

<b>SUBJECT</b>	<b>UBC STAFF PENSION PLAN   AMENDMENT NO. 10</b>
<b>MEETING DATE</b>	<b>DECEMBER 6, 2016</b>

Forwarded to the Board of Governors on the Recommendation of the President

**APPROVED FOR  
SUBMISSION**



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Santa J. Ono, President and Vice-Chancellor

<b>DECISION REQUESTED</b>	<p><b>IT IS HEREBY REQUESTED that <i>the UBC Board of Governors:</i></b></p> <ul style="list-style-type: none"> <li><i>i. Approve the UBC Staff Pension Plan Restatement, Amendment No. 10, as at September 30, 2015, as described herein; and,</i></li> <li><i>ii. Authorize and empower the Staff Pension Plan Board to approve on behalf of the Board of Governors any revisions or amendments to the Plan Restatement as may be required by the Canada Revenue Agency or by the Financial Institutions Commission of BC to ensure continued registration under the Income Tax Act and Pension Benefits Standards Act.</i></li> </ul>
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<b>Report Date</b>	November 3, 2016
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**Presented By** Lisa Castle, Vice-President Human Resources  
Orla Cousineau, Executive Director, Pensions

**EXECUTIVE SUMMARY**

The UBC Staff Pension Plan (the “Plan”) has been officially classified as a target benefit provision in respect of all pensionable service earned under the Plan since its inception, effective September 30, 2015, which is the date the new pension legislation came into force.

The Plan text must be amended effective September 30, 2015, to comply with the requirements for target benefit provisions (TBP), and the amended text must be filed with the pension regulator before December 31, 2016, in order to no longer be subject to solvency funding requirements when the actuarial valuation is done as at December 31, 2016.

The Staff Pension Plan Board (SPP Board) has reviewed the Plan Restatement, as at September 30, 2015, and it is recommended to the Board of Governors for adoption.

It is further recommended that the SPP Board be authorized and empowered to approve on behalf of the Board of Governors, any revisions or amendments to the Plan Restatement, as at September 30, 2015, as may be required by the Canada Revenue Agency or by the Financial Institutions Commission of BC to ensure continued registration under the *Income Tax Act* and *Pension Benefits Standards Act*.

Supplemental Material:

- Blackline: Plan Restatement, Amendment No. 10, effective September 30, 2015
- Clean Copy: Plan Restatement, Amendment No. 10, effective September 30, 2015
- Notes to Amendment No. 10

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**INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED**

- Learning       Research       Innovation       Engagement  
(Internal / External)       International

or  Operational

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**DESCRIPTION & RATIONALE**      The amendments to the Plan are required for compliance with the applicable pension legislation.

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**FINANCIAL**      The amendments confirm the target benefit nature of the Plan design, and  
Funding Sources,      means the Plan is no longer subject to solvency funding requirements.  
Impact on Liquidity

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**SCHEDULE**      The Plan Restatement, Amendment No. 10, must be approved and filed with the  
Implementation      pension regulator before December 31, 2016.  
Timeline

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~~December 8, 2015~~[October 25, 2016](#)

**THE UNIVERSITY OF BRITISH COLUMBIA  
STAFF PENSION PLAN**

**PLAN RESTATEMENT**

**as at**

~~October 1,~~[September 30,](#) **2015**

# THE UNIVERSITY OF BRITISH COLUMBIA STAFF PENSION PLAN

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**Article 1****Article 1 – Introduction****1.01 ~~1.001~~ Purpose**

The University of British Columbia has established and hereby continues The University of British Columbia Staff Pension Plan to provide benefits on Retirement, death, and Termination ~~Of~~ Employment for and on behalf of Members of the Plan.

**1.02 ~~1.002~~ Plan Text**

This Plan text constitutes the plan text document of the Plan ~~as amended and~~ restated effective September 30, 2015. This Plan text supersedes and replaces a previous restatement of the Plan text dated as of October 1, 2015.

**1.03 ~~1.003~~ History Of The Plan Status of the Plan under BC Pension Legislation**

The Plan replaced the Prior Pension Plans effective January 1, ~~1972, the Effective Date. The 1972.~~ This Plan text incorporates provisions for transition from the Prior Pension Plans.

Since ~~the Effective Date, January 1, 1972,~~ the University has amended the Plan text from time to time. ~~The Effective July 1, 2009, the Plan's~~ benefits were significantly changed ~~effective July 1, 2009, the Revision Date. This restatement includes all amendments as of October 1, 2015.~~ Effective September 30, 2015, the Plan is ~~was~~ amended to comply with Applicable Legislation. ~~Effective October 1, 2015, the Plan has been amended the PBSA, and~~ to change the eligibility period for Hourly CUPE Employees from 2 years to 1 year.

Since its inception the Plan has operated as a target benefit plan. Prior to the coming into force of the PBSA on September 30, 2015, British Columbia pension legislation did not fully recognize that plan design structure. The PBSA fully recognizes that plan design structure, and this Plan text reflects that the Plan's benefit formula provisions are target benefit provisions, as those terms are defined in the PBSA, in respect of all Pensionable Service earned under the Plan since its inception.

In 1997 the Plan was exempted from the definition of "multi-employer plan" then found in British Columbia pension legislation. This exemption, which was continued in s. 10(1)(a) of the Pension Benefits Standards Regulation, B.C. Reg. 71/2015, was repealed with the result that for the purposes of the PBSA the Plan is a non-collectively bargained multi-employer plan that contains target benefit provisions.

**1.04 ~~1.004~~ Registration ~~And~~ Applicable Legislation**

The Plan is registered under ~~Applicable Legislation~~ the Income Tax Act and the PBSA, and the University intends to maintain ~~its fully registered status.~~

~~The Plan is governed by the laws of British Columbia. the Plan's registrations under those statutes.~~ If ~~Plan~~ provisions of this Plan text conflict with Applicable Legislation, those provisions will be construed and administered in accordance with the Applicable Legislation. The Plan is otherwise governed by the laws of British Columbia.

**~~1.005~~ Governing Plan Terms**

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~~The terms of the Pre-revision Plan which were current at the relevant time governed determinations of Contributions and benefits and the management and administration of the Plan prior to the Revision Date.~~

~~On and after the Revision Date, the terms of the Plan, as constituted herein and as amended from time to time, govern these matters.~~

#### **1.05 Applicability of this Plan Text**

Except as otherwise provided in this Plan text, or as is necessary to give effect to the terms of this Plan text, the benefits of Members whose death, Termination of Employment or Retirement occurred prior to September 30, 2015, and the contributions payable by Members and Employers in respect of time periods before September 30, 2015, shall be determined by the terms of this Plan text in force on the relevant date.

While this Plan text is effective as of September 30, 2015, and supersedes and replaces a previous restatement of the Plan text dated as of October 1, 2015 (the "**October 2015 Restatement**"), the benefits of Members whose death, Termination of Employment or Retirement occurred during the period commencing September 30, 2015 and concluding immediately prior to the date this Plan text was submitted for registration under the Income Tax Act and the PBSA (the "**Registration Date**"), and the contributions payable by Members and Employers in respect of that period, shall be determined by the October 2015 Restatement.

The benefits of Members whose death, Termination of Employment or Retirement occurs on or after the Registration Date, and the contributions payable by Members and Employers in respect of time periods after the Registration Date, shall be determined by this Plan text. For greater certainty, regardless of when a Member's death, Termination of Employment or Retirement occurred, if the Commuted Value of such Member's benefits under the Plan is calculated as of a date after the Registration Date, such Commuted Value must be calculated in accordance with the terms of this Plan text.

#### **1.06 ~~1.006~~ ~~Titles Not~~ ~~not~~ Part ~~Of~~ ~~of~~ Plan Text**

Section titles serve only to make the Plan text easier to read. They are not part of the Plan text.

## **Article 2**~~Article 2~~ – Definitions

In the construction of the Plan, the following expressions have the following meanings:

**2.001** “**Actuarial Equivalent**” means a benefit of equivalent value determined using actuarial methods and assumptions that:

- (a) are adopted by the Pension Board on the advice of the Actuary,
- (b) are determined in accordance with accepted actuarial practice as being suitable for the purpose for which they are used,
- (c) do not differentiate on the basis of sex, and
- (d) are reasonable and in compliance with Applicable Legislation;

**2.002** “**Actuarial ~~From~~ NRD**” means 100% minus a percentage determined by the Pension Board on the advice of the Actuary for each month by which pension commencement precedes the Normal Retirement Date, which percentage will result in a reduced pension payable from the Member's early retirement date which is the Actuarial Equivalent of the unreduced pension that would be payable to the Member on his or her Normal Retirement Date;

**2.003** “**Actuary**” means a Fellow of the Canadian Institute of Actuaries;

**2.004** “**Applicable Legislation**” means the Income Tax Act, the ~~Pension Benefits Standards Act (BC)~~ PBSA, and any other statute of Canada or a Province of Canada, and the respective regulations thereunder, which is applicable to the Plan;

**2.005** “**Approved Manner**” means following the procedures and within the filing deadlines prescribed by the Pension Board;

**2.006** “**Average Wage**” for a calendar year means the average of the weekly wages and salaries of the Industrial Aggregate in Canada over the 12-month period ending on June 30 of the immediately preceding calendar year;

**2.007** “**Average YMPE**” means the average of the YMPE over the same periods of Pensionable Service as are used in determining Best Average Pensionable Earnings;

**2.008** “**Beneficiary**” means the person designated by the Member under ~~15.001 (“Appointment Of Beneficiary”)~~, Section 15.01, or, if no such designation is in effect, the estate of the Member;

**2.009** “**Benefits/Funding Test**” means a comparison of Funds Available to Funds Required and is performed to determine whether the Plan's funding is adequate to support its benefits and to signal any required corrective action;

**2.010** “**Best Average Pensionable Earnings**” means, subject to ~~5.001 (“Contribution Provisions Applying To Special Situations”)~~ Section 5.01,

- (a) the average, expressed as an annual rate, of the Member's Pensionable Earnings over the three non-overlapping periods of twelve consecutive calendar months of Pensionable Service which yields the highest amount, or,

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- (b) if the Member has completed less than 36 months of Pensionable Service, the average determined using all Pensionable Service;

**2.011** “**Board of Governors**” means the Board of Governors of The University of British Columbia;

**2.012** “**Bridge Benefit**” means a temporary pension

- (a) which is payable, regardless of whether the Member survives to age 65, from Pension Commencement Date to age 65, or the date the Member would have attained age 65 if the Member died before attaining age 65, and
- (b) which is equal to the lesser of Best Average Pensionable Earnings and Average YMPE, multiplied by
- (i) ~~i-~~0.7% multiplied by Pensionable Service after ~~December 31,~~ 1965 and prior to ~~the Revision Date,~~ July 1, 2009, plus
- (ii) ~~ii-~~0.2% multiplied by Pensionable Service ~~on and~~ after ~~the Revision Date~~ June 30, 2009;

**2.013** “**Buy-back Service**” means

- (a) a period of Continuous Employment prior to July 1, 2009 not otherwise included in Pensionable Service during which a Member was eligible for membership but did not join the Plan, and
- (b) any other period of Continuous Employment prior to July 1, 2009 so designated by the Pension Board in accordance with Applicable Legislation;

**2.014** “**Commuted Value**” means ~~the lump sum present value of the pension, in relation to~~ benefits to which a person is or may become entitled under ~~the~~ a benefit formula provision of ~~the Plan calculated~~ this Plan text, the actuarial present value of those benefits determined

- ~~(a) on an Actuarial Equivalent basis acceptable under Applicable Legislation for calculating lump sum transfer values;~~
- (a) on the basis of actuarial assumptions and methods that are appropriate and in accordance with accepted actuarial practice;
- (b) in the manner prescribed under the PBSA for benefits payable under target benefit provisions;
- (c) in a manner acceptable to the Superintendent of Pensions appointed under the PBSA; and
- ~~(b)-(d) as of a date determined by the Pension Administration Office using procedures determined by the Pension Board;~~
- ~~(c) including interest from the date of calculation to the date of transfer, and~~
- ~~(d) including, where specified in the Plan, provision for pre-retirement death benefits and projected future salary increases and indexing;~~

**2.015** “**Continuous Employment**” means a continuous period of employment by one or more Employers which

- (a) includes employment both as, and not as, a Staff Employee,

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- (b) is not pro-rated for Part-time employment,
- (c) includes any Leave ~~Of~~of Absence, with or without pay, Labour Interruption, Period ~~Of~~of Long-term Disability, or other period of absence as required by Applicable Legislation, and
- (d) is calculated in years and fractions of years;

**2.016** “**Contributions**” means the total of Member Required Contributions, Employer Contributions and Member Buy-back Contributions;

**2.017** “**CPP Benefit Offset**” means a pension equal to

- (a) the lesser of Best Average Pensionable Earnings and Average YMPE  
multiplied by
- (b) 0.7%  
multiplied by
- (c) Pensionable Service after ~~December 31,~~ 1965 and prior to ~~the Revision Date~~ July 1, 2009;

**2.018** “**CPP Benefit Offset For Post-revision Service**” means a pension equal to

- (a) the lesser of Best Average Pensionable Earnings and Average YMPE  
multiplied by
- (b) 0.7%  
multiplied by
- (c) Pensionable Service ~~on and after~~ ~~the Revision Date~~ June 30, 2009;

**2.019** “**CPP Contribution Offset**” means, in relation to a pay period, 1.8% of the amount, if any, by which

- (a) the lesser of Pensionable Earnings for the pay period and 1/24<sup>th</sup> of the YMPE exceeds
- (b) 1/24<sup>th</sup> of the YBE, the YMPE and YBE being pro-rated to reflect any Part-time work;

**2.020** “**Credited Interest**” means the annualized investment return applied on Contributions each calendar year, where,

- (a) for Contributions made in the year, Credited Interest is applied and pro-rated from the last day of the month the Contributions are made,
- (b) if a Member undergoes a Retirement, Termination ~~Of~~of Employment, Transfer ~~Of~~of Employment to a category of employment not eligible for membership in the Plan, or death, then Credited Interest is applied and pro-rated to the date the first such event occurs, and
- (c) the annualized rate of investment return used for Credited Interest is determined as follows:

<b>Situation</b>	<b>Rate of Return Applied</b>
Credited Interest applied to update benefit values that are being calculated within the period before Commuted Values are required to be recalculated.	Payment Update Rate related to Commuted Value determination for the month of original calculation.
Situations other than those described above	<p>Prior to 2012, the effective annual rate of return, net of investment and administrative expenses, earned by the Trust Fund over the calendar year.</p> <p>After 2011, the average of the yields of five-year personal fixed term chartered bank deposit rates, as published in the Bank of Canada Banking and Financial Statistics as CANSIM Series V122515 (formerly CANSIM Series B14045), or any replacement or successor Series or measure, over the twelve months of the preceding calendar year.</p>

**2.021** “CREF” means,

- (a) for periods before ~~January 1,~~ 1996, the College Retirement Equities Fund, and;
- (b) for periods ~~on and~~ after ~~January 1, 1996,~~ 1995, the Sun Life Transition Fund;

**2.022** “Deemed Compensation” means, for Members in the special situations referred to in **Article 5** (~~“Contributions: Special Situations”~~) Article 5:

<b>Member Situation</b>	<b>Deemed Compensation</b>
(a) on a period of Part-time employment	not applicable
(b) on a Period <del>Of</del> Long-term Disability	the regular compensation for the Member's position and proportion of Full-time work immediately before the disability or, if so determined by the Pension Board, at a time more representative of the Member's pre-disability work status
(c) on a Statutory Leave, where the Member has Elected to make contributions during the leave	the regular compensation payable in the period for the Member's position and proportion of Full-time work in effect immediately before such period or, if such position does not continue to exist, the earnings, as determined by the Pension Board, for a comparable position
(d) on a Leave <del>Of</del> Absence without pay other than a Statutory Leave, where the Member has Elected to make contributions during the leave	as (c)-Statutory Leave, except that if the leave is in respect of a Deferred Salary Leave Program, the proportion of Full-time work is that in effect immediately before the commencement of the accumulation period

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<b>Member Situation</b>	<b>Deemed Compensation</b>
(e) involved in a Labour Interruption in respect of which the Employer or Member agrees, or they jointly agree, to make contributions	as (c)-Statutory Leave
(f) in any of situations (c)-Statutory Leave, (d)-Leave <del>O</del> of Absence, and (e)-Labour Interruption, where the Member has not Elected to make contributions	not applicable
(g) on a Reduced Work Load Program	for the period of reduced work, the regular compensation based on the Member's position before such period or, if such position does not continue to exist, the earnings, as determined by the Pension Board, for a comparable position
(h) on the accumulation period of a Deferred Salary Leave Program (the leave period is treated as a Leave of Absence without pay – see (d)-Leave <del>O</del> of Absence and (f)-Member <del>Not</del> not Making Contributions)	as (g)-Reduced Work Load Program

**2.023 “Deferred Pension”** means a pension where payment commencement is deferred to a later date;

**2.024 “Deferred Salary Leave Program”** means a program administered by the Employer and approved by the University

- (a) under which the Member receives reduced pay during an accumulation period and an income during a subsequent Leave ~~O~~of Absence, financed by such previous reductions in pay and interest thereon, and
- (b) which qualifies as a sabbatical arrangement under s. 6801 of the Income Tax Act regulations;

**2.025**

**“Defined Benefit Limit”** means,

- (a) for 2009, 1/9 of \$22,000, and,
- (b) for each year after 2009, the previous year's Defined Benefit Limit increased in line with the Average Wage increase;

**2.026 “Double Refund Benefit”** means an amount equal to two times the Member Required Contributions accumulated with Credited Interest as of ~~the Revision Date~~ July 1, 2009 in accordance with the terms of the Pre-revision Plan;

**2.027 “Effective Date”** means ~~January 1, 1972~~;

**2.028 “Elect”** means make a choice and **“Election”** means the making of a choice pertaining to the Plan in the Approved Manner;

**2.029 “Employer”** means the University or a Related Employer;

**2.030 “Employer Contributions”** means contributions that

- (a) must be made by an Employer under ~~4.002 (“Employer Contributions”)~~ Section 4.02, or
- (b) are calculated at the 10% minus CPP Contribution Offset rate and paid by the Employer or the Member under ~~5.001 (“Contribution Provisions Applying To Special Situations”)~~ Section 5.01;

**2.031 “Entitled Spouse”** means a person who is entitled to a division of benefits on marriage breakdown under Part 6 of the Family Law Act;

**2.032 “Family Law Act”** means the Family Law Act (B.C.) and the regulations thereunder;

**2.033 “Full-time”** means working 100% of the normal hours for a position;

**2.034 “Fund Manager”** means one or more investment managers or other individuals or entities charged with investing the assets of the Trust Fund in accordance with the Investment Policy;

**2.035 “Funds Available”** means, in relation to a Benefits/Funding Test, the value of the assets of the Trust Fund plus the present value of any projected future contributions;

**2.036 “Funds Required”** means, in relation to a Benefits/Funding Test, the value of the accrued liabilities of the Plan plus the present value of any projected future normal costs and expenses plus a margin for adverse deviation in an amount recommended by the Actuary and approved by the Pension Board;

**2.037 “Hourly CUPE Employee”** means an hourly paid member of Canadian Union of Public Employees, CUPE Local 116 who is employed in accordance with the collective agreement between the University and the Canadian Union of Public Employees, CUPE Local 116;

**2.038 “Income Tax Act”** means the Income Tax Act (Canada) and the regulations thereunder;

**2.039 “Indexing”** means adjustments to a pension determined under ~~Article 12 (“Indexing Of Pensions”)~~ Article 12;

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**2.040 “Inflation-adjusted Earnings”** means Pensionable Earnings adjusted to reflect increases in the Average Wage from the later of 1986 and the year the Pensionable Earnings were earned to the year of pension commencement;

**2.041 “Investment Policy”** means the investment policy as adopted by the University for managing the investments of the Trust Fund;

**2.042 “Joint Form”** means a pension payable in monthly instalments for the life of both Member and Spouse, with 60% of the pension payable after the first death to the survivor for the remainder of the survivor's lifetime, with a guarantee that no less than a total of 60 months of payments will be made;

**2.043 “Labour Interruption”** means a period when a person is

- (a) laid off but is subject to recall, or
- (b) involved in a legal strike or lock-out, or
- (c) involved in any other work stoppage that the Employer certifies in writing to the Pension Board should be considered a Labour Interruption for the purposes of the Plan;

**2.044 “Leave of Absence”** means a leave approved by an Employer and includes Statutory Leave, the leave of absence period under a Deferred Salary Leave Program (which shall be treated as a leave of absence without pay), and a sick, bereavement, personal, jury, or political office leave;

**2.045 “Level Income Option”** means a two-part pension consisting of:

- (a) a Bridge Benefit multiplied by the applicable early retirement factor from ~~8.002 (“Early Retirement Pension”), Section 8.02,~~ and
- (b) a reduced lifetime pension,

provided that the benefit in (a) will be reduced, if necessary, to ensure the initial annual benefit in (b) is no less than 10% of the YMPE;

**2.046 “Limited Member”** has the meaning attributed to it in the Family Law Act;

**2.047 “Locked-in”** means, for transfers and lump sum payments, subject to the locking-in restrictions of Applicable Legislation;

**2.048 “Locked-in Amount”** means the value of benefits that must be Locked-in, and is determined as follows:

Situation	Locked-in Amount
Qualifying non-resident recipient <sup>1</sup>	Nil
<del>Member whose Death, Termination Of Employment, or Retirement occurs before January 1, 1998</del>	<del>In accordance with the terms of the Plan at the time of the event</del>
<del>Member, not in one of the above situations, whose Death, Termination of Employment,</del>	Value of pension and related benefits less Member Required Contributions made in respect

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<del>or Retirement occurs after December 31, 1997</del> <a href="#">situation</a>	of Pensionable Service before <del>January 1, 1993</del> with Credited Interest
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<sup>1</sup> Recipient who has been absent from Canada for 2 or more years, has become non-resident of Canada for income tax purposes, and has filed the required documentation

~~2.049~~ **“Locked-in Arrangement”** means a retirement savings vehicle permitted by Applicable Legislation and includes another registered pension plan, a “Locked-in retirement account”, a “life income fund” or “retirement income arrangement” as defined under the ~~Pension Benefits Standards Act and Regulation (B.C.)~~[PBSA](#);

~~2.050~~ **“Maximum Transfer Amount”** means the greater of the Member Required Contributions with Credited Interest and the present value of the Member's pension calculated using the factors for determining maximum transfer values as prescribed under the Income Tax Act;

~~2.051~~ **“Member”** means an individual who has become a member of the Plan in accordance with Article ~~3 (“Membership”)~~<sup>3</sup>, who has made Contributions or in respect of whom Contributions have been made, and who still has a benefit entitlement under the Plan;

~~2.052~~ **“Member Buy-back Contributions”** means contributions made by the Member under ~~6.002 (“Member Buy-back Contributions”)~~[Section 6.01](#);

~~2.053~~ **“Member Required Contributions”** means contributions that

(a) must be made by a Member under ~~4.001 (“Member Required Contributions”)~~[Section 4.01](#), or

(b) are calculated at the 6.5% rate and paid by the Employer or the Member under ~~5.001 (“Contribution Provisions Applying To Special Situations”)~~[Section 5.01](#);

~~2.054~~ **“Minimum Death Benefit”** means the amount determined for an eligible Member as of December 31, 2002 as the “Minimum Death Benefit” in accordance with the Pre-revision Plan;

~~2.055~~ **“Normal Form”** means a pension payable in monthly instalments for the life of the Member, with 120 months of payments guaranteed;

~~2.056~~ **“Normal Retirement Date”** means the first day of the month after the month the Member attains age 65;

~~2.057~~ **“Option A”, “Option B” and “Option C”** are benefit payment options. These options, as they apply to termination benefits are described in ~~10.003 (“A”), 10.004 (“B”)~~[Sections 10.03, 10.04](#) and ~~10.005 (“C”)~~[10.05](#). As they apply to death benefits, they are described in ~~11.003 (“Benefit Payment Options For Spouse”)~~[Section 11.03](#);

~~2.058~~ **“Optional Form”** means the terms for payment of a pension from the Plan in one of several forms permitted under the Plan, as Elected by the Member under ~~9.003 (“Optional Forms”)~~[Section 9.03](#);

~~2.059~~ **“Part-time”** means working less than 100% of the normal hours for a position;

~~2.060~~ **“Partial Plan Termination”** means an event which ends Contributions and accruals of Pensionable Service for a specific and identifiable class or group of employees and which  
(a) constitutes a partial termination of the Plan under the Pension Benefits Standards Act (B.C.) or

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~~(b) is considered by the Board Of Governors as the end or sale of all or a substantial part of an Employer's operations;~~

~~Effective September 30, 2015, the requirement to file a partial plan termination report is eliminated under the Applicable Legislation.~~

~~2.061~~ **"Participation Agreement"** means a written agreement in the form attached as Schedule "A", or in such other form approved by the Pension Board, signed and delivered by an employer and the University which, among other things, binds the employer to all the rights, duties, responsibilities and obligations conferred or imposed upon a Related Employer in this Plan and the respective amendments thereto, including, without limitation, the obligation to make Employer Contributions on behalf of itself and its employees;

~~2.062~~ **"Payment Update Rate"** means the effective annual rate of interest, excluding any allowance for Indexing, which would be assumed for the year following the date of calculation in the determination of a Commuted Value;

~~2.063~~ **"Pension Administration Office"** means the entity appointed by the University to maintain the Plan records and provide administrative services in respect of the Plan;

~~2.064~~ **"Pension Board"** means the board responsible for operations of the Plan constituted in accordance with ~~Article 18 ("Administration Of The Plan")~~ [Article 18](#);

["PBSA" means the Pension Benefits Standards Act, S.B.C. 2012 c. 30, and the regulations thereunder;](#)

~~2.065~~ **"Pension Board Member"** means a member of the Pension Board;

~~2.066~~ **"Pension Commencement Date"** means the date on which a Member's pension commences;

~~2.067~~ **"Pensionable Earnings"** means regular compensation, before deductions for pension and benefit plans

(a) including any or all of the following:

- ~~(i)~~ ~~i~~-such compensation received during a Leave ~~Of~~[of](#) Absence with pay,
- ~~(ii)~~ ~~ii~~-Deemed Compensation,
- ~~(iii)~~ ~~iii~~-earnings with another employer where there is a reciprocal agreement specifying that such earnings will qualify as Pensionable Earnings under this Plan, and

(b) excluding

- ~~(i)~~ ~~i~~-lump sum payments such as signing bonuses and vacation pay paid out on Termination ~~Of~~[of](#) Employment, and
- ~~(ii)~~ ~~ii~~-extra amounts such as those payable for shift premiums and overtime;

~~2.068~~ **"Pensionable Service"** means the periods of continuous Service during or in respect of which Member Required Contributions or Member Buy-back Contributions are made, including any or all of the following:

(a) periods while a member of a Prior Pension Plan,

(b) Buy-back Service, and

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- (c) adjustments for periods of Part-time employment and additional service accrual described in ~~5.001 ("Contribution Provisions Applying To Special Situations")~~ [Section 5.01](#);

~~2.069~~ **"Period ~~Of~~ Long-term Disability"** means a period

- (a) not extending beyond the earliest of Normal Retirement Date, the date of Retirement, or the date of Termination ~~Of~~ Employment,
- (b) during which the Member is absent from employment as a result of illness or injury, and
- (c) in respect of which the Employer has provided notification, satisfactory to the Pension Board, that the Member has been granted a monthly long-term disability income benefit
- (i) ~~i.~~ from the Canada Pension Plan,
- (ii) ~~ii.~~ from a group long-term disability insurance plan provided by the Employer, or,
- (iii) ~~iii.~~ for permanent total disability, under the Workers' Compensation Act (B.C.);

~~2.070~~ **"Plan"** means The University of British Columbia Staff Pension Plan ~~as,~~ [the terms of which are](#) set out ~~herein and~~ [in this Plan text](#), as amended from time to time;

~~2.071~~ **"Plan Maximum Earnings"** for a year means the Defined Benefit Limit for the year divided by ~~0.180,018~~ rounded to the next higher dollar amount;

~~2.072~~ **"Plan Maximum Pension"** means the maximum pension that can be paid from the Plan and is applied as follows:

- (a) the annual lifetime pension at normal retirement cannot exceed, at the time of pension commencement, the Member's Pensionable Service multiplied by the lesser of:
- (i) ~~i.~~ the Defined Benefit Limit, and
- (ii) ~~ii.~~ 2% of the Member's average annual Inflation-adjusted Earnings over the same periods of Pensionable Service as are used in determining Best Average Pensionable Earnings;
- (b) if the Member had any Buy-back Service before 1990, then the maximum pension in respect of each year of such Buy-back Service is the greater of \$1,150 and two-thirds of the Defined Benefit Limit;
- (c) if the Member is retiring prior to age 65, then the maximum lifetime pension is reduced by 0.25% for each month the Pension Commencement Date precedes the earliest of:
- (i) ~~i.~~ 30 years of Continuous Employment,
- (ii) ~~ii.~~ age 60, and
- (iii) ~~iii.~~ age plus Continuous Employment equal to 80;
- (d) the maximum total benefit payable from the Plan before age 65 is the maximum lifetime pension plus 25% of the YMPE average in the calendar year and the preceding two years, pro-rated if the Member has less than 35 years of Pensionable Service;

~~2.073~~ **"Plan Year"** means a twelve-month period commencing on January 1;



**2.074 “Pre-revision Plan”** means the Plan as it was constituted immediately prior to ~~the Revision Date~~ July 1, 2009;

**2.075 “Prior Pension Plan”** means one or more of the following pension plans in effect at ~~The~~ the University ~~of British Columbia~~ prior to ~~the Effective Date~~ 1972:

- (a) Dominion Government Annuities (DGA),
- (b) before ~~January 1,~~ 1996, Teachers Insurance and Annuity Association (TIAA), and, ~~on and after January 1, 1996, 1995,~~ the Sun Life Fixed Annuity, and
- (c) CREF, except that, for purposes of the Plan, the applicable U.S. dollar amounts of the CREF pension or account balances will be treated, without conversion, as if they were Canadian dollar amounts;

**2.076 “Qualifying Service”** is used to determine whether a Member is entitled to Special Early Retirement and means the Pensionable Service for which the Member has not received a lump sum payment or transfer, such Pensionable Service to be determined as if all Part-time Service is deemed to have been rendered as Full-time Service (as outlined in ~~5.001(a) (“Contribution Provisions Applying To Special Situations – Part Time”)~~ Subsection 5.01(a));

**2.077 “Reduced Work Load Program”** means a program administered by the Employer and approved by the University under which the Member is employed on reduced work time for reduced pay;

**2.078 “Registered Arrangement”** means a registered retirement savings plan, registered retirement income fund, life annuity, or other retirement savings arrangement, which need not be a Locked-in Arrangement;

**2.079 “Related Employer”** means an entity that participates in the Plan in respect of some or all of its employees, as outlined in ~~as outlined in Article 16 (“Related Employers”)~~ Article 16;

**2.080 “Retirement”** means the end of Continuous Employment or a Transfer ~~Of~~ of Employment on or after the Member's 55th birthday as recorded in the records of the Pension Administration Office and characterized there as retirement;

**2.081 “Retirement Date”** means the first of the month immediately following a Member's Retirement;

**2.082 “Revision Date”** means July 1, 2009;

**2.083 “Service”** means Continuous Employment while a Staff Employee or Hourly CUPE Employee, calculated in years and fractions of years;

**2.084 “Special Early Retirement”** means Retirement where the Member qualifies for enhanced early retirement benefits as outlined in ~~8.003 (“Special Early Retirement Eligibility”)~~ Section 8.03 and ~~8.002 (“Early Retirement Pension”)~~ Section 8.02;

**2.085 “Spousal Default Form”** means a pension payable in the Joint Form that is the Actuarial Equivalent of the pension payable under the Normal Form;

**2.086 “Spousal Waiver”** means a written form, prepared and submitted in Approved Manner and in compliance with the requirements of Applicable Legislation for such forms, in which the Spouse waives entitlement to survivor benefits on the death of the Member, permits the Member's

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benefits to be unlocked, or consents to the transfer of the Member's benefits to a life income fund or ~~locked~~ Locked-in retirement account;

**2.087 "Spouse"** means a person, regardless of gender, who at the relevant date is:

- (a) married to the Member, and has not been living separate and apart from the Member for a continuous period longer than 2 years; or
- (b) living with the Member in a marriage-like relationship for a period of at least 2 years immediately preceding the relevant date;

**2.088 "Staff Employee"** means someone employed by the University or a Related Employer in an eligible class of employment who is paid by reference to a monthly or annual rate,

- (a) including an employee whose salary is paid from an external source such as a research grant or trust fund,
- (b) but where an eligible class of employment excludes:
  - (i) ~~i~~-employment as a member of the academic staff or the administrative executive staff in respect of which the individual is a member of The University of British Columbia Faculty Pension Plan, or
  - (ii) ~~ii~~-employment, for any employee hired on or after January 1, 2007, in respect of which the Full-time equivalent rate of Pensionable Earnings has exceeded the Plan Maximum Earnings at least once, as determined annually by the Pension Administration Office;

**2.089 "Statutory Leave"** means a leave of absence during which Applicable Legislation requires that an Employer continue to permit an employee to accrue benefits under the Plan;

**2.090 "Supplemental Retirement Arrangement"** means the Supplemental Retirement Arrangement for Members of The University of British Columbia Staff Pension Plan, for Members whose continuous employment commenced prior to ~~January 1,~~ 2007, which was adopted by the University effective January 1, 1999, as amended from time to time;

**2.091 "Termination ~~Of~~ Employment"** means the end of Continuous Employment for reasons other than death or Retirement, as recorded in the records of the Pension Administration Office;

**2.092 "Terms ~~Of~~ Reference"** means the Terms of Reference and Governance Policy of the Pension Board established in accordance with ~~18.002 ("Terms Of Reference")~~ [Section 18.02](#);

**2.093 "Transfer ~~Of~~ Employment"** means, in relation to an individual employed by an Employer, a change to or from an employment category eligible for membership in the Plan to an employment category that is not eligible for membership in the Plan, or vice versa;

**2.094 "Trust Agreement"** means the agreement, as amended from time to time, established and maintained by the Board ~~Of~~ Governors to govern the actions of the Trustee and the operation of the Trust Fund;

**2.095 "Trust Fund"** means the fund established and maintained to hold the assets of the Plan;

**2.096 "Trustee"** means the trustee appointed by the Board ~~Of~~ Governors under the Trust Agreement;

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~~2.007~~ **“University”** means The University of British Columbia or the Board ~~Of~~<sup>of</sup> Governors, as the context requires;

~~2.008~~ **“YBE”** means the “Year’s Basic Exemption” as defined in the Canada Pension Plan;

~~2.009~~ **“YMPE”** means the “Year’s Maximum Pensionable Earnings” as defined in the Canada Pension Plan.

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## **Article 3**~~Article 3~~ – Membership

### **3.01** ~~3.001~~ Date of Eligibility

A Staff Employee becomes eligible to become a Member of the Plan on gaining a Full-time Staff Employee appointment which extends to or beyond the date on which they will have achieved one year of Continuous Employment.

Otherwise, a Staff Employee becomes eligible when they have completed at least 12 months of Continuous Employment in which they earned at least 35% of the YMPE of the year the 12 month period concludes.

On and after ~~October 1,~~ September 30, 2015, an Hourly CUPE Employee becomes eligible to become a Member of the Plan when they have completed at least 12 months of Continuous Employment in which they earned at least 35% of the YMPE of the year the 12 month period concludes. Only amounts earned after March 31, 2011 will be considered in evaluating an Hourly CUPE Employee's eligibility for membership in the Plan.

### **3.02** ~~3.002~~ Compulsory Membership

A Staff Employee or an Hourly CUPE Employee who is eligible to become, but is not yet, a Member, must become one on the first day of the month following completion of three years of Service from the date they were first eligible to become a Member.

If, on July 1, 2009, a Staff Employee is eligible to become, but has not yet become, a Member and is under age 30, then membership will not be compulsory until that person has both attained age 30 and completed 3 years of Service from the date they were first eligible to become a Member.

When calculating Service for this rule, Leaves ~~Of~~ of Absence without pay and Labour Interruptions will be excluded.

### **3.03** ~~3.003~~ Voluntary Membership

Before satisfying the 3 years of Service rule, membership is available on a voluntary basis to Staff Employees and Hourly CUPE Employees who have become eligible.

To become a Member during this period, a Staff Employee or Hourly CUPE Employee must make an Election which specifies the effective date of joining and authorizes payroll deductions for contributions.

The effective date of joining must be the first day of a month.

Prior to ~~January 1,~~ 2015, retroactive Elections ~~are~~ were permitted, but only where employment as a Staff Employee or Hourly CUPE Employee ~~has~~ had been continuous since becoming eligible, and not before January 1 of the calendar year of filing the Election. Effective January 1, 2015, retroactive Elections are no longer permitted. The effective date of joining must be the first day of a month coincident with or following the Election.

### **3.04 ~~3.004~~ No Opting-out After Joining**

Except as provided for in ~~7.003 ("Pension Commencement")~~, Section 7.03, once a person has become a Member, contributions and participation will continue for as long as the Plan text requires. There is no opting-out provision.

### **3.05 ~~3.005~~ Member Information Needed ~~For~~ Plan Administration**

A Member must give the Pension Administration Office the information that is reasonably required for administering the Plan.

### **3.06 ~~3.006~~ Special Rules ~~For~~ Re-employment ~~And~~ Transfers ~~Of~~ Employment**

On re-employment as a Staff Employee or an Hourly CUPE Employee, including a Transfer ~~Of~~ Employment to an employment category eligible for membership in the Plan, a person will be treated as follows.

If the person is not a Member or has received any portion of their benefit in respect of their previous employment as a lump sum payment or transfer, they will become eligible in accordance with the normal eligibility and membership rules stated in ~~3.004~~ Sections 3.01 to 3.003-3.03.

If the person is entitled to a Deferred Pension and has not received any portion of their benefit in respect of their previous employment as a lump sum payment or transfer:

- (a) Member Required Contributions and accrual of Pensionable Service resume on the first day of the month on or following re-employment or transfer; ~~and~~.
- (b) Pensionable Service before and after re-employment or transfer will be combined; ~~and~~  
and
- (c) Best Average Pensionable Earnings will be determined using Pensionable Earnings both before and after re-employment or transfer; ~~and~~.

~~except that if the Member's immediately preceding Termination Of Employment was before January 1, 1990, then the terms of the Pre-revision Plan apply instead.~~

If the person is receiving a pension, the pension continues and they will not resume Member Required Contributions or accrual of Pensionable Service during re-employment.

## **Article 4**~~Article 4~~ – Contributions: General

### **4.01** ~~4.001~~ Member Required Contributions

Except as provided for in ~~7.003 (“Pension Commencement”)~~[Section 7.03](#), each Member will make Member Required Contributions by payroll deduction in each pay period in which the Member is a Staff Employee working Full-time or on a Leave ~~Of~~[Of](#) Absence with Full-time pay. The amount shall be 6.5% of Pensionable Earnings.

In respect of other pay periods, Members will contribute in accordance with ~~Article 5 (“Contributions: Special Situations”)~~[Article 5](#).

All Member Required Contributions are subject to the maximum permitted under the Income Tax Act.

In addition, Members may Elect to make Member Buy-back Contributions in accordance with ~~Article 6 (“Contributions: Buy-Back”)~~[Article 6](#). These do not count as Member Required Contributions.

### **4.02** ~~4.002~~ Employer Contributions

Provided that the Actuary expresses the opinion that for the purposes of s. 147.2(2) of the Income Tax Act the Employer Contributions provided for in the Plan are required to be made so that the Plan will have sufficient assets to pay benefits under the defined benefit provisions of the Plan, as registered, each Employer will make Employer Contributions in respect of each pay period.

The amount shall be:

- (a) 10% of Pensionable Earnings minus the CPP Contribution Offset for each Member employed by that Employer who is a Staff Employee working Full-time or on a Leave ~~Of~~[Of](#) Absence with Full-time pay during that pay period, plus
- (b) any amounts payable by the Employer in accordance with ~~Article 5 (“Contributions: Special Situations”)~~[Article 5](#) for other Members employed by the Employer, minus
- (c) any Employer contributions to the Supplemental Retirement Arrangement in respect of that pay period.

For greater certainty, since the defined benefit provisions of the Plan, as registered, include the benefit variation provisions of ~~Article 13 (“Relationship Between Funding And Benefits”)~~[Article 13](#), applied on the presumption of continuation of Employer Contributions at the above rate, the contributions required to support those benefits must always be no greater than, and no less than, that rate.

In addition, and as more fully provided in section 52(3) of the PBSA, since all of the Plan's benefit formula provisions are target benefit provisions, the liability of each Employer to make Employer Contributions in respect of each pay period is limited to making Employer Contributions at the above rate in respect of the Pensionable Earnings earned by the Members employed by the Employer during that pay period. In no circumstance will an Employer be permitted to contribute at a rate less than, or be required to contribute at a rate greater than, the above rate in respect of such Pensionable Earnings.

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**4.03** ~~4.003~~ **Remittance and Deemed Trust**

Contributions made by a Member become payable to the Trust Fund on the date of payroll deduction or receipt by the Employer, as applicable.

Contributions made by an Employer become payable to the Trust Fund on the last day of the month in respect of which they are made.

The Employer must keep these payable contributions separate and apart from the Employer's own assets and remit them to the Trust Fund within 30 days after the end of the month in which they become payable. After they have become payable and before they have been remitted to the Trust Fund, such amounts are, in accordance with Applicable Legislation, deemed to be held in trust for the benefit of the Plan and do not form part of the estate of the Employer.

**4.04** ~~4.004~~ **Tax Rules**

Only amounts which qualify as tax-free transfers or tax-deductible contributions under the Income Tax Act may be paid to the Trust Fund. The Trustee must refund to the payer any amount which is determined to be excess or ineligible.



## Article 5 ~~Article 5~~ – Contributions: Special Situations

### 5.01 ~~5.001~~ Contribution Provisions Applying ~~To~~ Special Situations

Subject to ~~5.002~~ ("~~Limitation On Pensionable Service Arising From Deemed Compensation~~"), [Section 5.02](#), if a Member is not a Staff Employee working Full-time or a Staff Employee on a Leave ~~Of~~ Absence with Full-time pay, the provisions of the following table apply:

<b>Member Situation</b>	<b>Member Pays</b>	<b>Employer Pays</b>	<b>Earnings</b>	<b>Service</b>
(a) on a period of Part-time employment as a Staff Employee or a period of employment as an Hourly CUPE Employee (whether Part-time or Full-time <sup>2</sup> )	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Contributions are calculated on Part-time Pensionable Earnings  In calculating the CPP Contribution Offset, the YMPE and YBE are pro-rated for the Part-time fraction  Pensionable Earnings are grossed up to the Full-time equivalent in the calculation of Best Average Pensionable Earnings	Pensionable Service is pro-rated for the Part-time fraction  Qualifying Service accrues at the Full-time rate
(b) i. on a Period <del>Of</del> Long-term Disability where the disability commenced <del>on</del> <del>or</del> after the <del>Revision</del> <del>Date</del> <a href="#">June 30, 2009</a>	Member must contribute at a combined rate <sup>3</sup> of 16.5% minus the CPP Contribution Offset	Employer does not contribute	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
ii. on a Period <del>Of</del> Long-term Disability where the disability	Member does not contribute	Employer does not contribute	Deemed Compensation is used to calculate Best Average Pensionable Earnings	Same as (a)

<sup>2</sup> The Part-time fraction for an Hourly CUPE Employee employed Full-time is 1.0.

<sup>3</sup> The combined rate is the Member contribution rate of 6.5% of Pensionable Earnings plus the Employer contribution rate of 10% of Pensionable Earnings minus the CPP Contribution Offset. All or a portion may be paid by the Member's insurance program.

<b>Member Situation</b>	<b>Member Pays</b>	<b>Employer Pays</b>	<b>Earnings</b>	<b>Service</b>
commenced before <del>the Revision Date</del> <u>July 1, 2009</u>				
(c) on a Statutory Leave, where the Member has Elected to make contributions during the leave	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
(d) on a Leave <del>Of</del> Absence without pay other than a Statutory Leave, where the Member has Elected to make contributions during the leave	Member must contribute at a combined rate <sup>3</sup> of 16.5% minus the CPP Contribution Offset	Employer does not contribute	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
(e) involved in a Labour Interruption in respect of which the Employer or Member agrees, or they jointly agree, to make contributions	Member must contribute any part of the combined rate <sup>3</sup> of 16.5% minus the CPP Contribution Offset which is not paid by the Employer	Employer contributions as agreed; choice of: 1. no contributions; 2. contributions at the 10% minus CPP Contribution Offset rate; or, 3. if specified in a collective bargaining agreement, contributions at all or part of	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)

<sup>3</sup> The combined rate is the Member contribution rate of 6.5% of Pensionable Earnings plus the Employer contribution rate of 10% of Pensionable Earnings minus the CPP Contribution Offset. All or a portion may be paid by the Member's insurance program.

<b>Member Situation</b>	<b>Member Pays</b>	<b>Employer Pays</b>	<b>Earnings</b>	<b>Service</b>
		the combined rate <sup>3</sup> of 16.5% minus the CPP Contribution Offset		
(f) in any of situations (c)-Statutory Leave, (d)-Leave <del>Of</del> of Absence, and (e)-Labour Interruption, where the Member has not Elected to make contributions	Member does not contribute	Employer does not contribute	not applicable	no accrual
(g) on a Reduced Work Load Program	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
(h) on the accumulation period of a Deferred Salary Leave Program. (The leave period is treated as a Leave of Absence without pay – see (d)-Leave <del>Of</del> of Absence and (f)-Member Not Making Contributions)	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)

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**5.02 ~~5.002~~ Limitation ~~On~~ Pensionable Service Arising ~~From~~ ~~from~~ Deemed Compensation**

The additional Pensionable Service which can arise from the payment of contributions on Deemed Compensation is subject to two limits.

The total additional Pensionable Service arising under (d) ~~—~~ Leave ~~Of~~ Absence and (e) - Labour Interruption of the above table plus the proportion of Pensionable Service which arises from Deemed Compensation under (g)-Reduced Work Load Program and (h)-Deferred Salary Leave Program may not exceed five years.

That total plus the additional Pensionable Service arising under (c)-Statutory Leave may not exceed eight years.

Contributions must cease if their continuation would cause either of these limits, or such other limit as the Income Tax Act may from time to time impose, to be exceeded.

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## **Article 6**~~Article 6~~ – Contributions: Buy-Back

### ~~6.001~~ **Member Voluntary Contributions**

~~Prior to June 1, 2013, Members could make voluntary contributions to Plan. Effective May 31, 2013, no further voluntary contributions may be made to the Plan by Members.~~

~~After May 31, 2013 all voluntary contributions must be withdrawn in full and either paid in a cash lump sum, or, at the Member's Election, transferred to a Registered Arrangement. If a Member does not make an Election by September 30, 2013, the Member's voluntary contributions must be paid in a cash lump sum, less applicable withholding tax. If a Member dies before making an Election, the Member's voluntary contributions must be paid to the Member's Beneficiary.~~

~~Interest must be credited on a Member's voluntary contributions from January 1, 2013 to the date of payment or transfer from the Trust Fund at the Payment Update Rate for the month of the payment or transfer.~~

### **6.01** ~~6.002~~ **Member Buy-back Contributions**

At Pension Commencement Date, a Member may Elect to purchase Buy-back Service by making Member Buy-back Contributions.

This option is unavailable if the Member Elects a lump sum payment or transfer in respect of any part of their Plan entitlement.

The Member Buy-back Contributions are equal to the ~~Commuted Value~~actuarial value of the additional benefits arising from the Buy-back Service, including the ~~Commuted Value of value associated with~~ any acceleration of Pension Commencement Date expected to result from its purchase, all as determined by the Pension Board on the advice of the Plan Actuary.

Member Buy-back Contributions must be paid in a lump sum to the Trust Fund no later than 30 days after the Pension Commencement Date or in such other form or at such other time as the Pension Board may determine.

The Pension Board may require the Member to provide evidence that periods qualify as Buy-back Service and may impose additional restrictions on its purchase.

## **Article 7 ~~Article 7~~ – Retirement ~~And~~ and Pension Commencement Date**

### **7.01 ~~7.001~~ Retirement Date**

A Member's Retirement Date is the first of the month following the Member's Retirement and is characterized as follows:

<b>Retirement Date</b>	<b>Type of Retirement</b>
Normal Retirement Date	normal
first <u>day</u> of a month <ul style="list-style-type: none"> <li>• after the month in which the Member attains age 55 and</li> <li>• before Normal Retirement Date</li> </ul>	early
first <u>day</u> of a month after Normal Retirement Date	delayed

### **7.02 ~~7.002~~ Pension Commencement Date**

A Member's Pension Commencement Date is the date the Member's pension commences. It is the Member's Retirement Date or, subject to limits imposed by Applicable Legislation, the first day of a later month Elected by the Member.

### **7.03 ~~7.003~~ Pension Commencement ~~At~~ at 65 While Still Employed**

A Member may upon attaining Normal Retirement Date Elect to discontinue making contributions after Normal Retirement Date and to commence payment of their pension on Normal Retirement Date or, subject to limits imposed by Applicable Legislation, the first of a later month.

### **7.04 ~~7.004~~ Pension Commencement Required ~~By~~ by Applicable Legislation**

Despite any other provision of this Plan text, a Member may not delay the commencement of their pension beyond the latest date permitted by Applicable Legislation. Without limitation, if a Member is still employed by an Employer on such date the Member will for all purposes of this Plan be deemed to have retired and to have Elected that date as the Pension Commencement Date.

**Article 8 ~~Article 8~~ – Amount ~~Of~~ Pension**

**8.01 ~~8.001~~ Normal ~~Or~~ Delayed Retirement Pension**

A Member whose Pension Commencement Date is on or after the Normal Retirement Date receives an annualized pension payable in the Normal Form equal to the sum of:

- (a) 1.8% multiplied by Best Average Pensionable Earnings multiplied by Pensionable Service ~~on and~~ after ~~the Revision Date, June 30, 2009,~~ plus
- (b) 2.0% multiplied by Best Average Pensionable Earnings multiplied by Pensionable Service prior to ~~the Revision Date, July 1, 2009,~~ minus the CPP Benefit Offset, the net result of which is to be converted, if necessary, on an Actuarial Equivalent basis to the Normal Form as described in ~~9.001 ("Normal Form"),~~ Section 9.01,

provided that, for a Member who was a Member on ~~the Revision Date, July 1, 2009,~~ the amount in (a) will not be less than:

- (c) 2.0% multiplied by Best Average Pensionable Earnings multiplied by Pensionable Service ~~on and~~ after ~~the Revision Date, June 30, 2009,~~ minus the CPP Benefit Offset ~~For~~ for Post-revision Service.

Any pension paid or payable under a Prior Pension Plan, using the Normal Form and the Pension Commencement Date, is subtracted from the above amount.

The total amount of pension is subject to the limits in ~~8.005 ("Maximum And Minimum Pensions"),~~ Section 8.05.

**8.02 ~~8.002~~ Early Retirement Pension**

A Member whose pension commences before the Normal Retirement Date receives an annualized pension payable in the Normal Form equal to the normal retirement pension described in ~~8.001 ("Normal Or Delayed Retirement Pension"),~~ Section 8.01 multiplied by the applicable early retirement factor, plus any ~~bridge benefit~~ Bridge Benefit described in the following table:

<del>Early retirement</del> <u>Retirement</u> <del>circumstances</del> <u>Circumstances</u>	<del>Early retirement</del> <u>Retirement</u> <del>factor</del> <u>Factor</u>	<del>Bridge benefit</del> <u>Benefit</u>
General case (Member does not meet any of the criteria below)	In respect of benefits related to Pensionable Service prior to 2012, 100% minus 1/12 of 4% for each month by which pension commencement precedes the Normal Retirement Date  In respect of benefits related to Pensionable Service after 2011, Actuarial <del>From</del> <u>from</u> NRD	None
If the Member was a Member before <del>January 1, 1992</del> but <del>either</del> is not eligible	100% minus 1/12 of 3% for each month by which pension commencement precedes the	None

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for Special Early Retirement or has waived the Special Early Retirement benefit	Normal Retirement Date	
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<b>Early retirementRetirement circumstancesCircumstances</b>	<b>Early retirementRetirement factorFactor</b>	<b>Bridge benefitBenefit</b>
If the Member is eligible for Special Early Retirement and has not waived this benefit	100% minus 1/12 of 3% for each month, if any, by which pension commencement precedes the first of the month following the Member's 60 <sup>th</sup> birthday	Member also receives the Bridge Benefit multiplied by the early retirement factor

If an early retirement factor is applied, the value of the reduced pension must be at least the Actuarial Equivalent of the pension in ~~8.001 ("Normal Or Delayed Retirement Pension")~~; [Section 8.01](#). The amount of pension is subject to the limits in ~~8.005 ("Maximum And Minimum Pensions")~~; [Section 8.05](#).

### [8.03](#) ~~8.003~~ Special Early Retirement Eligibility

A Member is eligible for Special Early Retirement if the Member has completed at least 20 years of Qualifying Service, has not waived entitlement to Special Early Retirement benefits and:

- (a) was a Member before ~~January 1, 1992~~, or
- (b) was employed before ~~January 1, 1992~~ in a position that did not qualify for membership in the Plan and Elected to join the Plan within one month of receiving notification of eligibility to join.

The Member may Elect to waive the Special Early Retirement benefit any time before Pension Commencement Date.

### [8.04](#) ~~8.004~~ Delayed Pension Commencement

A Member may delay commencement of the retirement pension to the extent permitted by Applicable Legislation. If a delay is Elected, the pension is adjusted by two factors:

- (a) for indexing, under ~~Article 12 ("Indexing Of Pensions")~~; [Article 12](#), between Retirement Date and Pension Commencement Date; and
- (b) if pension commencement is delayed beyond Normal Retirement Date, then an adjustment is applied to reflect the period between the later of Retirement Date and Normal Retirement Date, and Pension Commencement Date – the adjustment is based on the table of factors adopted by the Pension Board, which reflect approximately Actuarial Equivalent adjustments.

### [8.05](#) ~~8.005~~ Maximum And Minimum PensionsPension

#### ~~(a) Maximum Pension~~

The initial pension payable under the Plan must not be greater than the Plan Maximum Pension.

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(b) **~~Minimum Pension~~**

~~If the initial pension payable under the Plan is less than the pension payable under all Prior Pension Plans, based on the Normal Form at Normal Retirement Date, then the terms of section 8.07 of the Pre-revision Plan would apply.~~

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## **Article 9 ~~Article 9~~ – Available Forms ~~Of~~ Retirement Benefit**

### **9.01 ~~9.001~~ Normal Form**

All pensions under the Plan, except the Bridge Benefit, shall be payable in the Normal Form unless the Spousal Default Form is applicable or an Optional Form is Elected by the Member. Any payments due under the Normal Form after the Member's death are payable to the Member's Beneficiary.

Benefits accrued prior to ~~the Revision Date~~ July 1, 2009 are determined as payable in the following form and then converted, if necessary, on an Actuarially Equivalent basis to the Normal Form:

<i>Member Situation</i>	<i>Form of Benefit</i>
The Member has a Spouse and is not entitled to a Special Early Retirement benefit and there is no Spousal Waiver on file with the Pension Administration Office.	Joint Form with a reduction of <del>1/2</del> <u>0.5%</u> per year for each complete year in excess of <del>fifteen</del> <u>15</u> that the Member is older than the Spouse
Other situations	Normal Form

### **9.02 ~~9.002~~ Spousal Default Form**

If the Member has a Spouse on their Pension Commencement Date and no Spousal Waiver is on file with the Pension Administration Office and the Member has made no Election of an Optional Form, as permitted in ~~9.003 ("Optional Forms")~~, Section 9.03, then the pension will be payable in the Spousal Default Form.

The amount of pension payable under the Spousal Default Form is the Actuarial Equivalent of the pension payable under the Normal Form.

Any guaranteed pension payable after the death of both the Member and the Spouse is paid to the Beneficiary and is equal in amount to the pension in payment immediately prior to the second death. In the event of simultaneous deaths, the reduction to 60% that takes place after the first death shall apply.

### **9.03 ~~9.003~~ Optional Forms**

A Member may Elect any one of the following Optional Forms of benefit payment:

<i>Form of Benefit</i>	<i>Description</i>
(a) Alternative joint and guaranteed pension forms	A pension for the life of the Member, with payments continuing to the Spouse, if living, after the Member's death for the remainder of the Spouse's lifetime, with a guaranteed minimum number of payments.

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<b>Form of Benefit</b>	<b>Description</b>
<p>Joint and survivor amount</p> <p>Guaranteed number of payments</p>	<p>The continuing pension may be one of:</p> <ul style="list-style-type: none"> <li>i. after the first death of either Member or Spouse, 100%;</li> <li>ii. after the Member's death, 60%; or</li> <li>iii. after the first death of either Member or Spouse, 60%.</li> </ul> <p>The guarantee may be 60, 120, or 180 months of payments in total.</p>
<p>(b) Alternative single guaranteed pension forms</p> <p>Guaranteed number of payments</p>	<p>A pension for the life of the Member, with a guaranteed minimum number of payments. These Optional Forms are available if the Member has no Spouse or a Spousal Waiver is on file with the Pension Administration Office.</p> <p>The guarantee may be 60, 120, or 180 months of payments in total.</p>
<p>(c) Level Income Option</p>	<p>If the Member retires before the Normal Retirement Date and either does not qualify for or waives Special Early Retirement, a Level Income Option may be Elected.</p> <p>The Member may Elect the Level Income Option in conjunction with any pension form.</p>

The amount of pension payable under an Optional Form is the Actuarial Equivalent of the pension payable under the Normal Form.

#### **9.04 ~~9.004~~ Guaranteed Pension Payments**

Any guaranteed pension payable after the death of both Member and Spouse, if any, is paid to the Beneficiary and is equal in amount to the pension in payment immediately prior to the death. In the event of simultaneous deaths of a Member and Spouse, any reduction that takes place in the event of the Member's death shall apply.

#### **9.05 ~~9.005~~ Election ~~Of~~ Form ~~Of~~ Pension**

The Member may Elect only one form of pension. The same form must be selected for all pension benefits payable under the Plan, including benefits payable prior to ~~the Revision-Date~~ July 1, 2009 and pursuant to a Prior Pension Plan. The form of pension Elected must comply with Applicable Legislation.

#### **9.06 ~~9.006~~ Commutation of Small Pensions**

If ~~the Member's~~ an individual is entitled to have paid from the Trust Fund a Commuted Value in settlement of the individual's entitlement to benefits under any of the Plan's benefit provisions, and the Commuted Value is less than or equal to 20% of the YMPE for the calendar year in which the Commuted Value is determined, then the Member cannot receive their benefit as a pension. A lump sum transfer of the Commuted Value will be made in full settlement of the Member's rights under the Plan.

The ~~Commuted Value~~ lump sum transferable under this ~~section~~ Section will be paid, at the Member's Election, as follows:

- (a) up to the Maximum Transfer Amount, as a transfer to a Registered Arrangement, with a cash payment for the balance, or
- (b) as a cash payment.

#### **9.07 ~~9.007~~ Payments ~~To~~ Beneficiaries ~~And~~ Estates**

Where both Member and Spouse, if any, have died and guaranteed payments continue, if the Beneficiary is a living individual, they have the choice of:

- (a) the remaining guaranteed payments as they fall due, or
- (b) the Commuted Value of the remaining guaranteed payments.

If the Beneficiary is not a living individual, or if the Beneficiary doesn't make an Election, the Commuted Value must be paid in a single lump sum.

When a Beneficiary in receipt of guaranteed payments dies, the Commuted Value of any remaining guaranteed payments must be paid in a single lump sum to the estate of the Beneficiary.

## **Article 10** ~~Article 10~~ – Pre-Retirement Termination ~~Or~~ Transfer ~~Of~~ Employment

### **10.01** ~~10.001~~ Benefits ~~On~~ Termination ~~Of~~ Employment Prior ~~To~~ Age 55

~~Unless 10.006 ("Pre-1990 Terminations Of Employment") applies, a~~ Member who has a Termination ~~Of~~ Employment prior to age 55 is entitled to a Deferred Pension, called Option A. Instead of Option A, the Member may, prior to attaining age 55, Elect Option B or Option C.

A terminated Member who remains entitled to a Deferred Pension may, until attaining age 55, change their Election to Option B or C any time before their Pension Commencement Date.

After attaining age 55, a terminated Member who remains entitled to a Deferred Pension is subject to ~~10.002 ("Benefits On Termination Of Employment On Or After Age 55")~~ [Section 10.02](#).

### **10.02** ~~10.002~~ Benefits ~~On~~ Termination ~~Of~~ Employment ~~On Or~~ After Age 55

~~Unless 10.006 ("Pre-1990 Terminations Of Employment") applies, a~~ Member who has a Termination ~~Of~~ Employment on or after age 55, or who did not Elect Option B or Option C under ~~10.001 ("Benefits On Termination Of Employment Prior To Age 55")~~ [Section 10.01](#) prior to age 55, is entitled to a Deferred Pension, called Option A.

Instead of Option A, the Member may Elect Option B. A terminated Member who remains entitled to a Deferred Pension and has attained age 55 may change their Election to Option B any time before their Pension Commencement Date.

If the lump sum amount that would have been determined for the Member under ~~10.005 ("Option C – Lump Sum Payment")~~ [Section 10.05](#) as of their Pension Commencement Date, had they been under age 55 at that date, exceeds the Commuted Value, the excess shall be paid in a lump sum in accordance with ~~10.005 ("Option C – Lump Sum Payment")~~ [Section 10.05](#).

### **10.03** ~~10.003~~ Option A – Deferred Pension (DEFAULT OPTION)

The Member receives the pension accrued under ~~Article 8 ("Amount Of Pension")~~ [Article 8](#) payable at Normal Retirement Date based on service up to date of Termination ~~Of~~ Employment. The Deferred Pension may be paid in an Optional Form and at a Pension Commencement Date, ~~as~~ Elected by the Member.

### **10.04** ~~10.004~~ Option B – Combination ~~Of~~ Deferred Pension ~~And~~ Lump Sum Payment

The Member receives a lower Deferred Pension and a lump sum payment whose combined value equals the Commuted Value of the Deferred Pension payable pursuant to ~~10.003 ("Option A – Deferred Pension (DEFAULT OPTION)")~~ [Section 10.03](#). The parts are determined as follows:

<b>Part of Benefit</b>	<b>Amount</b>	<b>Terms</b>	
Deferred Pension	Actuarially Equivalent to the portion of Commuted Value that is a Locked-in Amount	as for Option A	
lump sum payment	remainder of Commuted Value	<b>Applicable to</b>	<b>Method of Payment</b>
		amounts below the Maximum Transfer Amount	transfer to the Member's Registered Arrangement
		amounts over the Maximum Transfer Amount	cash payment

**10.05 ~~10.005~~ Option C – Lump Sum Payment**

The Member receives a lump sum payment. The lump sum is the ~~greatest~~ greater of:

- (a) the Commuted Value; and
- (b) the Double Refund Benefit plus 1.5 times Member Required Contributions ~~on and after the Revision Date, without Credited Interest for periods after the Revision Date; after June 30, 2009, accumulated with Credited Interest.~~
- (c) ~~the Double Refund Benefit plus 1.5 times Member Required Contributions on and after the Revision Date, accumulated with Credited Interest.~~

The lump sum is paid as follows:

<b>Applicable to</b>	<b>Method of Payment</b>
Locked-in Amounts below the Maximum Transfer Amount	transfer to a Locked-in Arrangement
other amounts below the Maximum Transfer Amount	transfer to the Member's Registered Arrangement
amounts over the Maximum Transfer Amount	cash payment

~~10.006 Pre-1990 Terminations Of Employment~~ ~~If the Member terminated before January 1, 1990 and was not re-employed after 1989 for 12 or more months, the terms of the~~

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~~Pre-revision Plan apply.~~

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#### **10.06 ~~10.007~~ Transfer ~~Of~~ Employment**

A Member who has a Transfer ~~Of~~ Employment to a category of employment that is not eligible for membership in the Plan is treated as if the transfer were a Termination ~~Of~~ Employment. If the Member is over age 55, the Transfer ~~Of~~ Employment may be characterized in the records of the Pension Administration Office as a Retirement, in which case it is treated as such.

#### **10.07 ~~10.008~~ Small Amounts**

~~The provisions of 9.006 (“Commutation of Small Pensions”) apply~~ Section 9.06 applies to a Member who has a Termination Of Employment or a Transfer ~~Of~~ Employment to a category of employment that is not eligible for membership in the Plan.

#### **10.08 Target Benefit Funded Ratio**

Despite any other provision of this Plan text, if an individual is entitled to have paid from the Trust Fund a Commuted Value or other lump sum (including any lump sum determined pursuant to Section 10.05) (a “Lump Sum”) in settlement of the individual's entitlement to benefits under any of the Plan's benefit provisions, and the Plan's target benefit funded ratio, as calculated in accordance with the PBSA and set out in the actuarial valuation report that has most recently been filed in relation to the Plan, is less than 1.0, the amount to be paid from the Trust Fund in respect of that individual equals the amount of the Lump Sum otherwise determined in accordance with this Plan text multiplied by the Plan's target benefit funded ratio.

## **Article 11** ~~Article 11~~ – Pre-Retirement Death

### **11.01** ~~11.001~~ Entitlement ~~To~~ Death Benefits

Entitlement to pre-retirement death benefits is as follows:

<i>Upon the death of:</i>	<i>Circumstances</i>	<i>Entitlement to benefits</i>
Member with Spouse	no Spousal Waiver on file with the Pension Administration Office	Spouse
Member with Spouse	Spousal Waiver on file with the Pension Administration Office	Beneficiary
Member without Spouse	All	Beneficiary

### **11.02** ~~11.002~~ Amount ~~Of~~ Death Benefits

~~If the Member terminated before January 1, 1990 and was not re-employed after 1989 for 12 or more months, the terms of the Pre-revision Plan apply. Otherwise, the~~ The pre-retirement death benefit is the greater of:

- (a) the lump sum that would be payable had the Member had a Termination ~~Of~~ Employment on their date of death, were eligible to Elect Option C, and did Elect Option C under ~~10.005 ("Option C – Lump Sum Payment")~~ [Section 10.05](#) for their termination benefits, and
- ~~(b)~~ the Minimum Death Benefit accumulated with Credited Interest from December 31, 2002 to the date of death.

**11.03 ~~11.003~~ Benefit Payment Options ~~For~~ Spouse**

A Spouse may Elect one of three payment options with respect to the pre-retirement death benefits:

Option	Terms	Amount
Option A – Deferred Pension (DEFAULT OPTION)	Deferred Pension commencing on the first day of any month following the Election but not later than permitted by Applicable Legislation.  Deferred Pension may be paid in an Optional Form as if the Spouse were the Member and the Member had no Spouse.	Deferred Pension is Actuarially Equivalent to the benefit in <del>11.002 (“Amount Of Death Benefits”)</del> <a href="#">Section 11.02</a> .
Option B – Combination of Deferred Pension and <del>Lump Sum Payment</del> <a href="#">lump sum payment</a>	Deferred Pension commencing on the first day of any month following the Election but not later than permitted by Applicable Legislation.  Deferred Pension may be paid in an Optional Form as if the Spouse were the Member and the Member had no Spouse.  Lump <del>Sum</del> <a href="#">sum</a> may be transferred to the Spouse’s Registered Arrangement, or it may be paid to the Spouse by cash payment.	Deferred Pension is Actuarially Equivalent to the portion of the benefit in <del>11.002 (“Amount Of Death Benefits”)</del> <a href="#">Section 11.02</a> that is a Locked-in Amount.  Lump sum is equal to the portion of the benefit in <del>11.002 (“Amount Of Death Benefits”)</del> <a href="#">Section 11.02</a> that is not a Locked-in Amount.

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<p>Option C – Lump <del>Sum</del>sum <del>Payment</del>paym ent</p>	<p>The portion of the lump sum that is a Locked-in Amount will be paid as a transfer to a Locked-in Arrangement.</p> <p>The portion of the lump sum that is not a Locked-in Amount will be transferred to the Spouse's Registered Arrangement, or it may be paid to the Spouse by cash payment.</p>	<p>Lump sum is equal to the benefit in <del>11.002</del> <del>("Amount Of Death Benefits")</del>. Section 11.02.</p>
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The default is Option A, paid in the Normal Form, and commencing on the first day of the month following the Spouse's 65<sup>th</sup> birthday.

**11.04 ~~11.004~~ Benefit Payment ~~To~~ Beneficiary**

The death benefit payable to the Beneficiary will be paid by a cash lump sum payment.

**11.05 ~~11.005~~ Requirements ~~For~~ Payment ~~Of~~ Death Benefits**

Before any death benefits are payable, the Pension Administration Office must receive evidence, as required by the Pension Board, of proof of death and entitlement to benefits, including date of birth of Spouse or Beneficiary and, if applicable, spousal or dependency status.

If no Election is filed by a Spouse or Beneficiary within two years of the death of a Member, the Pension Board may apply to pay the lump sum value of the benefit into court.

**11.06 ~~11.006~~ Small Amounts**

~~The provisions of 9.006 ("Commutation of Small Pensions") apply~~Section 9.06 applies to a Spouse entitled to pre-retirement death benefits as if the Spouse were the Member in that ~~section~~Section.

## ~~Article 12~~ **Article 12 – Indexing** ~~Of~~ **Pensions**

### **12.01** ~~12.001~~ **Limitations** ~~On~~ **Indexing**

Pensions under the Plan are indexed according to this Article only as permitted under ~~Article 13 ("Relationship Between Funding And Benefits")~~ [Article 13](#).

### **12.02** ~~12.002~~ **Eligibility** ~~For~~ **Indexing**

Pensions under the Plan are indexed in the following situations:

<b>Situation</b>	<b>Indexing Starts</b>	<b>Indexing Ends</b>
in the deferral period of a Deferred Pension	Date of Retirement, Termination <del>Of</del> Employment, or death, as the case may be	Pension Commencement Date (in which case indexing continues as the pension is in payment), or re-employment of the Member, if earlier
where a Member has a Transfer <del>Of</del> Employment to a category of employment that is not eligible for membership in the Plan	Date of Transfer <del>Of</del> Employment	Pension Commencement Date (in which case indexing continues as the pension is in payment), or date the Member transfers back to a category of employment that is eligible for membership in the plan if earlier
pension in payment	Pension Commencement Date	when pension is no longer payable

### **12.03** ~~12.003~~ **When Indexing Applies**

Pensions are indexed each January 1 between the start and end dates indicated in ~~12.002 ("Eligibility For Indexing")~~ [Section 12.02](#).

### **12.04** ~~12.004~~ **Amount** ~~Of~~ **Indexing**

Unless ~~12.005 ("Indexing And Prior Pension Plan Offsets")~~ [Section 12.05](#) applies, the amount of an indexed pension in a Plan Year will be the pension in the prior Plan Year multiplied by the sum of one plus the percentage amount by which ~~the~~ Canada Pension Plan basic pension increases on ~~the~~ January 1 of that Plan Year, subject to the limits imposed by Applicable Legislation.

~~The~~ [Despite any other provision of this Plan text, the](#) indexing increase in a Plan Year of a deferral period of a Deferred Pension will never be less than 75% of the percentage amount by which the Canada Pension Plan basic pension increases on ~~the~~ January 1 of that Plan Year minus one percent, provided that the amount so calculated cannot be less than zero and that the actuarial ~~present~~ value of the Deferred Pension, determined on a going concern ~~actuarial valuation~~ basis, cannot be less than 100% of the Member Required Contributions made by the ~~member~~ [Member](#) with Credited Interest.

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In the first year of indexing, the indexing adjustment is reduced pro-rata to reflect the number of complete months from the indexing start date to December 31.

#### **12.05** ~~12.005~~ **Indexing** ~~Andand~~ **Prior Pension Plan Offsets**

If a Member has a pension payable from a Prior Pension Plan, then the following rules apply:

<b>Situation</b>	<b>Amount of Indexing</b>
(a) Member has a pension payable from CREF and Elects to have indexing determined using a frozen CREF offset	<ul style="list-style-type: none"> <li>when the initial amount of pension is determined, the CREF pension at that time (the "frozen" CREF pension) is deducted,</li> <li>no further reference is made to the CREF offset</li> <li>the resulting pension is adjusted as provided for in <del>12.004</del> ("<del>Amount Of Indexing</del>") <a href="#">Section 12.04</a>,</li> <li>if such an offset was converted <del>at</del> <a href="#">on</a> January 1, 1996 or January 1, 1997 to a Sun Life Fixed Annuity in respect of a Member who was then retired, the pre-conversion amount is treated as <del>the</del> <a href="#">a</a> frozen CREF offset</li> </ul>
(b) Member has a pension payable from CREF and Elects to have indexing determined using an unfrozen CREF offset, or no Election respecting the CREF offset is made	<ul style="list-style-type: none"> <li>at each indexing date the indexing is applied to the pension before any CREF offset</li> <li>the pension payable under CREF at that date (the unfrozen CREF offset) is deducted from the indexed pension</li> </ul>
(c) Member has a pension payable from a Prior Pension Plan other than CREF	<ul style="list-style-type: none"> <li>at each indexing date, after the indexed pension has been determined and, if applicable, adjusted for CREF offsets, the pension payable under the Prior Pension Plan at that date is deducted from the indexed pension</li> <li>if any unfrozen CREF offset was converted <del>at</del> <a href="#">on</a> January 1, 1996 or January 1, 1997 to a Sun Life Fixed Annuity, this treatment applies to the Sun Life Fixed Annuity after conversion</li> </ul>

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## **Article 13** ~~Article 13~~ – Relationship ~~Between~~ between Funding ~~And~~ and Benefits

### **13.01** ~~13.001~~ Actuarial Valuation

The University, or the Pension Board as described in [Article 18](#) ~~Article 18~~ ("~~Administration Of The Plan~~"), will commission actuarial valuations of the Plan no less frequently than is required by Applicable Legislation. [Such actuarial valuations must be prepared in accordance with the funding rules in the PBSA applicable to target benefit provisions.](#)

### **13.02** ~~13.002~~ Benefits/Funding Test

An actuarial valuation will include a Benefits/Funding Test at least every three years. If a benefit reduction is in effect, an estimated Benefits/Funding Test will be performed annually and a full actuarial valuation and Benefits/Funding Test will be performed if determined by the Pension Board. For the purposes of this ~~section~~ Section, a Benefits/Funding Test will determine the Funds Available and the Funds Required subject to the following requirements:

- (a) The actuarial assumptions will be estimates made by the Actuary and approved by the Pension Board that:
  - i. may contain reasonable simplifications and approximations;
  - ii. will be determined without regard to the results they would produce;
  - iii. must be consistent with accepted actuarial practice, and
  - iv. to the extent possible, must contain no intentional margin or understatement.
- (b) The Actuary will value the Plan's assets using a technique that smoothes market fluctuations over a period not exceeding 5 years. The smoothing technique, [which must be consistent with accepted actuarial practice](#), will be chosen by the Actuary, ~~and approved by the Pension Board, consistent with accepted actuarial practice, and, unless~~ Unless the Actuary believes there are reasons to change it, ~~will apply the smoothing technique must be applied~~ consistently over time.
- (c) The projections of future contributions and normal costs will be performed over a period of 25 years using assumptions as to future changes in the composition of the membership, including a new entrant assumption. The Actuary will determine these assumptions as in (a), except that the membership projections may not anticipate growth in the number of Members who are contributing and accruing Pensionable Service.

### **13.03** ~~13.003~~ Consequences ~~Of~~ of Benefits/Funding Test

The consequences of the Benefits/Funding Test are, subject to Applicable Legislation, as set out below.

#### **(a) Funds Available Exceed Funds Required**

If the Funds Available exceed the Funds Required the following actions are to be taken in the following order of priority and to the extent possible:

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<b>Priority</b>	<b>Action</b>
1.	Reinstate any previous benefit reductions. The benefits will be reinstated for payments falling due on and after one year following the effective date of the Benefits/Funding Test.
2.	To the extent permitted by Applicable Legislation, build a contingency reserve to the level recommended by the Actuary and approved by the Pension Board.
3.	Build additional assets to the extent permitted as a carry-forward of surplus under Applicable Legislation.
4.	Subject to limits in Applicable Legislation and an amendment to the Plan <a href="#">text</a> , improve the pension formula for Pensionable Service before the effective date of the Benefits/Funding Test. The improvement applies to benefits payable on and after that effective date.
5.	Subject to <a href="#">limits in</a> Applicable Legislation and an amendment to the Plan <a href="#">text</a> , allocate any remaining excess funds in proportion to the accrued liabilities as at the effective date of the Benefits/Funding Test and distribute them to, and only to, Members, Limited Members, Spouses in receipt of a pension, joint annuitants in receipt of a pension, and Beneficiaries of the Plan as at that date. The distribution will be made in a manner <a href="#">permitted by Applicable Legislation and</a> determined by the Pension Board. <del>The method may include: a single payment; Two Instalments; transfer to a non-registered trust with subsequent payment in more than two instalments; or a combination of these payment methods.</del>

**(b) Funds Available Are Less ~~Than~~ Funds Required**

If the Funds Available are less than the Funds Required the following actions are to be taken in order of priority to the extent necessary to eliminate the shortfall:

<b>Priority</b>	<b>Action</b>
1.	Reduce the level of future Indexing for Indexing adjustments occurring one year or more after the effective date of the Benefits/Funding Test.
2.	Reduce the pension formula for Pensionable Service occurring one year or more after the effective date of the Benefits/Funding Test.

If the Pension Board concludes that these measures are insufficient to eliminate the shortfall or that the benefit reductions are so severe as to threaten the Plan's ongoing viability, it will so advise the University. The University will then be required to make other amendments to the Plan to eliminate the shortfall and restore its viability, or to terminate the Plan.

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## **Article 14**~~Article 14~~ – Division ~~Of~~ Benefits ~~On~~ Marriage Breakdown

### **14.01** ~~14.001~~ Division ~~Of~~ Pension Benefits

To receive benefits under the Plan, an Entitled Spouse must file the required documents in Approved Manner and pay the fee established by the Pension Board.

The division of pension benefits is governed by the Family Law Act and the separation agreement between the Member and the Entitled Spouse, or any court order dealing with the division of the Member's entitlement under the Plan. The means of settlement depends on when all forms required by the Family Law Act, including a copy of the separation agreement or court order which establishes the Entitled Spouse's interest in the Member's pension, are received by the Pension Administration Office:

<b>Filing Date</b>	<b>Entitled Spouse</b>	<b>Member</b>
after Member's Pension Commencement Date	<ul style="list-style-type: none"> <li>receives proportionate share of Member's pension payments as they fall due, from the filing date for as long as they are payable and the Entitled Spouse is alive</li> </ul>	<ul style="list-style-type: none"> <li>each pension payment is reduced by the amount paid to the Entitled Spouse</li> </ul>
	<ul style="list-style-type: none"> <li>on the death of the Entitled Spouse, the pension continues in accordance with the Optional Form originally Elected by the Member</li> </ul>	<ul style="list-style-type: none"> <li>following the death of the Member, the Entitled Spouse remains entitled to a proportionate share of any payments payable to a Spouse or Beneficiary other than the Entitled Spouse</li> </ul>
on or before the Member's Pension Commencement Date	<ul style="list-style-type: none"> <li>becomes a Limited Member</li> <li>any time the Member is eligible to retire and has not commenced payment of their pension, the Limited Member may Elect a transfer from the Plan equal to their proportionate share of the value of the Member's benefits<sup>4</sup></li> <li>provided the Member and the Limited Member are both over age 55, the Limited Member may Elect, before the Member's Pension Commencement Date, to convert this proportionate share to an immediate lifetime pension payable from the Plan</li> <li>on the Member's Pension Commencement Date, the Limited Member may Elect to receive an immediate lifetime</li> </ul>	<ul style="list-style-type: none"> <li>benefits reduced in proportion to benefits allocated to Limited Member</li> </ul>

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<i>Filing Date</i>	<i>Entitled Spouse</i>	<i>Member</i>
	pension payable from the Plan, the value of which equals their proportionate share of the Member's benefits	

<sup>4</sup> This transfer is effected in the same manner as the transfer of Option C under ~~10.005 ("Option C – Lump Sum Payment")~~-[Section 10.05](#). Once this transfer is effected, the Entitled Spouse is no longer a Limited Member.

#### **14.02 ~~14.002~~ Benefit Settlement ~~On~~ Death ~~Or~~ Termination ~~Or~~ Transfer ~~Of~~ Employment**

The following provisions apply when a Limited Member has undischarged rights under the Plan:

<i>Event</i>	<i>Benefits Payable</i>
Member has a Termination <del>Of</del> Employment or a Transfer <del>Of</del> Employment to a category of employment that is not eligible for membership in the Plan	Limited Member receives their proportionate share of the Member's benefits payable only as a lump sum transfer in accordance with <del>10.005 ("Option C – Lump Sum Payment")</del> - <a href="#">Section 10.05</a> .
Member dies before Pension Commencement Date	Limited Member's proportionate share of benefits is paid to the Limited Member payable only as a lump sum transfer in accordance with <del>11.003 ("Option C – Lump Sum Payment")</del> - <a href="#">Section 11.03</a> .
Limited Member dies before Pension Commencement Date	Limited Member's benefits under the Family Law Act are paid to Limited Member's estate by a single payment.

#### **14.03 ~~14.003~~ Limited Member Cannot Be Spouse**

Upon becoming a Limited Member, the Entitled Spouse no longer qualifies as the Member's Spouse for the purposes of determining the benefits under the Spousal Default Form or any Optional Form.

#### **14.04 ~~14.004~~ Small Amounts**

~~The provisions of 9.006 ("Commutation of Small Pensions") apply~~[Section 9.06 applies](#) to a Limited Member as if the Limited Member were the Member in that ~~section~~[Section](#).

## **Article 15**~~Article 15~~ – Beneficiaries

### **15.01** ~~15.001~~ Appointment ~~Of~~ Beneficiary

A Member may designate, in Approved Manner, a living individual, a charitable entity, the estate of the Member, or a combination as Beneficiary. If no designation is made, the Beneficiary is the estate of the Member. The Member may also change a Beneficiary designation.

To be valid, any designation of Beneficiary must be made by the Member while they were alive and must be received by the Pension Administration Office no later than 30 days after the death of the Member. In the absence of such a designation, the Pension Administration Office may pay the benefit to the estate of the Member and has no responsibility for pursuing the rights of a designated Beneficiary of whom it has not been notified.

### **15.02** ~~15.002~~ Minor Beneficiary

~~If the Beneficiary is under the age of majority, any benefits payable will be paid:~~

- ~~(a) to the trustee appointed by the Member, or~~  
 (b) If the Beneficiary is under the age of majority, any benefits payable will be paid to the trustee appointed by the Member, or if there is no trustee, to the Beneficiary's guardian or to the public guardian and trustee, as determined by the Pension Board.

## **Article 16**~~Article 16~~ – Related Employers

### **16.01** ~~16.001~~ Related Employers As ~~Of Revision Date~~ September 30, 2015

As of ~~October 1,~~September 30, 2015, the following Related Employers participate in the Plan.

<i><b>Related Employer</b></i>
The Association of Administrative and Professional Staff
University of British Columbia Alumni Association
Canadian Union of Public Employees, CUPE Local 116
Canadian Union of Public Employees, CUPE Local 2950
The University of British Columbia Faculty Association
<del>PrioNet Canada</del>
A joint venture operated by THE GOVERNORS OF THE UNIVERSITY OF ALBERTA, THE UNIVERSITY OF BRITISH COLUMBIA, CARLETON UNIVERSITY, SIMON FRASER UNIVERSITY, THE GOVERNING COUNCIL OF THE UNIVERSITY OF TORONTO and UNIVERSITY OF VICTORIA and such other universities who may become full member universities established pursuant to a contract governed by the laws of the Province of British Columbia (such joint venture herein called "TRIUMF")
The Centre for Excellence for the Prevention of Epidemic Organic Failure
Centre for Molecular Medicine and Therapeutics Child and Family Research Institute
Advanced Applied Physics Solutions

### **16.02** ~~16.002~~ Employer's Obligations

Each Employer will undertake all of the following obligations:

- (a) make the communication to its employees required by ~~17.001 ("Rights To Information")~~Section 17.01;
- (b) provide the Pension Administration Office promptly with the information needed for administration of the Plan on behalf of its employees, which information is conclusive and binding on Members and may be relied upon conclusively by the Pension Board.

### **16.03** ~~16.003~~ New Related Employers

After ~~October 1,~~September 30, 2015, an entity becomes a Related Employer in respect of a designated category of its employees when it enters into a Participation Agreement with the University. The Participation Agreement must specify the effective date as of which

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the entity becomes a Related Employer, and the categories of its employees that will be eligible for membership in the Plan.

#### **16.04 ~~16.004~~ Membership ~~In The~~ in the Plan**

Any employee of a Related Employer who is a Member immediately before the effective date on which the entity became a Related Employer shall continue to be a Member on and after that effective date.

Any other employee of a Related Employer will become a Member in accordance with Article ~~3~~ ("~~Membership~~"), ~~3~~, provided that employment with the Related Employer prior to its effective date will, for the purposes of determining eligibility for Membership under Article 3 ("~~Membership~~") only, be deemed to be Service.

Except as provided in ~~16.005~~ ("~~Prior Service With Related Employer~~"), Section 16.05, employment with a Related Employer prior to its effective date will not be considered Pensionable Service.

#### **16.05 ~~16.005~~ Prior Service ~~With~~ with Related Employer**

Members who are employees of a Related Employer may have service with that Related Employer prior to its effective date recognized as Pensionable Service if:

- (a) arrangements are made to fund the associated benefits to the same degree as all other benefits under the Plan in a manner and within a time frame acceptable to the Pension Board on the recommendation of the Actuary; and
- (b) such arrangements are contained in the Participation Agreement between the Related Employer and the University.

#### **16.06 ~~16.006~~ ~~Removal~~ Withdrawal of Related Employer**

An entity ceases to be a Related Employer, ~~in respect of any or all categories of employees~~, when:

- (a) its board of directors or governing body notifies the University of its desire to withdraw from the Plan; or
- (b) the University notifies the ~~Related Employer~~ entity that it is no longer a Related Employer.

Related Employer status ends on the date determined by the University. ~~For greater certainty, on~~ On that date all employees of the Related Employer who are Members will be deemed to have ended Continuous Employment, and their entitlements under the Plan will be evaluated on that basis.

~~If the removal of a Related Employer in whole or in part causes a Partial Plan Termination, the Related Employer must pay the costs of effecting the Partial Plan Termination.~~

## **Article 17** ~~Article 17~~ – Rights ~~And~~ **Restrictions**

### **17.01** ~~17.001~~ Rights ~~To~~ **Information**

Members have the following rights:

- (a) to receive a written explanation of the Plan terms, any amendments and the Member's rights and duties under the Plan; and
- (b) to receive, upon written request, a copy of the Plan text; and
- (c) to be provided with information on their status, rights and privileges under the Plan, as required by Applicable Legislation.

Each new Staff Employee and Hourly CUPE Employee will be advised by their Employer of the existence of the Plan.

To the extent required by Applicable Legislation, an individual has the right to examine information and documents pertaining to the Plan.

### **17.02** ~~17.002~~ Right ~~To~~ **Timely Payment**

Any lump sum payment or transfer under the Plan will be made within 60 days after the later of:

- (a) the event giving rise to the payment or transfer; and
- (b) the date all documents required by the Plan and the Pension Board are filed with the Pension Administration Office.

### **17.03** ~~17.003~~ Non-alienation ~~Of~~ **Benefits**

Benefits under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, grant as security, or surrender and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, give as security, or surrender the same are void. Subject to Applicable Legislation, benefits under the Plan are not in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person who will be entitled to such benefit, nor are they subject to attachment, seizure, execution, or legal process for or against such person.

Notwithstanding the above, in cases of marriage breakdown, assignment does not include assignment under a decree, order, or judgment of a competent tribunal, or a written agreement, in settlement of such rights.

### **17.04** ~~17.004~~ Restrictions ~~On~~ **Commutation** ~~And~~ **Withdrawal**

Except as specifically provided in the Plan:

- (a) Plan pensions may not be commuted during the lifetime of the payee; and
- (b) no withdrawals of Member Required Contributions, Credited Interest thereon, or any other Plan benefit may be made.

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### **17.05 ~~17.005~~ Shortened Life Expectancy**

If a Member, other than a Member who has commenced payment of their pension, has an illness or disability that is certified by a medical practitioner to be terminal or to likely shorten the Member's life considerably, the Member may Elect to:

- (a) convert all or part of the Member's pension earned under ~~8.001 ("Normal Or Delayed Retirement Pension")~~ Section 8.01 to a series of payments to the Member for a fixed term in accordance with the requirements of the Applicable Legislation, or
- (b) withdraw as a lump sum an amount equal to the Member's Commuted Value or such lesser amount that the Member may select.

### **17.06 ~~17.006~~ Non-Resident**

If a Member who has a Termination of Employment provides written evidence that confirms the Member's status as a non-resident of Canada for purposes of the Income Tax Act (~~Canada~~), the Member may Elect to withdraw a lump sum payment equal to the ~~Member's Commuted Value~~ lump sum determined in respect of the Member under Section 10.05. This Election is available to the Spouse of a Member entitled to the death benefit payable under the Plan.

### **17.07 ~~17.007~~ Spousal Waiver to Unlocking**

If a Member who is eligible to make an Election under ~~17.005 ("Shortened Life Expectancy") or 17.006 ("Non-Resident")~~ Section 17.05 or Section 17.06 has a Spouse, the Member must not make that Election unless a Spousal Waiver is on file with the Pension Administration Office.

### **17.08 ~~17.008~~ General Restrictions**

#### **(a) ~~Errors~~ ~~And~~ ~~Omissions~~**

Neither the establishment of the Plan, nor any amendment thereto, nor any action taken thereunder, nor any omission to act, if in good faith and not constituting negligence or willful misconduct, will give any person any legal or equitable right against the University or any governor or officer or employee thereof, or against the Pension Board or any member or employee thereof or against any agent employed by the University or the Pension Board.

#### **(b) ~~No Impact~~ ~~On~~ ~~Continuation~~ ~~Of~~ ~~Termination~~ ~~Of~~ ~~Employment~~**

The Plan does not interfere with the rights of the employee and Employer to terminate Service and does not give any employee or Member the right to continuation of employment.

#### **(c) ~~Final Discharge~~**

The payment of benefits under the Plan constitutes a complete, final and binding discharge of obligations owed by the Plan in respect of those benefits. From the date of payment of the last pension payment or transfer of all benefits, any Member or Limited Member will cease to be such and will have no further right or claim of any kind against the Plan.

## **Article 18** ~~Article 18~~ – Administration ~~Of~~ The Plan

### **18.01** ~~18.001~~ Constitution ~~Of~~ Pension Board

- (a) ~~(a)~~ The University is the administrator of the Plan for purposes of ~~Applicable Legislation~~ the Income Tax Act and the PBSA.
- (b) The Board ~~Of~~ Governors of the University has established a Pension Board consisting of four members appointed by the Board ~~Of~~ Governors, four members elected by Members and a non-voting chair appointed by the Board ~~Of~~ Governors, to oversee the administration of the Plan on behalf of and reporting to the Board ~~Of~~ Governors.

### **18.02** ~~18.002~~ Terms ~~Of~~ Reference

The Pension Board will be governed by a Terms ~~Of~~ Reference approved by the Board ~~Of~~ Governors. The Terms ~~Of~~ Reference will set out the manner of appointments and elections of Pension Board Members, removal of Pension Board Members, Pension Board governance rules and the respective powers and duties of the Pension Board, the Board ~~Of~~ Governors and the Pension Administration Office.

### ~~18.003~~ **Resolution Of Disputes**

~~In the event of a dispute between the Pension Board or the University and any of the parties prescribed by Applicable Legislation, in respect of any issue for which arbitration of the dispute is required by Applicable Legislation, then the dispute will be submitted under the Commercial Arbitration Act (B.C.) to arbitration for decision by a three person arbitration board, of which one person is appointed by the parties representing each side of the dispute and the third is appointed by such two arbitrators.~~

~~The decision of the arbitration board will be binding and conclusive on all parties.~~

### **18.03** ~~18.004~~ General Meeting ~~Of~~ Members

The Pension Board may call a general meeting of Members. The independent chair of the Pension Board will act as chair of such meeting, or in their absence, another Pension Board Member, selected by the Pension Board.



## **Article 19** ~~Article 19~~ – Amendments ~~To Or~~ to or Termination ~~Of The~~ of the Plan

### **19.01** ~~19.001~~ Amendments

Subject to advance consultation with and notification of decisions to the Pension Board, and to the conditions stated, the Board ~~Of~~ of Governors may make amendments to the Plan as described in the following table or as required by the PBSA and take all other steps necessary or desirable to implement these amendments.

For the purposes of this section, the Benefits/Funding Test will determine the Funds Available and the Funds Required subject to the requirements in ~~13.002(a)~~ (“Benefits/Funding Test”); Section 13.02.

<b>Amendment</b>	<b>Conditions</b>
All amendments - general	must not reduce the Employer Contribution formula below the 10% minus the CPP Contribution Offset rate
Amendment to merge the Plan with another plan	<ul style="list-style-type: none"> <li>as measured by the Benefits/Funding Test or as required by Applicable Legislation, must not reduce the value of benefits for Pensionable Service before the amendment date</li> <li>the Actuary must provide the Pension Board with an opinion that the two plans are similarly funded and have compatible provisions relating to excess funding or arrangements approved by the Pension Board must have been made to eliminate any funding dissimilarity or incompatibility of provisions related to excess funding</li> </ul>
Amendment to divide the Plan	<ul style="list-style-type: none"> <li><u>as measured by the Benefits/Funding Test or as required by Applicable Legislation</u>, must not reduce the value of benefits for Pensionable Service before the amendment date, <del>as measured by the Benefits/Funding Test or as required by Applicable Legislation</del></li> <li>assets must be pro-rated among the divisions in proportion to accrued liabilities as measured by the Benefits/Funding Test</li> </ul>
Amendment to add another class of employees	no recognition of Service prior to the amendment date as Pensionable Service unless arrangements approved by the Pension Board are made to fund the associated benefits to the same degree as the other accrued benefits under the Plan
Amendment to terminate the Plan	assets must be allocated as described in <del>19.003</del> <u>(“Allocation Of Assets On Plan Termination”)</u> <u>Section 19.03</u> and distributed in accordance with Applicable Legislation and <del>19.004</del> <u>(“Distribution Of Assets On Plan Termination”)</u> <u>Section 19.04</u>
Amendment to terminate part of	

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<b>Amendment</b>	<b>Conditions</b>
the Plan	<ul style="list-style-type: none"> <li>• <del>an amendment to merge or divide the Plan will not constitute a Partial Plan Termination</del></li> <li>• the Members leaving will stop contributing and accruing Pensionable Service <u>on the specified date</u> and, in accordance with Applicable Legislation, will be treated as a Termination <del>Of</del> Employment or Retirement on the <del>effective</del><u>specified</u> date <del>of the Partial Plan Termination.</del></li> </ul>

Despite the foregoing, in accordance with the Terms ~~Of~~ Reference the Pension Board has the authority to make non-material amendments to the Plan.

**19.02** ~~19.002~~ **No Reversion ~~Of~~ Assets ~~To~~ Employer**

No alteration, amendment or termination of the Plan or any part thereof will permit any part of the assets of the Trust Fund to revert to or to be recoverable by an Employer or to be used for or diverted to purposes other than the exclusive benefit of Members, Limited Members, surviving Spouses, joint annuitants, or Beneficiaries under the Plan.

**19.03** ~~19.003~~ **Allocation ~~Of~~ Assets ~~On~~ Plan Termination**

On Plan termination, ~~available assets, after providing for all applicable costs, will be allocated in the order of priority shown in the following table. The allocation will be pro-rata if insufficient to cover a priority in full.~~ Members and Employers cease to be required to make Member Required Contributions and Employer Contributions. Once the Members and the Employers have made all Member Required Contributions and Employer Contributions required by Article 4 in respect of time periods prior to the Plan termination date, the Members and the Employers shall have no further financial responsibility in respect of the Plan. On the Plan termination date, all Members who are then employed by an Employer will be deemed to have ended Continuous Employment, and their entitlements under the Plan will be evaluated on that basis.

~~For the purposes of this section, the Benefits/Funding Test will determine the Funds Available and the Funds Required subject to the requirements in 13.002(a) ("Benefits/Funding Test").~~

<b>Priority</b>	<b>Category</b>	<b>Members- Included</b>	<b>Actuarial- Basis</b>	<b>Future- Indexing</b>	<b>Details—Amount of Assets to be Allocated</b>
1	Non-indexed- Pensions (CV- basis)	Members- whose- pensions- have not- commenced- and Members- whose- pensions- have- commenced-	annuity- purchase- /CV <sup>5</sup>	none	amount required to cover- pension entitlements which- consist of: <ul style="list-style-type: none"> <li>for benefits in respect of- Members who made no- contributions after- December 31, 1989 and- whose pensions have- not commenced and- who were not on a- Period Of Long-term- Disability at Plan- termination, the greater- of the Commuted Value- of the pension with no- allowance for future- Indexing and remaining- Member Required- Contributions with- Credited Interest ;</li> <li>for benefits in respect of- other Members whose- pensions have not- commenced, the- benefit, with no- allowance for future- Indexing, described in- 10.005 ("<b>Option C— Lump Sum Payment</b>")- and</li> <li>for benefits in respect of- Members whose- pensions have- commenced, annuity- purchase prices or- Commuted Values of- the pensions,- recognizing previously- granted, but not future,- Indexing (Commuted- Values are not to be- less than the required- contributions with- interest net of benefits- already paid, all as- determined by the- Actuary)</li> </ul>

<sup>5</sup>-"CV" = Commuted Value

<b>Priority</b>	<b>Category</b>	<b>Members Included</b>	<b>Actuarial Basis</b>	<b>Future Indexing</b>	<b>Details—Amount of Assets to be Allocated</b>
2	Addition of Pre-retirement and Post-retirement Indexing (CV basis)	Members in priority 1	CV <sup>5</sup>	assumed inflation increases	amount required to increase the above allocations to recognize pre and post-retirement Indexing on the Commuted Value basis
3	Non-indexed Pensions (going concern basis)	Members in priority 1	B/F <sup>6</sup> Test	none	amount required to cover any excess of the accrued liability for a Member's benefits as measured by the Benefits/Funding Test, with no allowance for future Indexing, over the allocations made in respect of the Member under priorities 1 and 2
4	Addition of Pre-retirement and Post-retirement Indexing (going concern basis)	Members in priority 1	B/F <sup>6</sup> Test	assumed inflation increases	amount required to cover any increase in the priority 1 through 3 allocations to recognize pre and post-retirement Indexing as measured by the Benefits/Funding Test
5	Replacement of Pre-retirement Indexing with Projected Earnings Increases (going concern basis)	Members in priority 1	B/F <sup>6</sup> Test	assumed salary increases	amount required to cover any increase in the priority 1 through 4 allocations to recognize pre-retirement salary increases instead of pre-retirement Indexing as measured by the Benefits/Funding Test
6	Additional Pro-rata Increases	all Members	n/a	n/a	pro-rata increases in total allocations made under priorities 1 through 5

On Plan termination the Pension Board must cause the Plan to be wound up in accordance with the PBSA. Without limitation, the Pension Board must cause the Plan Actuary to calculate the Commuted Value of each Member's benefits as of the Plan termination date based solely on the Member's service and earnings to the Plan termination date, and without any allowance for pre- or post-pension commencement indexing. In the case of Members who are employees of an Employer on the Plan termination date, and are deemed to have terminated Continuous Employment on that date, their Commuted Values will be deemed to equal the amounts determined in respect of the Member accordance with Section 10.05 as of the Plan termination date. The Plan's target benefit funded ratio as of the Plan termination date equals the aggregate of all Members' Commuted Values divided by the value of the Trust Fund, net of all costs associated with the Plan's winding up, each determined as of the Plan termination date. For greater certainty, and despite the PBSA, for the purposes of this Article 19 such target benefit funded ratio may be greater than 1.0. Each Member must be allocated from the

<sup>6</sup>-"B/F" = Benefits/Funding

Trust Fund an amount equal to the Member's Commuted Value (determined as aforesaid) multiplied by the Plan's target benefit funded ratio (determined as aforesaid).

**19.04 ~~19.004~~ Distribution ~~Of~~ Assets ~~On~~ Plan Termination**

The asset allocations will be distributed to the persons entitled to them in a manner determined by the Pension Board in accordance with Applicable Legislation.

Entitlements not paid as annuities will be distributed in a single payment or transfer in accordance with the table in ~~19.005 ("Option C – Lump Sum Payment")~~. Section 10.05.

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~~Article 20~~  
**Article 20 – Trust Fund**

**20.01** ~~20.001~~ **Trust Fund**

All Contributions made to the Plan will be paid into the Trust Fund.

All benefits and expenses payable under the Plan, except those expenses that must be paid by the Employer under Applicable Legislation, will be paid from the Trust Fund.

All payments under the Plan will be paid solely from the Trust Fund and solely to the extent that the Trust Fund will provide. If the Trust Fund is insufficient to provide for a payment or benefit under the Plan, neither the Pension Board nor an Employer nor the members, officers or representatives of any of them, will be liable for any such payment.

**20.02** ~~20.002~~ **Duties of Trustee**

The Trustee has all of the following duties:

- (a) receive and hold all, on behalf of the Plan, Contributions to the Plan and all income earned by the Trust Fund;
- (b) notify the Superintendent of Pensions of British Columbia, in writing, if the Employer fails to remit Contributions to the Trust Fund within 90 days after the end of the month in which they become payable – such notification must be made within 30 days of the Employer's failure to remit Contributions, even if the Employer has subsequently remitted the Contributions;
- (c) invest the assets of the Trust Fund, subject to Applicable Legislation and the Trust Agreement, as directed by the University or a Fund Manager or other individual or entity appointed and authorized by the University to so direct the Trustee;
- (d) maintain records and accounts and render financial statements and reports, as required by the University;
- (e) pay the benefits and expenses of the Plan and Trust Fund, as directed by the University.

**20.03** ~~20.003~~ **Investment Policy**

The University shall adopt and maintain an Investment Policy to govern the investment of the Trust Fund, including:

- (a) the allocation of the responsibilities defined in the Investment Policy;
- (b) the selection, appointment, direction, and oversight of one or more Fund Managers or other individuals or entities charged with investing the assets of the Trust Fund in accordance with the Investment Policy;
- (c) the aims and objectives according to which the Trust Fund is to be invested;
- (d) the performance objectives according to which investment performance will be measured in the pursuit of the investment aims and objectives;

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- (e) the asset mix and investment risk and quality constraints with which the investments must comply;
- (f) the appointment and use of investment advisors;
- (g) procedures for liaison and information exchange with the Pension Board and Actuary on investment matters, including procedures for ensuring that the performance objectives and asset mix and risk and quality constraints reflect the special risk and benefit security characteristics that emanate from the Plan's variable benefit structure through the Benefits/Funding Test;
- (h) procedures for reviewing and updating the Investment Policy, including appropriate input from the Trustee, the Pension Board and the Plan's Fund Managers, Actuary, legal advisors, and investment advisors.
- (i) the requirement all investments shall be made in accordance with the Applicable Legislation.

## Article 21~~Article 21~~ – Reciprocal Agreements

### 21.01 ~~21.001~~ Reciprocal Agreements

The University will not enter into any future reciprocal agreements with other employers or pension plans regarding the treatment of service and earnings of Members.

Any past reciprocal agreements must comply with Applicable Legislation and must, in the University's opinion in consultation with the Pension Board, be compatible with the provisions of the Plan.



Schedule "A"

THE UNIVERSITY OF BRITISH COLUMBIA STAFF PENSION PLAN

Participation Agreement

**TO:** The University of British Columbia (the "University")

**AND TO:** The Pension Board of the University of British Columbia Staff Pension Plan (the "Pension Board")

**FROM:** \_\_\_\_\_ (the "Applicant")

Name of Employer

\_\_\_\_\_  
Address

\_\_\_\_\_  
Contact Name and Phone Number

The Applicant acknowledges receipt of a copy of the text of the University of British Columbia Staff Pension Plan (the "Plan Text").

Capitalised terms used in this Participation Agreement and not defined herein have the meanings ascribed to them in the Plan Text.

In consideration of the Applicant's application to be a "Related Employer" in the University of British Columbia Staff Pension Plan ([the "Plan"](#)) being accepted by the University, the Applicant hereby agrees with the University as follows:

1. The Applicant is bound by all of the rights, duties, responsibilities and obligations conferred or imposed upon a Related Employer by the Plan Text and any amendments thereto, including, without limitation, the obligation to make contributions to the Trust Fund on behalf of itself and its employees in accordance with the Plan Text [and the Pension Benefits Standards Act \(British Columbia\) \("PBSA"\)](#).
2. [The Applicant will provide the Pension Board with any information it requires to administer the Plan at the times and in the manner specified by the Pension Board. Some examples of such information include \(but are not limited to\) payroll records, timesheets, accounting records, employee enrollment forms and the names of, and other relevant information relating to, all employees of the Applicant eligible for enrollment in the Plan.](#)
3. All contributions and any other amounts owing by the Applicant pursuant to the Plan Text or this Participation Agreement not paid when due shall bear interest at an effective annual rate specified by the Pension Board from such due date to the date of payment. Interest shall be calculated and compounded as of the last day of each month and shall be payable by the Applicant on demand.
- ~~3.4.~~ The Applicant will reimburse the University on a full indemnity basis for, and indemnify the University against, all legal, audit and other costs actually incurred by the University (including, without limitation, legal fees on a solicitor and his or her own client basis) in

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collecting unpaid contributions and other amounts owing by the Applicant, and the amounts the Applicant owes the University in this regard shall bear interest as described in the preceding paragraph from the date the University incurs such expenses or fees until the date the Applicant reimburses the ~~Trustees~~University.

5. The Applicant acknowledges that since the Plan Text and the PBSA require the payment of the contributions and other payments due to the Trust Fund, the University will take all steps necessary to enforce such payments, including: (a) utilizing any remedies available to it under the Plan Text or the PBSA; (b) advising the Financial Institutions Commission of British Columbia, which may result in financial penalties; (c) advising the Applicant's employees of the failure to comply; and (d) commencing legal action.
6. If there is a discrepancy between the terms of this Participation Agreement and Plan Text, the terms of the Plan Text will prevail. Nothing in this Participation Agreement can amend or change the terms of the Plan Text.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Full name of Applicant

By:

\_\_\_\_\_  
Authorized Signatory

***Do not write below this line – for University's use only***

**APPROVED AND ACCEPTED** by the University for participation as a Related Employer in the University of British Columbia Staff Pension Plan as of the date noted below.

**THE UNIVERSITY OF BRITISH COLUMBIA**

Per:

\_\_\_\_\_  
Authorized Signatory

Effective Date of Participation as a Related Employer: \_\_\_\_\_

Categories of Employees eligible for Participation: \_\_\_\_\_

-

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Document comparison by Workshare Compare on Friday, October 28, 2016  
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Document 2 ID	interwovenSite://WCS/Lawson/12965883/4
Description	#12965883v4<Lawson> - UBC Staff Pension Plan - Target Benefit Plan Amendments (ver. 4)
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Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	423
Deletions	749
Moved from	6
Moved to	6
Style change	0
Format changed	0
Total changes	1184

October 25, 2016

**THE UNIVERSITY OF BRITISH COLUMBIA**  
**STAFF PENSION PLAN**

**PLAN RESTATEMENT**  
**as at**  
**September 30, 2015**

# **THE UNIVERSITY OF BRITISH COLUMBIA STAFF PENSION PLAN**

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## Article 1 – Introduction

### 1.01 Purpose

The University of British Columbia has established and hereby continues The University of British Columbia Staff Pension Plan to provide benefits on Retirement, death, and Termination of Employment for and on behalf of Members of the Plan.

### 1.02 Plan Text

This Plan text constitutes the plan text document of the Plan restated effective September 30, 2015. This Plan text supersedes and replaces a previous restatement of the Plan text dated as of October 1, 2015.

### 1.03 Status of the Plan under BC Pension Legislation

The Plan replaced the Prior Pension Plans effective January 1, 1972. This Plan text incorporates provisions for transition from the Prior Pension Plans.

Since January 1, 1972, the University has amended the Plan text from time to time. Effective July 1, 2009, the Plan's benefits were significantly changed. Effective September 30, 2015, the Plan was amended to comply with the PBSA, and to change the eligibility period for Hourly CUPE Employees from 2 years to 1 year.

Since its inception the Plan has operated as a target benefit plan. Prior to the coming into force of the PBSA on September 30, 2015, British Columbia pension legislation did not fully recognize that plan design structure. The PBSA fully recognizes that plan design structure, and this Plan text reflects that the Plan's benefit formula provisions are target benefit provisions, as those terms are defined in the PBSA, in respect of all Pensionable Service earned under the Plan since its inception.

In 1997 the Plan was exempted from the definition of "multi-employer plan" then found in British Columbia pension legislation. This exemption, which was continued in s. 10(1)(a) of the Pension Benefits Standards Regulation, B.C. Reg. 71/2015, was repealed with the result that for the purposes of the PBSA the Plan is a non-collectively bargained multi-employer plan that contains target benefit provisions.

### 1.04 Registration and Applicable Legislation

The Plan is registered under the Income Tax Act and the PBSA, and the University intends to maintain the Plan's registrations under those statutes. If provisions of this Plan text conflict with Applicable Legislation, those provisions will be construed and administered in accordance with the Applicable Legislation. The Plan is otherwise governed by the laws of British Columbia.

### 1.05 Applicability of this Plan Text

Except as otherwise provided in this Plan text, or as is necessary to give effect to the terms of this Plan text, the benefits of Members whose death, Termination of Employment or Retirement occurred prior to September 30, 2015, and the contributions payable by Members and Employers in respect of time periods before September 30, 2015, shall be determined by the terms of this Plan text in force on the relevant date.

While this Plan text is effective as of September 30, 2015, and supersedes and replaces a previous restatement of the Plan text dated as of October 1, 2015 (the "**October 2015**

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**Restatement**”), the benefits of Members whose death, Termination of Employment or Retirement occurred during the period commencing September 30, 2015 and concluding immediately prior to the date this Plan text was submitted for registration under the Income Tax Act and the PBSA (the “**Registration Date**”), and the contributions payable by Members and Employers in respect of that period, shall be determined by the October 2015 Restatement.

The benefits of Members whose death, Termination of Employment or Retirement occurs on or after the Registration Date, and the contributions payable by Members and Employers in respect of time periods after the Registration Date, shall be determined by this Plan text. For greater certainty, regardless of when a Member’s death, Termination of Employment or Retirement occurred, if the Commuted Value of such Member’s benefits under the Plan is calculated as of a date after the Registration Date, such Commuted Value must be calculated in accordance with the terms of this Plan text.

#### **1.06 Titles not Part of Plan Text**

Section titles serve only to make the Plan text easier to read. They are not part of the Plan text.

## Article 2 – Definitions

In the construction of the Plan, the following expressions have the following meanings:

**“Actuarial Equivalent”** means a benefit of equivalent value determined using actuarial methods and assumptions that:

- (a) are adopted by the Pension Board on the advice of the Actuary,
- (b) are determined in accordance with accepted actuarial practice as being suitable for the purpose for which they are used,
- (c) do not differentiate on the basis of sex, and
- (d) are reasonable and in compliance with Applicable Legislation;

**“Actuarial from NRD”** means 100% minus a percentage determined by the Pension Board on the advice of the Actuary for each month by which pension commencement precedes the Normal Retirement Date, which percentage will result in a reduced pension payable from the Member's early retirement date which is the Actuarial Equivalent of the unreduced pension that would be payable to the Member on his or her Normal Retirement Date;

**“Actuary”** means a Fellow of the Canadian Institute of Actuaries;

**“Applicable Legislation”** means the Income Tax Act, the PBSA, and any other statute of Canada or a Province of Canada, and the respective regulations thereunder, which is applicable to the Plan;

**“Approved Manner”** means following the procedures and within the filing deadlines prescribed by the Pension Board;

**“Average Wage”** for a calendar year means the average of the weekly wages and salaries of the Industrial Aggregate in Canada over the 12-month period ending on June 30 of the immediately preceding calendar year;

**“Average YMPE”** means the average of the YMPE over the same periods of Pensionable Service as are used in determining Best Average Pensionable Earnings;

**“Beneficiary”** means the person designated by the Member under Section 15.01, or, if no such designation is in effect, the estate of the Member;

**“Benefits/Funding Test”** means a comparison of Funds Available to Funds Required and is performed to determine whether the Plan's funding is adequate to support its benefits and to signal any required corrective action;

**“Best Average Pensionable Earnings”** means, subject to Section 5.01 ,

- (a) the average, expressed as an annual rate, of the Member's Pensionable Earnings over the three non-overlapping periods of twelve consecutive calendar months of Pensionable Service which yields the highest amount, or
- (b) if the Member has completed less than 36 months of Pensionable Service, the average determined using all Pensionable Service;

**“Board of Governors”** means the Board of Governors of The University of British Columbia;

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**“Bridge Benefit”** means a temporary pension

- (a) which is payable, regardless of whether the Member survives to age 65, from Pension Commencement Date to age 65, or the date the Member would have attained age 65 if the Member died before attaining age 65, and
- (b) which is equal to the lesser of Best Average Pensionable Earnings and Average YMPE, multiplied by
  - (i) 0.7% multiplied by Pensionable Service after 1965 and prior to July 1, 2009, plus
  - (ii) 0.2% multiplied by Pensionable Service after June 30, 2009;

**“Buy-back Service”** means

- (a) a period of Continuous Employment prior to July 1, 2009 not otherwise included in Pensionable Service during which a Member was eligible for membership but did not join the Plan, and
- (b) any other period of Continuous Employment prior to July 1, 2009 so designated by the Pension Board in accordance with Applicable Legislation;

**“Commuted Value”** means, in relation to benefits to which a person is or may become entitled under a benefit formula provision of this Plan text, the actuarial present value of those benefits determined

- (a) on the basis of actuarial assumptions and methods that are appropriate and in accordance with accepted actuarial practice,
- (b) in the manner prescribed under the PBSA for benefits payable under target benefit provisions;
- (c) in a manner acceptable to the Superintendent of Pensions appointed under the PBSA; and
- (d) as of a date determined by the Pension Administration Office using procedures determined by the Pension Board.

**“Continuous Employment”** means a continuous period of employment by one or more Employers which

- (a) includes employment both as, and not as, a Staff Employee,
- (b) is not pro-rated for Part-time employment,
- (c) includes any Leave of Absence, with or without pay, Labour Interruption, Period of Long-term Disability, or other period of absence as required by Applicable Legislation, and
- (d) is calculated in years and fractions of years;

**“Contributions”** means the total of Member Required Contributions, Employer Contributions and Member Buy-back Contributions;

**“CPP Benefit Offset”** means a pension equal to

- (a) the lesser of Best Average Pensionable Earnings and Average YMPE

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multiplied by

(b) 0.7%

multiplied by

(c) Pensionable Service after 1965 and prior to July 1, 2009;

**“CPP Benefit Offset for Post-revision Service”** means a pension equal to

(a) the lesser of Best Average Pensionable Earnings and Average YMPE

multiplied by

(b) 0.7%

multiplied by

(c) Pensionable Service after June 30, 2009;

**“CPP Contribution Offset”** means, in relation to a pay period, 1.8% of the amount, if any, by which

(a) the lesser of Pensionable Earnings for the pay period and 1/24<sup>th</sup> of the YMPE exceeds

(b) 1/24<sup>th</sup> of the YBE, the YMPE and YBE being pro-rated to reflect any Part-time work;

**“Credited Interest”** means the annualized investment return applied on Contributions each calendar year, where,

(a) for Contributions made in the year, Credited Interest is applied and pro-rated from the last day of the month the Contributions are made,

(b) if a Member undergoes a Retirement, Termination of Employment, Transfer of Employment to a category of employment not eligible for membership in the Plan, or death, then Credited Interest is applied and pro-rated to the date the first such event occurs, and

(c) the annualized rate of investment return used for Credited Interest is determined as follows:

<b><i>Situation</i></b>	<b><i>Rate of Return Applied</i></b>
Credited Interest applied to update benefit values that are being calculated within the period before Commuted Values are required to be recalculated.	Payment Update Rate related to Commuted Value determination for the month of original calculation.
Situations other than those described above	Prior to 2012, the effective annual rate of return, net of investment and administrative expenses, earned by the Trust Fund over the calendar year.  After 2011, the average of the yields of five-year

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<b>Situation</b>	<b>Rate of Return Applied</b>
	personal fixed term chartered bank deposit rates, as published in the Bank of Canada Banking and Financial Statistics as CANSIM Series V122515 (formerly CANSIM Series B14045), or any replacement or successor Series or measure, over the twelve months of the preceding calendar year.

“**CREF**” means,

- (a) for periods before 1996, the College Retirement Equities Fund, and
- (b) for periods after 1995, the Sun Life Transition Fund;

“**Deemed Compensation**” means, for Members in the special situations referred to in Article 5:

<b>Member Situation</b>	<b>Deemed Compensation</b>
(a) on a period of Part-time employment	not applicable
(b) on a Period of Long-term Disability	the regular compensation for the Member's position and proportion of Full-time work immediately before the disability or, if so determined by the Pension Board, at a time more representative of the Member's pre-disability work status
(c) on a Statutory Leave, where the Member has Elected to make contributions during the leave	the regular compensation payable in the period for the Member's position and proportion of Full-time work in effect immediately before such period or, if such position does not continue to exist, the earnings, as determined by the Pension Board, for a comparable position
(d) on a Leave of Absence without pay other than a Statutory Leave, where the Member has Elected to make contributions during the leave	as (c)-Statutory Leave, except that if the leave is in respect of a Deferred Salary Leave Program, the proportion of Full-time work is that in effect immediately before the commencement of the accumulation period
(e) involved in a Labour Interruption in respect of which the Employer or Member agrees, or they jointly agree, to make contributions	as (c)-Statutory Leave
(f) in any of situations (c)-Statutory Leave, (d)-Leave of Absence, and (e)-Labour Interruption, where the Member has not Elected to make contributions	not applicable

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<b>Member Situation</b>	<b>Deemed Compensation</b>
(g) on a Reduced Work Load Program	for the period of reduced work, the regular compensation based on the Member's position before such period or, if such position does not continue to exist, the earnings, as determined by the Pension Board, for a comparable position
(h) on the accumulation period of a Deferred Salary Leave Program (the leave period is treated as a Leave of Absence without pay – see (d)-Leave of Absence and (f)-Member not Making Contributions)	as (g)-Reduced Work Load Program

**“Deferred Pension”** means a pension where payment commencement is deferred to a later date;

**“Deferred Salary Leave Program”** means a program administered by the Employer and approved by the University

- (a) under which the Member receives reduced pay during an accumulation period and an income during a subsequent Leave of Absence, financed by such previous reductions in pay and interest thereon, and
- (b) which qualifies as a sabbatical arrangement under s. 6801 of the Income Tax Act regulations;

**“Defined Benefit Limit”** means,

- (a) for 2009, 1/9 of \$22,000, and,
- (b) for each year after 2009, the previous year's Defined Benefit Limit increased in line with the Average Wage increase;

**“Double Refund Benefit”** means an amount equal to two times the Member Required Contributions accumulated with Credited Interest as of July 1, 2009 in accordance with the terms of the Pre-revision Plan;

**“Elect”** means make a choice and **“Election”** means the making of a choice pertaining to the Plan in the Approved Manner;

**“Employer”** means the University or a Related Employer;

**“Employer Contributions”** means contributions that

- (a) must be made by an Employer under Section 4.02, or
- (b) are calculated at the 10% minus CPP Contribution Offset rate and paid by the Employer or the Member under Section 5.01;

**“Entitled Spouse”** means a person who is entitled to a division of benefits on marriage breakdown under Part 6 of the Family Law Act;

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**“Family Law Act”** means the Family Law Act (B.C.) and the regulations thereunder;

**“Full-time”** means working 100% of the normal hours for a position;

**“Fund Manager”** means one or more investment managers or other individuals or entities charged with investing the assets of the Trust Fund in accordance with the Investment Policy;

**“Funds Available”** means, in relation to a Benefits/Funding Test, the value of the assets of the Trust Fund plus the present value of any projected future contributions;

**“Funds Required”** means, in relation to a Benefits/Funding Test, the value of the accrued liabilities of the Plan plus the present value of any projected future normal costs and expenses plus a margin for adverse deviation in an amount recommended by the Actuary and approved by the Pension Board;

**“Hourly CUPE Employee”** means an hourly paid member of Canadian Union of Public Employees, CUPE Local 116 who is employed in accordance with the collective agreement between the University and the Canadian Union of Public Employees, CUPE Local 116;

**“Income Tax Act”** means the Income Tax Act (Canada) and the regulations thereunder;

**“Indexing”** means adjustments to a pension determined under Article 12;

**“Inflation-adjusted Earnings”** means Pensionable Earnings adjusted to reflect increases in the Average Wage from the later of 1986 and the year the Pensionable Earnings were earned to the year of pension commencement;

**“Investment Policy”** means the investment policy as adopted by the University for managing the investments of the Trust Fund;

**“Joint Form”** means a pension payable in monthly instalments for the life of both Member and Spouse, with 60% of the pension payable after the first death to the survivor for the remainder of the survivor's lifetime, with a guarantee that no less than a total of 60 months of payments will be made;

**“Labour Interruption”** means a period when a person is

- (a) laid off but is subject to recall, or
- (b) involved in a legal strike or lock-out, or
- (c) involved in any other work stoppage that the Employer certifies in writing to the Pension Board should be considered a Labour Interruption for the purposes of the Plan;

**“Leave of Absence”** means a leave approved by an Employer and includes Statutory Leave, the leave of absence period under a Deferred Salary Leave Program (which shall be treated as a leave of absence without pay), and a sick, bereavement, personal, jury, or political office leave;

**“Level Income Option”** means a two-part pension consisting of:

- (a) a Bridge Benefit multiplied by the applicable early retirement factor from Section 8.02, and
- (b) a reduced lifetime pension,

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provided that the benefit in (a) will be reduced, if necessary, to ensure the initial annual benefit in (b) is no less than 10% of the YMPE;

“**Limited Member**” has the meaning attributed to it in the Family Law Act;

“**Locked-in**” means, for transfers and lump sum payments, subject to the locking-in restrictions of Applicable Legislation;

“**Locked-in Amount**” means the value of benefits that must be Locked-in, and is determined as follows:

<b>Situation</b>	<b>Locked-in Amount</b>
Qualifying non-resident recipient <sup>1</sup>	Nil
Member not in the above situation	Value of pension and related benefits less Member Required Contributions made in respect of Pensionable Service before 1993 with Credited Interest

<sup>1</sup> Recipient who has been absent from Canada for 2 or more years, has become non-resident of Canada for income tax purposes, and has filed the required documentation

“**Locked-in Arrangement**” means a retirement savings vehicle permitted by Applicable Legislation and includes another registered pension plan, a “Locked-in retirement account”, a “life income fund” or “retirement income arrangement” as defined under the PBSA;

“**Maximum Transfer Amount**” means the greater of the Member Required Contributions with Credited Interest and the present value of the Member's pension calculated using the factors for determining maximum transfer values as prescribed under the Income Tax Act;

“**Member**” means an individual who has become a member of the Plan in accordance with Article 3, who has made Contributions or in respect of whom Contributions have been made, and who still has a benefit entitlement under the Plan;

“**Member Buy-back Contributions**” means contributions made by the Member under Section 6.01;

“**Member Required Contributions**” means contributions that

- (a) must be made by a Member under Section 4.01, or
- (b) are calculated at the 6.5% rate and paid by the Employer or the Member under Section 5.01;

“**Minimum Death Benefit**” means the amount determined for an eligible Member as of December 31, 2002 as the “Minimum Death Benefit” in accordance with the Pre-revision Plan;

“**Normal Form**” means a pension payable in monthly instalments for the life of the Member, with 120 months of payments guaranteed;

“**Normal Retirement Date**” means the first day of the month after the month the Member attains age 65;

“**Option A**”, “**Option B**” and “**Option C**” are benefit payment options. These options, as they apply to termination benefits are described in Sections 10.03, 10.04 and 10.05. As they apply to death benefits, they are described in Section 11.03;

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**“Optional Form”** means the terms for payment of a pension from the Plan in one of several forms permitted under the Plan, as Elected by the Member under Section 9.03;

**“Part-time”** means working less than 100% of the normal hours for a position;

**“Participation Agreement”** means a written agreement in the form attached as Schedule “A”, or in such other form approved by the Pension Board, signed and delivered by an employer and the University which, among other things, binds the employer to all the rights, duties, responsibilities and obligations conferred or imposed upon a Related Employer in this Plan and the respective amendments thereto, including, without limitation, the obligation to make Employer Contributions on behalf of itself and its employees;

**“Payment Update Rate”** means the effective annual rate of interest, excluding any allowance for Indexing, which would be assumed for the year following the date of calculation in the determination of a Commuted Value;

**“Pension Administration Office”** means the entity appointed by the University to maintain the Plan records and provide administrative services in respect of the Plan;

**“Pension Board”** means the board responsible for operations of the Plan constituted in accordance with Article 18;

**“PBSA”** means the Pension Benefits Standards Act, S.B.C. 2012 c. 30, and the regulations thereunder;

**“Pension Board Member”** means a member of the Pension Board;

**“Pension Commencement Date”** means the date on which a Member's pension commences;

**“Pensionable Earnings”** means regular compensation, before deductions for pension and benefit plans

(a) including any or all of the following:

- (i) such compensation received during a Leave of Absence with pay,
- (ii) Deemed Compensation,
- (iii) earnings with another employer where there is a reciprocal agreement specifying that such earnings will qualify as Pensionable Earnings under this Plan, and

(b) excluding

- (i) lump sum payments such as signing bonuses and vacation pay paid out on Termination of Employment, and
- (ii) extra amounts such as those payable for shift premiums and overtime;

**“Pensionable Service”** means the periods of continuous Service during or in respect of which Member Required Contributions or Member Buy-back Contributions are made, including any or all of the following:

- (a) periods while a member of a Prior Pension Plan,
- (b) Buy-back Service, and

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- (c) adjustments for periods of Part-time employment and additional service accrual described in Section 5.01;

**“Period of Long-term Disability”** means a period

- (a) not extending beyond the earliest of Normal Retirement Date, the date of Retirement, or the date of Termination of Employment,
- (b) during which the Member is absent from employment as a result of illness or injury, and
- (c) in respect of which the Employer has provided notification, satisfactory to the Pension Board, that the Member has been granted a monthly long-term disability income benefit
  - (i) from the Canada Pension Plan,
  - (ii) from a group long-term disability insurance plan provided by the Employer, or,
  - (iii) for permanent total disability, under the Workers’ Compensation Act (B.C.);

**“Plan”** means The University of British Columbia Staff Pension Plan, the terms of which are set out in this Plan text, as amended from time to time;

**“Plan Maximum Earnings”** for a year means the Defined Benefit Limit for the year divided by 0.018 rounded to the next higher dollar amount;

**“Plan Maximum Pension”** means the maximum pension that can be paid from the Plan and is applied as follows:

- (a) the annual lifetime pension at normal retirement cannot exceed, at the time of pension commencement, the Member's Pensionable Service multiplied by the lesser of:
  - (i) the Defined Benefit Limit, and
  - (ii) 2% of the Member's average annual Inflation-adjusted Earnings over the same periods of Pensionable Service as are used in determining Best Average Pensionable Earnings;
- (b) if the Member had any Buy-back Service before 1990, then the maximum pension in respect of each year of such Buy-back Service is the greater of \$1,150 and two-thirds of the Defined Benefit Limit;
- (c) if the Member is retiring prior to age 65, then the maximum lifetime pension is reduced by 0.25% for each month the Pension Commencement Date precedes the earliest of:
  - (i) 30 years of Continuous Employment,
  - (ii) age 60, and
  - (iii) age plus Continuous Employment equal to 80;
- (d) the maximum total benefit payable from the Plan before age 65 is the maximum lifetime pension plus 25% of the YMPE average in the calendar year and the preceding two years, pro-rated if the Member has less than 35 years of Pensionable Service;

**“Plan Year”** means a twelve-month period commencing on January 1;

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**“Pre-revision Plan”** means the Plan as it was constituted immediately prior to July 1, 2009;

**“Prior Pension Plan”** means one or more of the following pension plans in effect at the University prior to 1972:

- (a) Dominion Government Annuities (DGA),
- (b) before, 1996, Teachers Insurance and Annuity Association (TIAA), and, after 1995, the Sun Life Fixed Annuity, and
- (c) CREF, except that, for purposes of the Plan, the applicable U.S. dollar amounts of the CREF pension or account balances will be treated, without conversion, as if they were Canadian dollar amounts;

**“Qualifying Service”** is used to determine whether a Member is entitled to Special Early Retirement and means the Pensionable Service for which the Member has not received a lump sum payment or transfer, such Pensionable Service to be determined as if all Part-time Service is deemed to have been rendered as Full-time Service (as outlined in Subsection 5.01(a));

**“Reduced Work Load Program”** means a program administered by the Employer and approved by the University under which the Member is employed on reduced work time for reduced pay;

**“Registered Arrangement”** means a registered retirement savings plan, registered retirement income fund, life annuity, or other retirement savings arrangement, which need not be a Locked-in Arrangement;

**“Related Employer”** means an entity that participates in the Plan in respect of some or all of its employees, as outlined in as outlined in Article 16;

**“Retirement”** means the end of Continuous Employment or a Transfer of Employment on or after the Member's 55th birthday as recorded in the records of the Pension Administration Office and characterized there as retirement;

**“Retirement Date”** means the first of the month immediately following a Member's Retirement;

**“Revision Date”** means July 1, 2009;

**“Service”** means Continuous Employment while a Staff Employee or Hourly CUPE Employee, calculated in years and fractions of years;

**“Special Early Retirement”** means Retirement where the Member qualifies for enhanced early retirement benefits as outlined in Section 8.03 and Section 8.02;

**“Spousal Default Form”** means a pension payable in the Joint Form that is the Actuarial Equivalent of the pension payable under the Normal Form;

**“Spousal Waiver”** means a written form, prepared and submitted in Approved Manner and in compliance with the requirements of Applicable Legislation for such forms, in which the Spouse waives entitlement to survivor benefits on the death of the Member, permits the Member's benefits to be unlocked, or consents to the transfer of the Member's benefits to a life income fund or Locked-in retirement account;

**“Spouse”** means a person, regardless of gender, who at the relevant date is:

- (a) married to the Member, and has not been living separate and apart from the Member for a continuous period longer than 2 years; or

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- (b) living with the Member in a marriage-like relationship for a period of at least 2 years immediately preceding the relevant date;

**“Staff Employee”** means someone employed by the University or a Related Employer in an eligible class of employment who is paid by reference to a monthly or annual rate,

- (a) including an employee whose salary is paid from an external source such as a research grant or trust fund,
- (b) but where an eligible class of employment excludes:
  - (i) employment as a member of the academic staff or the administrative executive staff in respect of which the individual is a member of The University of British Columbia Faculty Pension Plan, or
  - (ii) employment, for any employee hired on or after January 1, 2007, in respect of which the Full-time equivalent rate of Pensionable Earnings has exceeded the Plan Maximum Earnings at least once, as determined annually by the Pension Administration Office;

**“Statutory Leave”** means a leave of absence during which Applicable Legislation requires that an Employer continue to permit an employee to accrue benefits under the Plan;

**“Supplemental Retirement Arrangement”** means the Supplemental Retirement Arrangement for Members of The University of British Columbia Staff Pension Plan, for Members whose continuous employment commenced prior to 2007, which was adopted by the University effective January 1, 1999, as amended from time to time;

**“Termination of Employment”** means the end of Continuous Employment for reasons other than death or Retirement, as recorded in the records of the Pension Administration Office;

**“Terms of Reference”** means the Terms of Reference and Governance Policy of the Pension Board established in accordance with Section 18.02;

**“Transfer of Employment”** means, in relation to an individual employed by an Employer, a change to or from an employment category eligible for membership in the Plan to an employment category that is not eligible for membership in the Plan, or vice versa;

**“Trust Agreement”** means the agreement, as amended from time to time, established and maintained by the Board of Governors to govern the actions of the Trustee and the operation of the Trust Fund;

**“Trust Fund”** means the fund established and maintained to hold the assets of the Plan;

**“Trustee”** means the trustee appointed by the Board of Governors under the Trust Agreement;

**“University”** means The University of British Columbia or the Board of Governors, as the context requires;

**“YBE”** means the “Year's Basic Exemption” as defined in the Canada Pension Plan;

**“YMPE”** means the “Year's Maximum Pensionable Earnings” as defined in the Canada Pension Plan.

## **Article 3 Membership**

### **3.01 Date of Eligibility**

A Staff Employee becomes eligible to become a Member of the Plan on gaining a Full-time Staff Employee appointment which extends to or beyond the date on which they will have achieved one year of Continuous Employment.

Otherwise, a Staff Employee becomes eligible when they have completed at least 12 months of Continuous Employment in which they earned at least 35% of the YMPE of the year the 12 month period concludes.

On and after September 30, 2015, an Hourly CUPE Employee becomes eligible to become a Member of the Plan when they have completed at least 12 months of Continuous Employment in which they earned at least 35% of the YMPE of the year the 12 month period concludes. Only amounts earned after March 31, 2011 will be considered in evaluating an Hourly CUPE Employee's eligibility for membership in the Plan.

### **3.02 Compulsory Membership**

A Staff Employee or an Hourly CUPE Employee who is eligible to become, but is not yet, a Member, must become one on the first day of the month following completion of three years of Service from the date they were first eligible to become a Member.

If, on July 1, 2009, a Staff Employee is eligible to become, but has not yet become, a Member and is under age 30, then membership will not be compulsory until that person has both attained age 30 and completed 3 years of Service from the date they were first eligible to become a Member.

When calculating Service for this rule, Leaves of Absence without pay and Labour Interruptions will be excluded.

### **3.03 Voluntary Membership**

Before satisfying the 3 years of Service rule, membership is available on a voluntary basis to Staff Employees and Hourly CUPE Employees who have become eligible.

To become a Member during this period, a Staff Employee or Hourly CUPE Employee must make an Election which specifies the effective date of joining and authorizes payroll deductions for contributions.

The effective date of joining must be the first day of a month.

Prior to 2015, retroactive Elections were permitted, but only where employment as a Staff Employee or Hourly CUPE Employee had been continuous since becoming eligible, and not before January 1 of the calendar year of filing the Election. Effective January 1, 2015, retroactive Elections are no longer permitted. The effective date of joining must be the first day of a month coincident with or following the Election.

### **3.04 No Opting-out After Joining**

Except as provided for in Section 7.03, once a person has become a Member, contributions and participation will continue for as long as the Plan text requires. There is no opting-out provision.

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**3.05 Member Information Needed for Plan Administration**

A Member must give the Pension Administration Office the information that is reasonably required for administering the Plan.

**3.06 Special Rules for Re-employment and Transfers of Employment**

On re-employment as a Staff Employee or an Hourly CUPE Employee, including a Transfer of Employment to an employment category eligible for membership in the Plan, a person will be treated as follows.

If the person is not a Member or has received any portion of their benefit in respect of their previous employment as a lump sum payment or transfer, they will become eligible in accordance with the normal eligibility and membership rules stated in Sections 3.01 to 3.03.

If the person is entitled to a Deferred Pension and has not received any portion of their benefit in respect of their previous employment as a lump sum payment or transfer:

- (a) Member Required Contributions and accrual of Pensionable Service resume on the first day of the month on or following re-employment or transfer,
- (b) Pensionable Service before and after re-employment or transfer will be combined, and
- (c) Best Average Pensionable Earnings will be determined using Pensionable Earnings both before and after re-employment or transfer.

If the person is receiving a pension, the pension continues and they will not resume Member Required Contributions or accrual of Pensionable Service during re-employment.

## **Article 4 – Contributions: General**

### **4.01 Member Required Contributions**

Except as provided for in Section 7.03, each Member will make Member Required Contributions by payroll deduction in each pay period in which the Member is a Staff Employee working Full-time or on a Leave of Absence with Full-time pay. The amount shall be 6.5% of Pensionable Earnings.

In respect of other pay periods, Members will contribute in accordance with Article 5.

All Member Required Contributions are subject to the maximum permitted under the Income Tax Act.

In addition, Members may Elect to make Member Buy-back Contributions in accordance with Article 6. These do not count as Member Required Contributions.

### **4.02 Employer Contributions**

Provided that the Actuary expresses the opinion that for the purposes of s. 147.2(2) of the Income Tax Act the Employer Contributions provided for in the Plan are required to be made so that the Plan will have sufficient assets to pay benefits under the defined benefit provisions of the Plan, as registered, each Employer will make Employer Contributions in respect of each pay period.

The amount shall be:

- (a) 10% of Pensionable Earnings minus the CPP Contribution Offset for each Member employed by that Employer who is a Staff Employee working Full-time or on a Leave of Absence with Full-time pay during that pay period, plus
- (b) any amounts payable by the Employer in accordance with Article 5 for other Members employed by the Employer, minus
- (c) any Employer contributions to the Supplemental Retirement Arrangement in respect of that pay period.

For greater certainty, since the defined benefit provisions of the Plan, as registered, include the benefit variation provisions of Article 13, applied on the presumption of continuation of Employer Contributions at the above rate, the contributions required to support those benefits must always be no greater than, and no less than, that rate.

In addition, and as more fully provided in section 52(3) of the PBSA, since all of the Plan's benefit formula provisions are target benefit provisions, the liability of each Employer to make Employer Contributions in respect of each pay period is limited to making Employer Contributions at the above rate in respect of the Pensionable Earnings earned by the Members employed by the Employer during that pay period. In no circumstance will an Employer be permitted to contribute at a rate less than, or be required to contribute at a rate greater than, the above rate in respect of such Pensionable Earnings.

### **4.03 Remittance and Deemed Trust**

Contributions made by a Member become payable to the Trust Fund on the date of payroll deduction or receipt by the Employer, as applicable.

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Contributions made by an Employer become payable to the Trust Fund on the last day of the month in respect of which they are made.

The Employer must keep these payable contributions separate and apart from the Employer's own assets and remit them to the Trust Fund within 30 days after the end of the month in which they become payable. After they have become payable and before they have been remitted to the Trust Fund, such amounts are, in accordance with Applicable Legislation, deemed to be held in trust for the benefit of the Plan and do not form part of the estate of the Employer.

#### **4.04 Tax Rules**

Only amounts which qualify as tax-free transfers or tax-deductible contributions under the Income Tax Act may be paid to the Trust Fund. The Trustee must refund to the payer any amount which is determined to be excess or ineligible.

## Article 5 – Contributions: Special Situations

### 5.01 Contribution Provisions Applying to Special Situations

Subject to Section 5.02, if a Member is not a Staff Employee working Full-time or a Staff Employee on a Leave of Absence with Full-time pay, the provisions of the following table apply:

<b>Member Situation</b>	<b>Member Pays</b>	<b>Employer Pays</b>	<b>Earnings</b>	<b>Service</b>
(a) on a period of Part-time employment as a Staff Employee or a period of employment as an Hourly CUPE Employee (whether Part-time or Full-time <sup>2</sup> )	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Contributions are calculated on Part-time Pensionable Earnings  In calculating the CPP Contribution Offset, the YMPE and YBE are pro-rated for the Part-time fraction  Pensionable Earnings are grossed up to the Full-time equivalent in the calculation of Best Average Pensionable Earnings	Pensionable Service is pro-rated for the Part-time fraction  Qualifying Service accrues at the Full-time rate
(b) i. on a Period of Long-term Disability where the disability commenced after June 30, 2009	Member must contribute at a combined rate <sup>3</sup> of 16.5% minus the CPP Contribution Offset	Employer does not contribute	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
ii. on a Period of Long-term Disability where the disability commenced before July 1, 2009	Member does not contribute	Employer does not contribute	Deemed Compensation is used to calculate Best Average Pensionable Earnings	Same as (a)

<sup>2</sup> The Part-time fraction for an Hourly CUPE Employee employed Full-time is 1.0.

<sup>3</sup> The combined rate is the Member contribution rate of 6.5% of Pensionable Earnings plus the Employer contribution rate of 10% of Pensionable Earnings minus the CPP Contribution Offset. All or a portion may be paid by the Member's insurance program.

<b>Member Situation</b>	<b>Member Pays</b>	<b>Employer Pays</b>	<b>Earnings</b>	<b>Service</b>
(c) on a Statutory Leave, where the Member has Elected to make contributions during the leave	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
(d) on a Leave of Absence without pay other than a Statutory Leave, where the Member has Elected to make contributions during the leave	Member must contribute at a combined rate <sup>3</sup> of 16.5% minus the CPP Contribution Offset	Employer does not contribute	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
(e) involved in a Labour Interruption in respect of which the Employer or Member agrees, or they jointly agree, to make contributions	Member must contribute any part of the combined rate <sup>3</sup> of 16.5% minus the CPP Contribution Offset which is not paid by the Employer	Employer contributions as agreed; choice of:  1. no contributions;  2. contributions at the 10% minus CPP Contribution Offset rate; or,  3. if specified in a collective bargaining agreement, contributions at all or part of the combined rate <sup>3</sup> of 16.5% minus the	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)

<sup>3</sup> The combined rate is the Member contribution rate of 6.5% of Pensionable Earnings plus the Employer contribution rate of 10% of Pensionable Earnings minus the CPP Contribution Offset. All or a portion may be paid by the Member's insurance program.



<b>Member Situation</b>	<b>Member Pays</b>	<b>Employer Pays</b>	<b>Earnings</b>	<b>Service</b>
		CPP Contribution Offset		
(f) in any of situations (c)-Statutory Leave, (d)-Leave of Absence, and (e)-Labour Interruption, where the Member has not Elected to make contributions	Member does not contribute	Employer does not contribute	not applicable	no accrual
(g) on a Reduced Work Load Program	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)
(h) on the accumulation period of a Deferred Salary Leave Program. (The leave period is treated as a Leave of Absence without pay – see (d)-Leave of Absence and (f)-Member Not Making Contributions)	Member must contribute at the 6.5% rate	Employer must contribute at the 10% minus CPP Contribution Offset rate	Deemed Compensation is used to calculate contributions and Best Average Pensionable Earnings	Same as (a)

## 5.02 Limitation on Pensionable Service Arising from Deemed Compensation

The additional Pensionable Service which can arise from the payment of contributions on Deemed Compensation is subject to two limits.

The total additional Pensionable Service arising under (d) – Leave of Absence and (e) - Labour Interruption of the above table plus the proportion of Pensionable Service which

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arises from Deemed Compensation under (g)-Reduced Work Load Program and (h)-Deferred Salary Leave Program may not exceed five years.

That total plus the additional Pensionable Service arising under (c)-Statutory Leave may not exceed eight years.

Contributions must cease if their continuation would cause either of these limits, or such other limit as the Income Tax Act may from time to time impose, to be exceeded.

## **Article 6 – Contributions: Buy-Back**

### **6.01 Member Buy-back Contributions**

At Pension Commencement Date, a Member may Elect to purchase Buy-back Service by making Member Buy-back Contributions.

This option is unavailable if the Member Elects a lump sum payment or transfer in respect of any part of their Plan entitlement.

The Member Buy-back Contributions are equal to the actuarial value of the additional benefits arising from the Buy-back Service, including the value associated with any acceleration of Pension Commencement Date expected to result from its purchase, all as determined by the Pension Board on the advice of the Plan Actuary.

Member Buy-back Contributions must be paid in a lump sum to the Trust Fund no later than 30 days after the Pension Commencement Date or in such other form or at such other time as the Pension Board may determine.

The Pension Board may require the Member to provide evidence that periods qualify as Buy-back Service and may impose additional restrictions on its purchase.

## Article 7 – Retirement and Pension Commencement Date

### 7.01 Retirement Date

A Member's Retirement Date is the first of the month following the Member's Retirement and is characterized as follows:

<i>Retirement Date</i>	<i>Type of Retirement</i>
Normal Retirement Date	normal
first day of a month <ul style="list-style-type: none"> <li>• after the month in which the Member attains age 55 and</li> <li>• before Normal Retirement Date</li> </ul>	early
first day of a month after Normal Retirement Date	delayed

### 7.02 Pension Commencement Date

A Member's Pension Commencement Date is the date the Member's pension commences. It is the Member's Retirement Date or, subject to limits imposed by Applicable Legislation, the first day of a later month Elected by the Member.

### 7.03 Pension Commencement at 65 While Still Employed

A Member may upon attaining Normal Retirement Date Elect to discontinue making contributions after Normal Retirement Date and to commence payment of their pension on Normal Retirement Date or, subject to limits imposed by Applicable Legislation, the first of a later month.

### 7.04 Pension Commencement Required by Applicable Legislation

Despite any other provision of this Plan text, a Member may not delay the commencement of their pension beyond the latest date permitted by Applicable Legislation. Without limitation, if a Member is still employed by an Employer on such date the Member will for all purposes of this Plan be deemed to have retired and to have Elected that date as the Pension Commencement Date.

## Article 8 – Amount of Pension

### 8.01 Normal or Delayed Retirement Pension

A Member whose Pension Commencement Date is on or after the Normal Retirement Date receives an annualized pension payable in the Normal Form equal to the sum of:

- (a) 1.8% multiplied by Best Average Pensionable Earnings multiplied by Pensionable Service after June 30, 2009, plus
- (b) 2.0% multiplied by Best Average Pensionable Earnings multiplied by Pensionable Service prior to July 1, 2009, minus the CPP Benefit Offset, the net result of which is to be converted, if necessary, on an Actuarial Equivalent basis to the Normal Form as described in Section 9.01,

provided that, for a Member who was a Member on July 1, 2009, the amount in (a) will not be less than:

- (c) 2.0% multiplied by Best Average Pensionable Earnings multiplied by Pensionable Service after June 30, 2009, minus the CPP Benefit Offset for Post-revision Service.

Any pension paid or payable under a Prior Pension Plan, using the Normal Form and the Pension Commencement Date, is subtracted from the above amount.

The total amount of pension is subject to the limits in Section 8.05.

### 8.02 Early Retirement Pension

A Member whose pension commences before the Normal Retirement Date receives an annualized pension payable in the Normal Form equal to the normal retirement pension described in Section 8.01 multiplied by the applicable early retirement factor, plus any Bridge Benefit described in the following table:

<b><i>Early Retirement Circumstances</i></b>	<b><i>Early Retirement Factor</i></b>	<b><i>Bridge Benefit</i></b>
General case (Member does not meet any of the criteria below)	In respect of benefits related to Pensionable Service prior to 2012, 100% minus 1/12 of 4% for each month by which pension commencement precedes the Normal Retirement Date  In respect of benefits related to Pensionable Service after 2011, Actuarial from NRD	None
If the Member was a Member before 1992 but is not eligible for Special Early Retirement or has waived the Special Early Retirement benefit	100% minus 1/12 of 3% for each month by which pension commencement precedes the Normal Retirement Date	None

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<b>Early Retirement Circumstances</b>	<b>Early Retirement Factor</b>	<b>Bridge Benefit</b>
If the Member is eligible for Special Early Retirement and has not waived this benefit	100% minus 1/12 of 3% for each month, if any, by which pension commencement precedes the first of the month following the Member's 60 <sup>th</sup> birthday	Member also receives the Bridge Benefit multiplied by the early retirement factor

If an early retirement factor is applied, the value of the reduced pension must be at least the Actuarial Equivalent of the pension in Section 8.01. The amount of pension is subject to the limits in Section 8.05.

### **8.03 Special Early Retirement Eligibility**

A Member is eligible for Special Early Retirement if the Member has completed at least 20 years of Qualifying Service, has not waived entitlement to Special Early Retirement benefits and:

- (a) was a Member before 1992, or
- (b) was employed before 1992 in a position that did not qualify for membership in the Plan and Elected to join the Plan within one month of receiving notification of eligibility to join.

The Member may Elect to waive the Special Early Retirement benefit any time before Pension Commencement Date.

### **8.04 Delayed Pension Commencement**

A Member may delay commencement of the retirement pension to the extent permitted by Applicable Legislation. If a delay is Elected, the pension is adjusted by two factors:

- (a) for indexing, under Article 12, between Retirement Date and Pension Commencement Date, and
- (b) if pension commencement is delayed beyond Normal Retirement Date, then an adjustment is applied to reflect the period between the later of Retirement Date and Normal Retirement Date, and Pension Commencement Date – the adjustment is based on the table of factors adopted by the Pension Board, which reflect approximately Actuarial Equivalent adjustments.

### **8.05 Maximum Pension**

The initial pension payable under the Plan must not be greater than the Plan Maximum Pension.

## Article 9 – Available Forms of Retirement Benefit

### 9.01 Normal Form

All pensions under the Plan, except the Bridge Benefit, shall be payable in the Normal Form unless the Spousal Default Form is applicable or an Optional Form is Elected by the Member. Any payments due under the Normal Form after the Member's death are payable to the Member's Beneficiary.

Benefits accrued prior to July 1, 2009 are determined as payable in the following form and then converted, if necessary, on an Actuarially Equivalent basis to the Normal Form:

<i>Member Situation</i>	<i>Form of Benefit</i>
The Member has a Spouse and is not entitled to a Special Early Retirement benefit and there is no Spousal Waiver on file with the Pension Administration Office.	Joint Form with a reduction of 0.5% per year for each complete year in excess of 15 that the Member is older than the Spouse
Other situations	Normal Form

### 9.02 Spousal Default Form

If the Member has a Spouse on their Pension Commencement Date and no Spousal Waiver is on file with the Pension Administration Office and the Member has made no Election of an Optional Form, as permitted in Section 9.03, then the pension will be payable in the Spousal Default Form.

The amount of pension payable under the Spousal Default Form is the Actuarial Equivalent of the pension payable under the Normal Form.

Any guaranteed pension payable after the death of both the Member and the Spouse is paid to the Beneficiary and is equal in amount to the pension in payment immediately prior to the second death. In the event of simultaneous deaths, the reduction to 60% that takes place after the first death shall apply.

### 9.03 Optional Forms

A Member may Elect any one of the following Optional Forms of benefit payment:

<i>Form of Benefit</i>	<i>Description</i>
(a) Alternative joint and guaranteed pension forms	A pension for the life of the Member, with payments continuing to the Spouse, if living, after the Member's death for the remainder of the Spouse's lifetime, with a guaranteed minimum number of payments.
Joint and survivor amount	The continuing pension may be one of: <ul style="list-style-type: none"> <li>i. after the first death of either Member or Spouse, 100%;</li> </ul>

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<b>Form of Benefit</b>	<b>Description</b>
Guaranteed number of payments	ii. after the Member's death, 60%; or iii. after the first death of either Member or Spouse, 60%.  The guarantee may be 60, 120, or 180 months of payments in total.
(b) Alternative single guaranteed pension forms  Guaranteed number of payments	A pension for the life of the Member, with a guaranteed minimum number of payments. These Optional Forms are available if the Member has no Spouse or a Spousal Waiver is on file with the Pension Administration Office.  The guarantee may be 60, 120, or 180 months of payments in total.
(c) Level Income Option	If the Member retires before the Normal Retirement Date and either does not qualify for or waives Special Early Retirement, a Level Income Option may be Elected.  The Member may Elect the Level Income Option in conjunction with any pension form.

The amount of pension payable under an Optional Form is the Actuarial Equivalent of the pension payable under the Normal Form.

#### **9.04 Guaranteed Pension Payments**

Any guaranteed pension payable after the death of both Member and Spouse, if any, is paid to the Beneficiary and is equal in amount to the pension in payment immediately prior to the death. In the event of simultaneous deaths of a Member and Spouse, any reduction that takes place in the event of the Member's death shall apply.

#### **9.05 Election of Form of Pension**

The Member may Elect only one form of pension. The same form must be selected for all pension benefits payable under the Plan, including benefits payable prior to July 1, 2009 and pursuant to a Prior Pension Plan. The form of pension Elected must comply with Applicable Legislation.

#### **9.06 Commutation of Small Pensions**

If an individual is entitled to have paid from the Trust Fund a Commuted Value in settlement of the individual's entitlement to benefits under any of the Plan's benefit provisions, and the Commuted Value is less than or equal to 20% of the YMPE for the calendar year in which the Commuted Value is determined, then the Member cannot

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receive their benefit as a pension. A lump sum transfer of the Commuted Value will be made in full settlement of the Member's rights under the Plan.

The lump sum transferable under this Section will be paid, at the Member's Election, as follows:

- (a) up to the Maximum Transfer Amount, as a transfer to a Registered Arrangement, with a cash payment for the balance, or
- (b) as a cash payment.

#### **9.07 Payments to Beneficiaries and Estates**

Where both Member and Spouse, if any, have died and guaranteed payments continue, if the Beneficiary is a living individual, they have the choice of:

- (a) the remaining guaranteed payments as they fall due, or
- (b) the Commuted Value of the remaining guaranteed payments.

If the Beneficiary is not a living individual, or if the Beneficiary doesn't make an Election, the Commuted Value must be paid in a single lump sum.

When a Beneficiary in receipt of guaranteed payments dies, the Commuted Value of any remaining guaranteed payments must be paid in a single lump sum to the estate of the Beneficiary.

## Article 10 – Pre-Retirement Termination or Transfer of Employment

### 10.01 Benefits on Termination of Employment Prior to Age 55

A Member who has a Termination of Employment prior to age 55 is entitled to a Deferred Pension, called Option A. Instead of Option A, the Member may, prior to attaining age 55, Elect Option B or Option C.

A terminated Member who remains entitled to a Deferred Pension may, until attaining age 55, change their Election to Option B or C any time before their Pension Commencement Date.

After attaining age 55, a terminated Member who remains entitled to a Deferred Pension is subject to Section 10.02.

### 10.02 Benefits on Termination of Employment on or After Age 55

A Member who has a Termination of Employment on or after age 55, or who did not Elect Option B or Option C under Section 10.01 prior to age 55, is entitled to a Deferred Pension, called Option A.

Instead of Option A, the Member may Elect Option B. A terminated Member who remains entitled to a Deferred Pension and has attained age 55 may change their Election to Option B any time before their Pension Commencement Date.

If the lump sum amount that would have been determined for the Member under Section 10.05 as of their Pension Commencement Date, had they been under age 55 at that date, exceeds the Commuted Value, the excess shall be paid in a lump sum in accordance with Section 10.05.

### 10.03 Option A – Deferred Pension (DEFAULT OPTION)

The Member receives the pension accrued under Article 8 payable at Normal Retirement Date based on service up to date of Termination of Employment. The Deferred Pension may be paid in an Optional Form and at a Pension Commencement Date Elected by the Member.

### 10.04 Option B – Combination of Deferred Pension and Lump Sum Payment

The Member receives a lower Deferred Pension and a lump sum payment whose combined value equals the Commuted Value of the Deferred Pension payable pursuant to Section 10.03. The parts are determined as follows:

<i>Part of Benefit</i>	<i>Amount</i>	<i>Terms</i>	
Deferred Pension	Actuarially Equivalent to the portion of Commuted Value that is a Locked-in Amount	as for Option A	
lump sum payment	remainder of Commuted Value	<i>Applicable to</i>	<i>Method of Payment</i>

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<i>Part of Benefit</i>	<i>Amount</i>	<i>Terms</i>	
		amounts below the Maximum Transfer Amount	transfer to the Member's Registered Arrangement
		amounts over the Maximum Transfer Amount	cash payment

### 10.05 Option C – Lump Sum Payment

The Member receives a lump sum payment. The lump sum is the greater of:

- (a) the Commuted Value; and
- (b) the Double Refund Benefit plus 1.5 times Member Required Contributions after June 30, 2009, accumulated with Credited Interest.

The lump sum is paid as follows:

<i>Applicable to</i>	<i>Method of Payment</i>
Locked-in Amounts below the Maximum Transfer Amount	transfer to a Locked-in Arrangement
other amounts below the Maximum Transfer Amount	transfer to the Member's Registered Arrangement
amounts over the Maximum Transfer Amount	cash payment

### 10.06 Transfer of Employment

A Member who has a Transfer of Employment to a category of employment that is not eligible for membership in the Plan is treated as if the transfer were a Termination of Employment. If the Member is over age 55, the Transfer of Employment may be characterized in the records of the Pension Administration Office as a Retirement, in which case it is treated as such.

### 10.07 Small Amounts

Section 9.06 applies to a Member who has a Termination Of Employment or a Transfer of Employment to a category of employment that is not eligible for membership in the Plan.

### 10.08 Target Benefit Funded Ratio

Despite any other provision of this Plan text, if an individual is entitled to have paid from the Trust Fund a Commuted Value or other lump sum (including any lump sum determined pursuant to Section 10.05) (a "**Lump Sum**") in settlement of the individual's

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entitlement to benefits under any of the Plan's benefit provisions, and the Plan's target benefit funded ratio, as calculated in accordance with the PBSA and set out in the actuarial valuation report that has most recently been filed in relation to the Plan, is less than 1.0, the amount to be paid from the Trust Fund in respect of that individual equals the amount of the Lump Sum otherwise determined in accordance with this Plan text multiplied by the Plan's target benefit funded ratio.

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## Article 11 – Pre-Retirement Death

### 11.01 Entitlement to Death Benefits

Entitlement to pre-retirement death benefits is as follows:

<i>Upon the death of:</i>	<i>Circumstances</i>	<i>Entitlement to benefits</i>
Member with Spouse	no Spousal Waiver on file with the Pension Administration Office	Spouse
Member with Spouse	Spousal Waiver on file with the Pension Administration Office	Beneficiary
Member without Spouse	All	Beneficiary

### 11.02 Amount of Death Benefits

The pre-retirement death benefit is the greater of:

- (a) the lump sum that would be payable had the Member had a Termination of Employment on their date of death, were eligible to Elect Option C, and did Elect Option C under Section 10.05 for their termination benefits, and
- (b) the Minimum Death Benefit accumulated with Credited Interest from December 31, 2002 to the date of death.

### 11.03 Benefit Payment Options for Spouse

A Spouse may Elect one of three payment options with respect to the pre-retirement death benefits:

<b>Option</b>	<b>Terms</b>	<b>Amount</b>
Option A – Deferred Pension (DEFAULT OPTION)	Deferred Pension commencing on the first day of any month following the Election but not later than permitted by Applicable Legislation.  Deferred Pension may be paid in an Optional Form as if the Spouse were the Member and the Member had no Spouse.	Deferred Pension is Actuarially Equivalent to the benefit in Section 11.02.
Option B – Combination of Deferred Pension and lump sum	Deferred Pension commencing on the first day of any month following the Election but not later than permitted by Applicable Legislation.  Deferred Pension may be paid in an	Deferred Pension is Actuarially Equivalent to the portion of the benefit in Section 11.02 that is a

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payment	Optional Form as if the Spouse were the Member and the Member had no Spouse.  Lump sum may be transferred to the Spouse's Registered Arrangement, or it may be paid to the Spouse by cash payment.	Locked-in Amount.  Lump sum is equal to the portion of the benefit in Section 11.02 that is not a Locked-in Amount.
Option C – Lump sum payment	The portion of the lump sum that is a Locked-in Amount will be paid as a transfer to a Locked-in Arrangement.  The portion of the lump sum that is not a Locked-in Amount will be transferred to the Spouse's Registered Arrangement, or it may be paid to the Spouse by cash payment.	Lump sum is equal to the benefit in Section 11.02.

The default is Option A, paid in the Normal Form, and commencing on the first day of the month following the Spouse's 65<sup>th</sup> birthday.

#### **11.04 Benefit Payment to Beneficiary**

The death benefit payable to the Beneficiary will be paid by a cash lump sum payment.

#### **11.05 Requirements for Payment of Death Benefits**

Before any death benefits are payable, the Pension Administration Office must receive evidence, as required by the Pension Board, of proof of death and entitlement to benefits, including date of birth of Spouse or Beneficiary and, if applicable, spousal or dependency status.

If no Election is filed by a Spouse or Beneficiary within two years of the death of a Member, the Pension Board may apply to pay the lump sum value of the benefit into court.

#### **11.06 Small Amounts**

Section 9.06 applies to a Spouse entitled to pre-retirement death benefits as if the Spouse were the Member in that Section.

## Article 12 – Indexing of Pensions

### 12.01 Limitations on Indexing

Pensions under the Plan are indexed according to this Article only as permitted under Article 13.

### 12.02 Eligibility for Indexing

Pensions under the Plan are indexed in the following situations:

<b>Situation</b>	<b>Indexing Starts</b>	<b>Indexing Ends</b>
in the deferral period of a Deferred Pension	Date of Retirement, Termination of Employment, or death, as the case may be	Pension Commencement Date (in which case indexing continues as the pension is in payment), or re-employment of the Member, if earlier
where a Member has a Transfer of Employment to a category of employment that is not eligible for membership in the Plan	Date of Transfer of Employment	Pension Commencement Date (in which case indexing continues as the pension is in payment), or date the Member transfers back to a category of employment that is eligible for membership in the plan if earlier
pension in payment	Pension Commencement Date	when pension is no longer payable

### 12.03 When Indexing Applies

Pensions are indexed each January 1 between the start and end dates indicated in Section 12.02.

### 12.04 Amount of Indexing

Unless Section 12.05 applies, the amount of an indexed pension in a Plan Year will be the pension in the prior Plan Year multiplied by the sum of one plus the percentage amount by which the Canada Pension Plan basic pension increases on January 1 of that Plan Year, subject to the limits imposed by Applicable Legislation.

Despite any other provision of this Plan text, the indexing increase in a Plan Year of a deferral period of a Deferred Pension will never be less than 75% of the percentage amount by which the Canada Pension Plan basic pension increases on January 1 of that Plan Year minus one percent, provided that the amount so calculated cannot be less than zero and that the actuarial present value of the Deferred Pension, determined on a going concern basis, cannot be less than 100% of the Member Required Contributions made by the Member with Credited Interest.

In the first year of indexing, the indexing adjustment is reduced pro-rata to reflect the number of complete months from the indexing start date to December 31.

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## 12.05 Indexing and Prior Pension Plan Offsets

If a Member has a pension payable from a Prior Pension Plan, then the following rules apply:

<b>Situation</b>	<b>Amount of Indexing</b>
(a) Member has a pension payable from CREF and Elects to have indexing determined using a frozen CREF offset	<ul style="list-style-type: none"> <li>• when the initial amount of pension is determined, the CREF pension at that time (the "frozen" CREF pension) is deducted,</li> <li>• no further reference is made to the CREF offset</li> <li>• the resulting pension is adjusted as provided for in Section 12.04,</li> <li>• if such an offset was converted on January 1, 1996 or January 1, 1997 to a Sun Life Fixed Annuity in respect of a Member who was then retired, the pre-conversion amount is treated as a frozen CREF offset</li> </ul>
(b) Member has a pension payable from CREF and Elects to have indexing determined using an unfrozen CREF offset, or no Election respecting the CREF offset is made	<ul style="list-style-type: none"> <li>• at each indexing date the indexing is applied to the pension before any CREF offset</li> <li>• the pension payable under CREF at that date (the unfrozen CREF offset) is deducted from the indexed pension</li> </ul>
(c) Member has a pension payable from a Prior Pension Plan other than CREF	<ul style="list-style-type: none"> <li>• at each indexing date, after the indexed pension has been determined and, if applicable, adjusted for CREF offsets, the pension payable under the Prior Pension Plan at that date is deducted from the indexed pension</li> <li>• if any unfrozen CREF offset was converted on January 1, 1996 or January 1, 1997 to a Sun Life Fixed Annuity, this treatment applies to the Sun Life Fixed Annuity after conversion</li> </ul>

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## Article 13 – Relationship between Funding and Benefits

### 13.01 Actuarial Valuation

The University, or the Pension Board as described in Article 18, will commission actuarial valuations of the Plan no less frequently than is required by Applicable Legislation. Such actuarial valuations must be prepared in accordance with the funding rules in the PBSA applicable to target benefit provisions.

### 13.02 Benefits/Funding Test

An actuarial valuation will include a Benefits/Funding Test at least every three years. If a benefit reduction is in effect, an estimated Benefits/Funding Test will be performed annually and a full actuarial valuation and Benefits/Funding Test will be performed if determined by the Pension Board. For the purposes of this Section, a Benefits/Funding Test will determine the Funds Available and the Funds Required subject to the following requirements:

- (a) The actuarial assumptions will be estimates made by the Actuary and approved by the Pension Board that:
  - i. may contain reasonable simplifications and approximations;
  - ii. will be determined without regard to the results they would produce;
  - iii. must be consistent with accepted actuarial practice, and
  - iv. to the extent possible, must contain no intentional margin or understatement.
- (b) The Actuary will value the Plan's assets using a technique that smoothes market fluctuations over a period not exceeding 5 years. The smoothing technique, which must be consistent with accepted actuarial practice, will be chosen by the Actuary, and approved by the Pension Board. Unless the Actuary believes there are reasons to change it, the smoothing technique must be applied consistently over time.
- (c) The projections of future contributions and normal costs will be performed over a period of 25 years using assumptions as to future changes in the composition of the membership, including a new entrant assumption. The Actuary will determine these assumptions as in (a), except that the membership projections may not anticipate growth in the number of Members who are contributing and accruing Pensionable Service.

### 13.03 Consequences of Benefits/Funding Test

The consequences of the Benefits/Funding Test are, subject to Applicable Legislation, as set out below.

#### ***(a) Funds Available Exceed Funds Required***

If the Funds Available exceed the Funds Required the following actions are to be taken in the following order of priority and to the extent possible:

<b>Priority</b>	<b>Action</b>
1.	Reinstate any previous benefit reductions. The benefits will be reinstated for payments falling due on and after one year following the effective date of the Benefits/Funding Test.
2.	To the extent permitted by Applicable Legislation, build a contingency reserve to the level recommended by the Actuary and approved by the Pension Board.
3.	Build additional assets to the extent permitted as a carry-forward of surplus under Applicable Legislation.
4.	Subject to limits in Applicable Legislation and an amendment to the Plan text, improve the pension formula for Pensionable Service before the effective date of the Benefits/Funding Test. The improvement applies to benefits payable on and after that effective date.
5.	Subject to limits in Applicable Legislation and an amendment to the Plan text, allocate any remaining excess funds in proportion to the accrued liabilities as at the effective date of the Benefits/Funding Test and distribute them to, and only to, Members, Limited Members, Spouses in receipt of a pension, joint annuitants in receipt of a pension, and Beneficiaries of the Plan as at that date. The distribution will be made in a manner permitted by Applicable Legislation and determined by the Pension Board.

**(b) Funds Available Are Less than Funds Required**

If the Funds Available are less than the Funds Required the following actions are to be taken in order of priority to the extent necessary to eliminate the shortfall:

<b>Priority</b>	<b>Action</b>
1.	Reduce the level of future Indexing for Indexing adjustments occurring one year or more after the effective date of the Benefits/Funding Test.
2.	Reduce the pension formula for Pensionable Service occurring one year or more after the effective date of the Benefits/Funding Test.

If the Pension Board concludes that these measures are insufficient to eliminate the shortfall or that the benefit reductions are so severe as to threaten the Plan's ongoing viability, it will so advise the University. The University will then be required to make other amendments to the Plan to eliminate the shortfall and restore its viability, or to terminate the Plan.

## Article 14 – Division of Benefits on Marriage Breakdown

### 14.01 Division of Pension Benefits

To receive benefits under the Plan, an Entitled Spouse must file the required documents in Approved Manner and pay the fee established by the Pension Board.

The division of pension benefits is governed by the Family Law Act and the separation agreement between the Member and the Entitled Spouse, or any court order dealing with the division of the Member's entitlement under the Plan. The means of settlement depends on when all forms required by the Family Law Act, including a copy of the separation agreement or court order which establishes the Entitled Spouse's interest in the Member's pension, are received by the Pension Administration Office:

<b>Filing Date</b>	<b>Entitled Spouse</b>	<b>Member</b>
after Member's Pension Commencement Date	<ul style="list-style-type: none"> <li>receives proportionate share of Member's pension payments as they fall due, from the filing date for as long as they are payable and the Entitled Spouse is alive</li> </ul>	<ul style="list-style-type: none"> <li>each pension payment is reduced by the amount paid to the Entitled Spouse</li> </ul>
	<ul style="list-style-type: none"> <li>on the death of the Entitled Spouse, the pension continues in accordance with the Optional Form originally Elected by the Member</li> </ul>	<ul style="list-style-type: none"> <li>following the death of the Member, the Entitled Spouse remains entitled to a proportionate share of any payments payable to a Spouse or Beneficiary other than the Entitled Spouse</li> </ul>
on or before the Member's Pension Commencement Date	<ul style="list-style-type: none"> <li>becomes a Limited Member</li> <li>any time the Member is eligible to retire and has not commenced payment of their pension, the Limited Member may Elect a transfer from the Plan equal to their proportionate share of the value of the Member's benefits<sup>4</sup></li> <li>provided the Member and the Limited Member are both over age 55, the Limited Member may Elect, before the Member's Pension Commencement Date, to convert this proportionate share to an immediate lifetime pension payable from the Plan</li> <li>on the Member's Pension Commencement Date, the Limited Member may Elect to receive an immediate lifetime</li> </ul>	<ul style="list-style-type: none"> <li>benefits reduced in proportion to benefits allocated to Limited Member</li> </ul>

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<i>Filing Date</i>	<i>Entitled Spouse</i>	<i>Member</i>
	pension payable from the Plan, the value of which equals their proportionate share of the Member's benefits	

<sup>4</sup> This transfer is effected in the same manner as the transfer of Option C under Section 10.05. Once this transfer is effected, the Entitled Spouse is no longer a Limited Member.

#### **14.02 Benefit Settlement on Death or Termination or Transfer of Employment**

The following provisions apply when a Limited Member has undischarged rights under the Plan:

<i>Event</i>	<i>Benefits Payable</i>
Member has a Termination of Employment or a Transfer of Employment to a category of employment that is not eligible for membership in the Plan	Limited Member receives their proportionate share of the Member's benefits payable only as a lump sum transfer in accordance with Section 10.05.
Member dies before Pension Commencement Date	Limited Member's proportionate share of benefits is paid to the Limited Member payable only as a lump sum transfer in accordance with Section 11.03.
Limited Member dies before Pension Commencement Date	Limited Member's benefits under the Family Law Act are paid to Limited Member's estate by a single payment.

#### **14.03 Limited Member Cannot Be Spouse**

Upon becoming a Limited Member, the Entitled Spouse no longer qualifies as the Member's Spouse for the purposes of determining the benefits under the Spousal Default Form or any Optional Form.

#### **14.04 Small Amounts**

Section 9.06 applies to a Limited Member as if the Limited Member were the Member in that Section.

## **Article 15 – Beneficiaries**

### **15.01 Appointment of Beneficiary**

A Member may designate, in Approved Manner, a living individual, a charitable entity, the estate of the Member, or a combination as Beneficiary. If no designation is made, the Beneficiary is the estate of the Member. The Member may also change a Beneficiary designation.

To be valid, any designation of Beneficiary must be made by the Member while they were alive and must be received by the Pension Administration Office no later than 30 days after the death of the Member. In the absence of such a designation, the Pension Administration Office may pay the benefit to the estate of the Member and has no responsibility for pursuing the rights of a designated Beneficiary of whom it has not been notified.

### **15.02 Minor Beneficiary**

If the Beneficiary is under the age of majority, any benefits payable will be paid to the trustee appointed by the Member, or if there is no trustee, to the Beneficiary's guardian or to the public guardian and trustee, as determined by the Pension Board.

## Article 16 – Related Employers

### 16.01 Related Employers As of September 30, 2015

As of September 30, 2015, the following Related Employers participate in the Plan.

<b><i>Related Employer</i></b>
The Association of Administrative and Professional Staff
University of British Columbia Alumni Association
Canadian Union of Public Employees, CUPE Local 116
Canadian Union of Public Employees, CUPE Local 2950
The University of British Columbia Faculty Association
A joint venture operated by THE GOVERNORS OF THE UNIVERSITY OF ALBERTA, THE UNIVERSITY OF BRITISH COLUMBIA, CARLETON UNIVERSITY, SIMON FRASER UNIVERSITY, THE GOVERNING COUNCIL OF THE UNIVERSITY OF TORONTO and UNIVERSITY OF VICTORIA and such other universities who may become full member universities established pursuant to a contract governed by the laws of the Province of British Columbia (such joint venture herein called "TRIUMF")
The Centre for Excellence for the Prevention of Epidemic Organic Failure
Centre for Molecular Medicine and Therapeutics Child and Family Research Institute
Advanced Applied Physics Solutions

### 16.02 Employer's Obligations

Each Employer will undertake all of the following obligations:

- (a) make the communication to its employees required by Section 17.01;
- (b) provide the Pension Administration Office promptly with the information needed for administration of the Plan on behalf of its employees, which information is conclusive and binding on Members and may be relied upon conclusively by the Pension Board.

### 16.03 New Related Employers

After September 30, 2015, an entity becomes a Related Employer in respect of a designated category of its employees when it enters into a Participation Agreement with the University. The Participation Agreement must specify the effective date as of which the entity becomes a Related Employer, and the categories of its employees that will be eligible for membership in the Plan.

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**16.04 Membership in the Plan**

Any employee of a Related Employer who is a Member immediately before the effective date on which the entity became a Related Employer shall continue to be a Member on and after that effective date.

Any other employee of a Related Employer will become a Member in accordance with Article 3, provided that employment with the Related Employer prior to its effective date will, for the purposes of determining eligibility for Membership under Article 3 only, be deemed to be Service.

Except as provided in Section 16.05, employment with a Related Employer prior to its effective date will not be considered Pensionable Service.

**16.05 Prior Service with Related Employer**

Members who are employees of a Related Employer may have service with that Related Employer prior to its effective date recognized as Pensionable Service if:

- (a) arrangements are made to fund the associated benefits to the same degree as all other benefits under the Plan in a manner and within a time frame acceptable to the Pension Board on the recommendation of the Actuary; and
- (b) such arrangements are contained in the Participation Agreement between the Related Employer and the University.

**16.06 Withdrawal of Related Employer**

An entity ceases to be a Related Employer when:

- (a) its board of directors or governing body notifies the University of its desire to withdraw from the Plan; or
- (b) the University notifies the entity that it is no longer a Related Employer.

Related Employer status ends on the date determined by the University. On that date all employees of the Related Employer who are Members will be deemed to have ended Continuous Employment, and their entitlements under the Plan will be evaluated on that basis.

## **Article 17 – Rights and Restrictions**

### **17.01 Rights to Information**

Members have the following rights:

- (a) to receive a written explanation of the Plan terms, any amendments and the Member's rights and duties under the Plan; and
- (b) to receive, upon written request, a copy of the Plan text; and
- (c) to be provided with information on their status, rights and privileges under the Plan, as required by Applicable Legislation.

Each new Staff Employee and Hourly CUPE Employee will be advised by their Employer of the existence of the Plan.

To the extent required by Applicable Legislation, an individual has the right to examine information and documents pertaining to the Plan.

### **17.02 Right to Timely Payment**

Any lump sum payment or transfer under the Plan will be made within 60 days after the later of:

- (a) the event giving rise to the payment or transfer; and
- (b) the date all documents required by the Plan and the Pension Board are filed with the Pension Administration Office.

### **17.03 Non-alienation of Benefits**

Benefits under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, grant as security, or surrender and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, give as security, or surrender the same are void. Subject to Applicable Legislation, benefits under the Plan are not in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person who will be entitled to such benefit, nor are they subject to attachment, seizure, execution, or legal process for or against such person.

Notwithstanding the above, in cases of marriage breakdown, assignment does not include assignment under a decree, order, or judgment of a competent tribunal, or a written agreement, in settlement of such rights.

### **17.04 Restrictions on Commutation and Withdrawal**

Except as specifically provided in the Plan:

- (a) Plan pensions may not be commuted during the lifetime of the payee; and
- (b) no withdrawals of Member Required Contributions, Credited Interest thereon, or any other Plan benefit may be made.

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### **17.05 Shortened Life Expectancy**

If a Member, other than a Member who has commenced payment of their pension, has an illness or disability that is certified by a medical practitioner to be terminal or to likely shorten the Member's life considerably, the Member may Elect to:

- (a) convert all or part of the Member's pension earned under Section 8.01 to a series of payments to the Member for a fixed term in accordance with the requirements of the Applicable Legislation, or
- (b) withdraw as a lump sum an amount equal to the Member's Commuted Value or such lesser amount that the Member may select.

### **17.06 Non-Resident**

If a Member who has a Termination of Employment provides written evidence that confirms the Member's status as a non-resident of Canada for purposes of the Income Tax Act, the Member may Elect to withdraw a lump sum payment equal to the lump sum determined in respect of the Member under Section 10.05. This Election is available to the Spouse of a Member entitled to the death benefit payable under the Plan.

### **17.07 Spousal Waiver to Unlocking**

If a Member who is eligible to make an Election under Section 17.05 or Section 17.06 has a Spouse, the Member must not make that Election unless a Spousal Waiver is on file with the Pension Administration Office.

### **17.08 General Restrictions**

#### ***(a) Errors and Omissions***

Neither the establishment of the Plan, nor any amendment thereto, nor any action taken thereunder, nor any omission to act, if in good faith and not constituting negligence or willful misconduct, will give any person any legal or equitable right against the University or any governor or officer or employee thereof, or against the Pension Board or any member or employee thereof or against any agent employed by the University or the Pension Board.

#### ***(b) No Impact on Continuation or Termination of Employment***

The Plan does not interfere with the rights of the employee and Employer to terminate Service and does not give any employee or Member the right to continuation of employment.

#### ***(c) Final Discharge***

The payment of benefits under the Plan constitutes a complete, final and binding discharge of obligations owed by the Plan in respect of those benefits. From the date of payment of the last pension payment or transfer of all benefits, any Member or Limited Member will cease to be such and will have no further right or claim of any kind against the Plan.

## **Article 18 – Administration of The Plan**

### **18.01 Constitution of Pension Board**

- (a) The University is the administrator of the Plan for purposes of the Income Tax Act and the PBSA.
- (b) The Board of Governors of the University has established a Pension Board consisting of four members appointed by the Board of Governors, four members elected by Members and a non-voting chair appointed by the Board of Governors, to oversee the administration of the Plan on behalf of and reporting to the Board of Governors.

### **18.02 Terms of Reference**

The Pension Board will be governed by a Terms of Reference approved by the Board of Governors. The Terms of Reference will set out the manner of appointments and elections of Pension Board Members, removal of Pension Board Members, Pension Board governance rules and the respective powers and duties of the Pension Board, the Board of Governors and the Pension Administration Office.

### **18.03 General Meeting of Members**

The Pension Board may call a general meeting of Members. The independent chair of the Pension Board will act as chair of such meeting, or in their absence, another Pension Board Member, selected by the Pension Board.

## Article 19 – Amendments to or Termination of the Plan

### 19.01 Amendments

Subject to advance consultation with and notification of decisions to the Pension Board, and to the conditions stated, the Board of Governors may make amendments to the Plan as described in the following table or as required by the PBSA and take all other steps necessary or desirable to implement these amendments.

For the purposes of this section, the Benefits/Funding Test will determine the Funds Available and the Funds Required subject to the requirements in Section 13.02.

<b><i>Amendment</i></b>	<b><i>Conditions</i></b>
All amendments - general	must not reduce the Employer Contribution formula below the 10% minus the CPP Contribution Offset rate
Amendment to merge the Plan with another plan	<ul style="list-style-type: none"> <li>• as measured by the Benefits/Funding Test or as required by Applicable Legislation, must not reduce the value of benefits for Pensionable Service before the amendment date</li> <li>• the Actuary must provide the Pension Board with an opinion that the two plans are similarly funded and have compatible provisions relating to excess funding or arrangements approved by the Pension Board must have been made to eliminate any funding dissimilarity or incompatibility of provisions related to excess funding</li> </ul>
Amendment to divide the Plan	<ul style="list-style-type: none"> <li>• as measured by the Benefits/Funding Test or as required by Applicable Legislation, must not reduce the value of benefits for Pensionable Service before the amendment date</li> <li>• assets must be pro-rated among the divisions in proportion to accrued liabilities as measured by the Benefits/Funding Test</li> </ul>
Amendment to add another class of employees	no recognition of Service prior to the amendment date as Pensionable Service unless arrangements approved by the Pension Board are made to fund the associated benefits to the same degree as the other accrued benefits under the Plan
Amendment to terminate the Plan	assets must be allocated as described in Section 19.03 and distributed in accordance with Applicable Legislation and Section 19.04
Amendment to terminate part of the Plan	the Members leaving will stop contributing and accruing Pensionable Service on the specified date and, in accordance with Applicable Legislation, will be treated as a Termination of Employment or Retirement on the specified date.

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Despite the foregoing, in accordance with the Terms of Reference the Pension Board has the authority to make non-material amendments to the Plan.

#### **19.02 No Reversion of Assets to Employer**

No alteration, amendment or termination of the Plan or any part thereof will permit any part of the assets of the Trust Fund to revert to or to be recoverable by an Employer or to be used for or diverted to purposes other than the exclusive benefit of Members, Limited Members, surviving Spouses, joint annuitants, or Beneficiaries under the Plan.

#### **19.03 Allocation of Assets on Plan Termination**

On Plan termination, Members and Employers cease to be required to make Member Required Contributions and Employer Contributions. Once the Members and the Employers have made all Member Required Contributions and Employer Contributions required by Article 4 in respect of time periods prior to the Plan termination date, the Members and the Employers shall have no further financial responsibility in respect of the Plan. On the Plan termination date, all Members who are then employed by an Employer will be deemed to have ended Continuous Employment, and their entitlements under the Plan will be evaluated on that basis.

On Plan termination the Pension Board must cause the Plan to be wound up in accordance with the PBSA. Without limitation, the Pension Board must cause the Plan Actuary to calculate the Commuted Value of each Member's benefits as of the Plan termination date based solely on the Member's service and earnings to the Plan termination date, and without any allowance for pre- or post-pension commencement indexing. In the case of Members who are employees of an Employer on the Plan termination date, and are deemed to have terminated Continuous Employment on that date, their Commuted Values will be deemed to equal the amounts determined in respect of the Member accordance with Section 10.05 as of the Plan termination date. The Plan's target benefit funded ratio as of the Plan termination date equals the aggregate of all Members' Commuted Values divided by the value of the Trust Fund, net of all costs associated with the Plan's winding up, each determined as of the Plan termination date. For greater certainty, and despite the PBSA, for the purposes of this Article 19 such target benefit funded ratio may be greater than 1.0. Each Member must be allocated from the Trust Fund an amount equal to the Member's Commuted Value (determined as aforesaid) multiplied by the Plan's target benefit funded ratio (determined as aforesaid).

#### **19.04 Distribution of Assets on Plan Termination**

The asset allocations will be distributed to the persons entitled to them in a manner determined by the Pension Board in accordance with Applicable Legislation.

Entitlements not paid as annuities will be distributed in a single payment or transfer in accordance with the table in Section 10.05.

## **Article 20 – Trust Fund**

### **20.01 Trust Fund**

All Contributions made to the Plan will be paid into the Trust Fund.

All benefits and expenses payable under the Plan, except those expenses that must be paid by the Employer under Applicable Legislation, will be paid from the Trust Fund.

All payments under the Plan will be paid solely from the Trust Fund and solely to the extent that the Trust Fund will provide. If the Trust Fund is insufficient to provide for a payment or benefit under the Plan, neither the Pension Board nor an Employer nor the members, officers or representatives of any of them, will be liable for any such payment.

### **20.02 Duties of Trustee**

The Trustee has all of the following duties:

- (a) receive and hold all, on behalf of the Plan, Contributions to the Plan and all income earned by the Trust Fund;
- (b) notify the Superintendent of Pensions of British Columbia, in writing, if the Employer fails to remit Contributions to the Trust Fund within 90 days after the end of the month in which they become payable – such notification must be made within 30 days of the Employer's failure to remit Contributions, even if the Employer has subsequently remitted the Contributions;
- (c) invest the assets of the Trust Fund, subject to Applicable Legislation and the Trust Agreement, as directed by the University or a Fund Manager or other individual or entity appointed and authorized by the University to so direct the Trustee;
- (d) maintain records and accounts and render financial statements and reports, as required by the University;
- (e) pay the benefits and expenses of the Plan and Trust Fund, as directed by the University.

### **20.03 Investment Policy**

The University shall adopt and maintain an Investment Policy to govern the investment of the Trust Fund, including:

- (a) the allocation of the responsibilities defined in the Investment Policy;
- (b) the selection, appointment, direction, and oversight of one or more Fund Managers or other individuals or entities charged with investing the assets of the Trust Fund in accordance with the Investment Policy;
- (c) the aims and objectives according to which the Trust Fund is to be invested;
- (d) the performance objectives according to which investment performance will be measured in the pursuit of the investment aims and objectives;
- (e) the asset mix and investment risk and quality constraints with which the investments must comply;

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- (f) the appointment and use of investment advisors;
- (g) procedures for liaison and information exchange with the Pension Board and Actuary on investment matters, including procedures for ensuring that the performance objectives and asset mix and risk and quality constraints reflect the special risk and benefit security characteristics that emanate from the Plan's variable benefit structure through the Benefits/Funding Test;
- (h) procedures for reviewing and updating the Investment Policy, including appropriate input from the Trustee, the Pension Board and the Plan's Fund Managers, Actuary, legal advisors, and investment advisors.
- (i) the requirement all investments shall be made in accordance with the Applicable Legislation.

## **Article 21 – Reciprocal Agreements**

### **21.01 Reciprocal Agreements**

The University will not enter into any future reciprocal agreements with other employers or pension plans regarding the treatment of service and earnings of Members.

Any past reciprocal agreements must comply with Applicable Legislation and must, in the University's opinion in consultation with the Pension Board, be compatible with the provisions of the Plan.

**Schedule "A"**

**THE UNIVERSITY OF BRITISH COLUMBIA STAFF PENSION PLAN**

**Participation Agreement**

**TO:**           **The University of British Columbia (the "University")**

**AND TO:**   **The Pension Board of the University of British Columbia Staff Pension Plan  
(the "Pension Board")**

**FROM:**       \_\_\_\_\_ (the "**Applicant**")

                  Name of Employer

\_\_\_\_\_  
                  Address

\_\_\_\_\_  
                  Contact Name and Phone Number

The Applicant acknowledges receipt of a copy of the text of the University of British Columbia Staff Pension Plan (the "**Plan Text**").

Capitalised terms used in this Participation Agreement and not defined herein have the meanings ascribed to them in the Plan Text.

In consideration of the Applicant's application to be a "Related Employer" in the University of British Columbia Staff Pension Plan (the "**Plan**") being accepted by the University, the Applicant hereby agrees with the University as follows:

1.       The Applicant is bound by all of the rights, duties, responsibilities and obligations conferred or imposed upon a Related Employer by the Plan Text and any amendments thereto, including, without limitation, the obligation to make contributions to the Trust Fund on behalf of itself and its employees in accordance with the Plan Text and the *Pension Benefits Standards Act* (British Columbia) ("**PBSA**").
2.       The Applicant will provide the Pension Board with any information it requires to administer the Plan at the times and in the manner specified by the Pension Board. Some examples of such information include (but are not limited to) payroll records, timesheets, accounting records, employee enrollment forms and the names of, and other relevant information relating to, all employees of the Applicant eligible for enrollment in the Plan.
3.       All contributions and any other amounts owing by the Applicant pursuant to the Plan Text or this Participation Agreement not paid when due shall bear interest at an effective annual rate specified by the Pension Board from such due date to the date of payment. Interest shall be calculated and compounded as of the last day of each month and shall be payable by the Applicant on demand.
4.       The Applicant will reimburse the University on a full indemnity basis for, and indemnify the University against, all legal, audit and other costs actually incurred by the University (including, without limitation, legal fees on a solicitor and his or her own client basis) in

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collecting unpaid contributions and other amounts owing by the Applicant, and the amounts the Applicant owes the University in this regard shall bear interest as described in the preceding paragraph from the date the University incurs such expenses or fees until the date the Applicant reimburses the University.

5. The Applicant acknowledges that since the Plan Text and the PBSA require the payment of the contributions and other payments due to the Trust Fund, the University will take all steps necessary to enforce such payments, including: (a) utilizing any remedies available to it under the Plan Text or the PBSA; (b) advising the Financial Institutions Commission of British Columbia, which may result in financial penalties; (c) advising the Applicant's employees of the failure to comply; and (d) commencing legal action.
6. If there is a discrepancy between the terms of this Participation Agreement and Plan Text, the terms of the Plan Text will prevail. Nothing in this Participation Agreement can amend or change the terms of the Plan Text.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Full name of Applicant

By: \_\_\_\_\_  
Authorized Signatory

***Do not write below this line – for University's use only***

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**APPROVED AND ACCEPTED** by the University for participation as a Related Employer in the University of British Columbia Staff Pension Plan as of the date noted below.

**THE UNIVERSITY OF BRITISH COLUMBIA**

Per:  
  
\_\_\_\_\_  
Authorized Signatory

Effective Date of Participation as a Related Employer: \_\_\_\_\_

Categories of Employees eligible for Participation: \_\_\_\_\_

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**UBC STAFF PENSION PLAN  
PLAN RESTATEMENT AS AT SEPTEMBER 30, 2015**

**NOTES TO AMENDMENT NO. 10**

**Preamble**

Amendments to comply with the target benefit provisions under the *Pension Benefits Standards Act (PBSA)* effective September 30, 2015.

<b>NO.</b>	<b>PLAN PARA. NO.</b>	<b>TOPIC</b>	<b>REASON FOR CHANGE</b>	<b>EXPLANATION OF CHANGE</b>
1.	Article 1	Introduction	Plan classified as Target Benefit Plan	Recognition of plan as a non-collectively bargained multi-employer plan containing target benefit provisions (TBP)
2.	Article 2	Buyback Service	Clarification	Only service prior to July 1, 2009 can be purchased
3.	Article 2	Commuted Value	Compliance with PBSA	Calculated using new TBP basis
4.	Article 2	Locked-in Rules	No longer applicable	Terminations prior to September 30, 2015 use rules in prior plan text
5.	Article 2	Partial Plan Termination	No longer applicable	As a multi-employer plan, no partial plan wind-up if an employer withdraws
6.	Article 3.06	Re-employment	No longer applicable	Terminations prior to September 30, 2015 use rules in prior plan text
7.	Article 4.02	Employer Contributions	Compliance with PBSA	As a TBP employer contributions are limited to fixed contribution rate
8.	Article 6	Member Voluntary Contributions	No longer applicable	Voluntary contributions were all refunded in 2013
9.	Article 6.01	Buy-back Service	Calculations to reflect TBP	Cost of buy-back service will be the actuarial value of the additional benefits
10.	Article 8.05	Minimum Pension	No longer applicable	Minimum pension guarantee for pre-1972
11.	Article 10.06	Pre-1990 Terminations	No longer applicable	Based on rules in prior plan text

**UBC STAFF PENSION PLAN  
PLAN RESTATEMENT AS AT SEPTEMBER 30, 2015**

**NOTES TO AMENDMENT NO. 10**

<b>NO.</b>	<b>PLAN PARA. NO.</b>	<b>TOPIC</b>	<b>REASON FOR CHANGE</b>	<b>EXPLANATION OF CHANGE</b>
12.	Article 10.08	TBP Funded Ratio	Compliance with PBSA	Lump sum is based on TBP funded ratio
13.	Article 11.02	Death Benefits	No longer applicable	Pre-1990 terminations based on rules in prior plan text
14.	Article 12.01	Actuarial Valuation	Compliance with PBSA	Valuation must comply with new funding rules for TBP
15.	Article 13	Funding and Benefits	Compliance with PBSA	Valuation must comply with funding rules in PBSA
16.	Article 16.06	Withdrawal of Related Employer	Compliance with PBSA	No partial plan termination on the withdrawal of a related employer
17.	Article 18.03	Resolution of Disputes	Compliance with PBSA	PBSA no longer requires arbitration of disputes
18.	Article 19.01	Amendments	Compliance with PBSA	No partial plan termination
19.	Article 19.03	Allocation of Assets on Plan Termination	Compliance with PBSA	Order of priority on plan wind-up been removed, and assets distributed on a pro-rata basis to actives, deferreds and pensioners based on plan's TBP funded ratio
20.	Schedule A	Participation Agreement	Compliance with PBSA	Added prescribed terms
21.	Plan Text	Miscellaneous Minor Edits	Edits and clean-up as part of restatement	