Tax Act*.

(4) Contributions - Postponed Retirement<sup>7</sup>

(a) Cease Contributions at Normal Retirement Date

A Member whose retirement is postponed may elect at Normal Retirement Date to cease contributions to the Plan following his or her Normal Retirement Date in accordance with Section 5.02(2)(b) or (c), as applicable.

(b) Cease Contribution at Subsequent Transfer to Employment on Other Than a Full Time Basis

In the event a Member employed on a full time basis at Normal Retirement Date elects to continue to contribute to the Plan following his or her Normal Retirement Date and subsequently transfers to employment on other than a full time basis (the “transfer date”), such Member may elect a such transfer date to cease contributions to the Plan following such transfer date in accordance with Section 5.02(2)(b) or (c).

(5) Credit to Member’s Money Purchase Component Account

The required contributions made by or on behalf of a Member will be credited to his or her Money Purchase Component Account.

4.02 Additional Voluntary Contributions

Each Member who is an employee may elect to make additional voluntary contributions to the Plan for the purpose of increasing his or her pension benefits. These additional voluntary contributions will be accumulated with Credited Interest in a money purchase account separate from the Member's Money Purchase Component Account and will be applied to provide an additional amount of pension on a money purchase basis in accordance with Section 6.04, as may be provided therewith at the time of pension commencement. Such additional voluntary contributions will be permitted up to the maximum allowable under the *Income Tax Act*.

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<sup>7</sup> Section 4.01(4) was amended effective May 1, 2006 and Section 4.01(5) was added as of the same date.

#### 4.03 Special Lump Sum Voluntary Contributions

A Member who is an employee may deposit as a special lump sum voluntary contribution all or any portion of an amount that the Member is entitled to transfer to the Plan, including an amount from the Member's personal registered retirement savings plan. These special lump sum voluntary contributions will be allocated to an account separate from the Member's Money Purchase Component Account, accumulated with Credited Interest, and will be applied to provide an additional amount of pension on a money purchase basis in accordance with Section 6.04. Such transfers shall comply with the requirements of the *Income Tax Act*.

#### 4.04 Remittance Of Member Contributions

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

#### 4.05 Contributions By The University

##### (1) University Money Purchase Contributions

- (a) Subject to paragraph (b) below, the University shall contribute to the Trust Fund in respect of the money purchase provision of the Plan an amount equal to the sum of (i), (ii), (iii) and (iv) below as follows:
  - (i) prior to September 1, 1997, 5-1/2% of that portion of each Member's Contributory Earnings for the year which is at a rate not in excess of that Year's Maximum Pensionable Earnings, and on and after September 1, 1997, 6% of that portion of each Member's Contributory Earnings for the year which is at a rate not in excess of that Year's Maximum Pensionable Earnings; plus
  - (ii) 7% of that portion of each Member's Contributory Earnings for the year which is at a rate in excess of that Year's Maximum Pensionable Earnings; plus
  - (iii) 1-1/2% of the sums contributed by the University pursuant to Sections 4.05(1)(a)(i) and (ii) above; plus
  - (iv) 1-1/2% of each Member's contributions for the year made

pursuant to Section 4.01(1), or in the case of a disabled Member, contributions made by the University on the disabled Member's behalf pursuant to Section 4.01(2).

- (b) Effective January 1, 1998, where a Member makes an election pursuant to Section 4.01(1)(b), the University shall contribute to the Plan for the applicable calendar years in respect of such Member an annual amount equal to the difference between (i) and (ii), where
  - (i) is the money purchase limit (as defined in the *Income Tax Act*), and
  - (ii) is the Member's required contributions made to the Plan pursuant to Section 4.01(1)(b).<sup>8</sup>
- (c) The University's contributions as described above will be credited to each Member's Money Purchase Component Account.
- (d) The University's contributions shall be remitted to the Trust Fund monthly, within 30 days following the month in respect of which the contributions are payable, or within such time limits as prescribed under the *Pension Benefits Act*.
- (e) During the period July 1, 1993 to June 30, 1996, an actuarial surplus with respect to the defined benefit provision of the Plan, determined in accordance with Section 4.05(2)(b), to the extent that such surplus is not applied to meet the University's obligation to contribute under Section 4.05(2)(a), may be used by the University, up to a maximum amount of \$2 million per year, to reduce its contribution obligation under Section 4.05(1)(a) above, subject to any limitations under the *Pension Benefits Act*.
- (f) Subject to any limitations under the *Pension Benefits Act*, an actuarial surplus with respect to the defined benefit provision of the Plan, determined in accordance with Section 4.05(2)(b), to the extent that such surplus is not applied to meet the University's obligation to contribute under Section 4.05(2)(a), may be used by the University to reduce its contribution obligation under Sections 4.05(1)(a)(i) and (iii), provided, however, that the University shall continue to contribute to

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<sup>8</sup> Section 4.05(1)(b) is added to the Plan effective as of January 1, 1998.

the Trust Fund at least

- (i) 5-1/2 % of that portion of each Member's Contributory Earnings for the year which is at a rate not in excess of that Year's Maximum Pensionable Earnings; and
- (ii) 1-1/2 % of the sum of
  - (A) 5-1/2 % of that portion of each Member's Contributory Earnings for the year which is at a rate not in excess of that Year's Maximum Pensionable Earnings; and
  - (B) 7 % of that portion of each Member's Contributory Earnings for the year which is at a rate in excess of that Year's Maximum Pensionable Earnings.

(2) University Defined Benefit Contributions

- (a) The University's current service contribution to the Trust Fund in respect of the defined benefit provision of the Plan shall be as determined by actuarial valuation and in accordance with the requirements of the *Pension Benefits Act*. If required, the University shall also make contributions for the proper amortization of any unfunded liability or solvency deficiency, in accordance with the *Pension Benefits Act* and the Income Tax Act.
- (b) If at any time while the Plan continues in existence, the Actuary certifies that the assets of the Trust Fund attributable to the defined benefit provision exceed the liabilities in respect of such benefits, the surplus assets, or any portion of such assets, may be used by the University to reduce its contribution obligation under Section 4.05(2)(a) above, subject to any limitations under the Pension Benefits Act.
- (c) The University's contributions in respect of current service cost shall be paid in monthly instalments within 30 days following the month for which the contributions are payable. The University's contributions in respect of special payments to amortize an unfunded actuarial liability or solvency deficiency shall be payable in equal monthly instalments throughout the Plan Year.

- (d) No contribution shall be made to the Trust Fund by the University pursuant to this Section 4.05(2), unless it is an eligible contribution as defined by the Income Tax Act.
- (e) All current service contributions, and all contributions in respect of special payments to amortize an unfunded actuarial liability or solvency deficiency, made by the University, shall be made on the recommendation of the Actuary in whose opinion the contributions are so required.

4.06 Pension Adjustment Limit

In no event shall the contributions made by a Member under Sections 4.01 and 4.02, the contributions made by the University on behalf of a Member under Sections 4.05(1), and 15.05, and the minimum guarantee benefit accrued under Section 6.01 in a calendar year, result in a pension adjustment (as defined under the Income Tax Act) in excess of the limits prescribed by the *Income Tax Act*.

## Section 5 – Retirement Dates

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### 5.01 Normal Retirement Date

(1) Academic Staff

The Normal Retirement Date of a member of the academic staff of the University will be the last day of the employment year during which the employee attains age 65.

(2) Support Staff

The Normal Retirement Date of an employee of the University who is a member of the support staff will be the last day of the month in which the employee attains age 65.

### 5.02 Postponed Retirement Date

(1) All Members

Subject to Section 5.02(2) below, a Member who Separates From Service may elect to receive a pension at any time prior to December 31 of the calendar year in which such Member attains age 69 (the "Postponed Retirement Date") except, for Members who are 69 or 70 years old at the end of 1996, such Members may elect to receive a pension any time prior to December 31 of the calendar year in which he or she attains age 70 or 71 respectively.<sup>9</sup>

(2) Active Members<sup>10</sup>

A Member who remains in the service of the University following Normal Retirement Date shall have the following options:

(a) Contributions Continuing

The Member may elect to continue to contribute to the Plan in accordance with Section 4.01 and/or 4.02 until the date that he or she Separates From Service and will receive a pension commencing at his

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<sup>9</sup> Section 5.02(1) is amended effective as of January 1, 1997.

<sup>10</sup> Section 5.02(2) is amended effective May 1, 2006.

or her Postponed Retirement Date determined in accordance with the provisions of Sections 6.02 and 14.03, as applicable to the Member.

(b) Contributions Ceasing

The Member may elect to cease to contribute to the Plan in accordance with Section 4.01 and/or 4.02 following his or her Normal Retirement Date, or following his or her subsequent transfer to employment on other than a full time basis in accordance with Section 4.01(4)(a) or (b), respectively, and may elect to receive an Actuarial Equivalent pension commencing at his or her Postponed Retirement Date, determined in accordance with the provision of Sections 6.02 and 14.03, as applicable to the Member.

(c) Pension Commencement in Service

The Member may elect to receive his or her pension commencing at his or her Normal Retirement Date, or commencing at his or her transfer date in accordance with Section 4.01(4)(b) which shall be the Member's Postponed Retirement Date. In either case, the Member shall cease to both contribute to and accrue benefits under the plan following his or her Normal Retirement Date or Postponed Retirement Date, as applicable.

5.03 Early Retirement Date

A Member who Separates From Service may elect to commence receiving a pension at any time prior to the Normal Retirement Date (the "Early Retirement Date").

## Section 6 – Separation from Service

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### 6.01 Normal Retirement Date

#### Separation from Service Prior to September 1, 1997

Subject to Section 6.07 or 6.08 as applicable, each Member who Separates From Service prior to September 1, 1997, and who has not previously elected to commence receiving his or her pension benefit, shall be entitled to receive an annual pension benefit, commencing on the Member's Normal Retirement Date payable in monthly instalments for the Member's remaining lifetime, an amount equal to the money purchase pension in (1) below, plus the additional amount, if any, by which the minimum guaranteed benefit in (2) below exceeds the money purchase pension in (1) below, as follows:

#### (1) Money Purchase Pension

A pension in such amount as can be provided from the total balance to the Member's credit in his or her Money Purchase Component Account, based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement, and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 6.05 of the Plan.

#### (2) Minimum Guarantee Pension

The amount of minimum guarantee benefit, payable from Normal Retirement Date, will be calculated as follows:

- (a) 1.35% of that portion of the Member's Final Average Earnings which is not in excess of the average of the Year's Maximum Pensionable Earnings for the years used in the calculation of such Final Average Earnings, plus
- (b) 1.80% of that portion of the Member's Final Average Earnings which is in excess of the average of the Year's Maximum Pensionable Earnings for the years used in the calculation of such Final Average Earnings

multiplied by

- (c) the number of years (including fractions of a year) of Credited Participation in the Revised Pension Plan.

Separation From Service On or After September 1, 1997

Subject to Section 6.07 or 6.08 as applicable, each Member who Separates From Service on or after September 1, 1997, and who has not previously elected to commence receiving his or her pension benefit, shall be entitled to receive an annual pension benefit, commencing on the Member's Normal Retirement Date payable in monthly instalments for the Member's remaining lifetime, an amount equal to the money purchase pension in (1) below, plus the additional amount, if any, by which the minimum guaranteed benefit in (2) below exceeds the money purchase pension in (1) below, as follows:

(1) Money Purchase Pension

A pension in such amount as can be provided from the total balance to the Member's credit in his or her Money Purchase Component Account, based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement, and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 6.05 of the Plan.

(2) Minimum Guarantee Pension

The amount of minimum guarantee benefit, payable from Normal Retirement Date, will be calculated as follows:

- (a) 1.35% of that portion of the Member's Final Average Earnings which is not in excess of the average of the Year's Maximum Pensionable Earnings for the years used in the calculation of such Final Average Earnings, multiplied by the number of years (including fractions of a year) of Credited Participation in the Revised Pension Plan prior to September 1, 1997, plus
- (b) 1.40% of that portion of the Member's Final Average Earnings which is not in excess of the average of the Year's Maximum Pensionable Earnings for the years used in the calculation of such Final Average Earnings, multiplied by the number of years (including fractions of a year) of Credited Participation in the Revised Pension Plan on and

after September 1, 1997, plus

- (c) 1.80% of that portion of the Member's Final Average Earnings which is in excess of the average of the Year's Maximum Pensionable Earnings for the years used in the calculation of such Final Average Earnings multiplied by the Member's total years (including fractions of a year) of Credited Participation in the Revised Pension Plan.

## 6.02 Postponed Retirement Pension

Subject to Sections 6.07 and 6.08, as applicable, each Member who Separates From Service and who has not previously elected to commence receiving his or her pension benefit, may elect to receive, commencing on the Member's Postponed Retirement Date and payable in monthly instalments for the Member's lifetime, an annual pension benefit in an amount equal to the money purchase pension in (1) below, plus the additional amount, if any, by which the minimum guaranteed benefit in (2) below exceeds the money purchase pension in (1) below, as follows:

### (1) Money Purchase Pension

A pension in such amount as can be provided from the total balance to the Member's credit in his or her Money Purchase Component Account, based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement, and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 6.05 of the Plan.

### (2) Minimum Guarantee Pension<sup>11</sup>

The amount of minimum guarantee benefit, payable from Postponed Retirement Date, will be determined as follows:

#### (a) Contributions Continuing to Postponed Retirement Date

If the Member elected to continue required contributions to the Plan after his or her Normal Retirement Date, the Member's minimum guarantee benefit payable from his or her Postponed Retirement Date is the amount determined in accordance with Section 6.01(2) hereof based on whether the Member Separates From Service prior to

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<sup>11</sup> Section 6.02(2) is amended effective May 1, 2006.

September 1, 1997 or on or after September 1, 1997, as the case may be, and his or her Credited Participation and Earnings until his or her Postponed Retirement Date.

(b) Contributions Cease at Normal Retirement Date or Subsequent Transfer to Employment on Other Than a Full Time Basis/Actuarial Increase

If the Member elected to cease required contributions to the Plan after his or her Normal Retirement Date or transfer date, in accordance with Section 4.01(4)(a) or (b), respectively, and elected to receive an Actuarial Equivalent pension commencing at his or her Postponed Retirement Date, the Member's minimum guarantee benefit is the amount determined in accordance with Section 6.01(2) hereof, based on whether the Member Separates From Service prior to September 1, 1997 or on or after September 1, 1997, as the case may be, then adjusted to the Actuarial Equivalent based on his or her age at the Postponed Retirement Date.

(c) Contributions Continuing to Subsequent Transfer to Employment on Other Than a Full Time Basis/Pension Commencement in Service

Notwithstanding Section 6.02(2)(a), if the Member elects to contribute to the Plan following his or her Normal Retirement Date and subsequently transfers employment on other than a full time basis and elects to cease contributions to the Plan following such transfer date in accordance with Section 4.01(4)(b), the Member may elect to receive his or her pension commencing at such time, which shall be the Member's Postponed Retirement Date, in which case, the Member's minimum guarantee benefit payable from his or her Postponed Retirement Date is the amount determined in accordance with Section 6.01(2) hereof, based on whether the Member Separate From Service prior to September 1, 1997 or on or after September 1, 1997, as the case may be, and his or her Credited Participation and Earnings until such Postponed Retirement Date.

6.03 Early Retirement Pension

Subject to Sections 6.07 and 6.08, as applicable, each Member who Separates From Service and who has not previously elected to commence receiving his or her pension

benefit, may elect to receive an annual pension benefit, commencing on an Early Retirement Date and payable in monthly instalments for the Member's remaining lifetime, in an amount equal to the money purchase pension in (1) below, plus the additional amount, if any, by which the minimum guarantee benefit in (2) below exceeds the money purchase pension in (1) below, as follows:

(1) Money Purchase Pension

A pension is such amount as can be provided from the total balance to the Member's credit in his or her Money Purchase Component Account, based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement, and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 6.05 of the Plan.

(2) Minimum Guarantee Pension

The amount of minimum guarantee benefit, payable from Early Retirement Date, will be an amount calculated as at the Member's Normal Retirement Date in accordance with Section 6.01(2) hereof, based on whether the Member Separates From Service prior to September 1, 1997 or on or after September 1, 1997, as the case may be, and based on the Member's Credited Participation and Earnings, to the date of the Member's Separation From Service, then reduced as follows:

- (a) by 1/6 of 1% for each month which is within 60 months of the Member's Normal Retirement Date; and
- (b) by 1/2 of 1% for each month which is in excess of 60 months prior to the Member's Normal Retirement Date.

6.04 Pension Arising From Voluntary And Special Lump Sum Voluntary Contributions

Subject to Section 6.07 or 6.08 as applicable, upon pension commencement at the Early, Normal or Postponed Retirement Date as applicable, each Member who has made additional voluntary or special lump sum voluntary contributions, or has had transferred to his or her credit in the Plan that portion of the cash surrender value of a policy entered into pursuant to the Amended Retirement Annuity Plan arising from service prior to September 1, 1962, or has had transferred to his or her credit in the Plan an amount from his or her personal registered retirement savings plan, shall receive an additional amount of pension, commencing on such date and payable in

monthly instalments for the Member's remaining lifetime, in such amount as can be provided from the total of such contributions and the Credited Interest thereon on a money purchase basis (less such administrative charges as the Pension Committee establishes for such accounts for the period between the date of the Member's Separation From Service and date of pension commencement, which shall be paid to the University), based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and the guarantee of non-reduction of pension under Section 6.05 of the Plan.

6.05 Annual Pension Adjustment<sup>12</sup>

- (1) Subject to Section 6.05(2), the pension benefit of each Member who is in receipt of a benefit pursuant to Section 6.01, 6.02, 6.03 or 6.04, as applicable, and Sections 14.03 and 14.12, as and if applicable, shall be adjusted on the September 1 coincident with or next following the Member's retirement date plus 12 months and annually thereafter based on the excess of the average of the rates of Fund Interest for the Plan Year ended and the immediately preceding three years over 6%, as determined by the Actuary.
- (2) For purposes of Section 6.05(1), the calculation of the average of the rates of Fund Interest for a Member who commences receiving his or her pension benefit on or after September 1, 2002, shall be determined as if the rate of Fund Interest for the Plan Year in which the Member commences to receive his or her pension benefit and for each of the immediately preceding three years is not greater than 16% nor less than -4%.
- (3) However, in the event that the annual adjustment provided in Section 6.05(1) would result in a reduction in the pension payable, a supplementary pension shall be paid equal to the amount of the reduction which would otherwise have occurred. When such supplementary pension has been paid, pension increases in subsequent years shall be based on the pension which would have been paid excluding the amount of the supplementary pension.

6.06

(1) Maximum Pension

Notwithstanding any other provision of this Plan to the contrary, the annual lifetime minimum guaranteed pension payable to a Member under this Plan in

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<sup>12</sup> Section 6.05 is amended as of September 1, 2002.

accordance with Section 6.01(2), 6.02(2) or 6.03(2) as applicable, prior to reduction by the amount of pension payable on a money purchase basis, determined at the time of pension commencement, shall not exceed the years of the Member's Credited Participation (prior to January 1, 1992 limited to a maximum of 35 years) and on and after January 1, 1992 multiplied by the lesser of:

- (a) \$1,722.22 or such greater amount permitted under the *Income Tax Act*; and
- (b) 2% of the Member's highest average indexed compensation (as defined under the *Income Tax Act*) in any 3 non over-lapping periods of 12 consecutive months;

reduced, if the pension commencement date precedes the earliest of the day on which:

- (i) the Member would attain age 60;
- (ii) the Member's age plus Continuous Service would equal 80; and
- (iii) the Member would complete 30 years of Continuous Service;

by  $\frac{1}{4}$  of 1% for each month by which the pension commencement date precedes that day and increased, if the pension commencement date is after the Member attains age 65, on an actuarially equivalent basis.

(2) Maximum Pension - After Year of Pension Commencement

Notwithstanding any other provisions of this Plan to the contrary, the annual lifetime minimum guaranteed pension payable to a Member under this Plan under Sections 6.01(2), 6.02(2) or 6.03(2) prior to the reduction by the amount of pension payable on a money purchase basis in each calendar year subsequent to the year of pension commencement, shall not exceed the maximum pension payable in the year of commencement as determined above in Section 6.06(1), adjusted from that time to reflect increases in the average Consumer Price Index (as defined in the *Income Tax Act*). However, such cost of living increases granted to each Member whose pension commenced before January 1, 1992 and who has not attained age 60 at the time of the

increase, shall be restricted until the Member attains age 60 so that the annual lifetime pension payable to the Member prior to reduction by the amount of pension payable on a money purchase basis shall be restricted to the formula in Section 6.06(1) above.

(3) Maximum Pension for Service Prior to January 1, 1990

In respect of benefits for service prior to January 1, 1990 purchased under Section 14.02(1)(b) and 2(b), the annual lifetime pension payable under Section 14.03, determined at the time of pension commencement, shall not exceed the years of the Member's Credited Past Service prior to January 1, 1990 multiplied by \$1,150, or such greater amount permitted under the Income Tax Act, reduced if the pension commencement date precedes the earliest of the day on which:

- (a) the Member would attain age 60
- (b) the Member's age plus Continuous Service would equal 80;  
and
- (c) the Member would complete 30 years of Continuous Service,

by  $\frac{1}{4}$  of 1% for each month by which the pension commencement date precedes that day and increased, if the pension commencement date is after the Member attains age 65, on an actuarially equivalent basis.

(4) Maximum Money Purchase Pension for Pre-1992 Service

Notwithstanding any other provision of this Plan, the annual pension provided under Section 6.01(1), 6.02(1) or 6.03(1) hereof in respect of any Member, in respect of whom contributions were made prior to 1992 and who joined the Plan prior to 1992, at retirement, termination of employment or termination of the Plan, as the case may be, shall not exceed the benefits that could be purchased by the sum of the required current service contributions made by the Member and the current service contributions made by the University on behalf of the Member (the latter not exceeding \$2,500 in any year up to and including 1975 or the amount deductible by the employer as a current service contribution on behalf of the Member in any subsequent year) accumulated with Credited Interest.

(5) Maximum Pension for Pre-1992 Service

Notwithstanding any other provision of this Plan to the contrary for pre January 1, 1992 service, for a Member who joins the Plan on and after January 1, 1992, the annual lifetime pension payable to such Member under this Plan in accordance with Section 6.01, 6.02 or 6.03 as applicable, determined at the time of pension commencement, shall not exceed the years of the Member's Credited Participation prior to January 1, 1992, multiplied by the lesser of:

- (a) \$1,722.22 or such greater amount permitted under the Income Tax Act; and
- (b) 2% of the Member's highest average indexed compensation (as defined under the Income Tax Act) in any 3 non over-lapping periods of 12 consecutive months;

reduced, if the pension commencement date precedes the earliest of the day on which:

- (i) the Member would attain age 60;
- (ii) the Member's age plus Continuous Service would equal 80; and
- (iii) the Member would complete 30 years of Continuous Service;

by  $\frac{1}{4}$  of 1% of each month by which the pension commencement date precedes that day and increased, if the pension commencement date is after the Member attains age 65, on an actuarially equivalent basis.

6.07 Transfer Of Pension Value

- (1) A Member who Separates From Service may elect to have an amount equal to the balance of his or her Money Purchase Component Account and the excess of the Commuted Value of the minimum guaranteed benefit over the balance of his or her Money Purchase Component Account, if any, as determined by the Actuary, together with Credited Interest calculated from date of separation to the date of payment:
  - (a) transferred to another pension plan, provided that the administrator of

that pension plan agrees to accept the transfer;

- (b) transferred to a registered retirement savings plan or such other retirement savings arrangement as may be prescribed under the *Pension Benefits Act*; or
- (c) applied to purchase an immediate or a deferred life annuity from an insurance company licensed to transact business in Canada.

Upon such a transfer or purchase, the Member will cease to be a Member and will have no further entitlement under the Plan.

- (2) The Plan Administrator shall not permit a transfer or purchase under this Section 6.07 unless the Plan Administrator is satisfied that;
  - (a) the transfer or purchase is in accordance with the *Pension Benefits Act* and the *Income Tax Act*; and
  - (b) any restrictions in the *Pension Benefits Act* with regard to the solvency of the Plan have been met.
- (3) The Commuted Value of the Member's minimum guaranteed benefit transferred on a money purchase basis in accordance with this Section 6.07 shall not exceed the maximum amount prescribed under the *Income Tax Act*, and the excess of the Commuted Value, plus Credited Interest, if any, shall be paid to the Member, as permitted under the *Income Tax Act* and the *Pension Benefits Act*.
- (4) In the event that any election to transfer pursuant to this Section 6.07 is not filed with the University within 60 days of the date that the Member Separates From Service, any amount calculated hereunder shall be recalculated to be the present Commuted Value of such amount determined as at the date that the election to transfer is filed, with Credited Interest from that date to the date of payment.

#### 6.08 Lump Sum Payments

A Member who Separates From Service may elect to receive the following lump sum payments in lieu of all or part of the annual pension benefits calculated under Section 6.01, 6.02, 6.03 or 6.04, otherwise payable on the Early, Normal or Postponed Retirement Date, as applicable.

(1) Full Or Partial Pension Value

(a) Prior To Completing 24 Months Of Service

A Member who Separates From Service having completed less than 24 months of Continuous Service as a Member, may elect to receive a lump sum payment equal to:

- (i) the balance of his or her Money Purchase Component Account attributable to contributions on and after January 1, 1987, plus
- (ii) the amount by which the Commuted Value of his or her minimum guaranteed benefit attributable to service on and after January 1, 1987 exceeds his or her Money Purchase Component Account balance attributable to contributions made in that period, in lieu of receiving the amount of pension benefit calculated pursuant to Section 6.01, 6.02 or 6.03 as applicable, attributable to that period.

(b) Prior To Age 45 With 10 Years Of Service

A Member who Separates From Service prior to having both attained age 45 and completed 10 years of Continuous Service, may elect to receive a lump sum payment equal to:

- (i) the balance of his or her Money Purchase Component Account attributable to contributions prior to January 1, 1987, plus
- (ii) the amount by which the Commuted Value of his or her minimum guaranteed benefit attributable to service prior to January 1, 1987 exceeds his or her Money Purchase Component Account balance attributable to contributions made in that period, in lieu of receiving the amount of pension benefit calculated pursuant to Section 6.01, 6.02 or 6.03 as applicable, attributable to that period.

(c) After Age 45 with 10 Years Of Service

A Member who Separates From Service after having attained age 45 and completed 10 years of Continuous Service may elect to receive a

lump sum payment equal to 25% of:

- (i) the balance of his or her Money Purchase Component Account attributable to contributions prior to January 1, 1987, plus
- (ii) the amount by which the Commuted Value of his or her minimum guaranteed benefit attributable to service prior to January 1, 1987 exceeds his or her Money Purchase Component Account balance attributable to contributions made in that period, in lieu of receiving a portion of the amount of pension benefit calculated pursuant to Section 6.01, 6.02 or 6.03 as applicable, attributable to that period.

(2) Voluntary And Special Lump Sum Contributions

A Member who Separates From Service may elect, in lieu of receiving an additional amount of pension calculated pursuant to Section 6.04, to receive:

- (a) a lump sum refund of his or her voluntary and special lump sum contributions with Credited Interest to the Early, Normal or Postponed Retirement Date; or
- (b) to have an amount equal to that established in (a) above transferred to a registered retirement savings plan.

(3) Transfer Of Lump Sum Payment

A Member who is entitled to a lump sum payment pursuant to this Section 6.08 may elect to transfer such payment in accordance with Section 6.07, but on a "non-locked-in basis".

6.09 Portability And Past Service

In addition to the benefits payable under this Section 6, a Member shall be entitled to receive any additional benefits payable pursuant to Section 14.

6.10 Elections

A Member shall file an election as to the form of his or her benefits, whether a pension, lump sum payment or combination thereof pursuant to Section 6 and Section 14, if applicable, upon Separation From Service with the University. In the event that

an election has not been filed within 60 days of the date of separation, the Member shall for administrative purposes be deemed to have elected to receive a pension from the Plan calculated pursuant to Section 6.01 and Section 14.03, if applicable, commencing on the Normal Retirement Date. The Member shall not, however, be prevented from making a subsequent election with respect to such benefits, prior to pension commencement.

## Section 7 – Normal And Optional Forms Of Pension Payment

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### 7.01 Normal Form Of Payment

The normal form of pension is as follows depending on whether the Member has a Spouse on the date when pension payments commence:

(1) Member Without A Spouse

For a Member who Separates From Service and who has no Spouse on the date that the first payment of pension is due to commence, the normal form of pension benefit is an annuity payable in monthly installments for the life of the Member and in any event for a period of not less than 120 months. If the Member dies before receiving 120 monthly payments, his or her Beneficiary is entitled to receive the balance of the 120 monthly payments.

(2) Member With A Spouse

For a Member who has a Spouse on the date that the first payment of pension is due to commence, the normal form of pension is a joint and survivor annuity which is:

- (a) payable in monthly installments of a reduced amount for the life of the Member and payable after the Member's death to the Member's Spouse for his or her life in monthly installments equal to 60% of the amount of each monthly installment paid during the life of the Member; and
- (b) the Actuarial Equivalent of a pension in the form described in Section 7.01(1).

(3) Waiver Of Spousal Joint And Survivor Pension

A Member who has a Spouse may elect any other form of pension which provides no benefits to the Spouse or a benefit to the Spouse that is less than 60% of the benefit paid to the Member if:

- (a) the Member delivers to the Plan Administrator, within the 12 month period immediately preceding the date upon which payment of the pension is to commence, the written waiver of the Member and the Member's Spouse in the form prescribed under the *Pension Benefits Act*; and
- (b) this waiver is not revoked by the Member and his or her Spouse prior to the commencement of the pension.

## 7.02 Optional Forms Of Pension

In lieu of the normal forms of pension payable under the Plan in accordance with Section 7.01 above, and subject to Section 7.01(3), a Member may elect prior to pension commencement to have the payment made on a different basis by filing with the Plan Administrator an election on forms provided by the University for that purpose. Such election may be amended or cancelled by written notice to the Plan Administrator at any time prior to commencement of the Member's pension.

The Member may elect to have his or her pension paid in any one of the following forms, with the amount of the monthly pension adjusted to the Actuarial Equivalent of the Member's normal retirement benefit:

### (1) Life, No Guarantee

Under the Life No Guarantee form of pension, the Member receives an adjusted monthly pension payable for life, with the last payment falling due in the month of the Member's death.

### (2) Life Guaranteed Five Years

Under the Life Guaranteed 5 Years form of pension, the Member receives an adjusted monthly pension payable for life, with the guarantee that if the Member dies before receiving 60 months of guaranteed payments, the Member's Beneficiary will receive the balance of the 60 monthly payments.

### (3) Life Guaranteed Fifteen Years

Under the Life Guaranteed 15 Years form of pension, the Member receives an adjusted monthly pension payable for life, with the guarantee that if the Member dies before receiving 180 months of guaranteed payments, the Member's Beneficiary will receive the balance of the 180 monthly payments.

(4) Joint And Survivor Option

Under the Joint and Survivor Option form of pension, the Member receives an adjusted monthly pension payable for life, and after the Member's death, the monthly pension continues either in the same or a reduced amount, to his or her Spouse, if then living, for the remainder of that person's lifetime. When permitted by the *Income Tax Act*, the Member may also elect that payments be made for a minimum guaranteed period, not to exceed 15 years.

The Plan Administrator may adopt or approve other optional types of pension benefits, subject to any requirements of the *Pension Benefits Act* and the *Income Tax Act*.

## Section 8 – Benefits On Death

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### 8.01 Death Benefit For Pre-1987 Service

If a Member dies prior to pension commencement, there shall be payable to his or her named Beneficiary or, if none, to the Member's estate a lump sum payment equal to the balance, if any, in his or her Money Purchase Component Account, based on required contributions made to the Plan before January 1, 1987.

### 8.02 Death Benefit For Post-1986 Service

#### (1) Death Before 24 Months Of Membership

If a Member dies prior to pension commencement, and before having completed 24 months of Continuous Service as a Member, a death benefit is payable to the Member's Beneficiary or, if none, to the Member's estate a lump sum payment equal to the balance, if any, in his or her Money Purchase Component Account, based on required contributions made to the Plan on and after January 1, 1987.

#### (2) Death After 24 Months Of Membership

##### (a) Death Benefit Amount

If a Member dies prior to pension commencement but after completing 24 months of Continuous Service as a Member, a death benefit is payable in an amount equal to:

- (i) the balance remaining to the Member's credit in his or her Money Purchase Component Account, based on required contributions made to the Plan on and after January 1, 1987 to his or her date of death; and
- (ii) the amount, if any, by which the Commuted Value of the Member's minimum guaranteed benefit accrued to him or her under Section 6.01(2) attributable to Credited Participation on and after January 1, 1987 and otherwise accrued or granted on or after January 1, 1987 to his or her date of death exceeds the amount described above in Section 8.02(2)(a)(i).

(b) Death Benefit Payable To Spouse

The death benefit payable under Section 8.02(2)(a) is payable to the Member's Spouse unless the Member and Spouse have completed and filed a waiver in the prescribed form, in which case the death benefit payable under Section 8.02(2)(a) is payable to his or her Beneficiary, or if none to his or her estate.

The Spouse may elect to receive the benefit described in Section 8.02(2)(a) in either of the following forms:

- (i) a lump sum payment; or
- (ii) an annuity payable for the Spouse's lifetime, as may be provided by the amount in (i), commencing either immediately or on the first day of any month preceding the calendar year in which the Spouse attains age 69, or if later, within 1 year after the death of the Member except, for Spouses who are 69 or 70 years old at the end of 1996, such Spouses shall commence receiving an annuity either immediately or on the first day of any month preceding the calendar year in which the Spouse attains age 70 or 71, respectively.<sup>13</sup>

If the Spouse fails to make an election within 90 days of being advised of the entitlement under this section, the Spouse will be deemed to have elected the immediate annuity described in Section 8.02(2)(b)(ii).

(c) Death Benefit Payable To Non-Spouse Beneficiary

If the Member does not have a Spouse at the date of death, the death benefit payable under Section 8.02(2)(a) is payable in a lump sum to the Member's Beneficiary.

8.03 Additional Voluntary Contributions

If a Member dies prior to the commencement of any pension or to which he or she would otherwise have been entitled to receive under the Plan, any additional voluntary contributions and special lump sum voluntary contributions, including

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<sup>13</sup> Section 8.02(2)(b)(ii) is amended effective as of January 1, 1997.

those amounts transferred under special agreement with a former employer, which remain on deposit to his or her credit with Credited Interest to the date of payment shall be paid in the form of a lump sum payment to his or her Spouse unless the Member and the Member's Spouse have completed and filed a waiver in the prescribed form, in which case the benefit is payable to his or her Beneficiary or, if none, to his or her estate. If there is no Spouse, payment shall be made to his or her Beneficiary or, if none, to his or her estate.

8.04 Death After Retirement

In the event of the death of a Member following pension commencement, payment of his or her pension will be made in accordance with the normal or optional form applicable to the Member in accordance with Section 7.

8.05 Transfer Of Entitlement

A Spouse who is entitled to a lump sum cash settlement under the Plan in respect of a deceased Member may direct, subject to the provisions of the *Income Tax Act*, that the lump sum amount be transferred to a registered retirement savings plan, or other tax exempt trust or plan designated by him or her.

## Section 9 – Designation Of Beneficiary

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### 9.01 Designation Of Beneficiary

Member may designate, by written notice delivered to the Plan Administrator, a Beneficiary to receive any benefits payable on the death of the Member to the Member's Beneficiary, except with respect to the joint and survivor option. Each such written notice shall be in such form and executed in such manner as determined by the Plan Administrator, subject to any applicable laws. A Member may revoke or amend such designation in the same manner at any time before the commencement of his or her pension subject to any applicable laws covering the designation of beneficiaries.

### 9.02 Death Of Beneficiary

If a Beneficiary, as a result of a Member's death, is entitled to payments under a form of benefit with a guaranteed number of payments, and if the Beneficiary dies before receiving all of the guaranteed number of payments, the Commuted Value of the remainder of the guaranteed payments will be paid in a lump sum to the estate of the Beneficiary.

### 9.03 No Beneficiary

If a Member fails to designate a Beneficiary validly, or if the designated Beneficiary predeceases the Member or dies before payment of death benefits, any benefits payable to the Member's Beneficiary shall be paid in a lump sum to the estate of the Member.

## Section 10 – Trust Fund

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### 10.01 Establishment

The University shall establish a Trust Fund for the provision of benefits pursuant to the Plan and shall determine the form and terms of the Trust Agreement, modify the terms of such Trust Agreement at such time or times as may be necessary to accomplish the purposes of the Plan and shall be responsible for the selection of the Trustee and may appoint successor trustees as, in its sole opinion, may be necessary for purposes of the Plan.

### 10.02 Responsibilities Of Trustee

The Trust Fund shall be administered by the Trustee in accordance with the terms of the Trust Agreement, but shall be subject to the provisions of the *Pension Benefits Act* with respect to the investment of such funds. A copy of the Trust Agreement may be examined by a Member of the Plan at any reasonable time in the offices of the University.

All contributions made by Members of the Plan and by the University on their behalf shall be deposited in the Trust Fund.

### 10.03 Deposits

All contributions made by Members of the Plan and by the University on their behalf shall be deposited in the Trust Fund.

### 10.04 Investment Of Fund

The Investment Counsel shall be responsible for the investment of the Trust Fund in accordance with the terms of an agreement between the Plan Administrator and the Investment Counsel. The Plan Administrator shall establish and adopt a written Statement of Investment Policy and Goals, in accordance with the *Pension Benefits Act*, and review such Statement at least once each year, to confirm or amend it. All investments of the Fund shall be governed by the *Pension Benefits Act* and shall be in accordance with the Plan Administrator's Statement of Investment Policy and Goals, as filed with the Pension Commission of Ontario. A copy of the Investment Counsel Agreement may be examined by a Member of the Plan at any reasonable time in the offices of the University.

10.05 Payment Of Benefits

All benefits shall be paid from the Trust Fund; provided, however, the Plan Administrator may, in its sole discretion, direct that benefits be purchased from an insurance company licensed to do business in Canada in lieu of the payment of any benefit directly from the Trust Fund.

10.06 Expenses

All expenses with respect to the operation or administration of the Plan shall be payable from the Trust Fund, unless such expenses are paid directly by the University.

10.07 Fiscal Year

The fiscal year of the Trust Fund shall be a calendar year.

## Section 11 – General Provisions

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### 11.01 Information To Be Provided Before Plan Administrator Pays Benefits

Payment of benefits shall not be made until the person entitled to payment of the benefit delivers to the Plan Administrator:

- (1) satisfactory proof of age of the person and other persons who may become entitled to payment of the pension and such other information as may be required to calculate and pay the benefits; and
- (2) if the benefit is payable to a Member or Spouse, a signed declaration of marital status.

If payment of monthly pension benefits is delayed because of failure to provide such information as is necessary, payment will be made retroactively, but without interest, upon receipt of the necessary information.

### 11.02 Non-Alienation

Except as specified in Section 11.03, money payable under the Plan is subject to the following restrictions:

(1) Void Transaction

Any transaction that purports to assign, charge, anticipate, surrender, or give as security money payable under the Plan is void; and

(2) Exemption From Seizure

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

### 11.03 Alienation Of Benefits On Marriage Breakdown

(1) Support Obligations

Payments under the Plan are subject to execution, seizure or attachment in satisfaction of an order for support or maintenance enforceable in Ontario or another relevant jurisdiction, in accordance with the *Pension Benefits Act*.

(2) Division Of Property

Upon the breakdown of the spousal relationship, a Member may, pursuant to a written domestic contract or order (both as defined under the *Family Law Act, Ontario*) assign or convey all or a portion of his or her benefits and rights under the Plan to his or her Spouse or former Spouse, within the limits imposed by the *Pension Benefits Act*.

(3) Discharge Of Administrator

Where a Member assigns or conveys his or her benefits pursuant to Section 11.03(2) above, the Plan Administrator shall be fully discharged upon acting in accordance with the Member's assignment or conveyance pursuant to the domestic contract or order.

11.04 No Enlargement Of Rights

Participation in the Plan shall not enlarge or establish any rights to employment with the University which the Member did not formerly possess as an employee of the University.

11.05 Form Of Notice

Any notice or election to be made or given for any purpose of the Plan, whether by a Member or by the Plan Administrator, shall be made, given or communicated, as the case may be, in such manner as the Plan Administrator shall determine, subject to any requirements of the *Pension Benefits Act*.

11.06 Small Benefits

Notwithstanding any other provision of the Plan, in the event the pension to which any Member is entitled at Normal Retirement Date is not more than 2% of the YMPE in the year of the Member's Separation From Service, or such other amount as may be prescribed under the *Pension Benefits Act*, the Plan Administrator may, in its sole discretion, authorize that such benefit be payable quarterly, semi-annually or annually in advance, in an amount which is the Actuarial Equivalent thereof, or that it be paid in a single lump sum equal to the balance in the Member's Money Purchase Component Account and the excess of the Commuted Value of the Member's minimum guaranteed benefit over the balance of the Member's Money Purchase Component Account, if any, in full discharge of all obligations under the Plan.

#### 11.07 Special Transfer Agreements

Subject to approval of the Pension Commission of Ontario and Revenue Canada, the University may make special transfer agreements with respect to the transfer of funds to or from the pension plans of other universities or employers, based on the guarantee that funds transferred will not be available for cash refunds even though deposited as special lump sum voluntary contributions for record purposes.

#### 11.08 Construction

The provisions of this Plan shall be construed, governed and administered in accordance with the laws of the Province of Ontario.

#### 11.09 Incapacity To Receive Benefit Payments

If, in the opinion of the Plan Administrator, any person entitled to receive a pension or other benefit under the Plan is incapable of managing his or her own affairs and of giving a valid receipt for such pension or other benefits, and no guardian, committee or other legal representative of the estate of that person has been duly appointed, the pension or other benefit may, at the discretion of the Plan Administrator, be paid

- (1) to an individual or institution which is then maintaining or has custody of the person entitled to the pension or other benefit under the Plan to the credit of such person; or
- (2) to a court or authorized government agency of the jurisdiction to which the person entitled to the pension or other benefit is subject, for the credit of such person in accordance with the laws of that jurisdiction governing such payments;

and any such payment will be deemed a payment for the account of the person entitled to the pension or other benefit, and will constitute a full and complete discharge for the payment of the pension or other benefit under the Plan. If such person dies before receiving all the payments to which he is entitled under the Plan, the remaining payments will be made to his or her personal representative for his or her estate.

#### 11.10 Severability

If any provision of the Plan is held to be invalid or unenforceable by a court of

competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Plan and the Plan shall be construed and enforced as if such provision had not been included therein.

#### 11.11 Captions And Headings

The captions, headings and table of contents of this Plan are included for convenience of reference only and shall not be used in interpreting the provisions of this Plan.

## **Section 12 – Administration of Plan**

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### 12.01 Administration

The Plan Administrator shall administer the Plan. The Board of Trustees shall establish a Pension Committee, at least one-half of which shall be Members of the Plan and shall be the designated representatives of the Members of the Plan, and the balance, who may also be Members of the Plan, shall be representatives of the University.

### 12.02 Functions Of The Pension Committee

The Board of Trustees may delegate to the Pension Committee the functions of administering the Plan, including determining all questions arising in the administration of the Plan, interpretation and application of the provisions of the Plan together with eligibility, service, earnings and retirement dates of Members for purposes of the Plan. Decisions of the Pension Committee shall be final and binding on all concerned, subject where required to referral to the Board of Trustees.

In addition, the Pension Committee will be responsible for reviewing the performance of the Trust Fund, and for the preparation of recommendations to the Board of Trustees of the University concerning proposed changes in the Plan, or as to the appointment of the Trustee, and/or Investment Counsel, and/or Actuary for purposes of the Plan.

## Section 13 – Future of Plan

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### 13.01 Continuation Of Plan

The University intends to maintain the Plan in force indefinitely, but nevertheless reserves the right to amend, or discontinue the Plan, in whole or in part, at any time or times, as the Board of Trustees, in its absolute discretion, may determine.

### 13.02 Amendment of Plan

No amendment to the Plan shall operate to reduce the benefits which have accrued under the Plan to the Members prior to the date of such amendment, based on Earnings at the date of amendment.

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

### 13.03 Discontinuance Of Plan

In the event of discontinuance of the Plan for any reason, the assets of the Trust Fund shall be applied for the benefit of Members, their respective estates, beneficiaries and joint annuitants in such equitable manner as may be determined by the Plan Administrator in consultation with the Actuary. Such benefits may be provided through the continuation of the Trust Fund, the establishment of a new trust fund for the purpose, or through the purchase of deferred or immediate annuity contracts. In no event may benefits payable under the defined benefit provision of the Plan be provided in excess of the maximum pension limitations of Section 6.06 hereof. Any assets remaining in the Trust Fund after providing for such maximum benefits shall revert to the University.

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

#### 13.04 Statutory Requirements

In the event of wind-up of the Plan, the provision of benefits shall be subject to the provisions of the *Pension Benefits Act* and the *Income Tax Act*, as amended from time to time.

## Section 14 – Portability And Past Service

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### 14.01 Portability

#### (1) Transfers to the Plan

A Member who immediately prior to entering the service of the University was a participant in the registered pension plan of a former employer, may arrange for deposit in the Trust Fund any amount available for transfer from that former employer's pension plan.

Any amount so transferred shall be deposited in the Member's Past Service Money Purchase Account, and shall be subject to any locking-in or other restrictions that may have been attached to the funds as a condition of transfer.

Notwithstanding the foregoing, any amounts transferred to the Plan pursuant to a special transfer agreement entered into under Section 11.07 shall be subject to the terms of such special transfer agreement.

#### (2) Credited Past Service Election

A Member in respect of whom a transfer has been made pursuant to Section 14.01(1) may elect, effective as of the date of transfer, to be credited with a period of defined benefit service which shall be identified as Credited Past Service under the Plan.

Upon such election by the Member, the amount transferred pursuant to Section 14.01(1) shall be transferred within the Plan from the Member's Past Service Money Purchase Account into the Member's Past Service Net Contribution Account.

Upon such election, the Member shall be credited with a period of Credited Past Service, equal to the period of service which can be provided under the Plan by the amount transferred from the former employer's pension plan upon the advice of the Actuary, such that the additional actuarial liability of the plan is equal to the transfer amount, provided that the period of Credited Past Service granted under this Section 14.01(2) shall not exceed the period of the Member's credited service under the former employer's pension plan from which the transfer into the Member's Past Service Money Purchase Account was originally made.

(3) Excess Amounts

Where the Member makes an election under Section 14.01(2) and the amount transferred pursuant to Section 14.01(1) is greater than the amount required to purchase Credited Past Service under the Plan, as determined by the Actuary, that portion of the excess which is attributable to pre-1991 service shall comprise general funds of the Plan's Trust Fund and that portion of the excess which is attributable to post-1990 service shall remain in the Member's Past Service Net Contribution Account.

14.02 Purchase of Additional Credited Past Service

(1) Eligibility

The following Members shall be eligible to purchase additional Credited Past Service under the Plan:

- (a) each Member in respect of whom an amount has been transferred to the Plan pursuant to Section 14.01(1) and then transferred by an election made pursuant to Section 14.01(2), where the period of Credited Past Service granted under Section 14.01(2) as a result of such transfer is less than the Member's period of credited service under the former employer's pension plan; and
- (b) each Member who was employed by the University for any period prior to January 1, 1990 where such period is not a period of Credited Participation under the Plan.

(2) Past Service Contributions

Each eligible Member may, subject to Section 14.05 below, elect to contribute by regular payroll deduction, or as otherwise elected by the Member in accordance with Section 14.11, an amount determined in accordance with (a) or (b) as applicable:

(a) Transfers to the Plan

A Member described in Section 14.02(1)(a) above may elect to contribute such amount as is required, based on the advice of the Actuary, to provide an additional amount of Credited Past Service not to exceed the amount of the difference between the Member's credited service under the former employer's pension plan, and the amount of Credited Past Service granted pursuant to Section 14.01(2) above.

(b) Employees prior to January 1, 1990

A Member described in Section 14.02(1)(b) above may elect to contribute such amount up to the maximum specified in Section 14.05(3) as is required, based on the advice of the Actuary, to provide an amount of Credited Past Service not to exceed the amount of Credited Participation that the Member would have accrued in respect of employment with the University prior to January 1, 1990, had the Member participated in the Plan from his or her date of hire by the University.

Contributions in accordance with this Section 14.02 shall be allocated to the Member's Past Service Net Contribution Account.

14.03 Additional Past Service Benefit

(1) At Normal Retirement Date

Subject to Section 14.05 below, each Member who Separates from Service, and who has not previously elected to commence receiving his or her pension benefit, shall be entitled to receive, in addition to the benefits payable under Section 6, an annual pension benefit in respect of the Member's period of Credited Past Service, commencing on the Member's Normal Retirement Date and payable in monthly instalments for the Member's remaining lifetime, in an amount equal to:

- (a) the pension calculated in accordance with the formula in Section 6.01(2)(a) and (b);

multiplied by

(b) the number of years (including fractions of a year) of Credited Past Service in the Revised Pension Plan.

(2) At Postponed Retirement Date

Subject to Section 14.05 below, each Member who Separates from Service, and who has not previously elected to commence receiving his or her pension benefit, may elect to receive, in addition to the benefits payable under Section 6, an annual pension benefit in respect of his or her period of Credited Past Service, commencing on the Postponed Retirement Date and payable in monthly instalments for the Member's remaining lifetime, in an amount calculated pursuant to Section 14.03(1) above, however adjusted to the Actuarial Equivalent based on the Member's age at the Postponed Retirement Date.

(3) Early Retirement Date

Subject to Section 14.05 below, each Member who Separates from Service and who has not previously elected to commence receiving his or her pension benefit, may elect to receive in addition to the benefits payable under Sections 6, an annual pension benefit in respect of his or her period of Credited Past Service, commencing on an Early Retirement Date and payable in monthly instalments for the Member's remaining lifetime, in an amount calculated pursuant to Section 14.03(1) above, as at the Member's Normal Retirement Date but reduced in accordance with the formula in Section 6.03(2).

14.04 Minimum Benefit in Respect of Past Service Contributions

Where a Member's Past Service Net Contribution Account is greater than the Commuted Value of the Member's pension accrued in respect of Credited Past Service under Section 14.03 determined at the date of termination of employment, pre-retirement death or retirement, the excess shall be paid as a lump sum.

Notwithstanding the foregoing in this Section 14.04, that portion of the Member's Past Service Net Contribution Account attributable to a Credited Past Service election made pursuant to Section 14.01(2), shall remain subject to any locking-in or other restrictions that may have been attached to the funds as a condition of transfer pursuant to Section 14.01(1). Any pension paid in respect of such funds, shall be paid in accordance with the Pension Benefits Act.

#### 14.05 Limitations

Notwithstanding the foregoing, the following limitations shall apply in respect of past service benefits granted under Section 14.03:

(1) Maximum Pension for Service Prior to January 1, 1990

In respect of benefits for service prior to January 1, 1990 purchased under Section 14.02(1)(b) and (2)(b) above, the annual lifetime pension payable under Section 14.03, determined at the time of pension commencement, shall not exceed the years of the Member's Credited Past Service prior to January 1, 1990 multiplied by \$1,150, or such greater amount permitted under the Income Tax Act, reduced if the pension commencement date precedes the earliest of the day on which:

- (a) the Member would attain age 60
- (b) the Member's age plus Continuous Service would equal 80; and
- (c) the Member would complete 30 years of Continuous Service,

by  $\frac{1}{4}$  of 1% for each month by which the pension commencement date precedes that day and increased, if the pension commencement date is after the Member attains age 65, on an actuarially equivalent basis.

(2) Maximum Pension in respect of Transfers to the Plan

In respect of service granted under Section 14.01(2) and 14.02(2)(a) above, the pension payable in respect of pre-1992 service and post-1991 service, shall not exceed the maximum pension calculated according to the formula in Sections 6.06(5) and 6.06(1), adjusted as appropriate for early or postponed pension commencement.

(3) Maximum Contributions

Amounts contributed by a Member under Section 14.02(2)(b) shall be limited to the amount deductible under the Income Tax Act.

(4) Past Service Pension Adjustment

If the purchase of Credited Past Service under Section 14.02 would result in a past service pension adjustment (as defined under the Income Tax Act), in respect of the Member, such service shall not be granted prior to certification of the past service pension adjustment in accordance with the Income Tax Act.

14.06 Transfer of Pension Value

- (1) A Member who retires or terminates employment may elect to have an amount equal to the Commuted Value of his or her pension calculated under Section 14.03, together with Credited Interest calculated from the date of retirement or termination of employment to the date of payment:
- (a) transferred to another pension plan, provided that the administrator of that pension plan agrees to accept the transfer;
  - (b) transferred to a registered retirement savings plan or such other retirement savings arrangement as may be prescribed under the Pension Benefits Act; or
  - (c) applied to purchase an immediate or deferred life annuity from an insurance company licensed to transact business in Canada.

Upon such a transfer or purchase, the Member will cease to have any further entitlement under Section 14.03 of the Plan.

- (2) The Plan Administrator shall not permit a transfer or purchase under this Section 14.06 unless the Plan Administrator is satisfied that:
- (a) the transfer or purchase is in accordance with the Pension Benefits Act; and
  - (b) any restriction in the Pension Benefits Act with regard to the solvency of the Plan have been met.
- (3) The Commuted Value of the Member's pension transferred on a money purchase basis in accordance with this Section 14.06 shall not exceed the maximum amount prescribed under the Income Tax Act, and the excess of the Commuted Value, plus Credited Interest, if any, shall be paid to the Member,

as permitted under the Income Tax Act and the Pension Benefits Act.

- (4) In the event that any election to transfer pursuant to this Section 14.06 is not filed with the University within 60 days of the date that the Member retires or terminates employment, any amount calculated hereunder shall be recalculated to be the present Commuted Value of such amount determined as at the date that the election to transfer is filed, with Credited Interest from that date to the date of payment.

#### 14.07 Lump Sum Payment

Subject to Sections 14.01, a Member who retires or terminates employment having completed less than 24 months of Continuous Service as a Member, may elect to receive in lieu of all or part of the annual pension benefits calculated under Section 14.03, otherwise payable on the Early, Normal or Postponed Retirement Date, as applicable, a lump sum payment equal to the Commuted Value of the pension accrued under Section 14.03.

Subject to Sections 14.01, 14.04 and 14.06(3), a Member who is entitled to a lump sum payment pursuant to this Section 14.07 may elect to transfer such payment in accordance with Section 14.06, but on a “non-locked-in basis.”

#### 14.08 Benefits on Death

##### (1) Amount of Benefit

In addition to the death benefits payable pursuant to Section 8, if a Member dies prior to pension commencement, a death benefit is payable in an amount equal to the Commuted Value of the Member’s pension calculated under Section 14.03.

##### (2) Death Benefit Payable To Spouse

The death benefit payable under this Section 14.08 is payable to the Member’s Spouse unless the Member and Spouse have completed and filed a waiver in the prescribed form, in which case the death benefit payable is payable to his or her Beneficiary, and if none, to his or her estate.

The Spouse may elect to receive the benefit in either of the forms described in Section 8.02(2)(b).

(3) Death Benefit Payable To Non-Beneficiary Spouse

If the Member does not have a Spouse at the date of death, the death benefit hereunder is payable in a lump sum to the Member's Beneficiary.

(4) Entitlement Arising from Past Service Money Purchase Account

Where applicable, the Spouse or Beneficiary of a Member will be entitled to receive payment of any existing account balance pursuant to Section 14.12 in addition to any entitlement in respect of Section 14.03.

14.09 Death After Pension Commencement

In the event of the death of a Member following pension commencement, payment of his or her pension under this Section 14 will be made in accordance with the normal or optional form applicable to the Member in accordance with Section 7.01.

14.10 Form of Payment

Payment of the annual pension benefit under Section 14.03 shall be subject to the normal or optional form elected by the Member under Section 7.

14.11 Elections

Any election under this Section 14 shall be submitted in the form and upon the conditions specified by the University from time to time.

14.12 Entitlement Arising from Past Service Money Purchase Provision

(1) Pension

Upon pension commencement at the Early, Normal or Postponed Retirement Date, as applicable, each Member in respect of whom a deposit is made in accordance with Section 14.01(1) but who did not make an election in accordance with Section 14.01(2), shall receive an additional amount of pension, commencing on such date and payable in monthly instalments for the Member's remaining lifetime, in such amount as can be provided from the

total of such contributions and the Credited Interest thereon on a money purchase basis (less such administrative charges as the Pension Committee establishes for such accounts for the period between the date of the Member's Separation from Service and date of pension commencement which shall be paid to the University), based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and the guarantee of non-reduction of pension under Section 6.05 of the Plan.

(2) Transfer

Where a Member Separates from Service and has an entitlement under this Section 14.12, the Member may elect to have such entitlement:

- (a) transferred to another pension plan, provided that the administrator of that pension plan agrees to the transfer;
- (b) transferred to a registered retirement savings plan or such other retirement savings arrangement as may be prescribed under the Pension Benefits Act; or
- (c) applied to purchase an immediate or deferred life annuity from an insurance company licensed to transact business in Canada.

Upon such a transfer or purchase, the Member will cease to have any further entitlement under this Section 14.12 of the Plan.

## **Section 15 - Voluntary Workforce Reductions: A Staff Program and A Program for Faculty, Librarians and Archivists<sup>14</sup>**

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### 15.01 Purpose

The purpose of this Section 15 is to amend the provisions of the Plan in regard to the required contributions and benefits of Members who elect to participate in Option I: Permanent Reduction of Appointment under the University's Workforce Reductions Program for Faculty, Librarians and Archivists and Members who elect to participate in Option II: Permanent Reduction of Appointment under the University's Workforce Reductions Program for Staff (collectively referred to as the "Permanent Reduction of Appointment").

Where a Member has been approved to participate under the University's Workforce Reductions Program, they have the additional option to continue contributions to the Plan pursuant to this Section 15. Where applicable, the provisions of this Section 15 shall supersede any other provisions of the Plan which are inconsistent with the provisions of this Section and shall supplement the provisions of the Plan which are not inconsistent with the provisions of this Section 15.

### Permanent Reduction of Appointment

### 15.02 Definitions

Except as otherwise specified in this Section 15.02, the defined terms in Sections 15.02 to 15.08 shall have the same meanings prescribed by Section 1 of the Plan.

- (1) "Participating Member" shall mean a Member who satisfied the requirements provided in Section 15.03.
- (2) "Prorated Credited Service" shall mean the Credited Service that would accrue to the Participating Member if the Participating Member had been employed on a normal full-time basis multiplied by the percentage of a normal full-time basis that the Participating Member actually works.
- (3) "Salary Reduction" shall mean the difference between,
  - (a) the Earnings to which a Participating Member would otherwise have been entitled if employed on a normal full-time basis; and

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<sup>14</sup> Section 15 is added to the Plan effective as of January 29, 1996.

- (b) the Participating Member's actual Earnings during the same period.

### 15.03 Eligibility

A Member who has been approved by the University for participation in the Workforce Reductions Program shall be subject to the provisions of Sections 15.02 to 15.08 provided that:

- (1) the Member has completed at least three (3) years of Continuous Service as at the date immediately prior to commencement of his or her participation in the Workforce Reductions Program; and
- (2) the Member has elected to continue contributions to the Plan pursuant to Sections 15.04(1) and (2).

### 15.04 Participating Member's Required Contributions

- (1) During the Period of the First Three Years on Permanent Reduction of Appointment

Subject to Section 15.06, a Participating Member's required contributions to the Plan during the first three (3) years on Permanent Reduction of Appointment shall be determined in accordance with Section 4.01.

- (2) During the Seven Year Period Following the First Three Year Period While on Permanent Reduction of Appointment

- (a) Subject to Section 15.06, a Participating Member's required contributions to the Plan during a further seven (7) years beyond the first three (3) years while on Permanent Reduction of Appointment, shall be determined in accordance with Section 4.01.
- (b) In addition to the Member required contributions to the Plan pursuant to Section 15.04(2)(a) above, during the further seven (7) year period, the Participating Member shall be required to contribute an amount equal to the University's required contributions determined in accordance with Section 4.05(1) and based upon the Participating Member's Salary Reduction.

#### 15.05 University Contributions

(1) During the Period of the First Three Years on Permanent Reduction of Appointment

Subject to Section 15.06, the University's required contributions to the Plan during the first three (3) years on Permanent Reduction of Appointment shall be determined in accordance with Section 4.05(1).

(2) During the Seven Year Period Following the First Three Year Period While on Permanent Reduction of Appointment

Notwithstanding Section 15.06(a), the University's required contributions to the Plan during a further seven (7) year period following the first three (3) year period while a Participating Member is on Permanent Reduction of Appointment, shall be determined in accordance with Section 4.05(1). For the sake of greater clarity, the University's required contributions during the further seven (7) year period shall be determined based on the Participating Member's actual Earnings during that period.

#### 15.06 Contributory Earnings, Final Average Earnings and Maximum Benefits

(1) Contributory Earnings and Final Average Earnings

For the purposes of determining Contributory Earnings, Final Average Earnings under the Plan and effective January 1, 1998, for purposes of determining "Earnings" under Section 4.01(1)(b) of the Plan, the Participating Member's Earnings shall be based on the Earnings to which the Participating Member would otherwise have been entitled had the Participating Member continued to be employed on a normal full-time basis.

(2) Maximum Benefits

For purpose of Section 6.06(b) (Maximum Pension), the term "compensation" shall be determined on the same basis as described in Section 15.06(a).

#### 15.07 Deemed Credited Participation

A Participating Member shall be deemed to accrue Credited Participation as if employed on a normal full-time basis.

15.08 Maximum Deemed Credited Participation

Notwithstanding any other provisions of this Section 15, on and after January 1, 1991, the amount of deemed Credited Participation granted under 15.07 shall be limited to a maximum full-time equivalent of 5 years, plus an additional 3 years credited in respect of absences that occur within the 12 month period which commences at the time of the birth or adoption of a child of the Member.

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**Revised Pension Plan  
Of Queen's University  
(Amended And Restated As At January 1, 1994)**

**A Consolidated Version of the Plan Text Incorporating Amendments  
to September 1, 2002**

**Unless otherwise noted, all provisions of the Plan are effective as of January 1, 1994.**

**This document has not been filed in its consolidated form  
with the regulatory authorities.**

**(Consolidated at November 1, 2007)  
For Administrative Purposes Only**