

YORK UNIVERSITY PENSION PLAN

Restatement as at January 1, 2017

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Introduction

York University established a Pension Plan for its faculty and staff members as of July 1, 1960.

On January 1, 1966, contributions to the Plan and benefits under the Plan were adjusted in order to reflect the integration of the Plan with the Canada Pension Plan.

On July 1, 1971, provision was made for the purchase of retirement benefits from required contributions on a “money purchase” basis, with each Member of the Plan receiving benefits provided from his or her own contributions, matching University contributions and credited interest. As of July 1, 1971, credited interest became defined as the rate of return that can be reasonably attributed to the operation of the Trust Fund, based on the interest, dividends and capital gains and losses, both realized and unrealized, earned by the Trust Fund during the year, less the administrative expenses incurred in the operation of the Trust Fund. In addition to the “money purchase” benefit, each Member of the Plan was guaranteed a minimum pension benefit based on the average earnings in the five years when those earnings were highest.

The Plan was amended effective July 1, 1975 to remove limits on Members’ required contributions to the Plan and to amend the spousal benefit to apply to eligible spouses, rather than to widows only.

As of January 1, 1977, individual trustees replaced Canada Permanent as trustee(s) of the Trust Fund. Canada Permanent remained the custodian of the Trust Fund.

The Plan was amended and restated effective July 1, 1983 to revise the basis for determination of optional forms of pension, to require a signed waiver by an eligible spouse if a married Member wished to elect an optional form of pension, to clarify the leave-of-absence provisions and to make certain changes to the pre-retirement death benefits.

As of July 1, 1984, the Plan was amended to improve the minimum guarantee formula and to make provision to adjust pensions payable under the Plan, based on the moving four year average of the Trust Fund rate of return. The minimum guarantee formula was again improved as at July 1, 1985 and permanent part-time employees working more than 24 hours per week were permitted to participate in the Plan.

The Plan was further revised effective July 1, 1987 to permit portability of benefits at retirement, to revise reductions for early retirement pensions and to remove reductions for pensions commencing from age 65, but prior to normal retirement date. The adjustment of the rate of return for pensions and accumulations in respect of former Members who terminated employment prior to July 1, 1971 was also implemented.

The Plan was amended and restated effective January 1, 1988 to incorporate amendments approved by the University and to incorporate changes in order to comply with the provisions of the *Pension Benefits Act*, 1987 (Ontario).

The Plan was revised effective May 1, 1989 to ensure that Members who are on revocable reduced-load status or irrevocable reduced-load status are provided pension benefits as though such Members were

on full-load.

Effective September 1, 1991, the Plan was amended to increase the monthly dependent children's benefit from a maximum of \$200.00 to a maximum of \$300.00 and to remove the special pension reduction for a surviving spouse who is more than 10 years younger than the Plan Member for Members who died after April 30, 1989.

The Plan was restated effective January 1, 1992 to incorporate changes required as a result of amendments to the *Income Tax Act* (Canada) and the regulations thereunder and to incorporate amendments approved by the University.

The Plan was revised to extend survivor pension benefits to eligible same-sex spouses of Member who retire or die on or after April 23, 1998.

Effective April 1, 2004 the Plan was amended to reflect changes in the membership of the Board of Trustees.

Effective January 1, 2005 the Plan was revised to permit employees on leave without pay to contribute to the Plan.

The Plan was amended effective January 1, 2007 to reflect the *Income Tax Act* (Canada) provision that benefits must commence no later than the end of the year in which the Member reaches age 71.

Effective September 1, 2009, the Plan was amended to reflect a change in the name of the Canadian Union of Educational Workers to the Canadian Union of Public Employees Local 3903, and to reflect a change in the eligibility requirements for certain Employees.

The Plan was further amended effective January 1, 2012 and July 1, 2012 to comply with the *Pension Benefits Act* (Ontario). An amendment to the Plan effective January 1, 2014, incorporates changes agreed to by the University and the York University All-Union Pension Group.

The Plan was amended effective January 1, 2015 to credit service for certain contract employees who are members of the Canadian Union of Public Employees Local 3903. Effective July 1, 2015 it was further amended to address contract Employees' eligibility for joining the Plan; the form of death benefit payable to a surviving spouse; Members' ability to make an irrevocable election to cease making required contributions to the Plan after normal retirement date; and to clarify the maximum supplementary pension benefit available in accordance with the *Income Tax Act* (Canada).

The Plan is hereby amended and restated effective January 1, 2017 to incorporate all amendments made to the Plan since the last restatement and to ensure that Plan's provisions are compliant with all applicable legislation.

Unless stated otherwise, the terms of the Plan as restated shall apply to Members who retire, terminate employment or die on and after January 1, 2017 and the benefits of Members who retired, terminated employment or died prior to this date shall be determined by the terms of the Plan in effect at the time of that event.

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

The University will continue to monitor legislation and changing practices in the field of retirement saving in order to maintain for Plan Members a high standard of pension benefits at a reasonable cost.

Section 1 - Definitions

The following words and phrases, for the purposes of the Plan, have the respective meanings given below, unless the context clearly requires a different meaning:

- 1.01 *Actuary*** means the actuary or the firm of actuaries appointed by, but independent of, the Board of Trustees for the purposes of the Plan, who is, or one of whose members is, a Fellow of the Canadian Institute of Actuaries.
- 1.02 *Actuarial Equivalent*** means an actuarially equal value computed at the rate of interest and using the actuarial tables recommended by the Actuary and in force for Plan purposes at the relevant time. Actuarial Equivalent values shall be calculated in a manner consistent with the provisions of the *Pension Benefits Act* and the *Income Tax Act*.
- 1.03 *Board of Governors*** means the Board of Governors of the University.
- 1.04 *Board of Trustees*** means the Board of Trustees appointed in the manner prescribed under Section 14.02 for the purposes of the Plan.
- 1.05 *Continuous Service*** means unbroken employment with the University including vacation periods, authorized sick leave, periods of leave of absence duly authorized by the University, or other periods of temporary suspension of employment authorized by the University or prescribed by the applicable regulatory authorities.

The Continuous Service of a Member on a lay-off of employment is deemed not to be broken until his or her rights to recall for employment have expired or until he or she resigns from employment with the University, whichever occurs first.

- 1.06 *Credited Interest*** means the rate of return that can reasonably be attributed to the operation of the Trust Fund, based on the interest, dividends and capital gains and losses, both realized and unrealized, earned by the Trust Fund during the Plan Year, less the administrative expenses incurred in the operation of the Trust Fund.

Credited Interest shall be calculated and applied to each Member's Money Purchase Component Account and accounts of the Additional Voluntary Contributions Fund and Special Transferred Contributions Fund, if any, from the first day of the month following the month in which the contribution was made to the first day of the month in which payment is made from the Trust Fund to, or in respect of, that Member.

If the value of a Member's Money Purchase Component Account and voluntary contributions must be calculated part way through a Plan Year, Credited Interest shall be applied for the completed portion of that Plan Year at the most recently calculated rate of return that can reasonably be attributed to the operation of the Trust Fund. Credited Interest shall be allocated no less frequently than annually. For greater certainty, for the calculation of a pension at a Member's retirement, the balance in the Member's Money Purchase Account as of the last day of the month immediately preceding the date of retirement shall be used, not the balance as of the December 31st coinciding with or prior to the date of retirement.

1.07 **Credited Service** means, with respect to each Member, the period of Credited Service, if any, to his or her credit as of June 30, 1971, plus the total number of years and fractions of years of Continuous Service after June 30, 1971 credited to the Member by the reason of the following:

- (1) A full year of Credited Service shall be credited to the Member for each year in which the Member contributes or the University contributes on the Member's behalf at the full rate required by Section 4.01(1) of the Plan, taking into consideration the provisions of Section 4.01(3), based on Earnings for that year;
- (2) A fraction of a year of Credited Service shall be credited to the Member for a Plan Year in which the Member contributes or the University contributes on the Member's behalf at a rate less than the full rate required by Section 4.01(1) of the Plan, taking into consideration the provisions of Section 4.01(3), based on Earnings for that year, such fraction being found by dividing the Member's actual contributions by his or her normal contributions, based on Earnings for that year;
- (3) A fraction of a year of Credited Service shall be credited to a Member who is a part-time Employee calculated by dividing the Member's actual contributions by the contributions he or she would normally be required to make to the Plan if his or her rate of pay were adjusted to a full-time normal basis;
- (4) Any period of Total Disability;
- (5) Effective for injuries occurring on and after January 2, 1990, any period of absence that is not already included in (4) above due to an injury or recurrence of that injury in respect of which the Member is entitled to receive benefits under the Workers' Compensation Act within the 12 month period following the date of the injury, provided he or she continues to make required contributions during the absence;
- (6) Any period during which the Member has elected to be placed on irrevocable reduced-load status pursuant to the Collective Agreement between the University and the York University Faculty Association;
- (7) Credited Service also includes any period of unpaid leave of absence required by law to be granted, including but not limited to pregnancy or parental leave that commences on or after December 20, 1990 unless the Member provides written notice to the University that he or she will discontinue making required contributions during the absence.
- (8) Notwithstanding the foregoing, effective January 1, 2015, twelve (12) months of Credited Service shall be credited to a Member for each Plan Year where the Member:

- (a) is a Member as at January 1st of the Plan Year;
- (b) is employed by the University on a contract basis;
- (c) is a member of the Canadian Union of Public Employees Local 3903; and
- (d) teaches a minimum of 3.5 full-time course equivalents at the University in the Plan Year over a period of less than 12 months.

Credited Service also includes any prior period of service with the University as may be designated by the University pursuant to Section 2.04.

Notwithstanding the foregoing, in calculating the Member's pension benefit payable from the Plan, only those periods of eligible service permitted under the *Income Tax Act* will be included in the calculation.

1.08 *Earnings* for any period means the amount of cash remuneration in respect of employment, other than honoraria, payments for overload teaching and T4 Other Earnings, as determined by the University for the purposes of the Plan. For the purpose of determining the amount of required contributions to the Member's Money Purchase Component Account, Earnings shall mean the Member's actual cash remuneration, not his or her annualized remuneration, as determined by the University in the aforementioned manner.

The Earnings of a Member who commences receiving benefits from a long term salary continuance plan sponsored by the University on or after July 1, 1985 shall be deemed to be equal to the Earnings that would have been received had he or she remained in active employment with the University in the position held just prior to becoming disabled. However, the total of all deemed increments in Earnings for such Member shall not exceed the increment in the Consumer Price Index (Canada) from the Member's disability date to the date of the adjustment.

The Earnings of a Member who commenced receiving benefits from a long term salary continuance plan sponsored by the University prior to July 1, 1985 as outlined in the relevant collective agreements between the University and the bargaining representatives of certain employee groups shall be deemed, starting on July 1, 1985, to be equal to the Earnings that would have been received by the Member had he or she remained in active employment with the University in the position held immediately prior to becoming disabled. However, the total of all deemed increments in Earnings for such Member shall not exceed the increment in the Consumer Price Index (Canada) from the Member's disability date to the date of the adjustment.

Notwithstanding the foregoing, the Earnings of a Member who has elected to be placed on revocable reduced-load status, pursuant to the Collective Agreement between the University and the York University Faculty Association, shall be deemed to be equal to the Earnings that would have been received by the Member had he or she not elected to be placed on revocable reduced-load status.

1.09 *Eligible Spouse* means, in relation to a Member, a person who, at the time a determination of marital status is required:

- (1) is married to the Member; or

- (2) is not married to the Member but is living with the Member in a conjugal relationship;
 - (a) continuously for a period of time not less than three years; or
 - (b) of some permanence, if the Member and such person are the natural or adoptive parents of a child, both as set out in section 4 of the *Children's Law Reform Act* (Ontario)..

Only one spousal benefit shall be payable pursuant to the provisions of the Plan and in case of conflicting priorities between spouses, determination of who is entitled to the spousal benefit shall be referred to the courts.

1.10 **Employee** means a member of any of the following classes of faculty and staff employed by the University:

- (1) non-faculty employees who are unionized or are exempted from union membership on the basis of either the confidential nature of their employment or their not having met an hours of work standard for union membership;
- (2) non-faculty employees who are classified as members of the University's Professional and Managerial Group; and
- (3) employees classified by the University as faculty, except any part-time faculty employee who is employed on a full-time basis elsewhere or is a member of another registered pension plan.

1.11 **Final Average Earnings** means the average, as determined by the University, of the Member's Earnings during the five years of highest Earnings after July 1, 1960 but prior to retirement; provided, however, that such period shall not include any 12-month period during which the Member did not contribute by reason of a University granted leave of absence but such year shall be replaced by a previous or subsequent year, and that Earnings in any year for which contributions are less than those paid in a year of active, full-time employment shall be annualized. Annualization shall be effected by multiplying the actual Earnings by the inverse of the fraction of Credited Service granted for that year.

For Members who elect to cease making contributions at or following normal retirement date, Final Average Earnings shall be adjusted in accordance with Section 7.02.

1.12 **Income Tax Act** means the *Income Tax Act*, Statutes of Canada and the Regulations thereunder, and where applicable includes the provisions of Information Circular 72-13R8 issued by the Department of National Revenue (now the Canada Revenue Agency), as amended or replaced from time to time.

1.13 **Member** means an Employee or former Employee who has completed the necessary enrolment forms and who has rights under the Plan or continues to be entitled to benefits under the Plan.

1.14 Money Purchase Component Account means the account in which is recorded each Member's required contributions to the Plan on and after July 1, 1971, together with money purchase contributions by the University, and his or her proportionate share of Credited Interest, as well as amounts credited to the Member by reason of required contributions to the Plan between July 1, 1960 and June 30, 1971, with the interest credited thereon, and money purchase contributions made by the University on his or her behalf, and amounts transferred to the Plan under reciprocal transfer agreements or portability provisions of the Plan providing for the crediting of service.

1.15 Moving Four Year Average Fund Return means the effective annual rate of return earned by the Trust Fund net of expenses during the preceding four Plan Years on that portion of the Trust Fund related to pensions payable, as determined by the Actuary.

1.16 Moving Five Year Average Fund Return means the effective annual rate of return earned by the Trust Fund, net of expenses, during the preceding five Plan Years on that portion of the Trust Fund related to pensions payable, as determined by the Actuary.

The calculation of the Moving Five Year Average Fund Return for a Member shall be determined as if the effective annual rate of return earned by the Trust Fund for the Plan Year in which the Member commenced to receive his or her pension benefit and each prior Plan Year was 6%.

1.17 Pension Benefits Act means the *Pension Benefits Act*, Revised Statutes of Ontario 1990, chapter P.8, and the Regulations thereunder as amended from time to time.

1.18 Pension Year means the period, commencing at the end of each Plan Year and normally of twelve months' duration, during which the adjustment of pensions will remain constant based upon the Moving Four Year Average Fund Return or the Moving Five Year Average Fund Return, as applicable.

1.19 Plan means the York University Pension Plan (amended and restated as at January 1, 2017), as amended from time to time.

1.20 Plan Year means the twelve month period commencing on each January 1 and ending on December 31.

1.21 Total Disability means a disability throughout which the Member is physically or mentally impaired so that he or she is prevented from performing the duties of employment in which he or she was engaged prior to the impairment and which:

- (1) is certified, in writing, by a medical doctor licensed in Canada or where the Member resides; and
- (2) qualifies the Member for long term salary continuance benefits under an insured plan sponsored by the University.

1.22 Trust Agreement means the agreement entered into as of January 1, 1977 between the University and the members of the Board of Trustees providing for the administration of the Trust Fund and includes any subsequent agreement.

1.23 Trust Fund means the fund established by the University for purposes of the Plan and, for

accounting purposes, will have a fiscal year end of December 31st. The Trust Fund is a single account but consists of the following notional accounts for purposes of recording different types of contributions and annuities:

- (1) “Money Purchase Component Accounts Fund” for the recording of Members’ required contributions, the University’s money purchase contributions, amounts transferred into the Plan under reciprocal transfer agreements, together with Credited Interest thereon.
- (2) “Additional Voluntary Contributions Fund” for the provision of additional benefits provided by voluntary contributions and the Credited Interest allocated thereon.
- (3) “Special Transferred Contributions Fund” for the provision of additional benefits provided by amounts transferred from other pension plans where the University has guaranteed that the amount transferred will be held for the provision of pension benefits or where no such guarantee has been given, and the Credited Interest allocated thereon.
- (4) “Variable Annuity Fund” for the provision of variable annuities to Members who have retired, and the Credited Interest allocated thereon;
- (5) “Minimum Guarantee Fund” for the provision of such supplementary pension benefits as may be required, and the Credited Interest allocated thereon;

and such other notional sub-accounts as the Board of Trustees may authorize from time to time for the purposes of the Plan.

- 1.24** ***University*** means York University as defined in the York University Act, 1965 of Ontario and amendments thereto, except that where reference is made in the Plan to any action to be taken, consent, approval or opinion to be given, or discretion or decision to be exercised or made by the University, such reference shall refer only to York University acting by its Board of Governors or any officer or officers thereof and/or any person or persons from time to time appointed, designated or authorized by the said Board of Governors so to act.
- 1.25** ***Year’s Maximum Pensionable Earnings*** shall have the meaning given to these words by the Canada Pension Plan for all years after January 1, 1966, and for years preceding that date shall be deemed to be \$5,000. The Year’s Maximum Pensionable Earnings of a Member receiving benefits from a long term salary continuance plan sponsored by the University shall be deemed to be equal to the Year’s Maximum Pensionable Earnings in the calendar year in which the Member first became disabled.

Words importing the singular shall include the plural and vice versa.

Section 2 - Eligibility

2.01 Eligibility for Participation

- (1) Each Employee who is hired on a full-time:
 - (a) permanent basis on or after July 1, 2015, shall join the Plan on the first day of the month coincident with or next following his or her date of hire;
 - (b) contract basis on or after July 1, 2015, if the duration of the contract is longer than one year, may elect to join the Plan on the first day of the month coincident with or next following his or her date of hire;
 - (c) contract basis on or after July 1, 2015, if the duration of the contract is one year or less, may elect to join the Plan: (i) if the contract is renewed, on the first day of the month coincident with or next following the completion of one year of Continuous Service; or (ii) if the contract is not renewed and a successor contract is entered into, then, provided the Employee's break in Continuous Service is not greater than 4 months, on the first day of the month coincident with or next following the completion of one year of Continuous Service in the aggregate; or
 - (d) contract basis shall join the Plan on the first day of the month coincident with or next following completion of 2 years of Continuous Service unless such Employee has already become a Member of the Plan prior to such date in accordance with paragraphs 2.01(1) (b) or (c) above.
- (2) Each Employee, who is employed on a part-time basis and was not a Member of the Plan on December 31, 1987 may elect to join the Plan on the first day of the month coincident with or next following both his or her completion of 24 months of Continuous Service and his or her fulfillment of either of the following requirements in each of 2 consecutive calendar years:
 - (a) the Employee has received Earnings at least equal to 35% of the Year's Maximum Pensionable Earnings; or
 - (b) the Employee has attained at least 700 hours of employment with the University.
- (3) Notwithstanding the provisions of Section 2.01(2), a part-time non-faculty Employee who:
 - (a) was employed by the University prior to January 1, 1988;
 - (b) was classified by the University as a permanent part-time Employee who works more than 24 hours per week; and
 - (c) was not a Member of the Plan on December 31, 1987;

may elect to join the Plan on the earliest to occur of either of the events described in Section 2.01(2) or the first day of the month coincident with or next following his or her attainment of age 25.

- (4) Notwithstanding the provisions of Section 2.01(2), each part-time faculty Employee who is represented by the Canadian Union of Public Employees Local 3903 Units 1 and 2 may elect to join the Plan on the first day of the month coincident with or next following the date on which he or she has received Earnings at least equal to the September 1 Course Director rate, as specified and defined in the current collective agreements between the University and the Canadian Union of Public Employees Local 3903 Units 1 and 2, in each of two consecutive contract years. For greater certainty, a contract year is from September 1 to August 31.

2.02 Waiver of Eligibility Requirements

Notwithstanding the provisions of Section 2.01, and subject to the provisions of any applicable legislation, the University may waive the eligibility requirements for participation in the Plan for any specific Employee or group of Employees.

2.03 Re-Hired Employees

(1) Non-Pensioners

If the employment of a Member is terminated for any reason, and that person is subsequently re-employed by the University, the person will normally be treated as a new Employee for the purposes of the Plan. However, if the person had left his or her termination benefit on deposit in his or her Money Purchase Component Account, and if the University consents, the years of Credited Service established by the Employee prior to his or her date of termination may be added to the number of years in the Employee's last established period of Credited Service for the purpose of determining the value of the Employee's supplementary pension paid from the Minimum Guarantee Fund.

(2) Pensioners

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

- (a) his or her pension will be suspended until employment with the University is terminated, at which time his or her pension will be recomputed pursuant to provisions of this Plan to reflect additional benefits accrued to the date he or she recommences receiving his or her pension, provided that the Member makes required contributions to the Plan during the period of his or her re-employment; or
- (b) his or her pension will continue to be paid during the period of re-employment, in which case he or she will not accrue any further benefits under the Plan.

(3) CUPE 3903 Bargaining Unit Members

If the employment of a part-time faculty Employee represented by the Canadian Union of Public Employees Local 3903 Units 1 or 2 is terminated for any reason after such person has met the eligibility criteria set out in Section 2.01(4) and if such person is subsequently re-employed by the University, then, so long as his or her termination benefit with respect to the previous period of employment remains on deposit in the respective Money

Purchase Component Account,

- (a) he or she will not be required to meet the eligibility criteria under Section 2.01(4) at the time of re-employment in order to join the Plan, but instead he or she shall immediately become a Member upon rehire; and
- (b) the years of Credited Service, if any, that remain credited to such person as at his or her most recent date of termination of employment with the University will be added, upon re-employment by the University, to the Employee's future period of Credited Service for the purpose of determining the value of the Employee's supplementary pension paid from the Minimum Guarantee Fund.

For greater certainty, if such a part-time faculty Employee withdrew the termination benefit on deposit in his or her Money Purchase Component Account from the Plan on or following his or her most recent termination of employment and is subsequently re-employed by the University, he or she must meet the eligibility criteria under Section 2.01(4) to once again join the Plan and in that case he or she will be treated as a new Member for all purposes.

Section 3 - Participation

3.01 **Enrolment Forms**

To participate as a Member of the Plan, each eligible Employee will be required to complete, sign and deliver to the University such enrolment forms as the University may require for this purpose, including authorization to make the deduction of required contributions and if applicable, voluntary contributions, from future Earnings.

3.02 **Disclosure**

The University shall provide each eligible Employee with a written explanation of the terms and conditions of the Plan and amendments thereto applicable to him or her, together with an explanation of his or her rights and duties with reference to the benefits available to him or her under the terms of the Plan. The University shall further provide to each eligible Employee and Member (and to any other individual with an interest in the Plan that is recognized under the *Pension Benefits Act*) such other information, and in such manner, as may be prescribed by the *Pension Benefits Act* and by any other statute governing the payment of pension benefits to any Member.

3.03 **No Withdrawal From Plan While Employed**

Subject to Section 6.03, a Member of the Plan shall not be entitled to withdraw from participation in the Plan except following separation from employment with the University, nor shall the Member be permitted to withdraw all or any part of his or her required or additional voluntary contributions while a Member of the Plan.

Section 4 - Contributions

4.01 Amount of Required Member Contribution

- (1) Each Member of the Plan will be required to contribute by payroll deduction each pay period an amount equal to the sum of:
- (a) the following percentage of the Member's Earnings that are not in excess of the Year's Maximum Pensionable Earnings in respect of the following pay periods:
 - (i) 4.50% up to and including February 28, 2014;
 - (ii) 4.95% on and after March 1, 2014 and prior to September 1, 2014;
 - (iii) 5.40% on and after September 1, 2014 and prior to March 1, 2015;
 - (iv) 5.85% on and after March 1, 2015 and prior to September 1, 2015;
 - (v) 6.30% on and after September 1, 2015 and prior to March 1, 2016; and
 - (vi) 6.75% on and after March 1, 2016;

and

- (b) the following percentage of the Member's Earnings that exceed the Year's Maximum Pensionable Earnings in respect of the following pay periods:
 - (i) 6.00% up to and including February 28, 2014;
 - (ii) 6.63% on and after March 1, 2014 and prior to September 1, 2014;
 - (iii) 7.26% on and after September 1, 2014 and prior to March 1, 2015;
 - (iv) 7.89% on and after March 1, 2015 and prior to September 1, 2015;
 - (v) 8.52% on and after September 1, 2015 and prior to March 1, 2016; and
 - (vi) 9.15% on and after March 1, 2016.

(2) Contribution While Disabled

A Member who, by reason of Total Disability, is in receipt of benefits under a long term salary continuance plan sponsored by the University shall not be required to contribute during such period, but shall be deemed for the purposes of Section 4.05(1) to have made the required contributions during such period based on the deemed Earnings of the disabled Member, as defined in Section 1.08. An amount equal to the contributions deemed to have been made by the Member and the University contribution will be

deposited in the Member's Money Purchase Component Account.

(3) Maximum Member Contribution

Notwithstanding the provisions of Section 4.01(1), no Member of the Plan shall contribute or be credited with Employee contributions in any one calendar year in excess of one half of the money purchase limit for the year (as defined under the *Income Tax Act*).

4.02 Contribution While on Leave of Absence

(1) Contribution While on Irrevocable Reduced-Load Status

A Member who has elected to be placed on irrevocable reduced-load status, pursuant to the Collective Agreement between the University and the York University Faculty Association, shall make required contributions in accordance with Section 4.01(1), but shall be deemed for the purposes of Section 4.05(1) to have made contributions in amounts equal to the contributions that the Member would have been required to make had the Member not elected to be placed on irrevocable reduced-load status. An amount equal to the difference between the contribution that the Member was deemed to have made and the actual contribution made by the Member as well as the contribution required pursuant to Section 4.05(1), shall be contributed by the University and deposited in the Member's Money Purchase Component Account.

(2) Contribution While on Sabbatical Leave

A Member of the Plan who is granted sabbatical leave shall be required to make contributions in accordance with Section 4.01(1) on that portion of his or her regular salary which is continued during such sabbatical leave and shall be credited with prorated Credited Service.

Nevertheless, a Member of the Plan who is granted sabbatical leave may make contributions based on his or her unreduced Earnings and obtain the full period of Credited Service. Notwithstanding Section 4.01(3), a Member making this election shall also contribute the additional amount the University would have contributed on his or her behalf pursuant to Section 4.05(1).

(3) Contribution While on Special Leave of Absence

A Member of the Plan who obtains a leave of absence to take employment of a special short-term nature with a government or governmental agency may, upon return to active employment with the University and subject to approval by the Canada Revenue Agency, arrange to contribute to the Plan in order to obtain Credited Service for the period. In order to obtain the full period of Credited Service, the Member will contribute an amount based on the Earnings he or she would have received from the University had he or she been in active employment, and notwithstanding Section 4.01(3), the contributions the University would have made pursuant to Section 4.05(1). If the Member arranges to pay such contributions in instalments, the Member will also be required to pay Credited Interest on any outstanding amounts.

**(4) Contribution While on Leave Without Pay or With Reduced Pay -
Extended Vacations or Leave for Personal Reasons**

Except as required or permitted by a collective bargaining agreement, a Member of the Plan who is granted a leave of absence without pay or with reduced pay for extended vacation or for personal reasons may arrange to receive full Credited

Service for that period by electing to contribute to the Plan based on his or her unreduced level of Earnings, and, notwithstanding Section 4.01(3) by contributing the additional amount which the University would have contributed pursuant to Section 4.05(1) in connection with the contributions made by the Member based on his or her unreduced level of Earnings.

(5) Limitations Respecting Leaves of Absence

Where a Member of the Plan receives less than normal Earnings in a Plan Year due to an approved leave of absence, pursuant to this Section 4.02 or required to be granted by operation of law, other than a period of Total Disability, and he or she elects or is required to make contributions or the University makes contributions on his or her behalf, based on his or her unreduced Earnings, the following limitations are applicable, effective January 1, 1991:

- (a) Contributions shall only be made in relation to reduced Earnings actually received for a period during which the Member renders services to the University, unless the Member has been employed by the University for at least 36 months;
- (b) Contributions in relation to Earnings not received by the Member on and after January 1, 1991 shall not exceed five years of full-time Earnings, plus an additional three years for periods of parenting, in accordance with the *Income Tax Act*;
- (c) Contributions shall not be made in relation to Earnings not received by the Member for any period during which the Member participates in any other pension plan or deferred profit sharing plan registered under the *Income Tax Act*.

(6) Contributions While on Prescribed Leave of Absence

Subject to Section 1.07(7) and as permitted by the Pension Benefits Act and Income Tax Act, a Member shall continue making contributions in accordance with Section 4.01(1) during any leave of absence prescribed by the Employment Standards Act, 2000 (including but not limited to pregnancy or parental leave) and arrange for such contributions to be made, unless the Member advises the University that he or she is opting out of making such contributions.

4.03 Additional Voluntary Contributions

Each Member may elect to make additional voluntary contributions in respect of current service with the University for the purposes of increasing his or her pension benefits. The additional voluntary contributions will be accumulated with Credited Interest and will normally be used at retirement to provide such additional amount of pension on a money purchase basis as may be provided therewith based on the actuarial tables in force for Plan purposes at that time which shall allow for the cost of the guarantee of non-reduction of pension after retirement. Such additional voluntary contributions will be permitted up to the maximum allowable under the *Income Tax Act*.

4.04 Special Lump Sum Voluntary Contributions

A Member may deposit as a special lump sum voluntary contribution all or any portion of such amount as the Member is entitled to receive or has received as a cash refund from a tax-exempt plan for pension purposes, provided such deposit is permitted under the *Income Tax Act*. A Member may also deposit as a special lump sum voluntary contribution all or any portion of an

amount which the Member is entitled to transfer to the Plan under the *Income Tax Act*, provided the transfer complies with the requirements of the *Income Tax Act*. These amounts will be held to the Member's credit in the Special Transferred Contributions Fund.

A Member may arrange similarly for the depositing to his or her credit of special amounts, such as the transfer of his or her equity in the pension plan of a former employer, for the provision of pension benefits at retirement. The University may enter into an agreement guaranteeing the "locking in" of such amounts, if appropriate, for the provision of pension benefits. Such special lump sum transfer will also be held to the Member's credit in the Special Transferred Contributions Fund.

All such amounts, whether held in the Additional Voluntary Contributions Fund or the Special Transferred Contributions Fund, will be accumulated with Credited Interest and used at retirement to provide such additional amount of pension on a money purchase basis as may be provided therewith based on the actuarial tables in force for Plan purposes at that time which shall allow for the cost of the guarantee of non-reduction of pension after retirement.

4.05 Contributions by the University

- (1) Effective January 1, 2014, subject to Section 4.05(3), the University shall contribute to the Trust Fund in respect of the money purchase provision of the Plan an amount equal to the Members' required contributions each year.

The University contribution as described above will be credited to each Member's Money Purchase Component Account.

- (2) Subject to Section 4.05(3), the University shall contribute to the Minimum Guarantee Fund such additional amounts as may be certified by the Actuary as necessary to make provision for benefits accruing pursuant to the Plan during the current year and to make provision for the proper amortization of any initial unfunded liability or solvency deficiency in accordance with the requirements of the *Pension Benefits Act*, after taking into account the assets of the Minimum Guarantee Fund and such other factors as may be deemed relevant.

The contributions made by the University to the Minimum Guarantee Fund, in accordance with this Section 4.05(2), in any Plan Year shall not exceed the maximum amount that is permitted under the *Income Tax Act* for that Plan Year.

- (3) If at any time while the Plan continues in existence the Actuary certifies that the assets of the Minimum Guarantee Fund exceed its actuarial liabilities in respect of the benefits defined in the Plan, the amount of such excess assets, or any portion of such amount, may be used by the University to satisfy or reduce its contribution obligations under Section 4.05(2) of the Plan, taking into consideration the security of the benefits under the Plan, and subject to any limitations prescribed under the Pension Benefits Act and the Income Tax Act. Such excess assets, or any portion of such amount, may be used by the University to satisfy or reduce its contribution obligations under section 4.05(1) of the Plan only with the prior agreement of the University's Unions.

4.06 Remittance of Contributions

- (1)** The University's required contributions made pursuant to Section 4.05(1) and Section 4.05(2), and subject to 4.05(3), shall be remitted to the Trust Fund monthly, within 30 days following the month in respect of which the contributions are payable, or within such other time limits as prescribed under the *Pension Benefits Act*.
- (2)** Members' required contributions made pursuant to Section 4.01, 4.02 and additional voluntary contributions made pursuant to Section 4.03 shall be remitted to the Trust Fund by the University monthly, within 30 days following the month in which the contribution was deducted or otherwise received by the University.

Section 5 - Transfer Agreements and Portability

5.01 Reciprocal Transfer Agreements

The University may enter into reciprocal transfer agreements with other employers with respect to superannuation benefits and plans when such agreements are deemed appropriate by the Board of Governors. Such agreements shall make provision for the transfer of specific amounts, calculated in accordance with the formula in the agreement, from the fund of one plan to the fund of the other plan in return for the establishment of a period of pensionable service under the receiving plan equal to part or all of the pensionable service credited to the transferring employee in the original plan. Any balance of contributions held to the credit of the transferring employee may be dealt with in accordance with the provisions of such agreement.

The provisions of such reciprocal transfer agreements shall be subject to approval by the Financial Services Commission of Ontario and the Canada Revenue Agency and will meet the requirements of the *Income Tax Act*.

5.02 Other Forms of Agreement

The University may enter into agreement with the pension plans of other employers, subject to the provisions of the *Pension Benefits Act* and the *Income Tax Act*, with respect to the “locking in” of amounts transferred for the provision of pension benefits. After receipt by the Trust Fund these amounts may only be paid to a subsequent employer under a similar undertaking.

5.03 Portability Provision

- (1) A Member who terminates his or her employment with the University is entitled to have an amount equal to the Member's Money Purchase Component Account with Credited Interest, plus the value of any supplementary pension to which the Member may be entitled, transferred to the registered pension plan of a subsequent employer in accordance with Section 10.01(1), subject to the provisions of the *Pension Benefits Act* and *Income Tax Act*.
- (2) A Member may arrange for the deposit to the plan of any amount available for transfer from a former employer's pension plan in accordance with Section 5.03. A Member on whose behalf such a transfer is made may, within twelve months of the date he became a Plan Member or within twelve months of the effective date of this Section 5.03 whichever is later, request that the Member's period of Credited Service be increased from that to which the Member would otherwise have been entitled under the provisions of the Plan. Any such increase shall be identified as “Credited Service with Another Employer”. If this increase in the Member's period of Credited Service would result in a certifiable past service pension adjustment (as defined under the *Income Tax Act*) in respect of the Member, the increase shall not be granted prior to certification of the past service pension adjustment in accordance with the *Income Tax Act*.

- (3) A request made in accordance with Section 5.03 will be accepted by the University on the condition that the request is made in writing and that a statement satisfactory to the University is received from the employer from whose plan the funds are transferred indicating:
- (a) confirmation of the period during which the transferring employee was employed with the former employer;
 - (b) the period of credited service under the employer's pension plan from which the transfer is being made, and
 - (c) that the transfer is in full satisfaction of all remaining benefits under the employer's pension plan in respect of the period of credited service indicated in (b).
- (4) In the event that a request is accepted in accordance with Section 5.03:
- (a) the transferred amount will be considered a part of the Member's Money Purchase Component Account and not a part of the Member's Special Transferred Contributions Fund;
 - (b) the period of "Credited Service with Another Employer" shall be determined by the University upon the advice of the Actuary such that the additional actuarial liability of the Plan is equal to the transfer amount.
- (5) Notwithstanding the foregoing, the period of "Credited Service with Another Employer" shall not exceed the period indicated under Section 5.03(3)(b). In the event that the period indicated under 5.03(3)(b) is less than the period determined under Section 5.03(4)(b) above, a proportionate part of the transferred amount will be considered a part of the Member's Money Purchase Component Account and the balance of the transferred amount will be considered a part of the Member's Special Transferred Contributions Fund.
- (6) In the event of a service deficiency (i.e. the period calculated under the Section 5.03(4)(b) is less than the period determined under Section 5.03(3)(b), a Member may elect from time to time to contribute an amount in order to increase the period of "Credited Service with Another Employer" by the amount of the deficiency, or any part thereof, subject to any requirements under the *Income Tax Act*. The contribution may be made in a lump sum or by payroll deduction. The amount of Credited Service provided by such contributions shall be determined by the University, upon the advice of the Actuary, so as to provide benefits which are the Actuarial Equivalent of the contributions made by the Member. Upon payment in full by the Member of such required amount, the Member's Credited Service shall be increased accordingly. Any amount so contributed shall be included in the Member's Money Purchase Component Account and shall not be considered additional voluntary contributions.
- (7) The Member's right to a refund of transferred funds will be subject to any condition that may be attached to the fund by the transferor when the funds are accepted into the Plan.

Section 6 - Retirement Dates

6.01 **Normal Retirement Date**

The normal retirement date for a Member of the Plan will be the first day of July coincident with or next following attainment of age 65. However, a Member who retires on or after attainment of age 65, but before attainment of the normal retirement date, will receive benefits described under Section 7.03(2), as if he or she had attained the normal retirement date under the Plan.

Notwithstanding the foregoing, for the purposes of Section 16.07(2) of the Plan, normal retirement date for a Member or former Member shall mean the first day of the month coincident with or next following the date on which the Member or former Member attains age 65.

6.02 **Early Retirement Date**

A Member may elect to retire and may receive his or her pension on the first day of any month coincident with or following the attainment of age 55.

6.03 **Postponed Retirement Date**

A Member whose retirement under the Plan is postponed may elect to continue making required contributions to the Plan during such period, but not beyond the commencement of benefit payments, or to cease making required contributions to the Plan at or following his or her normal retirement date. The election of a Member to cease making required contributions to the Plan at or following normal retirement date is irrevocable and shall take effect on the first day of the month selected by the Member to cease contributions. The election of the Member to cease contributions must be made at least 2 months in advance of the first date of the month on which contributions are to cease.

Notwithstanding the foregoing, contributions must cease and benefits under this Plan must commence no later than the end of the calendar year in which the Member attains age 71 or such other time as is acceptable under the *Income Tax Act*.

Section 7 - Retirement Benefits

7.01 At Normal Retirement Date

(1) Variable Pension

A Member who retires from service with the University at normal retirement date will receive a pension, commencing on that date and payable in monthly instalments for the Member's remaining lifetime, in such amount as can be provided from the total balance to the Member's credit in his or her Money Purchase Component Account based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 13 of the Plan.

(2) Supplementary Pension

In addition, each Member who retires at normal retirement date will receive such amount of supplementary pension from the Minimum Guarantee Fund as may be required in each Pension Year to provide a total pension during that Pension Year equal to the minimum guaranteed benefit to which the Member is entitled during that year.

The amount of the Member's minimum guaranteed benefit, commencing at normal retirement date, will be calculated as follows:

1.4% of that portion of the Member's Final Average Earnings, determined at normal retirement date, which does not exceed the average of the Year's Maximum Pensionable Earnings for those years;
plus
1.9% of that portion of the Member's Final Average Earnings, determined at normal retirement date, which exceeds the average of the Year's Maximum Pensionable Earnings for those years;
multiplied by
the number of years (completed days as a fraction) of Credited Service as at normal retirement date.

7.02 At Postponed Retirement Date

(1) Variable Pension

A Member who retires after normal retirement date will receive a pension, commencing on that date and payable in monthly instalments for the Member's remaining lifetime, in such amount as can be provided from the balance to the Member's credit in his or her Money Purchase Component Account, based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 13 of the Plan.

(2) Supplementary Pension

In addition, each Member who retires after normal retirement date will receive such amount of supplementary pension from the Minimum Guarantee Fund as may be required in each Plan Year to provide a total pension during that Pension Year equal to the minimum guaranteed benefit to which the Member is entitled during that year. The amount of the Member's minimum guaranteed benefit commencing at postponed retirement date will be an amount calculated in accordance with (a) or (b) below:

- (a) If the Member elected to cease making contributions at or following normal retirement date, the minimum guaranteed benefit will be an amount calculated as at the date the Member ceased to make contributions, in accordance with Section 7.01(2), based on the Member's Final Average Earnings and Credited Service to the date the Member ceased to make contributions, then adjusted to the Actuarial Equivalent at his or her postponed retirement date.
- (b) If the Member elected to continue making required contributions after normal retirement date, the minimum guaranteed benefit will be an amount calculated in accordance with Section 7.01(2) but based on the Member's Final Average Earnings and years of Credited Service to his or her postponed retirement date.

7.03 At Early Retirement Date

(1) Variable Pension

A Member who elects to commence pension payments at an early retirement date pursuant to Section 6.02 will receive a pension, commencing on that date and payable in monthly instalments for the Member's remaining lifetime, in such amount as can be provided from the total balance to the Member's credit in his or her Money Purchase Component Account, based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 13 of the Plan.

(2) Supplementary Pension

In addition, each Member who elects to commence pension payments at an early retirement date pursuant to Section 6.02 will receive, each year, such amount of supplementary pension from the Minimum Guarantee Fund as may be required to provide a total pension during each Pension Year equal to the minimum guaranteed benefit to which the Member is entitled during that year.

The amount of the Member's minimum guaranteed benefit, commencing at early retirement date, will be an amount calculated as at normal retirement date in accordance with Section 7.01(2), but based on the Member's Final Average Earnings and years of Credited Service to his or her early retirement date, and reduced by 3% per year (with completed months computed as a fraction thereof), to a maximum of five years, by which his or her pension commencement date precedes the first day of the month coincident with or next following his or her attainment of age 65 and further reduced by 6% per year (with completed months computed as a fraction thereof), for each year in excess of five years by which his or her pension commencement date precedes the first day of the month coincident with or next following his or her attainment of age 65.

7.04 Benefits Arising from Voluntary and Special Lump Sum Voluntary Contributions

At retirement (whether normal, early or postponed), each Member who has made additional voluntary or special lump sum voluntary contributions (except those “locked in” by agreement) may elect to receive a refund of those contributions with Credited Interest or to receive an additional amount of pension on a money purchase basis, in the same form and commencing at the same time as the pension provided from the Plan from the Member’s required contributions, as can be provided from the total of those contributions and Credited Interest thereon based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 13 of the Plan.

This additional amount of pension paid under Section 7.04 will not be considered in determining the amount of supplementary pension required to provide the Member with his or her minimum guaranteed benefit.

7.05 Portability of Pension Benefits

Notwithstanding any other provision of the Plan to the contrary, a Member who retires pursuant to the provisions of Section 6 may elect to transfer the balance in his or her Money Purchase Component Account with Credited Interest to the date of retirement plus the commuted value, as determined by the Actuary of any supplementary pension to which the Member may be entitled in accordance with Section 7.01(2), 7.02(2) or 7.03(2) to a “locked-in” registered retirement savings plan or life income fund which complies with the provisions of the *Pension Benefits Act*.

Any transfer of commuted value of the supplementary pension in accordance with this Section 7.05 on and after January 1, 1989, will not exceed the maximum amount prescribed under the *Income Tax Act*, and the excess of the commuted value, plus Credited Interest, if any, over the amount transferred will be paid in cash to the Member, subject to the requirements of the *Pension Benefits Act*.

7.06 Maximum Guaranteed Benefits At Pension Commencement

Notwithstanding any other provision of the Plan to the contrary, the maximum benefit to which a Member may be entitled in the form of pension to be paid to the Member, under the minimum guaranteed benefit provisions set out in Section 7.01(2) (Supplementary Pension), including any portion of pension payable to a Member’s Spouse or former Spouse pursuant to Section 16.07, determined at the time of pension commencement, shall not exceed the years of the Member’s pensionable service (pensionable service shall have the same meaning as assigned to that term in the *Income Tax Act*) multiplied by the lesser of:

- (a) the defined benefit dollar limit under the *Income Tax Act* for that year; and
- (b) 2% of the average of the Member’s Earnings from the University in his or her 3 years of highest Earnings;

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

- (i) the Member attains age 60;
- (ii) the Member’s age plus Continuous Service is equal to 80;

- (iii) the Member completes 30 years of Continuous Service; and
- (iv) the Member becomes permanently and totally disabled;

by $\frac{1}{4}$ of 1% of each month by which the pension commencement date precedes that day, provided that no reduction applies in the case of a pension payable as a result of total and permanent disability.

This Section 7.06 does not apply to additional benefits payable as a result of any Actuarial Equivalent increase due to deferral of pension commencement after age 65 nor does it apply to pension derived from a Member's additional voluntary contributions. In those cases where transferred contributions are converted to Credited Service under the provisions of a reciprocal transfer agreement or a portability arrangement, such service will be deemed service with the University for the calculation of such maximum benefits.

Section 8 - Disability Pension

8.01 Eligibility

A Member, who is also an Employee, who becomes permanently and totally disabled, and who is not eligible, nor likely to become eligible, to receive benefits under the University's long term salary continuance plan may be placed on disability pension at any time.

Permanently and totally disabled means a physical or mental impairment which prevents a Member from engaging in any employment for which he is reasonably suited by the virtue of his education, training or experience and that can reasonably be expected to continue for the remainder of the Member's lifetime and which is certified, in writing, by a medical doctor licensed in Canada or where the Member resides.

8.02 Amount of Disability Pension

A Member who becomes eligible for a disability pension will receive a benefit calculated as follows:

(1) Variable Pension

A variable pension will be payable monthly in such amount as can be provided from the total balance to the Member's credit in his or her Money Purchase Component Account based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 13 of the Plan.

(2) Supplementary Pension

In addition each Member who becomes eligible for a disability pension will receive each year such amount of supplementary pension from the Minimum Guarantee Fund as may be required to provide a total pension during each Pension Year equal to the Member's minimum guaranteed disability pension for that year.

The amount of the minimum guaranteed disability pension payable to a Member receiving a benefit under Section 8 will be calculated in accordance with paragraph 7.01(2), but based on his or her Final Average Earnings and years of Credited Service as of the date the Member becomes eligible for the benefit under paragraph 8.01.

(3) Form of Disability Pension

The amount of disability pension payable to the Member under this Section 8.02 shall be actuarially adjusted to reflect the normal or optional form of pension payable to the Member pursuant to the applicable provisions of Section 9.

8.03 Cessation of Disability Pension

- (1) The disability pension shall cease in the event a Member in receipt of the benefit should recover from the disability and again become capable of employment deemed suitable by

the University.

- (2)** Should a Member who is deemed to have recovered sufficiently to return to active employment refuse to do so, the University may suspend the payment of the disability pension pending receipt of medical evidence satisfactory to the University of continued disability and, on continued refusal, may deem the Member to have terminated employment in accordance with Section 10.

Section 9 - Normal and Optional Forms of Pension

9.01 Normal Form of Pension

(1) **Member without Eligible Spouse**

The normal form of pension under the Plan for a Member who does not have an Eligible Spouse, or is living separate and apart from that Eligible Spouse, at the date of pension commencement is one which commences on the Member's retirement date, continues in monthly instalments for his or her lifetime and ceases with the payment due in the month in which the Member dies.

(2) **Member with Eligible Spouse**

The normal form of pension under the Plan for a Member who has an Eligible Spouse and is not living separate and apart from that Eligible Spouse at the date of pension commencement is one which commences on the Member's retirement date and is payable to the Member in monthly instalments during his or her remaining lifetime, then continuing to the Eligible Spouse, if the Eligible Spouse survives the Member, at 50% of the amount payable to the Member, during his or her lifetime. In addition, the Eligible Spouse will be eligible to receive such amount of supplementary benefit as may be necessary to provide a total pension from the Plan of not less than 50% of the deceased Member's minimum guaranteed benefit, calculated as at the date of death.

(3) **Mandatory Spousal Benefit for Pensions Commencing on and after January 1, 1988**

Where the payment of a Member's pension commences on or after January 1, 1988 and the Member has an Eligible Spouse from whom he or she is not living separate and apart at the date of pension commencement, the normal form of pension under this Plan shall be a monthly benefit payable during the life time of the Member, with 60% of the benefit continuing after the death of the Member to his or her Eligible Spouse for the lifetime of that Eligible Spouse. The amount of pension payable hereunder shall be the Actuarial Equivalent of the normal form of pension for a Member who commenced receipt of his or her pension prior to January 1, 1988 and who had an Eligible Spouse at his or her pension commencement date, as described in Section 9.01(2).

9.02 Optional Forms of Pension

In lieu of the applicable normal form of pension payable under the Plan in accordance with Section 9.01 above, a Member may elect to have the payment made on a different basis by filing with the University prior to his or her retirement date, an election on forms provided by the University for that purpose. Such election may be amended or cancelled by written notice to the University prior to the Member's retirement date. Notwithstanding the foregoing, a Member to whom the provisions of Section 9.01(3) apply may not elect to receive an optional form of pension unless:

- (1) the amount of the pension payable to the Member's Eligible Spouse following the

Member's death is not less than 60% of the benefit payable to the Member during the joint life of the Member and his or her Eligible Spouse; or

- (2) the Member delivers to the University, within the 12-month period immediately preceding the date upon which payment of the pension is to commence, the written consent of the Member's Eligible Spouse in the form prescribed under the *Pension Benefits Act*.

The Member may elect to have his or her pension paid in any optional form of pension benefit which is consistent with the *Income Tax Act*, in which case the amount of pension shall be the Actuarial Equivalent of the amount the Member would have received under the normal form had he or she been without an Eligible Spouse on his or her retirement date, as described in Section 9.01(1).

However, a Member with an Eligible Spouse on his or her retirement date may elect to have the pension paid in an optional form under which a monthly payment is payable for the remaining lifetime of the retired Member and under which payment then continues to the Member's Eligible Spouse in an amount greater than the amount which would otherwise be payable to the Eligible Spouse pursuant to Section 9.01(3), in which case the amount of pension shall be the Actuarial Equivalent of the amount the Member would have received under the normal form of pension, as described in Section 9.01(2).

9.03 Integration with Statutory Benefits

A Member who retires prior to becoming eligible to receive *Old Age Security Act* and unreduced Canada Pension Plan benefits may elect to receive an increased amount of pension from retirement to the date on which the Member is so eligible, then reducing by the amount of the *Old Age Security Act* and/or the Canada Pension Plan benefits to which the Member is entitled, as estimated at retirement date.

9.04 Application to Minimum Guaranteed Benefit

Where a Member elects one of the optional forms of benefit permitted under the Plan, for the purpose of calculating the amount of supplement payable to provide his or her minimum guaranteed benefit, the same actuarial factor used in converting the amount of the Member's Money Purchase Component Account benefit from the normal to the elected optional form of benefit will be applied to the minimum guaranteed benefit.

9.05 Additional Voluntary Contributions

A Member of the Plan who has made additional voluntary contributions or special lump sum additional voluntary contributions may elect to receive a lump sum refund of those contributions with Credited Interest, or an additional amount of pension provided on a money purchase basis in the same form and commencing at the same time as the pension provided from the Plan from the Member's required contributions, as can be provided from the amount of lump sum refund based on the actuarial tables in force for Plan purposes at that time, which shall take into account the provision for increases in pension after retirement and with respect to contributions made from January 1, 1992, the guarantee of non-reduction of pension under Section 13 of the Plan.

9.06 Death Prior to Pension Commencement, But After Retirement

In the event of the death of a Member after retirement and election of the form of pension payment, but before receipt of the first payment of pension, the death benefit payable shall be governed by the election of the Member made prior to his or her death, subject to any requirements of the *Pension Benefits Act*.

Section 10 - Benefits on Termination of Service

10.01 Terminations On or After July 1, 2012

A Member whose Continuous Service is terminated on or after July 1, 2012 other than by death, disability or retirement in the Plan, shall be entitled to elect one of the following:

- (a) to have an amount equal to the balance in the Member's Money Purchase Component Account plus the value, as determined by the Actuary (but not to exceed the limits under paragraph 8503(2)(m) of the regulations under the *Income Tax Act*), of any supplementary pension to which the Member may be entitled in accordance with Section 7, transferred to:
 - (i) the registered pension fund of a subsequent employer, provided such employer enters into an agreement with the University that such contributions will be retained for the provision of pension benefits at retirement in accordance with the *Pension Benefits Act*;
 - (ii) a "locked-in" registered retirement savings plan or life income fund which complies with the provisions of the *Pension Benefits Act*, for the provision of pension benefits at retirement; or
- (b) to leave the balance to the Member's credit on deposit in the Money Purchase Component Account and to receive such amount of deferred pension as can be provided with the balance plus Credited Interest to the date of pension commencement, plus any supplementary pension to which the Member may be entitled in accordance with Section 7.

10.02 Partial Commutation

A Member whose Continuous Service is terminated other than by death, disability or retirement after having completed 10 years of Continuous Service and attaining age 45 (taking into consideration membership in a registered pension plan of a former employer or employment with a former employer that is the subject of a portability arrangement governed by Section 5 of the Plan), shall be entitled to elect to receive a lump sum payment equal to 25% of the balance of the Member's Money Purchase Component Account, and the commuted value (such value not to exceed the limits under paragraph 8503(2)(M) of the regulations under the *Income Tax Act*) of the supplementary pension, if any, accrued in respect of Credited Service on and after January 1, 1965 and prior to January 1, 1987. Such Member may also elect to receive a lump sum refund equal to his or her own required contributions, if any, made to the Plan prior to January 1, 1965, with Credited Interest thereon, in which case the University's corresponding contributions for such period credited to the Member's Money Purchase Component Account shall be returned to the University by the December 31st of the year following the year in which the contributions were forfeited, unless used by the University to satisfy or reduce its contribution obligations under Section 4.05(1) of the Plan.

In the event that the Member elects either of the foregoing options, or both, the amount of benefit payable pursuant to Section 10.01 shall be correspondingly reduced.

10.03 Transfers of Amounts On and After January 1, 1989

Any transfers of commuted value of the supplementary pension in accordance with Section 10.01 on and after January 1, 1989 will not exceed the maximum amount prescribed under the *Income Tax Act*, and the excess of the commuted value, plus Credited Interest, if any, over the amount transferred will be paid in cash to the Member, subject to the requirements of the *Pension Benefits Act*.

10.04 Additional Voluntary Contributions

A Member whose Continuous Service is terminated other than by death, disability or retirement and who prior to termination of employment has made additional voluntary contributions and/or has deposited special lump sum voluntary contributions to his or her credit in the Plan may elect one of the following settlements with respect to such contributions and the Credited Interest thereon:

- (1) to have an amount equal to the total of such contributions with Credited Interest thereon transferred to his or her credit in the pension plan of a subsequent employer as a special lump sum voluntary payment, if that plan so permits; or
- (2) to leave such additional voluntary contributions on deposit in the Plan for the provision of such amount of pension benefit on a money purchase basis as can be provided from the balance plus Credited Interest, at the date of pension commencement, in accordance with Section 7.04 of the Plan; or
- (3) to receive a lump sum payment equal to the total of the additional voluntary and special lump sum voluntary contributions with Credited Interest thereon, subject to the provisions of Section 10.05 below; or
- (4) to transfer an amount equal to the total of such contributions with Credited Interest thereon to his or her registered retirement savings plan or registered retirement income fund.

10.05 Special Transferred Contributions

A Member whose Continuous Service is terminated other than by death, disability or retirement and who has arranged for the transfer to his or her credit of special lump sum voluntary contributions which, by agreement with a former employer, are required to be "locked-in" for the provision of pension benefits, may elect one of the following options with respect to such contributions:

- (1) to have such amount transferred to the registered pension plan of a subsequent employer, provided that employer enters into an agreement with the University that such contributions will be held for the provision of pension benefits at retirement in accordance with the *Pension Benefits Act*; or
- (2) to leave such additional voluntary contributions on deposit in the Plan for the provision of such amount of pension benefit on a money purchase basis as can be provided from the balance plus Credited Interest, at the date of pension commencement, in accordance with Section 7.04 of the Plan; or

- (3) to have such amount transferred to a “locked-in “registered retirement savings plan or life income fund which complies with the provisions of the *Pension Benefits Act*, for the provision of pension benefits at retirement.

10.06 Members on Lay-Off

For the purpose of Section 10, the employment of a Member on lay-off is not terminated until his or her rights to recall for employment have expired or until he or she resigns from employment with the University, whichever occurs first.

10.07 Grow-In

Notwithstanding any other provision in the Plan, a Member whose employment is involuntarily terminated on or after July 1, 2012 (in circumstances that are an “activating event” under Section 74 of the *Pension Benefits Act*), and whose age plus Continuous Service equal at least fifty-five (55), may be entitled to additional early retirement enhancements pursuant to the *Pension Benefits Act*, and such Member’s benefits shall be adjusted accordingly.

Section 11 - Benefits on Death

11.01 **Death Prior to Pension Commencement - Benefits Accrued Prior to January 1, 1987**

(1) **Eligible Spouse Benefit**

In the event of the death, prior to pension commencement and prior to the cessation of Continuous Service, of a Member who leaves a surviving Eligible Spouse from whom the Member was not living separate and apart at the date of death, the Eligible Spouse shall be entitled to elect to receive a benefit determined in accordance with paragraph (a) or (b) below:

(a) **Pension Benefit**

The Eligible Spouse may elect to receive a pension commencing on the first day of the month following the date of the Member's death, in an amount equal to not less than 50% of the pension which would have been payable to the deceased Member in respect of his or her Plan membership prior to January 1, 1987, had the date of death been the Member's normal retirement date.

Such pension will first be in such amount as can be provided to the Eligible Spouse from that portion of the balance in the deceased Member's Money Purchase Component Account at the date of death which accrued in respect of the Member's required contributions and corresponding University contributions made prior to January 1, 1987, with Credited Interest, and based on the actuarial tables in force for Plan purposes at that time, which shall be subject to adjustment as determined in Section 13 of this Plan.

When necessary, the Eligible Spouse will also receive such amount of supplementary pension from the Minimum Guarantee Fund as may be required to provide a total benefit during each Pension Year equal to 50% of the minimum guaranteed benefit which would have been payable to the deceased Member in respect of his or her Credited Service prior to January 1, 1987, had the date of death been the Member's normal retirement date.

The supplement required to provide the minimum guaranteed benefit will commence as of the first day of the month following the death of the deceased Member and will be payable for the Eligible Spouse's remaining lifetime.

(b) **Lump Sum Benefit**

In lieu of the pension benefit described in Section 11.01(1)(a) and subject to Section 16.09, the Eligible Spouse may elect to receive a single lump sum payment equal to the greater of:

- (i) that portion of the balance in the deceased Member's Money Purchase Component Account at the Member's death which accrued in respect of the

Member's required contributions and corresponding University contributions made prior to January 1, 1987, with Credited Interest; and

- (ii) the Actuarial Equivalent of a lifetime pension payable to the Eligible Spouse, which is equal to one-half of the amount which would have been payable to the Member in respect of his or her Plan membership prior to January 1, 1987, had the date of death been the Member's normal retirement date.

(c) **Settlement of Spousal Death Benefit**

An Eligible Spouse who is entitled to elect an option hereunder shall make such election within the 90-day period following the date on which the Eligible Spouse receives notice from the University of the benefits and options available from the Plan. If the Eligible Spouse fails to make such election within that period, he or she shall be deemed to have elected an immediate pension payable for the Eligible Spouse's lifetime, pursuant to Section 11.01(1)(a).

(2) **Spousal Waiver**

The Eligible Spouse may waive the Eligible Spouse's entitlement described in Section 11.01(1) of the Plan.

(3) **Payment to Beneficiary or Estate**

In the event of the death, prior to pension commencement, of:

- (a) a Member whose Continuous Service has not ceased but who is not survived by an Eligible Spouse pursuant to Section 11.01(1) or whose Eligible Spouse has waived the entitlement pursuant to Section 11.01(2) of the Plan; or
- (b) a Member whose Continuous Service has ceased but who elected to leave his or her required contributions on deposit in the Plan pursuant to the applicable provisions of Section 10;

the designated beneficiary of the deceased Member or, failing that, the estate of the deceased Member shall be entitled to receive a lump sum cash settlement equal to that portion of the balance in the deceased Member's Money Purchase Component Account at the date of death which accrued in respect of the Member's required contributions and corresponding University contributions made prior to January 1, 1987, with Credited Interest.

**11.02 Death Prior to Pension Commencement -
Benefits Accrued on and after January 1, 1987**

(1) **Amount of Benefit**

In the event of the death of a Member prior to pension commencement, the deceased Member's surviving Eligible Spouse from whom the Member was not living separate and apart at the date of death, shall be entitled to receive a death benefit equal to:

- (a) that portion of the balance in the deceased Member's Money Purchase Component Account at the date of death which accrued in respect of the Member's required contributions and corresponding University contributions made on and after January 1, 1987, with Credited Interest; and

- (b) the amount, if any, by which 100% of the commuted value of the Member's supplementary pension from the Minimum Guarantee Fund, if any accrued under the Plan in respect of his or her Credited Service on and after January 1, 1987 and determined in accordance with the provisions of Section 7.01(2), Section 7.02(2) or Section 7.03(2), whichever is applicable, exceeds the amount described in Section 11.02(1)(a).

Notwithstanding the foregoing, in the event that:

- (i) the Member does not leave a surviving Eligible Spouse;
- (ii) the Member and his or her surviving Eligible Spouse were living separate and apart at the date of the Member's death; or
- (iii) the Member and his or her Eligible Spouse have waived the Eligible Spouse's entitlement under this Section 11.02(1) in the form and manner prescribed under the *Pension Benefits Act*;

the designated beneficiary of the deceased Member or, failing that, the estate of the deceased Member shall be entitled to receive the value of the benefit determined under this Section 11.02(1) in a single lump sum.

The death benefit payable pursuant to this Section 11.02(1) shall be in addition to any benefit payable pursuant to Section 11.01.

(2) Settlement of Spousal Death Benefit

Subject to Section 16.09, the surviving Eligible Spouse of a Member who is entitled to a death benefit pursuant to Section 11.02(1) may elect to receive payment of that death benefit in the form of:

- (a) a single lump sum payment; or
- (b) an immediate or deferred life annuity payable for the Eligible Spouse's lifetime, with or without a guarantee period, provided, however, that any guarantee period shall not exceed 15 years.

An Eligible Spouse who is entitled to elect an option hereunder shall make such election within the 90-day period following the date on which the Eligible Spouse receives notice from the University of the benefits and options available from the Plan. If the Eligible Spouse fails to make such election within that period, he or she shall be deemed to have elected the immediate pension payable pursuant to Section 11.02(2)(b) without a guarantee period.

The election by the Eligible Spouse of the form of the death benefit pursuant to Section 11.02(1) shall be consistent with the election of the form of death benefit payable to the Eligible Spouse under Section 11.01(1)(a) or 11.01(1)(b), as applicable, subject to any requirements of the Pension Benefits Act.

11.03 Death Prior to Pension Commencement - Dependent Children's Benefit

In the event of the death of a Member before pension commencement, if the deceased Member is survived by children who have not yet attained the age of 18, a dependent children's benefit will be payable in addition to any benefit payable pursuant to Section 11.01 or 11.02.

The total monthly amount of the dependent children's defined benefit payable from the Minimum Guarantee Fund will be equal to .00833 multiplied by the deceased Member's annual rate of Earnings as of the date of his or her death, subject to a maximum benefit of \$300 a month. The benefit payable, or a pro rata share thereof on behalf of each surviving eligible child, will be paid to the legal guardian of each such child up to and including the month of attainment of age 18 or earlier death. Upon cessation of payment on behalf of a child, the benefit payable to the other surviving dependent children, if any, will be re-calculated so that the total amount is redistributed equally among the surviving dependent children.

11.04 Death After Pension Commencement

In the event of the death of a Member following pension commencement, benefits will be payable to the Member's Eligible Spouse, designated beneficiary, joint annuitant or estate, whichever is applicable, in accordance with the provisions of the normal or optional form of pension elected by the Member.

11.05 Benefit from Voluntary Contributions

(1) Prior to Retirement

In the event of the death prior to pension commencement of a Member who has made additional voluntary contributions and/or special lump sum additional voluntary contributions to the Plan, there shall be payable to the beneficiary designated by the deceased Member in accordance with Section 12.01 a settlement equal to the total amount of such contributions with Credited Interest thereon. If the Eligible Spouse is the designated beneficiary, the Eligible Spouse may elect to receive the benefit in the form of a variable annuity which will remain constant during the balance of the Pension Year but which will be subject thereafter to adjustment as determined in Section 13 of this Plan.

(2) Following Pension Commencement

In the event of the death following pension commencement of a Member who has made additional voluntary contributions and/or special lump sum voluntary contributions to the Plan, benefits will be payable in accordance with the form of benefits elected by the Member prior to retirement.

Section 12 - Designation of Beneficiary and Payment of Lump Sum Death Benefits

12.01 Designation of Beneficiary

A Member may, by written notice to the University during his or her lifetime, designate a beneficiary to whom, in the event of the death of such Member, shall be paid any lump sum death benefits owed under the Plan pursuant to Sections 11.01, 11.02, 11.04 and 11.05. Provided there are no legal or other restrictions to the contrary, the Member may from time to time revoke or alter any designation without the consent of the former beneficiary. Each written notice shall be given in a form and executed in a manner as the University, in its sole discretion, from time to time determines.

The rights of any designated beneficiary hereunder shall be subject to the rights of any surviving Eligible Spouse as described in Sections 9.01(3), 11.01(1) and 11.02.

12.02 Eligible Spouse

Subject to the provisions of Section 11.02(2), if the designated beneficiary is the deceased Member's Eligible Spouse, the Eligible Spouse may elect, by written notice filed with the University within 90 days of receiving an option statement, that settlement of any death benefits ordinarily payable in a lump sum be made in the form of an immediate or deferred life annuity that commences before the Eligible Spouse attains age 71 or within one year of the Member's death, if later (or such other time as is acceptable under the *Income Tax Act*), which is either fixed or variable in amount and which is with or without a guaranteed period. The Eligible Spouse of former Spouse may also elect to have the lump sum amount transferred directly on his or her behalf to a registered retirement savings plan or a registered retirement income fund.

In all other cases the death benefit shall be paid as a lump sum.

12.03 Lack of Designated Beneficiary

If on the death of a Member, there is no designated beneficiary, or the designated beneficiary has predeceased the Member, any benefits which may be payable shall be paid to the deceased Member's estate. Such settlement shall be made in a single lump sum.

12.04 Death of Beneficiary after Payments Commence

If a designated beneficiary who is entitled to receive benefit payments as a result of the death of a Member should die before the end of any guaranteed payment period, the balance of the payments shall be paid to the estate of the designated beneficiary, in a single lump sum equal to the commuted value of such payments as determined by the Actuary.

Section 13 - Adjustment of Pensions

13.01 Adjustment and Non-Reduction of Pensions

- (1) Pensions which first became payable prior to January 1, 2015 under Sections 7.01, 7.02, 7.03, 7.04, 8.02, 9, 11.01(1)(a) and 11.02(2)(b), whichever is applicable, will be subject to adjustment, as determined by the Actuary, at the commencement of each Pension Year, starting with the Pension Year subsequent to the year in which the pension begins to be paid. The percentage adjustment is determined by the following formula:

$$\left(\frac{(1 + A)}{(1 + B)} - 1 \right) \times 100\%$$

where:

A is the Moving Four Year Average Fund Return at the commencement of each Pension Year, expressed as a decimal to six places; and

B is 0.06.

- (2) Pensions which first became payable on and after January 1, 2015 under Sections 7.01, 7.02, 7.03, 7.04, 8.02, 9, 11.01(1)(a) and 11.02(2)(b), whichever is applicable, will be subject to adjustment, as determined by the Actuary, at the commencement of each Pension Year, starting with the Pension Year subsequent to the year in which the pension begins to be paid. The percentage adjustment is determined by the following formula:

$$\left(\frac{(1 + A)}{(1 + B)} - 1 \right) \times 100\%$$

where:

A is the Moving Five Year Average Fund Return at the commencement of each Pension Year, expressed as a decimal to six places; and

B is 0.06.

- (3) Notwithstanding the provisions of Sections 13.01(1) and 13.01(2), in the event that the amount of pension payable under Section 7.01, 7.02, 7.03, 7.04, 8.02, 9, 11.01(1)(a) or 11.02(2)(b), whichever is applicable, as adjusted at the commencement of any given Pension Year is less than the amount of pension paid in the previous Pension Year, the amount of pension paid shall not be reduced, but shall remain the same as that paid in the previous Plan Year.

Section 14 - Trust Fund

14.01 Continuation of Fund

The University will continue the operation of a Trust Fund in accordance with the provisions of the Trust Agreement entered into between the University and the Board of Trustees as of January 1, 1977.

14.02 Board of Trustees

Administration of the Trust Fund shall be vested in a Board of Trustees, comprised of persons appointed by the University who may be, but need not be, Members of the Plan, and each of whom shall be resident in Canada, and who meet the requirements of the *Pension Benefits Act* and the *Income Tax Act*.

As at July 1, 2016, the Board of Trustees is comprised of:

- (1) three members of the Board of Governors of the University;
- (2) three members of the administration recommended by the President of the University, one of whom shall be the nominee of the York University Confidential, Professional and Managerial Employees Association;
- (3) two members of the York University Faculty Association, as recommended by that Association;
- (4) two members of the York University Staff Association, as recommended by that Association;
- (5) one member each from the Canadian Union of Public Employees Local 3903, the Canadian Union of Public Employees Local 1356, the Canadian Union of Public Employees Local 1356-1, and the International Union of Operating Engineers Local 796, as recommended by the respective Union.
- (6) one member from the Osgoode Hall Faculty Association, as recommended by that Association; and
- (7) one member from the York University Retirees Association.

The University shall appoint a Chairperson from the Board of Trustees to preside at meetings, and a Vice-Chairperson to act in the absence of the Chairperson. The Board of Trustees shall appoint a Secretary to keep minutes of its proceedings, prepare and countersign official documents, and discharge such other duties as may be assigned by the Board of Trustees or the Chairperson.

14.03 Responsibilities of Trustees

The Trust Fund will be administered by the Board of Trustees in accordance with the terms of the Trust Agreement, but will be subject to the provisions of the Pension Benefits Act with respect to the investment of such funds.

A copy of the Trust Agreement may be examined by a Member of the Plan at any reasonable time in the office of the Secretary of the University.

The Board of Trustees' powers and responsibilities shall include, but not be limited to, the following:

- (1) to approve the Statement of Investment Policies and Procedures (SIP&P) for the Trust Fund, asset classes and target allocations for the asset mix policy, manager structure, and other investment policies that are reasonable and necessary to provide for the prudent investment of the Trust Fund;
- (2) to appoint/terminate and monitor the Plan's investment managers, custodian, auditor, Actuary, and other independent professional advisors, as required;
- (3) to approve the annual operating budget for investment expenses and monitor expenses relative to the budget;
- (4) to monitor fund and asset class performance, asset mix and manager allocations, compliance with the SIP&P and all other investment policies, and achievement of Trust Fund objectives; and
- (5) to monitor compliance of the Sub-Committee on Investment Performance with its Terms of Reference.

14.04 Deposit

All contributions by Members and by the University for the provision of benefits under the Plan will be deposited in the Trust Fund.

14.05 Payment of Benefits

All benefits will be paid from the Trust Fund; provided, however, the University may, in its sole discretion, direct the Board of Trustees to purchase an annuity from an insurance company licensed to do business in Canada in lieu of the payment of any benefit directly from the Trust Fund.

14.06 Expenses

All direct expenses with respect to the operation or administration of the Plan and the Fund will be payable from the Trust Fund unless the University elects to pay such expenses.

14.07 Appointment of Actuary

The Board of Trustees shall appoint an Actuary who shall report annually to the Board of Trustees upon the condition of the Trust Fund and any action which may be necessary or desirable to safeguard the same or improve its operation.

Section 15 - Administration of Plan

15.01 **Responsibility for Administration**

The administrator of the Plan shall be the University which shall be responsible for all matters relating to the administration of the Plan and may delegate such matters as it deems appropriate to be performed by one or more agents. The University shall decide conclusively all matters relating to the operation, interpretation and application of the Plan.

15.02 **Records**

The University shall be responsible for keeping records with respect to the Members, including all data necessary to determine the benefits to which each Member may be entitled. The records of the University shall be deemed to be conclusive of the facts contained therein and shall be binding upon all Plan Members.

The University shall notify the Board of Trustees of all claims against the Trust Fund and shall document such claims as necessary. The University shall record the source of all contributions to the Plan and transmit such contributions as are received to the Trust Fund within the time limits specified in the *Pension Benefits Act*. All communications from Members concerning their benefits, privileges and responsibilities under the Plan shall be dealt with by the University and, when necessary, these shall be transmitted through the Board of Trustees.

15.03 **Payment of Benefits**

The University shall be responsible for the validation of all claims against the Trust Fund, including the obtaining of all necessary declarations, certificates or other evidence of any condition or thing whose determination is required for the proper administration of the Plan. The University shall be empowered to recommend to the Board of Trustees that in any case where such evidence is not presented, benefits otherwise payable under the Plan should be deferred or indefinitely suspended until such time as the necessary declaration, certificates or other evidence is provided at which time payments will commence and will be made retroactive to the date of the deferral.

15.04 **Incompetency**

In any case where a person entitled to any benefit payable under the Plan is incompetent to act on his or her own behalf, the benefit shall be paid to the Member's legally appointed committee or trustee.

Section 16 - General Provisions

16.01 Proof of Age

No payment of pension benefits shall commence to any Member, Eligible Spouse or dependent child of a deceased Member until satisfactory proof of age has been furnished to the University. Should a Member elect a joint and survivor option, proof of age of the joint annuitant must also be furnished before payment of the pension can commence. Upon furnishing satisfactory proof of age, any deferred payment shall be made retroactively.

16.02 Non-Assignability and Non-Commutability of Benefits

Except as specifically provided by the *Pension Benefits Act*, assets held in the Trust Fund under the terms of this Plan shall not be given as security or be subject to anticipation, assignment, alienation, sale, transfer, pledge, encumbrance, garnishment or charge or to attachment or other legal process for the collection of the debts of any Member. The Plan provisions shall not be construed to confer upon any Member, beneficiary, personal representative or dependent or any other person any right or interest in the assets of the Trust Fund which is capable of being surrendered or commuted except as specifically provided for in the Plan.

16.03 Employment Rights

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

16.04 Form of Notice

Any notice or election to be made or given for any purpose of the Plan, whether by a Member or by the University, shall be made, given or communicated, as the case may be, in such manner as the University shall determine and in accordance with any applicable legislation.

16.05 Small Benefits

Notwithstanding any other provision of the Plan, in the event:

- (1) the annual pension to which any Member is entitled at normal retirement date pursuant to Section 7.01 plus any other locked-in contributions, does not exceed 4% of the Year's Maximum Pensionable Earnings in the year of the Member's termination of employment, or
- (2) the balance of the Member's Money Purchase Component Account, the commuted value of the supplementary pension, if any, plus any other locked-in contributions to which the Member is entitled, is less than 20% of the Year's Maximum Pensionable Earnings in the year of the Member's termination of employment, or
- (3) such larger amount as may be permissible from time to time,

the University may, in its sole discretion, authorize that such benefit be payable quarterly, in an amount which is the Actuarial Equivalent thereof, or that it be paid in a single lump sum equal to the balance of the Member's Money Purchase Component Account and the commuted value

(such value not to exceed the limits under paragraph 8503(2)(m) of the regulations under the *Income Tax Act*) of the supplementary pension, if any, to which the Member is entitled.

16.06 Maximum Guaranteed Benefits in Subsequent Years

The maximum lifetime pension payable under the defined benefit provision of the Plan in each calendar year subsequent to the calendar year in which a Member's pension commences shall be determined as the maximum lifetime pension payable under the defined benefit provision of the Plan in accordance with the *Income Tax Act* multiplied by the ratio of:

- (1) the average of the Consumer Price Index, as defined in the *Income Tax Act*, for the twelve months ending September 30 of the immediately preceding calendar year to
- (2) the average of the Consumer Price Index, as defined in the *Income Tax Act*, for the twelve months ending September 30 in the calendar year immediately preceding the calendar year in which the Member's pension commenced.

16.07 Treatment of Benefits on Marriage Breakdown

(1) Support Obligations

Upon the breakdown of a Member's spousal relationship, payments under the Plan are subject to execution, seizure or attachment in satisfaction of an order for support or maintenance enforceable in Ontario or another relevant jurisdiction, to a maximum of one-half of the money payable.

(2) Division of Property

Upon the breakdown of a Member's spousal relationship, the Member may assign up to and including 50% of the pension benefits accrued by the Member under the Plan during the spousal relationship, calculated in accordance with the requirements of the *Pension Benefits Act*, to the party to a domestic contract, court order or family arbitration award.

If a domestic contract or court order granting a party interest in the Member's pension benefits was made before January 1, 2012, the party is entitled to receive his or her share of the Member's pension benefits in accordance with the *Pension Benefits Act*.

If a domestic contract, court order or family arbitration award granting a party interest in the Member's pension benefits was made on or after January 1, 2012, the party is entitled to receive his or her share of the Member's pension benefits pursuant to the *Pension Benefits Act* and in accordance with the following:

- (a) if the Member's pension has not yet commenced as at the date of separation, and the *Pension Benefits Act* so prescribes, as an immediate lump sum amount that must be transferred on a locked-in basis to a vehicle prescribed under the *Pension Benefits Act*, or
- (b) if the Member's pension is already in pay as at the date of separation, as a portion of the Member's monthly pension payments, or, as otherwise prescribed under the *Pension Benefits Act*.

Once the party to the domestic contract, court order or family arbitration award receives his or her share of the Member's pension, the value of the Member's or former Member's pension benefits will be adjusted to reflect the election of such option. This adjusted value

will be used to determine the pension payable under Section 7.01, 7.02, 7.03, 9.01, 9.02 or 9.03, 10.01, 10.02, 11.01 or 11.02 of the Plan, as applicable.

If the Member is already in receipt of a joint and survivor pension at the date of separation, the Member's former spouse may waive his or her entitlement to the survivor pension and the Member's pension shall thereafter be adjusted to the normal form of pension for a Member without an Eligible Spouse, payable to the Member for the remainder of his or her life only. To waive the survivor benefit, the former spouse must submit the prescribed waiver form, a certified copy of a domestic contract, court order or family arbitration award that explicitly provides for the waiver, and complete any other steps or documentation as may be required by the University or the *Pension Benefits Act*.

16.08 Construction

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

16.09 Transfer of Lump Sum Payments

A surviving Eligible Spouse, a Member or a former Member who is entitled to a lump sum payment in accordance with Sections 10.04(3), 11.01(1)(b), 11.02(2), 11.05(1), 16.05 or 16.10 may elect to have the lump sum amount transferred directly to a registered retirement savings plan established in accordance with the *Income Tax Act* or a registered retirement income fund established in accordance with the *Income Tax Act*. If the Eligible Spouse, a Member or a former Member, as applicable, does not make such an election within the time provided under the *Pension Benefits Act*, the University will pay the amount in cash.

Any transfer of commuted value of the supplementary pension to a Member or former Member in accordance with this Section 16.09 will not exceed the maximum amount prescribed under the *Income Tax Act*, and the excess of the commuted value, plus Credited Interest, if any, over the amount transferred will be paid in cash to the Member, subject to the requirements of the *Pension Benefits Act*.

16.10 Shortened Life Expectancy

Where a former Member or retired Member establishes, by a written statement from a qualified medical doctor, that he or she has an illness or physical disability that is likely to shorten the Member's life expectancy to less than two years, he or she may elect to convert the pension to a lump sum payment, in accordance with the prescribed conditions under the *Pension Benefits Act* and subject to the *Income Tax Act*.

Section 17 - Future of the Plan

17.01 Continuation of Plan

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

17.02 Amendment of Plan

No amendment to the Plan shall operate to reduce the benefits or any supplementary pension in respect of those benefits accrued under the Plan to the Members prior to the date of such amendment nor shall such action entitle the University to recover any contributions whatsoever made by the University to the Trust Fund prior to the date of such amendment.

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

17.03 Discontinuance of Plan

In the event of discontinuance of the Plan for any reason, the University shall not be able to recover any sums paid to the date thereof, nor shall the University be obliged to make any further contributions to the Plan with respect to the service of Members after the date of such discontinuance. The assets of the Trust Fund shall be distributed in accordance with the provisions of the *Pension Benefits Act* for the benefit of Members, retired Members, Members entitled to deferred vested benefits, their respective estates, beneficiaries and joint annuitants in such equitable manner as may be determined by the University in consultation with the Actuary. Such benefits may be provided through the continuation of the Trust Fund, the establishment of a new Trust Fund for the purpose, or through the purchase of deferred or immediate annuity contracts.

17.04 Statutory Requirement

In the event of wind-up of the Plan, the provision of all benefits shall be subject to the provisions of the *Pension Benefits Act*. If there should remain assets in the Trust Fund after the maximum benefits as described in Section 7.06 have been provided and any *Income Tax Act* requirements respecting certifiable past service pension adjustments have been met, such assets shall revert to the University subject to the receipt of the prior written approval of the Financial Services Commission of Ontario.