



LAKEHEAD UNIVERSITY

EMPLOYEE PENSION PLAN

AMENDED AND RESTATED AT

January 1, 2017

Formerly the Pension Plan for the Technical, Clerical, and Maintenance Staff of
Lakehead University, changed on January 1, 2002.

Office Consolidation – for Reference Purposes Only
Consolidated text incorporating all amendments up to January 1, 2016 including the
amended and restated text at December 31, 1989, and amendments 97/1, 2001/1,
2003/2, 2005/1, 2007/1, 2015/1 and 2017/1.

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ARTICLE 1 – FOREWORD

1.01 Lakehead University established a defined contribution pension plan to be known as the Pension Plan for Technical, Clerical and Maintenance Staff of Lakehead University, to be effective on and after September 1, 1966, for the payment of pensions to employees of the University who become eligible for membership in the Plan and who retire in accordance with its terms.

1.02 The purpose of this Plan is to provide employees with a retirement income for life related to their period of service and contributions that will supplement the retirement benefits provided by the Canada Pension Plan, Old Age Security and the employees' personal savings and investment plans.

1.03 Plan Members have shared in the distribution of funds deemed to be in excess of those required to fund the retirement benefits of employees who were Members of the Plan at the date of distribution. These dates of distribution are January 1, 1981, January 1, 1986 and December 31, 1989.

1.04 Effective December 31, 1989, the Plan was revised and restated to bring the Plan into compliance with the Pension Benefits Act. The Plan was administered in accordance with the Pension Benefits Act during the period between the proclamation of the Pension Benefits Act and the registration of that text with the Pension Commission of Ontario.

1.05 The Plan was amended in 1996, effective December 31, 1989, to bring the Plan into compliance with the Income Tax Act.

1.06 Effective January 1, 2001 the Plan was amended to provide full portability and immediate vesting. Effective January 1, 2002 the name of the Plan was changed and the Plan was amended to remove the six-month waiting period on eligibility and adjust the provisions for leave of absence. Furthermore, the Plan was amended to clarify and increase contributions rates to January 1, 2002.

ARTICLE 2 - DEFINITIONS

The following terms wherever used in this document shall, for the purposes thereof, unless the context otherwise requires have the meaning set forth below, despite any definitions that conflict therewith in any other document:

2.01 **"Account Balance"** means the accumulated value of the Member's account as set out in Article 8 (Pension Trust Fund).

2.02 **"Active Account"** means that part of the Fund prior to December 31, 1990 relating to benefits for all Members, as defined in Article 8 (Pension Trust Fund).

2.03 **"Active Member"** means a Member other than one who is a Pensioner.

2.04 **"Active Member Account"** means that part of the Fund on and after January 1, 1990 relating to benefits for all Active Members, as defined in Article 8 (Pension Trust Fund).

2.05 **"Actuary"** means such actuary as the University may from time to time appoint for purposes of making actuarial valuations and estimates of the contributions required to be made by the University or of performing other services in connection with the Plan, and shall be an individual who is a Fellow of the Canadian Institute of Actuaries or a corporation at least one of whose employees is such an individual.

2.06 **"Advisory Committee"** means the committee of representatives whose provision, duties and make-up are detailed in Article 21 (Advisory Committee, Administration and Procedures) and whose advice will be sought for disbursements from the Reserve Account and for Plan revisions.

2.07 **"Anniversary Date"** means January 1 of each year.

2.08 **"Annuity Factor"** means the cost per dollar per month of pension, using interest rates and mortality tables considered appropriate by the Actuary, and the age of the Member, as subject to the Pension Benefits Act.

2.09 **"Balanced Investment Account"** means a fund which may contain common and preferred shares, real estate, bonds, debentures, notes, mortgages and other debt instruments.

2.10 **"Basic Pension"** means the amount of normal pension accrued under this Plan, excluding pensions relating to Voluntary Contributions, Money Purchase Accounts and Transfer Credits, as further defined in Article 9 (Calculation of Normal Pensions).

2.11 **"Beneficiary"** means a person or persons designated as such under Article 16 (Death Benefits).

2.12 **"Compensation"** has the meaning given in the Income Tax Act and includes a prescribed amount in accordance with the Income Tax Act.

2.13 **"Consumer Price Index"** means the Consumer Price Index as set out in the Canada Employment Benefits and Pension Guide Reports, published by CCH Canadian Limited as amended from time to time.

2.14 **"Continuous Employment"** means continuous employment by the University as further defined in Article 7 (Continuous Employment).

2.15 **"Contract Employee"** means an employee who is employed in a position that is not a Board of Governors established position or is temporarily employed in a position that is a Board of Governors established position. The contract of such an employee shall be for a period of not less than 8 months and may be recurring.

2.16 **"Credited Interest"** means the amount of interest determined in accordance with Article 5 (Interest), which is credited on a Member's Account Balance.

2.17 **"Excess Funding Account"** means that part of the Fund on or after January 1, 1990 which does not pertain to benefits of Active Members or Pensioners. As such it represents funds which are surplus to the plan's requirements and it shall be used with effect from January 1, 1990 to pay the Plan expenses which are not paid by the Forfeiture Account and from July 1, 1996 to pay the University contributions until such time as it is exhausted.

2.18 **"Family Law Act"** means the Family Law Act, 1986, of the Province of Ontario and regulations thereunder, as amended or replaced from time to time and includes as appropriate and where applicable, legislation enacted by any other province or by the Government of Canada which shall have application to the disposition of pension credits in the event of marriage breakdown.

2.19 **"Forfeitures"** means any Matching University Contributions forfeited by Members upon termination or death prior to retirement. Prior to January 1, 1976, Forfeitures were re-allocated to Members active at the end of the Plan Year in which such terminations or death occurred. The cash value of Forfeitures arising after January 1, 1976 and prior to January 1, 1990 were transferred into the Reserve Account. Forfeitures which arise on or after January 1, 1990 shall be credited to the Forfeiture Account.

2.20 **"Forfeiture Account"** means an account established to receive forfeitures after January 1, 1990 in accordance with Section 15.05 and will operate in accordance with Section 17.05.

2.21 **"Fund"** means the total assets of the Plan held by the Trustees, as further explained in Article 8 (Pension Trust Fund) and Article 17 (Operation of Accounts), including any contributions due but unpaid, excluding any lump sum benefits due but

unpaid, and excluding any individual insurance policy purchased to provide benefits under the Plan.

2.22 **"Fund Manager"** means such trust company, insurance company or investment counsel as the University may from time to time appoint to manage the invested assets of the Fund.

2.23 **"Guaranteed Investment Account"** means a fund consisting of debt oriented investments having a term of not more than five (5) years such as, but not limited to, Government of Canada Treasury Bills, commercial paper, promissory notes and certificates of deposit, all selected with the objective of preserving principal while realizing current income commensurate with the interest rates prevailing from time to time.

2.24 **"Inactive Member"** means a Member whose Required Contributions have been discontinued under the terms of Section 2 of Article 7 (Continuous Employment), or under Article 15 (Termination of Employment), but who has not yet received any benefit under the terms of Article 15.

2.25 **"Income Tax Act"** means the Income Tax Act of Canada, including any amendments, Regulations, or Information Circulars, etc. thereunder.

2.26 **"Insurer"** means an insurance company or the Government of Canada or any other entity licensed to transact annuity business in Canada or in any of the provinces of Canada.

2.27 **"Mandatory Commencement Date"** means

- (a) for a Member born in 1926 or earlier, the end of the calendar year in which he attains age 71;
- (b) for a Member born in 1927, the end of the calendar year in which he attains age 70;
- (c) for a Member born in 1928 and before 1936, the end of the calendar year in which he attains age 69; and
- (d) for a Member born in 1936 or later, the end of the calendar year in which he attains age 71.

2.28 **"Matching University Contributions"** means contributions made by the University in accordance with Article 4 (Contributions).

2.29 **"Member"** means a person who has joined the Plan in accordance with Article 3 (Eligibility and Membership) and who remains entitled to a benefit under the Plan.

2.30 **"Money Purchase Account"** means the account described in Article 6 (Special Distributions).

2.31 **"Money Purchase Pension"** means the pension that can be purchased with the Money Purchase Account under this Plan as further defined under Article 9 (Calculation of Normal Pensions).

2.32 **"Normal Form"** means the form of pension payment payable to the Member in accordance with Article 13 (Payment of Normal Pensions).

2.33 **"Normal Retirement Date"** means the first day of the month coincident with or next following a Member's 65th birthday. Effective March 6, 1991, Normal Retirement Date means the June 30th or December 31st coincident with or next following the Member's 65th birthday.

2.34 **"Normal Salary"** means the basic rate of Compensation for the Member received from and as determined by the University for the purposes of this Plan. These regular earnings shall exclude all extra remuneration for overtime payments and expense allowances.

If contributions to the Plan are to continue during either an unpaid "eligible period of temporary absence", an "eligible period of reduced pay", or a period of disability, all as defined in the Income Tax Act, Normal Salary upon which contributions are based during such a period shall include a prescribed amount in accordance with the Income Tax Act.

2.35 **"PA (Pension Adjustment)"** means, in respect of a Member, for any year after 1989:

- (a) the Member's contributions in a Plan Year made in accordance with Articles 4.01 and 4.02; plus
- (b) the University's contributions in a Plan Year made on behalf of the Member in accordance with Article 4.04; plus
- (c) Forfeitures and related investment earnings allocated to the Member during the Plan Year, if any; plus
- (d) any surplus distribution allocated to a Member's Account during the Plan Year, other than the distribution at December 31, 1989 described in Article 6.04(c).

2.36 **"PA Limit"** means, in respect of a Member, the lesser of:

- (a) 18% of the Member's Compensation; and
- (b) the following dollar limits:

1990	\$11,500
1991	12,500
1992	12,500
1993	13,500
1994	14,500
1995	15,500
1996 through 2002	13,500
2003	14,500
2004	15,500
2005	18,000

For years after 2005, the above dollar limit is the Money Purchase Limit as defined in Section 147.1(1) of the Income Tax Act.

2.37 **"Pension Benefits Act"** means The Pension Benefits Act, Revised Statutes of Ontario 1987, Chapter 35 as amended from time to time, and the regulations issued thereunder.

2.38 **"Pensioner"** means a Member who is entitled to a pension under the Plan, the first instalment of which has been paid or has fallen due. For purposes of this Plan, Pensioners shall include specified spouses and survivors of deceased Pensioners but shall exclude those pensioners who have transferred their entire Account Balance out of the Fund.

2.39 **"Pensioner Account"** means that part of the Fund on or after January 1, 1990 which pertains to the liabilities of Pensioners.

2.40 **"Plan"** means the pension plan for Members as set forth in this document which shall be named the "Pension Plan for the Technical, Clerical and Maintenance Staff of Lakehead University". Effective January 1, 2002 the Plan shall be named "Lakehead University Employee Pension Plan".

2.41 **"Plan Year"** means the period beginning January 1 and ending December 31 in each year, or such other 12-month period as may be adopted by the University from time to time.

2.42 **"Required Contributions"** means contributions made by the Member in accordance with Section 1 of Article 4 (Contributions).

2.43 **"Reserve Account"** means that part of the Fund prior to December 31, 1989 which does not pertain to Active Accounts as further defined in Article 17 (Operation of Accounts).

2.44 **"Spouse"** means a person who is:

- (a) the Member's legal spouse, to whom he was married at the date as of which a determination of the Member's marital status is required; or
- (b) the Member's common-law spouse or same-sex partner, provided that either:
 - (i) the common-law spouse or same-sex partner has resided with the Member in a conjugal relationship for at least three full years immediately prior to the date a determination of the Member's marital status is required; or
 - (ii) The common-law spouse or same-sex partner has resided with the Member in a conjugal relationship of some permanence, and provided they are the parents of a child as defined under the Children's Law Reform Act, immediately prior to the date a determination of the Member's marital status is required.

If a Member is survived by or has both a legal spouse as in Subsection (a) above, and a common-law spouse or same-sex partner as in Subsection (b) above, the term Spouse means the legal spouse unless the Member and the legal spouse are living separate and apart in which case the term Spouse means the common-law spouse or same-sex partner. However, if the Member has designated his common-law spouse or same-sex partner as his Beneficiary pursuant to Article 16 herein, the term Spouse means such designated common-law spouse or same-sex partner, subject to the requirements of the Pension Benefits Act, the Family Law Act and any other legislation as may be applicable under the circumstances.

2.45 **"Transfer Credit Pension"** means the pension that can be purchased with Transfer Credits made under this Plan as further defined under Article 9 (Calculation of Normal Pensions).

2.46 **"Transfer Credits"** means amounts transferred into this Plan from an employee pension plan or deferred profit-sharing plan of a previous employer of the Member in accordance with Section 5 of Article 4 (Contributions).

2.47 **"Trustees"** means the trust company or the individual trustees with whom the University has concluded a trust agreement concerning the custody and management of the Fund.

2.48 **"University"** means Lakehead University and as represented by its Board of Governors.

2.49 **"Voluntary Contributions"** means contributions made by the Member in accordance with Section 2 of Article 4 (Contributions).

2.50 **"Voluntary Pension"** means the pension that can be purchased with Voluntary Contributions made under this Plan as further defined under Article 9 (Calculation of Normal Pensions).

2.51 **"Y.M.P.E."** has the meaning assigned under Section 17 of the Canada Pension Plan to the phrase "Year's Maximum Pensionable Earnings".

References to the male gender will include the female gender unless the context otherwise requires. Words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number. References to an Article or Section mean an Article or Section in this document.

ARTICLE 3 - ELIGIBILITY AND MEMBERSHIP

3.01 Eligibility

- (a) Each member of the Technical, Clerical and Maintenance Staff of the University who is employed on a full-time basis, as determined by the University, and who is classified as a member of the Technical & Support Staff Group, is eligible for Membership in the Plan if such employee has completed six (6) months of service and shall join the Plan. Effective January 1, 2002, each such employee is required to join the Plan immediately, as a condition of employment.
- (b) With effect from September 1, 1995 a Contract Employee who is classified as a member of the Technical & Support Staff Group is required to become a Member of the Plan following six (6) months of service except where that Employee had a previous period of service as a Contract Employee, in which case membership is voluntary. Effective January 1, 2002, each Contract Employee who is classified as a member of the Technical & Support Staff Group is required to join the Plan immediately, as a condition of employment. Notwithstanding the foregoing, for a Contract Employee as at January 1, 2002 who is classified as a member of the Technical & Support Staff Group, and for the period of that contract only, membership is voluntary. For greater clarity, each member of the Technical, Clerical and Maintenance Staff of the University who is a Contract Employee, as determined by the University, and who is classified as a member of the Technical & Support Staff Group, is eligible for Membership in the Plan.
- (c) Each member of the Technical, Clerical and Maintenance Staff of the University who is employed on a part-time basis, as determined by the University, and who is classified as a member of the Technical & Support Staff Group, is eligible for Membership in the Plan if such employee has completed twenty-four (24) months of Continuous Employment after earning 35% of the Y.M.P.E. or, after being compensated for 700 hours of employment in each of two consecutive Plan Years immediately prior to the first year of Membership. Membership for such an employee is voluntary.

3.02 Age Limitation

Notwithstanding Article 3.01, a member of the Technical, Clerical and Maintenance Staff of the University may not join the Plan after his Mandatory Commencement Date.

3.03 **Membership**

To become a Member, an eligible employee must complete and sign the form or forms prescribed for that purpose by the University and authorize the deductions from his Normal Salary as required under the Plan.

ARTICLE 4 - CONTRIBUTIONS

4.01 Member Required Contributions

- (a) In accordance with the employee group as identified in the following table, the Member contribution rate is the percentage, as indicated below, of Normal Salary, less the Member's contribution to the Canada Pension Plan:

Effective Date	Percentage (%) Contribution Rates by Employee Group ^(a)							
	Schedule II and Technical Staff	COPE	USWA	Unifor	IUOE	OPSEU	Contract	Part-time
Prior to Jul 1, 1991	5.00	5.00	5.00	5.00	5.00	N/A	N/A	5.00
Jul 1, 1991	5.50	5.50	5.50	5.50	5.50	N/A	N/A	5.00
Jul 1, 1992	5.75	5.75	5.50	5.75	5.75	N/A	N/A	5.00
Sep 1, 1995 ^(b)	N/A	N/A	N/A	N/A	N/A	N/A	5.00	N/A
Jan 1, 1998	6.15	6.15	5.50	6.15	6.15	N/A	5.40	5.40
Jan 1, 1999	6.45	6.45	5.80	6.45	6.45	N/A	5.70	5.70
Jan 1, 2000	6.85	6.85	6.20	6.85	6.85	N/A	6.10	6.10
Jan 1, 2001	7.25	7.25	6.60	7.25	7.25	N/A	6.50	6.50
Jan 1, 2002	7.65	7.65	N/A	7.65	N/A	N/A	6.90	6.90
Nov 1, 2002	N/A	N/A	7.25	N/A	N/A	N/A	N/A	N/A
Jan 1, 2003	7.90	7.90	7.50	7.90	7.90	N/A	7.15	7.15
Jul 1, 2003	N/A	N/A	7.90	N/A	N/A	N/A	N/A	N/A
July 1, 2015	N/A	N/A	N/A	N/A	N/A	7.90	N/A	N/A

N/A = means Not Applicable

^(a) Employee Groups of the Technical, Clerical and Maintenance Staff:

- Schedule II Band 5 and below, and Technical Staff A and B
- COPE: Canadian Office and Professional Employees Union (prior to June 20, 2004 Office and Professional Employees' International Union [OPEIU])
- USWA: United Steelworkers Union of America (prior to July 1, 1993, Canadian Guards Association)

- Unifor: (prior to August 31, 2013 Canadian Auto Workers [CAW], prior to May 11, 2001 Service Employees' International Union [SEIU])
- IUOE: International Union of Operating Engineers
- OPSEU: Ontario Public Service Employees' Union
- Contract
- Part-time

(b) Applicable only to Contract Employees, the effective date of their participation in the Plan

- (b) Such Required Contributions shall be deducted from the Member's Normal Salary by the University, and may not be discontinued while the Member remains an active employee eligible for the Plan. The University shall deposit such contributions to the Fund within thirty (30) days of the end of the calendar month for which the contributions are made.
- (c) Notwithstanding the foregoing, in the event a Member is not in receipt of Normal Salary while absent due to personal injury and/or illness arising out of or in the course of employment with the University, as defined in the Ontario Workers' Compensation Act or maternity or parental leave, as defined in the applicable Employment Standards legislation the Member may elect to remit Required Contributions during such absence on the basis of his Normal Salary immediately prior to the commencement of the absence. In the event of such election, the University shall make Matching University Contributions on behalf of the Member in accordance with Article 4.03.

Notwithstanding the foregoing, in the event a Member is receiving a partial salary from the University and a partial benefit under the University's Long Term Disability plan the member's contributions shall be determined based on the partial salary only and not the Normal Salary.

4.02 **Voluntary Contributions**

Subject to Section 4 below, a Member may voluntarily elect, by written notification to the University, to make additional contributions to the Plan in order to provide additional benefits. Such Voluntary Contributions will be in respect of current service, and shall be deducted from the Member's Normal Salary by the University.

Further, if a Transfer Credit had been paid for the Member into this Plan from the registered employee pension plan of a previous employer, Voluntary Contributions may be transferred in respect of eligible service with the previous employer. Voluntary Contributions may be altered or discontinued at any time, by written notification to the University, but may not be withdrawn while a Member continues to be employed by the University.

4.03 Matching University Contributions

The University shall contribute to the Plan for each Plan Year, on account of current service in that year, amounts equal to the total Required Contributions made by Members, except that, if after June 30, 1996, the Excess Funding Account has a positive balance, the University shall cease contributions and the Excess Funding Account shall fund the University's contributions until that Account is exhausted.

Matching University Contributions shall be made monthly. The University shall deposit such contributions to the Fund within thirty (30) days of the end of the calendar month for which such contributions were made.

4.04 Maximum Contributions Permissible

The total of the Matching University Contributions, Member Required Contributions and Voluntary Contributions made in any Plan Year shall not exceed the PA Limit for that year.

4.05 Transfer Credits

Subject to Article 18 (Transfers), Members may transfer lump sum amounts into this Plan from the registered employee pension plans or deferred profit-sharing plans of any previous employer, if those plans permit. Such Transfer Credits will accumulate with Credited Interest to provide additional benefits under the Plan.

4.06 Return of Contributions

Any contribution made to the Plan by the Member or by the University may be returned to the party who made the contribution, solely, and to whatever extent necessary, to avoid the revocation of the registration of the Plan as a registered Pension Plan under the Income Tax Act. Such refund will be subject to the prior written consent of the Pension Commission of Ontario.

4.07 Payments to the Trustees

The Board of Governors shall pay to the Trustee for deposit into the Fund:

- (a) all contributions deducted from the Member's Normal Salary as contributions to the Plan;
- (b) the University's contributions to the Plan;
- (c) any Voluntary Contributions deducted from the Member's Normal Salary;
- (d) any Transfer Credits from a Member's prior pension plan to this pension plan.

4.08 **Withdrawal of Contributions and Transfer Credits**

With the exception of Article 4.06, no contributions or Transfer Credits may be withdrawn from the Plan, either in cash or by transfer to another plan, while a Member remains employed by the University. Notwithstanding the foregoing, Members who transfer to the Professional and Administrative Staff of the University shall have their Account Balances transferred to the Pension Plan for Professional Staff, in accordance with Article 18.02.

4.09 **Individual Accounts**

The following accounts shall be established and maintained for each Member of the Plan:

- (a) Required Contributions;
- (b) Matching University Contributions;
- (c) Voluntary Contributions;
- (d) Transfer Credits; and
- (e) Money Purchase.

ARTICLE 5 - INTEREST

5.01 Crediting of Interest

- (a) For the purposes of determining the amount of Credited Interest at any time in the accumulation of Required Contributions, Matching University Contributions, Voluntary Contributions and Transfer Credits, interest shall accrue from the next month following the month in which such deposits were made to the Plan. In the case of Money Purchase Accounts, Credited Interest shall be credited from the date of deposit. Credited Interest shall be compounded annually, on the Anniversary Date each year, with proportionate interest up to the first day of the month in which a pension benefit begins or the Account Balance is paid out under relevant sections of this plan and where a deferred pension benefit payable from the plan is selected, the funds in the Member's Account Balance shall continue to accrue interest until the first day of the month in which the first payment begins.
- (b) Effective December 31, 1989, all account balances relating to Required Contributions and Matching University contributions were recalculated in accordance with the terms of the December 31, 1989 surplus distribution as described in Section 6.04. In Plan Years ending after December 31, 1989, interest shall be credited as prescribed under Section 6.05.
- (c) Account balances relating to Voluntary Contributions, Money Purchase Accounts, and Transfer Credits shall be credited at the rate of return during the Plan Year that can reasonably be attributed to the operation of the Fund or that part of the Fund to which the contributions were made, net of expenses, or at such other rates as may be prescribed under the terms of the Pension Benefits Act from time to time. In Plan Years ending after December 31, 1989, interest shall be credited as prescribed under Section 6.05.

In cases where yields pursuant to the above are not available, due to the time lag inherent in the compilation and computation of the necessary information, the interest rate used shall be based on the most recent period available to the University. In any case, yields must be calculated not less frequently than once every three (3) months.

ARTICLE 6 - SPECIAL DISTRIBUTIONS

6.01 Pensioner Increases

Each Pensioner received a cost-of-living allowance on January 1, 1981, January 1, 1986, and January 1, 1990, to compensate fully for the change in the Consumer Price Index for Canada since the previous determination of his pension.

6.02 January 1, 1981 Distribution

Each Member on January 1, 1981 who was not then a Pensioner was allocated a Money Purchase Account, the amount of which was twenty-two percent (22%) of his Required Contributions accumulated with Credited Interest to December 31, 1980.

6.03 January 1, 1986 Distribution

Each Member who was not a Pensioner at December 31, 1985 and who at December 31, 1983, was a Member of this Plan, received a special distribution equal to twenty percent (20%) of his Required Contributions with accumulated interest as at December 31, 1984, plus Credited Interest on the special distribution for the year ending December 31, 1985.

If the Member had a Money Purchase Account under Section 6.02, the special distribution was credited to the Member's Money Purchase Account at December 31, 1985. Otherwise, a Money Purchase Account was created for the Member with a zero balance and the special distribution was credited to this account.

6.04 December 31, 1989 Distribution

- (a) The Beneficiary or estate of each Member who died after December 31, 1986, while accruing Continuous Employment, received all Matching University Contributions with Credited Interest to the date of death.
- (b) Each eligible Member, per Subsection 4(d) below, or his surviving Spouse received credit as of December 31, 1989, for a special distribution equal to the balance in his Money Purchase Account at December 31, 1989, to compensate for the other portion of surplus retained from previous distributions to fund guarantees. If the Money Purchase Account Balance has been liquidated (paid out, transferred or converted to a pension) before December 31, 1989, the amount of this credit was the value of the Member's Money Purchase Account at the date of liquidation plus Credited Interest to December 31, 1989. This credit, plus Credited Interest from January 1, 1990 to the date of payment, shall be distributed in cash to the eligible Members, or their Surviving Spouses or estate, in 1996.

- (c) For each eligible Member, per Subsection 4(d) below, or his surviving Spouse the balance in his Required Contributions account and Matching University Contributions account, or the vested portion thereof in the case of Members who terminated employment with the University but retained an Account Balance in the Fund, was revised at December 31, 1989 to equal the greatest of:
 - (i) contributions plus the gross Fund rate of return to December 31, 1989, or
 - (ii) contributions with Credited Interest to December 31, 1989, or
 - (iii) the Member's allocated units to December 31, 1989, times the average unit value of the four years ending December 31, 1989, where a unit means the unit of account used to define the relative value of the share of each Member in the Fund. The average unit value is the average of the values of the units at December 31 of each year for the four years prior to, and including 1989.

However, if his Account Balance was liquidated before December 31, 1989, then the benefit, if any, at December 31, 1989, was the difference between:

- (iv) his Required Contributions and Matching University Contributions plus the gross Fund rate of return to December 31, 1989, and
- (v) the amount liquidated in respect of his Required Contributions and Matching University Contributions plus the gross Fund rate of return from the date of liquidation to December 31, 1989.

A benefit due to a Pensioner or former Member as described in subsections (d)(iii) and (d)(iv) below, would continue to accrue interest at the gross Fund rate of return until paid out or converted to an increase in pension benefits.

- (d) Members eligible for consideration under Subsections 4(b) and 4(c) above include:
 - (i) Members accruing Continuous Employment at December 31, 1989,
 - (ii) Members who previously terminated employment with the University but retained an Account Balance in the Fund,
 - (iii) Former Members who terminated Plan membership as a result of death or retirement after December 31, 1986,

- (iv) Former Members who were transferred to the Pension Plan for Professional Staff of Lakehead University at any past date, and
- (v) Each Pensioner.

6.05 Determination of Credited Interest after December 31, 1989

The rate of Credited Interest credited to the Required Contribution Account, Matching University Contribution Account, Voluntary Contribution Account, Transfer Credit Account and Money Purchase Account from December 31, 1989 shall be determined as the rate of return that can be reasonably attributed to the Fund net of those expenses which are not paid directly by the University or by the Forfeiture Account or the Excess Funding Account.

ARTICLE 7 - CONTINUOUS EMPLOYMENT

7.01 Continuous Employment

Subject to the following Sections of this Article, a Member's Continuous Employment is the period of his continuous active employment by the University, irrespective of his Membership in the Plan or otherwise, since his most recent date of hire by the University.

Continuous Employment is not deemed to be interrupted by, and continues to accrue after or during, the following:

- (a) jury duty;
- (b) vacations and statutory holidays;
- (c) unpaid leave of absence having the written approval of the University;
- (d) legal strikes and lockouts;
- (e) sickness or accident, so long as the Member continues to receive Compensation from the University; and
- (f) disability, if the Member qualifies for benefits under any income replacement program of the University.

Continuous Employment shall be interrupted by, and cease to accrue after, the following:

- (a) death;
- (b) termination of employment;
- (c) retirement;
- (d) failure to return to active employment following a period of approved leave of absence or disability which qualified the Member for benefits from the University; or
- (e) sickness, accident or disability, if the Member ceases to be compensated by the University and does not qualify for benefits under any income replacement program of the University.

7.02 **Leave of Absence**

During a leave of absence without pay approved by the University, other than those periods identified in Section 4.01(c), provided the Member has at least three years Continuous Employment, the Member may elect, at his option, and for a period not exceeding two years, either:

- (a) to continue to make Required Contributions based on his Normal Salary had he not been on leave of absence; or
- (b) to make contributions equal to twice his Required Contributions based on his Normal Salary had he not been on leave of absence.

In the event of either such election, the University shall not make Matching University Contributions on behalf of the Member in accordance with Section 4.03.

If, during a leave of absence without pay, the Member starts to accrue pension benefits under any other registered pension plan or deferred profit sharing plan, contributions and accrual of Continuous Employment under this Plan shall cease forthwith.

7.03 **Resumption of Employment**

If an Inactive Member who had terminated employment returns to active employment with the University he shall be considered a new Member. Any benefits to which he is entitled for a period of prior membership shall not be affected by such resumption of employment.

ARTICLE 8 - PENSION TRUST FUND

8.01 General

A Fund shall be established and all contributions made after September 1, 1966 in accordance with the terms of this Plan by both the University and the Members shall be paid into this Fund, which shall be administered in accordance with the terms of the Trust Agreement executed between the University and the Trustees as amended from time to time.

8.02 Active and Reserve Accounts from January 1, 1976 to December 31, 1989

With effect from January 1, 1976, for administrative purposes only, the Fund was considered as being divided into two parts - the Active Account and the Reserve Account. At any given time, the Active Account contained the Account Balance of each Member. This balance was divided into accumulations with Credited Interest of Required Contributions, Matching University Contributions, Voluntary Contributions, Transfer Credits and the Member's Money Purchase Account. The Reserve Account contained the remaining balance of the Fund.

8.03 Active Member, Pensioner and Excess Funding Accounts on and after January 1, 1990

With effect from January 1, 1990, the Active and Reserve Accounts were reallocated to the Active Member Account, the Pensioner Account and the Excess Funding Account as follows:

- (a) the Active Account contained the account balance of both Active Members and Pensioners. The Active Member Account contains only the account balance of Active Members.
- (b) the Pensioner Account at January 1, 1990 is the amount, determined by the Actuary, which is sufficient at that date to support the liabilities of the Pensioners, and
- (c) the Excess Funding Account is the remaining balance of the Fund.

8.04 Balanced Investment Account

From inception of the Fund, all contributions shall be invested into a Balanced Investment Account, established and maintained by the Fund Manager, the assets of which may be invested in common and preferred shares, real estate, bonds, debentures, notes, mortgages and other debt instruments. This account may include assets from the Pension Plan for Professional Staff of Lakehead University.

8.05 **Guaranteed Investment Account**

With effect from January 1, 1992, a Guaranteed Investment Account shall be established and maintained by the Fund Manager, the assets of which may be invested in bonds, debentures, notes, and other debt instruments, none of which shall have a term in excess of five (5) years. This account may include assets from the Pension Plan for Professional Staff of Lakehead University.

In September of each year, each Member who is not a Pensioner and will have attained fifty (50) years of age by December 31 of the same year may elect in writing to the University to transfer an amount or percentage of his Account Balance including contributions for future years, from the Balanced Investment Account to the Guaranteed Investment Account. This transfer shall apply to each account of the Member in the same proportion and shall be shown on the annual statement of the Member. Once a transfer has been made to the Guaranteed Investment Account, it shall be irrevocable until retirement, termination or death.

ARTICLE 9 - CALCULATION OF NORMAL PENSIONS

9.01 Total Pension

A Member who elects to retire at his Normal Retirement Date is entitled to a life annuity, the initial amount of which is the sum of his:

- (a) Basic Pension, and,
- (b) Voluntary Pension, if any, and,
- (c) Transfer Credit Pension, if any, and
- (d) Money Purchase Pension, if any.

The calculations of these amounts are described in Sections 2, 3, 4 and 5 of this Article respectively.

9.02 Basic Pension

The monthly amount of Basic Pension payable to a Member in the Normal Form of payment shall be calculated as his Required Contributions and the vested portion of Matching University Contributions, determined in accordance with the vesting conditions of Article 15.02, accumulated with Credited Interest up to the date at which the Member retires, divided by the appropriate Annuity Factor at his date of retirement. Alternatively, the Basic Pension may be provided by the purchase of a life annuity from an Insurer using the balance in the Member's Required Contribution Account and Matching University Contribution Account.

With effect from July 31, 1992, the Basic Pension shall be such amount of pension as results from the purchase of a life annuity, in the Normal Form of payment, from an Insurer, using the Member's Required Contributions and the vested portion of Matching University Contributions, determined in accordance with the vesting conditions of Article 15.02, accumulated with Credited Interest up to the date at which the Member retires.

9.03 Voluntary Pension

The Voluntary Pension shall be such amount of pension as results from the purchase of a life annuity, in the Normal Form of payment, from an Insurer, using the Member's Voluntary Contributions accumulated with Credited Interest to his date of retirement.

9.04 **Transfer Credit Pension**

The Transfer Credit Pension shall be such amount of pension as results from the purchase of a life annuity, in the Normal Form of payment, from an Insurer, using the Member's Transfer Credits accumulated with Credited Interest to his date of retirement.

9.05 **Money Purchase Pension**

The Money Purchase Pension shall be such amount of pension as results from the purchase of a life annuity, in the Normal Form of payment, from an Insurer, using the Member's Money Purchase Account accumulated with Credited Interest to his date of retirement.

9.06 **Postponed Retirement**

A Member may elect to defer his pension up to his Mandatory Commencement Date. The calculation of such deferred pension shall be based upon his Account Balance on the first day of the month in which the first payment is due.

9.07 **Portability of Account Balances**

In lieu of purchasing pensions under Articles 9.02, 9.03, 9.04, and 9.05, a Member may elect to transfer any or all of the Account Balances that would have been used to purchase such pensions, to a personal registered retirement savings plan subject to any locked-in benefits that may be applicable or to any other retirement investment vehicle permitted under the Income Tax Act and the Pension Benefits Act. Such transfer shall be subject to and made in accordance with said Acts.

ARTICLE 10 - EARLY RETIREMENT

10.01 Early Retirement at Member Option

A Member may retire early at any time after age 55 and before his Normal Retirement Date. Such Member may not make any contributions to the Plan after his retirement date.

The Member may elect that pension payments will commence on the first day of any month between his retirement date and his Mandatory Commencement Date.

10.02 Amount of Early Retirement Pension

The initial amount of the early retirement pension to which the Member is entitled is the sum of his:

- (a) Basic Pension, and,
- (b) Voluntary Pension, if any, and,
- (c) Transfer Credit Pension, if any, and,
- (d) Money Purchase Pension, if any.

The calculations of these amounts are in accordance with Article 9 (Calculation of Normal Pensions).

ARTICLE 11 - POSTPONED RETIREMENT

11.01 Postponed Retirement

By mutual agreement, on a year-by-year basis only, between the Member and the University, a Member may postpone his retirement beyond his Normal Retirement Date. In such event, the Member will continue to make the Required Contributions and will accrue benefits in the same manner as he did prior to his Normal Retirement Date.

However, all contributions will cease and the Member's pension will commence no later than his Mandatory Commencement Date.

11.02 Amount of Postponed Retirement Pension

The initial amount of the postponed retirement pension to which the Member is entitled is the sum of his:

- (a) Basic Pension, and,
- (b) Voluntary Pension, if any, and
- (c) Transfer Credit Pension, if any, and,
- (d) Money Purchase Pension, if any,

The calculations of these amounts are in accordance with Article 9 (Calculation of Normal Pensions).

ARTICLE 12 - DISABILITY

12.01 Pension Payable on Disability

If a Member becomes totally and permanently disabled, he may be retired on pension at any time before his Normal Retirement Date at the request of the Member or the University. For this purpose, a Member shall be deemed to be totally and permanently disabled when, on the basis of evidence satisfactory to the University, he is certified by a medical doctor to be wholly and permanently prevented from engaging in his normal occupation for wage or profit as a result of unintentional bodily or mental injury or disease.

12.02 Amount of Disability Pension

The amount of immediate pension payable to such disabled Member shall be calculated in accordance with Article 9 (Calculation of Normal Pensions).

ARTICLE 13 - PAYMENT OF NORMAL PENSIONS

13.01 Frequency and Due Date of Pensions

Except where otherwise provided under the Plan, pensions and annuities shall be payable during the lifetime of the recipient, on a monthly basis without proportion to the date of death. Payments shall fall due on the first day of each month.

13.02 Small Pensions

Should any annual pension or annuity amount under the Plan payable in respect of a Member be less than two percent (2%) of the Y.M.P.E. in the year the Member terminated employment, the University may at any time in its discretion direct either that payments of such pension be made quarterly or that a lump sum settlement be made in lieu of any further payment or other benefits under the Plan. The amount of any lump sum settlement directed by the University under this section shall be as recommended by the Actuary.

13.03 Normal Form of Pension Payment

The Normal Form of pension shall provide for monthly payments for the Member's lifetime as a Pensioner, with the guarantee that if the Pensioner dies before 120 monthly instalments have been paid, then the remainder of the 120 instalments shall be payable monthly to the Beneficiary. Payments shall fall due on the first day of each month. If such Beneficiary is the Member's estate, a single sum shall be payable, being the value of the remaining instalments as determined by the Actuary.

13.04 Pension Commutation

Where prior to the commencement of pension a Member establishes, by a written statement from a qualified medical doctor, that he has a life expectancy materially shorter than the life expectancy for this age on the then current Canadian Life Tables, the University may direct that a lump sum settlement be made in lieu of any pension and other benefits under the Plan.

13.05 Required Form of Pension after December 31, 1987

Notwithstanding Section 3 of this Article, a Member who has a Spouse on the date his first pension payment is due shall be required to elect a joint and last survivor form of pension which provides that the amount of pension payable to the survivor of the Member and his Spouse shall be at least sixty percent (60%) of the pension payable to the Member during the joint lifetime of such Member and his Spouse. However, the Member and his Spouse may waive the entitlement to the joint and last survivor pension as described above by delivering to the University, within the twelve (12) months immediately preceding the commencement of pension payments, written notice by means of either:

- (a) the appropriate form as prescribed by the Pension Benefits Act; or
- (b) a certified copy of a domestic contract as defined under the Family Law Act.

Such waiver may be jointly cancelled by the Member and his Spouse by written and signed notice prior to the commencement of pension payments.

The amount of pension payable under this Section shall be actuarially equivalent to the Member's Normal Form of pension, as computed by the Actuary using Annuity Factors.

The restrictions outlined in this article do not apply to pensions purchased in respect of Member Voluntary Contributions.

13.06 Withdrawal from Pension Plan

At retirement, a Member may withdraw from the Plan by using his entire Account Balance to purchase a life annuity, payable either in the Normal Form or in the required form under Section 5 of this Article, from an Insurer in any of the following ways:

- (a) immediately; or
- (b) deferred to any month before his Mandatory Commencement Date with the written consent of his Spouse, if applicable.

In lieu of purchasing a life annuity, a Member's Account Balance may be transferred to a Locked-In Retirement Account, a Life Income Fund, a Locked-In Retirement Income Fund or to any other retirement investment vehicle permitted under the Income Tax Act and the Pension Benefits Act, with the written consent of his Spouse, if applicable. Such transfer shall be subject to and made in accordance with said Acts.

Such withdrawal from the Plan shall be considered a full and complete discharge of all liabilities of this Plan in respect of the retiring Member.

ARTICLE 14 - ALTERNATIVE FORMS OF PENSION

14.01 The following alternative forms of pension are available subject to Section 5 of Article 13:

(a) **Life - No Guarantee**

This option provides payments for the entire lifetime of the retired Member with payments ceasing with the payment immediately preceding the Member's death, regardless of the number of payments he has received.

(b) **Life - Guaranteed Ten (10) Years**

This option provides payments for the entire lifetime of the retired Member and guarantees that, should the Member die after his pension has commenced but before he has received one hundred and twenty (120) monthly payments, thereof, the payments shall be continued to his Beneficiary until one hundred and twenty (120) monthly payments in all have been made.

(c) **Life - Guaranteed Fifteen (15) Years**

This option provides payments for the entire lifetime of the retired Member and guarantees that, should the Member die after his pension has commenced but before he has received one hundred and eighty (180) monthly payments thereof, the payments shall be continued to his Beneficiary until one hundred and eighty (180) monthly payments in all shall have been made.

(d) **Joint and Survivorship Pension**

In lieu of the Normal Form of pension payment under the Plan, a Member may elect a pension payable until the death of the survivor of himself and his Spouse. Such pension shall reduce on the death of the Pensioner by one half of its original amount and shall continue to be payable to the Spouse if then surviving. The pension shall cease upon the death of the survivor of the Pensioner and the spouse.

(e) **Pension Integrated with Government-Sponsored Pension**

A Member who retires before becoming eligible to receive government sponsored pension benefits, may elect an alternative form of pension such that his own pension shall be in a greater amount up to his date of becoming eligible for such government pensions, and decreasing to a lesser amount thereafter, so as to provide an approximately level income to the Pensioner from the date of commencement. This form of pension takes into account the total income from pension benefits under this Plan, the pension payable under the Old Age Security Act, and/or the pension payable under the Canada/Quebec Pension Plans.

(f) **Others**

Any other form of pension payment may be elected that is acceptable to the Member and the University, and allowed by applicable legislation affecting the Plan, the rules and regulations under the Pension Benefits Act and any rule or regulation of Revenue Canada.

14.02 Amount of Optional Pension

The amount of pension payable under Section 1 of this Article shall be of actuarially equivalent value to the Normal Form of pension payable under Section 3 of Article 13 (Payment of Normal Pensions). The amount of the integrated pension to the Member under Subsection 1(b) of this Article shall be of actuarially equivalent value to the level pension otherwise payable to the Member in the Normal Form. All such alternative amounts shall be determined in accordance with such Annuity Factors as are recommended by the Actuary.

14.03 Time and Method of Electing Option

Subject to Section 5 of Article 13 (Payment of Normal Pension), a Member may elect an optional form of pension, or may change or revoke his election, or change his joint annuitant at any time prior to retirement on forms prescribed by the University for that purpose. All elected options are irrevocable once payment of pension has commenced.

14.04 Maximum Guaranteed Period

Notwithstanding anything herein contained in this Article, no option shall be allowed which would result in a guaranteed period exceeding 15 years from the commencement date of pension payments.

ARTICLE 15 - TERMINATION OF EMPLOYMENT

15.01 Termination of Employment

If a Member ceases to be employed by the University, other than by disability, retirement or death, then the Member shall cease contributions to the Plan and shall be entitled to termination benefits under Sections 2 and 3 of this Article.

15.02 Amount of Termination Benefit

The benefit applied for the Member for the purchase in Subsection 3(b), 3(c) or Subsection 3(d) below shall be his Account Balance, less any Matching University Contributions not vested in the Member, with Credited Interest. Matching University Contributions are vested according to a vested percentage based on a Member's Continuous Employment. In respect of contributions made prior to 1987, the "vested percentage" referred to shall be determined as follows:

Years of Continuous Employment	Vested Percentage
Less than 1 year	50%
1	55%
2	60%
3	65%
4	70%
5	75%
6	80%
7	85%
8	90%
9	95%
10 or more	100%

Notwithstanding the above stated percentage, the vested percentage in respect of contributions made after 1986 shall be 100% if the employee has been a Member for two (2) years or more, but the vested percentage shall be zero if the employee has been a Member for less than two (2) years.

Effective January 1, 2001, the vested percentage in respect of contributions made after 1986 shall be 100%, subject to the notwithstanding clause of Section 15.03.

15.03 **Options for Termination Benefits**

Subject to Section 4 of this Article, the terminating Member may elect one of the following:

- (a) to receive a cash refund; or
- (b) to defer such election to his Mandatory Commencement Date; or
- (c) to purchase a deferred pension from an Insurer; or
- (d) to receive a lump sum transfer to the registered employee pension plan of a subsequent employer of the Member, if the subsequent employer's plan so permits, or to a personal registered retirement savings plan and/or a Locked-In Retirement Account or to any other retirement investment vehicle permitted under the Income Tax Act and the Pension Benefits Act, for each type of accumulation in his Account Balance. Such transfer shall be subject to and made in accordance with said Acts.

Notwithstanding the foregoing, effective January 1, 2001, if the Member has less than two years Plan membership, he may elect either to receive a cash refund of his Account Balance, in respect of his Required Contributions with Credited Interest or transfer, in accordance with (d) above, the lump sum of his total Account Balance, including the Matching University Contributions, with Credited Interest.

15.04 **Locking-in Provision**

Notwithstanding anything to the contrary contained in this Plan, if at the date of termination the Member has attained age 45 and completed 10 years of Continuous Employment, he shall not be entitled to make election under Subsection 3(a) of this Article in respect of service prior to 1987. A Member who has been a Member for two (2) years or more may not make an election under Subsection 3(a) of this Article in respect of service after 1986. Further, the benefit resulting from such Member's election under Subsection 3(b) of this Article shall not be commutable for cash and shall be incapable of surrender, except as provided in Section 2 of Article 13 (Payment of Normal Pensions) or in Article 16 (Death Benefits). An election under Subsection 3(c) or 3(d) of this Article shall be permitted only if the amount to be transferred is administered as a "locked-in" benefit.

15.05 **Forfeitures**

Any forfeited Matching University contributions, with Credited Interest, shall be transferred to the Forfeiture Account.

ARTICLE 16 - DEATH BENEFITS

16.01 Death Prior to Retirement

In the event of the death of a Member prior to the commencement date of pension payments, the Member's Beneficiary or estate shall be entitled to receive the Member's full Account Balance as defined in Article 8.03, with Credited Interest up to the date of payment. This benefit may be paid out by any of the options listed under Section 3 of Article 15 (Termination of Employment), without any of the restrictions of Section 4 of the same Article.

Notwithstanding the foregoing, in the event such benefit is payable to a beneficiary other than the Member's Spouse, settlement shall be made in accordance with Section 3(a) of Article 15.

16.02 Death after Retirement

In the event of the death of a Pensioner there shall be payable such amounts, if any, as are determined by the Normal or other Form of pension payable, as elected by the Member under Article 13 (Payment of Normal Pensions) or Article 14 (Alternative Forms of Pensions).

16.03 Any benefits payable on or after the death of a Member shall be payable to his Beneficiary as designated in accordance with Section 5 of this Article.

16.04 In the event of any doubt as to the identity of the Beneficiary or if the Beneficiary is the person legally entitled to receive any benefits hereunder, payment of any such benefit may be withheld for a reasonable time to permit investigation to be made, and any Beneficiary or claimant shall on demand be obliged to furnish all information and to produce such proof of identity and of right to such benefits as may be reasonable in the circumstances.

16.05 Beneficiaries

(a) A Member may, by written notice communicated to the University during such Member's lifetime, designate a person to receive the benefits payable under the Plan by reason of his death, and may also, by written notice communicated to the University during such Member's lifetime, alter or revoke such designation from time to time, subject always to the provisions of any annuity, insurance or other contract or law governing the designation of Beneficiaries from time to time in force which may apply to such Member. Such written notice shall be in such form and shall be executed in such manner as the University in its discretion may from time to time determine. Such designation will apply where such benefits are not required by the Pension Benefits Act to be paid to the Member's Spouse or where a waiver prescribed by the Pension Benefits Act has been duly provided to the University.

(b) If, on the death of a Member who does not have a Spouse, or having a Spouse is living separate and apart from his Spouse on the date of his death, there should be no designated Beneficiary, or if the person or persons designated by the Member as his Beneficiary shall not be living, such amounts as may be payable on or after the Member's death shall be payable in a lump sum to the estate of such deceased Member.

ARTICLE 17 - OPERATION OF ACCOUNTS

17.01 Active Account

All contributions shall be credited to this Account and all benefits shall be paid from this Account in the period prior to December 31, 1990. Credited Interest, determined in accordance with Section 6.04(c) shall be added to it.

17.02 Reserve Account

The Reserve Account shall be used in the period prior to December 31, 1990 to pay all expenses of the Plan. Credited Interest determined in accordance with Section 6.04(c) shall be added to it.

17.03 Active Member Account

All contributions shall be credited to the Account and all benefits other than ongoing pension payments shall be debited to this Account in the period after January 1, 1990. In the event that a Member retires and his or her pension is paid from the Fund, an amount equal to the Member's Account Balance in respect of Required Contributions and Matching University Contributions shall be transferred from the Active Member's Account to the Pensioner Account. Credited Interest, determined in accordance with Section 6.05, shall be added to it.

17.04 Pensioner Account

All pensions paid from the Fund shall be debited to this Account in the period after January 1, 1990. On the retirement of a Member who elects a pension from the Fund, an amount shall be transferred from the Active Member Account as described in Section 17.03. Credited Interest, determined in accordance with Section 6.05, shall be added to it. The Account shall be valued by the Actuary at least every three years to confirm that the assets are sufficient to cover the liabilities.

17.05 Forfeiture Account

The Forfeiture Account shall be established on January 1, 1990 with a zero balance and subsequently shall receive forfeited Matching University Contributions with Credited Interest, in accordance with Section 15.05. It shall be used in a year to pay, to the extent possible, any expenses incurred in the operation of the plan in that year including actuarial, administrative, audit, custodial, investment management and plan registration expenses. It shall operate on a "first-in, first-out" basis and in the event that a Forfeiture plus Credited Interest thereon has not been allocated by the December 31 of the year following the year in which the amount was forfeited, the amount of the Forfeiture shall be refunded to the University.

17.06 **Excess Funding Account**

This Account shall be used to pay those Plan expenses incurred after January 1, 1990 which are not covered by the Forfeiture Account. To the extent that this Account is positive on or after July 1, 1996, it shall be used to pay the Matching University contributions as defined in Section 4.03 and any Plan expenses until such time as this Account is exhausted.

17.07 Neither the University, the Advisory Committee nor the Trustees shall be liable in any manner if the Fund should be insufficient to provide for the payment of any retirement benefits, provided the University has made the necessary contributions to the Fund pursuant to the requirements of the Pension Benefits Act and other applicable legislation, including any payments as may be required of the University under the Pension Benefits Act in the event of termination or wind-up of the Plan.

ARTICLE 18 - TRANSFERS

18.01 Transfer from Previous Employment

At the sole discretion of the University, the Trustees may accept deposits into the fund to the credit of the Member by way of transfer from the registered employee pension plan or deferred profit-sharing plan of a previous employer of the Member. Such deposits shall be limited to lump sums, referred to as Transfer Credits. The University will not guarantee the accrual of any benefit to be provided by Transfer Credits, apart from Credited Interest as described in Article 5 (Interest).

Depending on conditions imposed by the pension plan of his previous employer, the Member's Transfer Credits shall be administered by the University so as to provide pension benefits, or cash benefits or a further transfer of benefits on cessation of the Member's employment by the University.

18.02 Transfer within the University

If a Member of this Plan is transferred to the Professional and Administrative Staff of the University, he shall thereupon cease contributing to this Plan and shall immediately join the Pension Plan for Professional Staff. At the end of the calendar year in which such transfer occurs, a Transfer Credit shall be paid into the Pension Plan for Professional Staff which shall be the Member's Account Balance at the end of the year of transfer. This Transfer Credit shall be subject to the conditions of Article 15 (Termination of Employment), but assuming the Member was fully vested and shall discharge all liabilities of this Plan in respect of the transferred Member.

ARTICLE 19 - RIGHTS ON DISCONTINUANCE OF PLAN

19.01 The University has established this Plan in the expectation that it will continue indefinitely. However, if the Plan is discontinued by the University, all funds then held in trust for the benefit of the Members shall be used, after providing for expenses of the Plan, to provide benefits as follows:

- (a) to each Active Member, an amount equal to his Account Balance together with Credited Interest calculated to the date of discontinuance of the Plan,
- (b) to each Pensioner, a life annuity purchased from an Insurer, in the same amount and the same form as the pension he was receiving from the Plan immediately prior to the date of discontinuance. If the amount in the Pensioner Account is insufficient to purchase the full amount of annuity for each Member all annuities shall be reduced in proportion until the Pensioner Account is sufficient to purchase the annuities. If the Pensioner Account is more than sufficient to purchase the full amount of annuity for each member, the balance in the Account shall be distributed in cash to the Pensioners in proportion to the purchase price of their annuities.

19.02 Upon the discontinuance of the Plan, except for benefits falling due under the Plan as in effect prior to the date of discontinuance, no payments shall be made under this Article until:

- (a) the University shall have paid into the Fund any outstanding Member and/or University contributions due prior to the date of discontinuance of the Plan;
- (b) the Actuary shall have prepared a report concerning the allocation of assets and the method of funding to be adopted, and such report shall have been approved by the Pension Commission of Ontario and any other relevant authority.

19.03 Notwithstanding the aforesaid, the Plan will be terminated in accordance with the requirements of the Pension Benefits Act and the legislation and regulations of any other competent jurisdiction.

ARTICLE 20 - FUND, TRUSTEES, FUND MANAGER AND ACCOUNTS

20.01 The Fund shall be established and administered by the Trustees in accordance with the terms of an agreement executed between the University and the Trustees.

20.02 The investments of the Fund shall be managed by the Fund Manager, in accordance with an agreement executed between the Fund Manager, the Trustees and the University.

20.03 All benefits under the provisions of the Plan shall normally be provided directly from the Fund. However, all pensions relating to Voluntary Contributions, Money Purchase Account and Transfer Credits shall be subject to restrictions as prescribed in Article 9 (Calculation of Normal Pensions).

20.04 The investment of the Fund shall be limited to the securities and loans prescribed by the Pension Benefits Act and the regulations thereunder and the statutory or regulatory requirements of any other relevant jurisdiction.

20.05 The Trustee shall not borrow money for the purposes of the Plan, except where expressly permitted by both the Income Tax Act and the Pension Benefits Act.

20.06 The Fund shall be charged with the fees of the Fund Manager and the Trustees and any expenses in respect of the Plan reasonably and properly incurred by the Fund Manager, the Trustees or the University, which the University may direct to be paid from the Fund. The University may, from time to time, choose to pay some or all of these expenses directly.

20.07 The Trustees shall at all times keep or cause to be kept adequate accounts of the Fund. Such accounts shall be maintained on a calendar-year basis.

20.08 The Fund shall have a fiscal year ending December 31st.

ARTICLE 21 - ADVISORY COMMITTEE, ADMINISTRATION AND PROCEDURES

21.01 The Plan shall be administered by the Advisory Committee which is advisory to the Board of Governors. The Advisory Committee shall consist of the following members:

- (a) One Member of each bargaining unit whose membership includes Plan Members;
- (b) One Member from the Technicians I, II, and III group;
- (c) One Member of non-union staff; and
- (d) Two persons chosen by the Board of Governors.

21.02 All of the above shall be voting members. A quorum shall be three, at least one of whom shall be a person represented under subsection 21.01 (a) and one of whom shall be a person chosen by the Board of Governors.

21.03 The election of members of the Advisory Committee shall be determined by the participating constituency.

21.04 The Chairman and the Secretary of the Advisory Committee shall be chosen by its members from their own number.

21.05 The Advisory Committee shall hold meetings as frequently and on such notice as its members may determine, provided that the Advisory Committee shall meet at least once in each Plan Year. Meetings of the Advisory Committee shall be open to any Member of the Plan, provided that specified portions of a meeting dealing with personal particulars of one or more Members may be held in closed session.

21.06 The day-to-day operation of the Plan shall be the function of Vice President (Administration & Finance) subject to any delegation by the Advisory Committee to an outside administrator of all or any part of such operation, with operating decisions based on policies as established from time to time by the Advisory Committee.

21.07 The Advisory Committee shall have full power to administer the Plan, such power to include, but not limited to, the following:

- (a) to make and enforce such rules and regulations as it shall deem necessary and proper for the efficient administration of the Plan;
- (b) to interpret the Plan, its interpretation thereof in good faith to be final and binding;

- (c) to decide all questions concerning the Plan and to make recommendations concerning the eligibility of any person to participate in the Plan;
- (d) to compute the amount of benefits or other payments which shall be payable to any Member, retired Member, contingent annuitant, or Beneficiary, in accordance with the provisions of the Plan, and to determine the person or persons to whom such amount shall be paid;
- (e) to authorize all payments to be made for such purposes;
- (f) to prepare accounts and records showing the detailed operation of the Plan;
- (g) to recommend to the Board of Governors an auditor as required to meet statutory obligations;
- (h) to recommend to the Board of Governors an Actuary to carry out the actuarial valuations required by law and as required as a basis for recommending changes in pension or benefits in the Plan;
- (i) to recommend to the Board of Governors amendments to the Plan to keep it current with respect to other universities and major employers;
- (j) to recommend to the Board of Governors the delegation of all or a portion of its duties to invest the assets of the Fund from time to time to one or more Fund Manager; and
- (k) to review and discuss with the Actuary changes in the actuarial assumptions before any proposed changes are applied.

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

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

21.10 In administering the Plan neither the Advisory Committee nor any member thereof, nor the Board of Governors nor any member thereof, nor the University, nor any officer or employee thereof, shall be liable for any act of omission or commission, except for his or its own individual, wilful and intentional malfeasance or misfeasance. The

University and its officers and directors and each member of the Advisory Committee shall be entitled to rely conclusively on all tables, valuations, certificates, opinions and reports which shall be furnished by an Actuary, accountant, administrator, Trustee, counsel or other expert who shall be employed or engaged by the Advisory Committee.

21.11 The Advisory Committee will provide an annual report to the Board of Governors.

21.12

- (a) A pension or an annuity under the Plan shall be granted by the University and payment thereof shall be made only upon application therefore in the manner prescribed by the University, and only after submission of satisfactory proof of age of the Member. The University may also require the submission of proof of age of a designated joint annuitant.
- (b) Age may be proved by official birth certificate issued by the appropriate public authority. If the Member is unable to obtain an official birth certificate, evidence of age satisfactory to the University in its reasonable discretion must be produced.
- (c) Payment of any benefit under the Plan other than a pension or annuity shall be made only upon application therefore in the manner prescribed by the University and upon submission of such relevant supporting evidence that the University in its discretion may require.

21.13 In case the age of any Member is found to have been incorrectly stated, the University is empowered to make or cause to be made such adjustments respecting such Member, for the purposes of the Plan, as the University shall deem equitable.

21.14 Any person receiving or claiming a benefit under the Plan shall at any and all times, on demand of the University, furnish to the University satisfactory evidence of his continuing right thereto.

21.15 If, when a benefit becomes payable, the University finds that the person entitled to receive the benefit under the Plan is a minor, or is physically, mentally or legally incompetent to receive such benefit or to give a valid release therefore, the University may cause the benefit to be paid to the person's legal guardian or other responsible individual, for the account of the person entitled to the benefit. Any such payment shall operate as a complete discharge of liability therefore under this Plan.

21.16 **Non-assignment of Benefits**

No benefit which shall be payable under the Plan to any person shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge whether voluntary or involuntary, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber or charge, the same shall be void; and no such benefit shall in any manner be liable for or subject to the debts, contracts, liabilities or engagements of any such person, nor shall such benefits be subject to attachment or legal process for or against such person, and the same shall not be recognized under the Plan, except to satisfy a Court Order or written separation agreement on marriage breakdown, up to a maximum of fifty percent (50%) of the amount payable.

21.17 Notwithstanding anything in the Plan to the contrary, no cash settlement shall be paid under the terms of the Plan where such payment would be contrary to the provisions of the Pension Benefits Act or the statutory or regulatory requirements of any other relevant jurisdiction, including such administrative rules as are issued and enforced by Revenue Canada, pertaining to the registration of employees' pension plans under the Income Tax Act.

21.18 **No Undue Deferral of Payment**

Each single amount that becomes payable under the Plan, by reason of death, termination of employment, marriage breakdown, or otherwise, shall be paid as soon as is practicable thereafter.

21.19 **Non-Assignment of Rights**

It is hereby stipulated that no right of a person under the Plan is capable of being assigned, charged, anticipated, given as security or surrendered, and, for the purposes of this stipulation:

- (a) assignment does not include,
 - (i) assignment pursuant to a decree, order or judgement of a competent tribunal or a written agreement in settlement of rights arising as a consequence of the breakdown of a marriage or other conjugal relationship between a Member and the Member's Spouse or former Spouse, or
 - (ii) assignment by the legal representative of a deceased Member on the distribution of the member's estate, and
- (b) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan.

ARTICLE 22 - GENERAL

22.01 No Member, Pensioner, former Member, Beneficiary or joint annuitant shall have any recourse under any provisions of this Plan against any past, present or future governor, director, officer, or employee of the University and all such governors, directors, officers and employees shall be free from all liability hereunder as a condition hereof.

22.02 The Plan shall not of itself:

- (a) give a Member any right to be retained in the service of the University;
- (b) prevent the University from discharging a Member at any time;
- (c) give rise to any claim by anyone against the University for damages for any cause whatsoever.

22.03 All contributions to the Plan and all benefits under the Plan shall be payable in the lawful currency of Canada, provided that in the case of any Member being paid his Normal Salary in some other currency, the University may from time to time at its discretion fix the rate of exchange to be used for the purposes of the Plan in converting to Canadian currency his Normal Salary and his contributions to the Plan.

22.04 This Plan shall be construed, administered and enforced in accordance with the laws of the Province of Ontario and the rules and regulations of Revenue Canada.

22.05 This document is subject to initial and continuing approval of the Plan by all taxing authorities now or hereafter imposing on the University taxes which may be affected by contributions of the University to the Plan.

22.06 Only benefits specifically provided for under the terms of the Plan shall be paid from the Plan.

22.07 Contributions and disbursements from the Plan shall be limited to those that are acceptable under the Income Tax Act.

ARTICLE 23 - AMENDMENTS

23.01

- (a) Notwithstanding anything herein contained, but subject to Section 2 of this Article, on the advice of the Advisory Committee, the Plan may be amended at any time and from time to time by the University, and all such amendments shall be binding on the University and on every Member.

- (b) Notice of every such amendment shall forthwith be given to the Trustees. If the amendment directly or indirectly affects the benefits due to the Members, notice thereof shall be given to the Members.

23.02 No such amendment shall adversely affect the right of a Pensioner or other person to continue to receive his pension under the Plan, or adversely affect any vested right as the same exists under the Plan at the date of such amendment, or reduce the benefits which the Member had accrued to the date of the amendment, subject only to Article 19 (Rights on Discontinuance of Plan).

ARTICLE 24 - MARRIAGE BREAKDOWN

24.01 Payment of a pension or deferred pension may be divided between a Member and his Spouse pursuant to a domestic contract as defined under the Family Law Act or pursuant to an order under the Family Law Act. The University must be provided with a certified copy of any such domestic contract or order.

24.02 For purposes of determining the pension benefits accrued during the period in which a Member had a Spouse, calculations shall be performed by the Actuary as if the Member had terminated employment on the applicable valuation date, in accordance with the terms of the Plan as it existed on such date, without consideration of future benefits, earnings or Plan amendments, but with consideration of future vesting.

24.03 A domestic contract or order as described in Section 1 of this Article 24 may not:

- (a) require payment of a pension benefit prior to the earlier of the date on which payment of the pension benefit commences or the Normal Retirement Date of the Member; or
- (b) reduce the pension benefit of a Member by more than fifty percent (50%) of the amount of pension benefit accrued during the period of the spousal relationship of the Member and his Spouse.

24.04 Payments directed by the University to be made from the Fund to the Spouse of a Member pursuant to a domestic contract or order as prescribed in Section 1 of this Article 24 hereof shall be a valid and complete discharge of all liability for the payment.

24.05 The Spouse on whose behalf a certified copy of a domestic contract or order has been provided to the University as described in Section 1 of this Article 24 shall be provided with the same options as the Member pursuant to Article 15 (Termination of Employment) herein with respect to the transfer of the commuted value of her interest in a deferred pension, when the Member terminates his employment. Such Spouse shall be provided, within thirty days of such termination, with a copy of the statement given to the Member in accordance with Section 4 of Article 25 (Disclosure to Members) or, should the Member not terminate his employment prior to his Normal Retirement Date, as if the Member had terminated his employment on his Normal Retirement Date.

ARTICLE 25 - DISCLOSURE TO MEMBERS

25.01 Explanation of the Plan

The University shall provide to each Member and to each person likely to become a Member on or before the date of eligibility, a written explanation of the terms and conditions of the Plan applicable to him together with an explanation of the rights and duties of the Member with reference to the benefits available to him under the terms of the Plan, and such other information as may be prescribed by the regulations made pursuant to the Pension Benefits Act.

25.02 Explanation of Amendments

Where an amendment to the Plan is registered under the Pension Benefits Act, the University shall provide each Member, and any other person affected by the amendment, with written notice and explanation of the amendment within sixty (60) days after such registration, except in such circumstances which do not require such notice and explanation, as may be permitted under the Pension Benefits Act.

25.03 Annual Benefit Statement

The University shall, from time to time but not less frequently than annually, provide a statement to each Plan Member, who is not a Pensioner, showing such information as may be prescribed by the regulations made pursuant to the Pension Benefits Act and any other regulatory bodies. Such statements shall be provided by the University within six (6) months following the end of each Plan Year.

25.04 Statement on Termination

Where a Member terminates his employment with the University, dies, retires, or otherwise ceases to be an active Member of the Plan, the University shall provide to such Member, his Spouse, or any other person as required by the Pension Benefits Act, a statement of benefits showing all information as may be prescribed by the regulations made pursuant to the Pension Benefits Act. Such statements shall be provided by the University within six (6) months following the end of each Plan Year.

25.05 Options on Retirement

Not less than sixty (60) days prior to a Member's Normal Retirement Date, or the date on which a Member has indicated he intends to retire, the University shall advise the Member of any options available to him and the conditions applicable, in accordance with the terms of the Plan and the Pension Benefits Act.

25.06 Documents Available

Within thirty days of receiving written request, the University shall provide to a Member, his Spouse, the agent of the Member or his Spouse as authorized in writing, copies of all documents and in such manner as may be prescribed by the regulations made pursuant to the Pension Benefits Act. Such documents shall include the Plan text and amendments thereto, any trust or insurance contracts and amendments thereto, actuarial reports and cost certificates, and all required financial documents relating to the management of the Fund.

25.07 Notice of Proposal to Wind-up Plan

In the event of the termination or wind-up of the Plan, in whole or in part, written notice of the proposal to wind-up the Plan shall be provided by the University to all affected Members and any other persons or institutions as may be required by the Pension Benefits Act. Such notice shall be in such form and shall contain all information as may be prescribed from time to time by the regulations made pursuant to the Pension Benefits Act.