



**Brandon University Retirement Plan
Board of Trustees
Monday, April 29, 2024 @ 1:00 p.m.
Clark Hall Room 427**

AGENDA

1.0 Call to Order

2.0 Approval of Brandon University Retirement Plan Amendment

- 2.1 Draft Plan Amendment 2024 - 1
- 2.2 Draft Office Consolidation (Changes included)
- 2.3 Draft Office Consolidation (Clean Copy)
- 2.4 PowerPoint presentation

3.0 Upcoming Meeting Dates

Monday, June 10, 2024	1:00 – 4:00 p.m.	Clark Hall Room 104
Wednesday, November 20, 2024	1:00 – 4:00 p.m.	Clark Hall Room 104

4.0 Adjournment

**BRANDON UNIVERSITY
BOARD RESOLUTION**

**RE: AMENDMENT NO. 24-01 TO THE BRANDON UNIVERSITY RETIREMENT PLAN
(hereinafter referred to as the “Plan”)**

- WHEREAS** Brandon University (hereinafter referred to as the “University”) has established the Plan effective April 1, 1974,
- AND WHEREAS** the University, by Motions passed at the **May X, 2024** meeting of the Brandon University Board of Governors, ratified Plan improvements negotiated with the Brandon University Faculty Association, and extended the Plan improvements to other employee groups, and
- AND WHEREAS** the Brandon University Faculty Association ratified the negotiated Plan improvements on **[DATE]**, and
- AND WHEREAS** the University is updating the Plan for minor typographical changes and legislative updates, and
- AND WHEREAS** Paragraph 14.1 permits the University to amend the Plan.

Therefore, the Plan document is amended effective **May X, 2024 as follows:**

1. The following paragraph is added at the end of the Introduction.

“Effective **May X, 2024**, the Plan was amended to reflect an increase in the contribution rates, the benefit accrual rate for earnings below the maximum Canada Pension Plan earnings, and the Maximum Pension. Contribution rate increases take effect April 1, 2024 and benefit increases take effect April 1, 2023 for any plan Member who is active on or after April 1, 2023 and continues to have a benefit entitlement from the Plan on April 1, 2024.”
2. Section 1.38 “Year’s Maximum Contributory Earnings” is hereby deleted in its entirety and replaced with the following:

“1.38 “Year’s Maximum Contributory Earnings” means,

 - (a) for each year from 2005 to 2023, the sum of:
 - (i) \$86,111 prior to 2009, or \$98,750 after 2008; and
 - (ii) 30% of the Year’s Maximum Pensionable Earnings for that year.
 - (b) for each year from 2024, the sum of:
 - (i) the Maximum Pension for that year provided in Section 7.4 multiplied by 50; and
 - (ii) 20% of the Year’s Maximum Pensionable Earnings for that year.”
3. Member contributions are hereby amended by adding the following row to the table in Section 3.1 Regular Contributions, Paragraph 3.1(a):

Effective	% of Basic Salary up to the Year's Basic Exemption	% of Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings	% of Basic Salary which is in excess of the Year's Maximum Pensionable Earnings and less than the Year's Maximum Contributory Earnings
April 1, 2024	8.0%	8.0%	8.0%

4. University contributions are hereby amended by adding the following row to the table in Section 4.1 Regular Contributions, Paragraph 4.1(a):

Effective	% of Basic Salary up to the Year's Basic Exemption	% of Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings	% of Basic Salary, if any, in excess of the Year's Maximum Pensionable Earnings
April 1, 2024	8.0%	8.0%	8.0%

5. Paragraph 4.1(f) is hereby deleted and replaced as follows:

“In addition to contribution obligations as provided in sub-paragraphs (a), (b), (c), (d), and (e), the University shall make contributions to the Fund in an amount equal to the normal actuarial cost of current service in respect of plan changes implemented effective November 10, 2008, as determined by the Actuary in an actuarial valuation prepared in compliance with the Pension Benefits Act. In determining the actuarial cost of current service in respect of the plan changes implemented effective November 10, 2008, the Actuary shall include the increase in cost related to the change in the normal form of pension for a Member with an Eligible Spouse at retirement implemented by amending Paragraph 8.1 effective November 10, 2008.”

6. Section 4.2 is hereby amended by deleting Paragraph 4.2(a) and renumbering remaining Paragraph 4.2(b) as 4.2(a).

7. Renumbered Paragraph 4.2(a) is hereby deleted and replaced as follows:

“Pension Benefits Act - In the event that the minimum University funding requirements exceed the contributions stipulated in accordance with Paragraph 4.1 as a result of an actuarial valuation, the University shall make additional contributions to satisfy those requirements.”

8. Section 5.1 Interest Rate on Contribution Accounts is hereby amended by replacing “CANSIM Series B-14045” with “CANSIM Series V180691336”.

Commented [AK1]: NOTE: this is a legislated change unrelated to the bargaining

9. Section 7.1 Basic Pension is hereby deleted in its entirety and replaced as follows:

“7.1 Basic Pension

Subject to 7.4, the annual pension payable to a Member who retires on or after his Normal Pension Commencement date shall be equal to

- (a) if he or she retires on or after April 1, 2023,
 - (i) 2% of Final Average Earnings multiplied by years of Credited Service, LESS
 - (ii) 0.4% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1990, or
- (b) if he or she retired on or after January 1, 1999 and prior to April 1, 2023,
 - (i) 2% of Final Average Earnings multiplied by years of Credited Service, LESS
 - (ii) 0.6% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1990, or
- (c) if he or she retired prior to January 1, 1999,
 - (i) 2% of Final Average Earnings multiplied by years of Credited Service, LESS
 - (ii) 0.6% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1966.

The pension payments for a Member who retired prior to January 1, 1999 shall be increased effective on that date so that the pension after the increase will be equal to that which it would have been at the date of retirement had paragraph (a) applied at that date, increased by all supplementary increases made since the date of retirement.

For the purpose of this Paragraph 7.1

"Final Average Earnings" means the annual average of the Member's Basic Salary in the 60 months of Service when such Basic Salary was highest during the 12 years prior to the date of death, retirement or termination of employment.

"Canada Pension Plan Average Earnings" means the annual average of that part of the Member's Basic Salary in the same 60 months as were used to calculate "Final Average Earnings" which is less than the Year's Maximum Pensionable Earnings during those months.

Where a member has made an election to stop contributing under Paragraph 3.9 and the contribution stop date is a date other than a calendar year-end, the Final Average Earnings and Canada Pension Plan Average Earnings would be calculated using prorated earnings and service for the last calendar year in which contributions were made."

10. Section 7.4 Maximum Pension is hereby deleted in its entirety and replaced as follows:

"7.4 Maximum Pension

The maximum annual pension at retirement, termination of employment or termination of the Plan, including any retirement income payable under any other registered pension plan of the University but excluding the portion of the annual retirement income derived from the Member's Additional Voluntary Contribution Account shall not exceed the lesser of:

- (i) the Defined Benefit Limit times the number of years of Credited Service, or
- (ii) an amount that is the product of 2% per year of Credited Service and the average of the best three non-overlapping 12-month periods of Basic Salary paid to the Member by the University.

In the above calculation, Credited Service prior to December 31, 1991 shall be limited to 35 years. For the purpose of this Paragraph 7.4, "Defined Benefit Limit" shall mean:

- (i) \$1,722.22 for Members whose employment terminates at any time prior to April 1, 2009,
- (ii) \$1,975.00 for Members whose employment terminates at any time between March 31, 2009 and April 1, 2023,
- (iii) \$1,975.00 for Members whose employment terminates at any time between March 31, 2023 and April 1, 2024 if they are no longer a Plan Member as at April 1, 2024, and
- (iv) For all other Members whose employment terminates at any time after March 31, 2023:
 - (i) For Credited Service up to and including December 31, 2022, \$2,209 per year of service, and
 - (ii) For Credited Service accrued after December 31, 2022, 63% of the Income Tax Regulations defined benefit limit for the year in which employment terminates, subject to adjustment in accordance with Section 13.7 when the going concern funded ratio of the Plan is below 105%. The amount determined in this section is calculated without application of the 0.25% per month reduction for commencement before attaining the earliest of age 60, 30 years of Service, or age and Service equal to 80 points."

Commented [AK2]: Needs to be confirmed

11. Section 10.1 Immediate Vesting is hereby amended by adding "as determined at his termination date" following "Total Deferred Pension".

Commented [AK3]: NOTE: This is added to ensure the correct members who have previously terminated are eligible or not eligible for the benefit change. It also clarifies the practice for the future, considering Section 7.1 refers to "if he or she retires on or after...".

12. Section 13.7 Going Concern Funded Ratio Below 105% is hereby added to Article 13 as follows:

"13.7 Going Concern Funded Ratio Below 105%

For the purpose of Section 7.4, the Defined Benefit Limit for Credited Service after December 31, 2022 is expected to increase each year by the increase in the average indexed wage for Canada such that it is equal to 63% of the Income Tax Regulations defined benefit limit. For 2023 this amount is 63% of \$3,506.67, or \$2,209. If the going concern funded ratio calculated by the Actuary is below 105%, no increase will be

applied to the Defined Benefit Limit until such time that the going concern funded ratio exceeds 105%. The going concern funded ratio will be measured annually one year in advance of the increase to the Defined Benefit Limit which occurs January 1 of each calendar year. If the going concern funded ratio has fallen below 105% and subsequently increases above 105%, the Defined Benefit Limit will be increased to maximum extent possible while maintaining a going concern funded ratio of at least 105%, but not exceeding 63% of the Income Tax Regulations defined benefit limit. The Defined Benefit Limit in effect at the time of termination of employment will apply to a Member's pension, meaning that subsequent increases to the Defined Benefit Limit, if any, will not apply to pensions in pay or vested deferred pensions."

Commented [AK4]: To be confirmed by Trustees

CERTIFIED to be a true copy of a resolution passed by the Board of Governors of the University on the _____ day of _____, 2024

Signature

Name

Title

**THE
BRANDON UNIVERSITY
RETIREMENT PLAN**

AMENDED AND RESTATED AT NOVEMBER 2019

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OFFICE CONSOLIDATION UP TO AND
INCLUDING AMENDMENTS 2023-1, 2023-2, AND 2024-1

Commented [AK1]: Tracked changes in respect of 2024-1

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INTRODUCTION

The plan document was restated January 1, 1990 to improve clarity. There were no substantive amendments at that time.

Effective January 1, 1991, three amendments were made to the plan and are incorporated into this document. Article 7.3 was amended to formalize increases to Pensioners. Article 10 was amended to provide increases to deferred pensions and Article 6.2 was amended to adjust the early retirement reduction for members who retire from age 55 to 59 with 15 or more years of service.

Effective January 1, 1992 the plan was amended to comply with changes to the Income Tax Act (Canada) and the Regulations thereunder and the Manitoba Pension Benefits Act.

Effective April 1, 1996 the plan was amended to improve early retirement provisions.

Effective January 1, 2001, the plan was amended to accommodate Reciprocal Transfer Agreements with other pension plans and to permit members to make additional contributions in the circumstances of not receiving full service credit under a Reciprocal Transfer Agreement.

Effective January 1, 2003, the plan was amended to increase the rate of University Contributions at April 1, 2002 and April 1, 2003 and was also amended to allow a member to purchase eligible past-service under the plan at the member's own expense.

Effective January 1, 2006, the Plan was amended to limit the salary in any year on which Member Required Contributions are made to be consistent with the maximum pension payable under the Plan.

Effective November 10, 2008, the Plan was amended to change the normal form of pension for a Member who has made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 and has an Eligible Spouse at retirement to be payable for the Member's lifetime and, on the death of the Member, payable for the lifetime of the Spouse, if living, at 66 2/3% of the Member's pension.

Effective April 1, 2009, the Plan was amended to increase Member Contributions by 0.5% of earnings and to increase the maximum pension calculation from \$1,722.22 to \$1,975.00 per year of pensionable service.

The Plan was amended effective November 10, 2008 and April 1, 2009 to increase University Contributions corresponding to the benefit changes on those effective dates.

Effective May 31, 2010, the Plan was amended to comply with changes to the Manitoba Pension Benefits Act and Regulations.

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2.2 Draft Office Consolidation (Changes Included)

Effective April 1, 2012, the Plan was amended to increase the rate of Member contributions and University contributions.

Effective June 23, 2012, the Plan was amended to eliminate the mandatory enrolment waiver for the President of the University.

Effective April 11, 2013 the Plan was amended to change the methodology for calculating pension increases to be based on a geometric four-year average return of the fund.

Effective June 6, 2013 the Plan was amended to replace several references to Service with Qualifying Service.

In 2015, the Plan was amended retroactively to May 31, 2010 for the interest rate credited on Additional Voluntary Contribution Accounts to comply with changes to the Manitoba Pension Benefits Act and Regulations.

Effective January 1, 2015, the Plan was amended to change the mandatory form of pension for a Member with an Eligible Spouse who is not eligible for a joint and survivor normal form pension to be the same as the normal form for a Member with an Eligible Spouse who is eligible for a joint and survivor normal form pension.

Effective January 1, 2018 the Plan was amended to permit a joint and survivor pension in pay to be paid as two separate pensions without joint and survivor benefits following relationship breakdown.

Effective January 1, 2019, the Plan was amended for several corrections and compliance with the Manitoba Pension Benefits Act and Regulations and Income Tax Act, and to provide an actuarial increase to deferred pensions that commence to be paid after the Normal Pension Commencement Date.

Effective January 28, 2023, the Plan was amended to provide Members with the option to cease making required contributions to the Plan and thereby stop accruing additional benefits after reaching the Normal Pension Commencement Date.

Effective **May X, 2024**, the Plan was amended to reflect an increase in the contribution rates, the benefit accrual rate for earnings below the maximum Canada Pension Plan earnings, and the Maximum Pension. Contribution rate increases take effect April 1, 2024 and benefit increases take effect April 1, 2023 for any plan Member who is active on or after April 1, 2023 and continues to have a benefit entitlement from the Plan on April 1, 2024.

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ARTICLE 1 - DEFINITIONS

The following words or phrases shall be as defined herein unless the context clearly indicates otherwise:

- 1.1 "Actuarial Equivalent" means having an equivalent value calculated on the actuarial basis recommended by the Actuary.
- 1.2 "Actuary" means a Fellow of the Canadian Institute of Actuaries or a firm employing one or more such persons, retained by the Pension Trustees to perform periodic valuations of the Plan and to provide such actuarial services as may from time to time be required.
- 1.3 "Additional Voluntary Contribution Account" means the account established and maintained for each Member who has made additional voluntary contributions or who has made a lump sum transfer in accordance with Section 3.4.
- 1.4 "Anniversary Date" means December 31.
- 1.5 "Basic Salary" means
 - (i) the amount of regular annual salary paid by the University exclusive of any administrative stipends, any allowances, any additional payments for evening, summer or special sessions, and any overtime payments,
 - (ii) for a Member on leave of absence, the amount of annual salary on which his contributions are based,
 - (iii) for a Member receiving benefits from the University's Long-Term Disability Plan, the annual rate of salary which would have been paid to the Member had he not been disabled and had he been employed in the same position that he occupied immediately prior to becoming disabled,
 - (iv) for a Member who is employed on a less than full-time basis, including one on an Amended Appointment, the total annual salary he would have received had he been employed on a full-time basis.
- 1.6 "Board" means the Board of Governors of Brandon University.
- 1.7 "Commutated Value" means the amount calculated on the date of termination of employment which is required to provide an immediate or deferred pension whichever is applicable. This amount shall be determined in accordance with accepted actuarial practice in Canada.
- 1.8 "Credited Service" means the period of Service during which the Member makes contributions to this Plan. In addition it shall include:

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2.2 Draft Office Consolidation (Changes Included)

- (i) Service prior to April 1, 1974 for Full-Time Employees except unpaid leaves of absence during this period.
- (ii) Service while the Member is receiving benefits under the Long-Term Disability Plan of the University, and
- (iii) Service transferred to the Plan in accordance with the terms of a Reciprocal Transfer Agreement in accordance with Paragraph 3.8

For a Member who is employed on a less than full-time basis except for one on an Amended Appointment, Credited Service shall be calculated in the same proportion that the Member's actual time in respect of which contributions were made bears to that on which he would have contributed were he employed on a full-time basis.

For a Member, who has been employed by the University for at least 36 months, on an Amended Appointment, Credited Service shall be calculated as if he was employed on a full-time basis, subject to the limitations of paragraph 8507 of the Income Tax Regulations.

- 1.9 "Custodian" means one or more trust or insurance companies appointed by the Pension Trustees to take custody of the assets of the Plan.
- 1.10 "Effective Date" means April 1, 1974.
- 1.11 "Eligible Spouse" means a Spouse other than one who
 - (a) at January 1, 1984 was living separate and apart from the Member pursuant to a court order or written separation agreement, or
 - (b) after January 1, 1984 began living separate and apart from the Member and who has received or remains entitled to receive a payment in accordance with Paragraph 12.2.
- 1.12 "Employee" means a person employed by the University.
- 1.13 "Fund" means the fund established under the provisions of the Plan and the Trust Agreement.
- 1.14 "Insurer" means a life insurance company or any other entity licensed to transact life annuity business in Canada or in any of the provinces of Canada.
- 1.15 "Investment Committee" means the Committee, whose structure is described in the Trust Agreement and whose duties are described in that Agreement.
- 1.16 "Investment Manager" means one or more individuals and/or companies, appointed by the Investment Committee for the purpose of managing all or a portion of the investments of the Fund.

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- 1.17 "Locked-in" means that the deferred pension to which a Member or the surviving spouse of a deceased Member is entitled on termination of employment or death of the Member may not be commuted for cash, in accordance with the Pension Benefits Act, other than for small pensions in accordance with Paragraph 10.8.
- 1.18 "Member" means a person who has joined the Plan in accordance with Article 2 and who remains entitled to any benefit under the Plan.
- 1.19 "Pension Benefits Act" means the Pension Benefits Act of the Province of Manitoba and shall include the Regulations thereunder.
- 1.20 "Pension Commission" means the Pension Commission of Manitoba.
- 1.21 "Pension Trustees" means the individuals for the time being appointed under the terms of the Trust Agreement and appearing as signatories thereto, and their duly appointed successors and whose duties are described in that Agreement.
- 1.22 "Pensioner" means a person receiving a pension from the Plan being a Member who has retired from the University or the surviving Spouse of such a Member who has since died and is in receipt of a survivor pension.
- 1.23 "Plan" means this Plan as adopted by the Board and as it may be amended from time to time which shall be named "The Brandon University Retirement Plan".
- 1.24 "Amended Appointment" means an appointment in which a Member carries a workload which is reduced by a factor not exceeding 50% for a period, under an agreement between the Member and the University.
- 1.25 "Regular Employee" means an Employee employed under a permanent appointment or under a term appointment where the term is not less than 12 months.
- 1.26 "Service" means the length of time a Member has been employed by the University including leaves of absence and periods of Temporary Interruption of Employment.
- 1.27 "Spouse" means the person who is married to the Member or
- (a) a person who, with the Member, registered a common-law relationship under section 13.1 of *The Vital Statistics Act*, or
 - (b) a person who, not being married to the Member, cohabited with him or her in a conjugal relationship
 - (i) for a period of at least three years, if either of them is married or
 - (ii) for a period of at least one year, if neither of them is married.
- 1.28 "Temporary/Casual Employee" means an Employee other than

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- (i) a Regular Employee, or
- (ii) an Employee who is a student on a substantially full-time basis, or
- (iii) an Employee who is hired on a sessional basis and is already a member of a registered pension plan and accruing benefits as an active member in that plan on a substantially full-time basis.

1.29 "Temporary Interruption of Employment" means a period not exceeding 54 consecutive weeks during which a Member is not performing duties as an employee of the University, and after the expiry of which is again employed by the University. The period of 54 weeks shall include any leaves of absence authorized by the University or required by law, but shall exclude any period of time following the termination of employment of the Member or any period of time during which the Member is receiving benefits from the Long-Term Disability Plan of the University.

1.30 "Total Deferred Pension" means the annual amount of pension, commencing at his Normal Pension Commencement Date, to which a Member, whose employment with the University is terminated prior to retirement, is entitled, calculated on the basis of his Credited Service, Basic Salary and Year's Maximum Pensionable Earnings up to the date of termination in accordance with Article 7. This Total Deferred Pension is comprised of the sum of:

- (a) "Pre-1976 Deferred Pension" which means the deferred pension calculated using his Credited Service in the period up to June 30, 1976,
- (b) "1976-1984 Deferred Pension" which means the deferred pension calculated using his Credited Service in the period from July 1, 1976 to December 31, 1984, and
- (c) "Post-1984 Deferred Pension" which means the deferred pension calculated using his Credited Service in the period after January 1, 1985.

The term "Pre-1985 Deferred Pension" means the sum of (a) and (b).

1.31 "Total Required Contribution Account" means the account established and maintained for each Member who is making or has made required contributions. This Total Required Contribution Account is comprised of the sum of:

- (a) "Pre-1976 Required Contribution Account" which means that part of the Total Required Contribution Account in respect of his required contributions made prior to June 30, 1976,
- (b) "1976-1984 Required Contribution Account" which means that part of the Total Required Contribution Account in respect of his required contributions made in the period from July 1, 1976 to December 31, 1984, and

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(c) "Post-1984 Required Contribution Account" which means that part of the Total Required Contribution Account in respect of his required contributions made in the period after January 1, 1985.

The term "Pre-1985 Required Contribution Account" means the sum of (a) and (b).

1.32 "Trust Agreement" means the Trust Agreement between the University and the Pension Trustees.

1.33 "University" means Brandon University or the Board of Governors thereof, as the context requires.

1.34 "Vesting" means the right to receive a deferred pension from the Plan.

1.35 "Year's Basic Exemption" means the amount from year to year defined as such under the Canada Pension Plan.

1.36 "Year's Maximum Pensionable Earnings" means the amount from year to year defined as such under the Canada Pension Plan.

1.37 "Qualifying Service" means the period of Service since the most recent date on which the Member joined the Plan, or for a re-employed Member who qualifies under Paragraph 10.11, the previous date of joining the Plan, but excluding any period during which contributions are not made to the Plan by the Member or on behalf of the Member. It shall include Service prior to April 1, 1974 except unpaid leaves of absence during this period. Qualifying Service shall not be reduced as a result of a transfer following marriage breakdown. Qualifying Service for a Member who transferred to the Plan under a Reciprocal Transfer Agreement includes the period of Service while a member of the previous employer's plan.

1.38 "Year's Maximum Contributory Earnings" means,

(a) ~~for each year from 2005 to 2023, the sum of:~~

(i) \$86,111 prior to 2009, or \$98,750 after 2008; and

(ii) ~~30% of the Year's Maximum Pensionable Earnings for that year.~~

(b) ~~for each year from 2024, the sum of:~~

(i) ~~the Maximum Pension for that year provided in Section 7.4 multiplied by 50; and~~

(ii) ~~20% of the Year's Maximum Pensionable Earnings for that year.~~

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(a)

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Reference to the male gender shall 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. Reference to a Paragraph or Article means a Paragraph or Article in this Plan unless otherwise stated. The headings in this Plan are for convenience of reference only and are not to be construed as part of the Plan.

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ARTICLE 2 - ELIGIBILITY AND MEMBERSHIP

2.1 Eligibility

Each Regular Employee or Temporary/Casual Employee shall be eligible to join the Plan on the date his employment commences.

2.2 Membership for Regular Employees

Each Regular Employee shall join the Plan on the date he becomes eligible to join the Plan.

2.3 Membership for Temporary/Casual Employees

Each Temporary/Casual Employee may join the Plan on the date he becomes eligible to join the Plan.

Each Temporary/Casual Employee whose date of employment is on or after January 1, 1984 and whose actual salary in two consecutive numerical years is greater than or equal to 25% of the Year's Maximum Pensionable Earnings in those two years, shall join the Plan on the January 1 of the year following the second of these consecutive years.

2.4 Exception for Teachers

An Employee who, immediately prior to becoming employed by the University, was employed as a teacher as defined under the Teacher's Pension Act of Manitoba and who, under that Act, is entitled to elect to continue to be a teacher for the purposes of that Act during his employment with the University, and who makes such an election, shall not be required or permitted to join the Plan.

2.5 Deleted

2.6 Joining the Plan

On joining the Plan, an Employee shall complete and sign the form or forms prescribed for the purpose by the University and authorize deductions from his Basic Salary as required by the Plan.

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2.7 **Suspension of Membership**

The University may from time to time make special arrangements for the suspension of participation in this Plan by Members on leave of absence without pay provided that such suspension shall not constitute termination of employment for the purposes of Article 10. The Credited Service of any Member shall not include any such period during which contributions are suspended.

2.8 **Eligibility for Pensioners**

A Member who has retired from the University and is in receipt of pension benefits from the Plan and has subsequently returned to work for the University is not eligible to join the Plan unless the Member agrees to the suspension of payment of pension benefits until subsequent termination of employment, or the end of the year in which he attains age 71 if earlier, or such other age as prescribed by the Income Tax Act.

For greater clarity, this paragraph does not apply with respect to a pension that is paid to a surviving spouse.

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ARTICLE 3 - MEMBER CONTRIBUTIONS

3.1 Required Contributions

- (a) Except as provided in Paragraphs 3.4, 3.5, and 3.9, each full-time Member, unless he is receiving benefits from the Long-Term Disability Plan of the University, or has reached the Normal Pension Commencement Date and has made an election to under Paragraph 3.9, shall make required contributions to the Fund each year, by means of consecutive payroll deductions, so that the contributions in the year total the sum of the following:

Effective	% of Basic Salary up to the Year's Basic Exemption	% of Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings	% of Basic Salary which is in excess of the Year's Maximum Pensionable Earnings and less than the Year's Maximum Contributory Earnings
Up to March 31, 2009	7.0%	5.2%	7.0%
April 1, 2009	7.5%	5.7%	7.5%
April 1, 2012	8.0%	6.2%	8.0%
<u>April 1, 2024</u>	<u>8.0%</u>	<u>8.0%</u>	<u>8.0%</u>

- (b) A Member employed on a less than full-time basis, other than one on an Amended Appointment, shall make required contributions as in (a) above but based on his actual salary rather than his Basic Salary. A Member on an Amended Appointment shall make required contributions as if he were employed on a full-time basis.
- (c) A Member who is receiving benefits from the Long-Term Disability Plan of the University shall not be required to contribute to the Plan, but such Disability Plan shall pay contributions to the Plan on behalf of the Member at the rates outlined in subparagraph 3.1(a).
- (d) "Required contributions made by a Member shall not exceed the limitations of paragraph 8503(4)(a) of the Income Tax Regulations.

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3.2 **Additional Voluntary Contributions**

A Member is not permitted to make Additional Voluntary Contributions on or after January 1, 1992.

3.3 **Lump Sum Transfers**

A Member who participated in the registered pension plan of another employer may in accordance with section 147.3 of the Income Tax Act transfer to this Plan any amount to which he may have the unrestricted right to so transfer from such other plan, and such transfer shall vest immediately and be credited in total to the Additional Voluntary Contribution Account of such Member (and dealt with solely in accordance with the provisions of this Plan).

Provided however, that where the previous employer so requires, as a condition for making such a transfer of contributions, the Member may be required, upon subsequent termination of employment, to have such contributions applied for the purchase of a vested annuity benefit. Transferred contributions which are subject to such restriction shall be referred to as restricted additional voluntary contributions.

3.4 **Leave of Absence with Pay**

A Member on leave of absence with pay shall be required to continue his contributions in accordance with Paragraph 3.1 based on the Basic Salary that he would have been receiving from the University were he not on such leave of absence.

3.5 **Leave of Absence without Pay**

A Member on leave of absence without pay may elect to suspend his contributions in accordance with Paragraph 2.7, or, provided he has at least 3 years' Service, continue to make contributions, for a maximum period of five years, based on the Basic Salary that he would have been receiving from the University were he not on such leave of absence, but in this situation, he must also make the contributions on behalf of the University in accordance with Paragraph 4.1. 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 Credited Service under this Plan shall cease forthwith.

3.6 **Return of Contributions**

Contributions made by the Member which, if they remained in the Fund, would lead to revocation of registration of the Plan under the Income Tax Act, shall, subject to the approval of the Pension Commission, be returned to the Member.

3.7 **Reciprocal Transfer Agreement**

A Reciprocal Transfer Agreement is an agreement between this Plan and another registered

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pension plan in Canada under which an employee who ceases accruing benefits under one of the plans and commences accruing benefits under the other, may elect to have funds transferred from the original plan to the new plan and, as a consequence, shall have some or all of his or her pensionable service in the original plan count as pensionable service in the new plan.

Transfers to the Plan under a Reciprocal Transfer Agreement will be processed in accordance with the terms of that Agreement but in the event that such a transaction results in a Past Service Pension Adjustment (PSPA) which must be certified in accordance with the Income Tax Regulations, the University shall delay completion of the transfer until the PSPA has been so certified.

3.8 **Past Service Contributions**

A Member who transferred into the Plan under a Reciprocal Transfer Agreement and whose pensionable service in the previous employer’s plan did not all count as Credited Service in the Plan, may make additional contributions to the Plan, subject to the annual amount of any such contributions not exceeding the maximum allowed by the Income Tax Act from time to time, so that some, or all, as determined by the Actuary, of the non-utilised service under the previous employer’s plan will count as Credited Service in the Plan.

A Member, whose employment with the University has not ceased by reason of retirement or termination of employment, and who has employment service with the University prior to joining the Plan may elect to make additional contributions to the Plan, subject to the annual amount of any such contributions not exceeding the maximum allowed by the Income Tax Act, with respect to such pre-membership service. In that event, some, or all, as determined by the Actuary, of the pre-membership service will count as Credited Service under the Plan. If a Member elects to make additional contributions to the Plan in respect of such pre-membership service with the University:

- (a) the Member shall make all contributions to the Fund with respect to those periods,
- (b) the University is not required to make any contributions with respect to those periods.

Whether the Member purchases service or not, the Member will be responsible for any actuarial costs to provide the quotation of the amount of contribution required to purchase the service.

Where such a period of service is prior to 1990, the benefit which can be provided is limited to that provided by Income Tax Regulation 8504(6).

3.9 **Suspension of Member Contributions after Normal Pension Commencement**

A Member who is an Employee after their Normal Pension Commencement Date may elect to cease contributing to the Plan at the end of any pay period on or after their Normal Pension Commencement Date. Once an election is made and contributions are discontinued, a Member may not elect to resume contributions.

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ARTICLE 4 - UNIVERSITY CONTRIBUTIONS

4.1 Regular Contributions

- (a) Except as provided in sub-paragraph (c), (d), (e), (f), and (g) of this Paragraph 4.1, the University shall make contributions to the Fund on behalf of each full-time Member, concurrent with the contributions made by the Member pursuant to Paragraph 3.1, of an amount equal to the sum in accordance with the following, which shall be made pursuant to a recommendation of an Actuary in accordance with subsection 147.2(2) of the Income Tax Act:

Effective	% of Basic Salary up to the Year's Basic Exemption	% of Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings	% of Basic Salary, if any, in excess of the Year's Maximum Pensionable Earnings
April 1, 1996	6.5%	4.7%	6.5%
April 1, 2002	7.0%	5.2%	7.0%
April 1, 2003	7.5%	5.7%	7.5%
April 1, 2012	8.0%	6.2%	8.0%
April 1, 2024	8.0%	8.0%	8.0%

- (b) For a part-time Member, other than one on an Amended Appointment, the University shall contribute as in (a) above but based on his actual salary rather than his Basic Salary. For a Member on an Amended Appointment, the University shall contribute as if he were employed on a full-time basis.
- (c) For a Member who is receiving benefits from the Long-Term Disability Plan of the University, the University shall contribute in accordance with sub-paragraph 4.1(a).
- (d) While a Member is on leave of absence with pay, the University shall contribute as in (a) above, but based on the Basic Salary that he would have been receiving from the University were he not on such leave of absence.
- (e) While a Member is on leave of absence without pay, the University shall not make contributions in respect of that Member.
- (f) In addition to contribution obligations as provided in sub-paragraphs (a), (b), (c), (d), and (e), the University shall make contributions to the Fund in an amount equal to the normal actuarial cost of current service in respect of plan changes implemented effective November 10, 2008, as determined by the Actuary in an actuarial valuation

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prepared in compliance with the Pension Benefits Act. In determining the actuarial cost of current service in respect of the plan changes implemented effective November 10, 2008, the Actuary shall include the increase in cost related to the change in the normal form of pension for a Member with an Eligible Spouse at retirement implemented by amending Paragraph 8.1 effective November 10, 2008.

- (g) For a Member that has made an election under Paragraph 3.9, the University shall not make contributions in respect of that Member.

4.2 Additional Contributions

In addition to the contributions specified in Paragraph 4.1, the University shall make such additional contributions as may be necessary to satisfy funding obligations arising from a collective bargaining agreement or the Pension Benefits Act. Any such additional contributions shall not exceed the amount permissible as an eligible contribution under subsection 147.2(2) of the Income Tax Act.

- (a) Pension Benefits Act - In the event that the minimum University funding requirements exceed the contributions stipulated in accordance with Paragraph 4.1 as a result of an actuarial valuation, the University shall make additional contributions to satisfy those requirements.

4.3 Return of Contributions

Contributions made by the University, which, if they remained in the Fund, would lead to revocation of registration of the Plan under the Income Tax Act, shall, subject to the approval of the Pension Commission, be returned to the University.

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(iii) take into account the effect of the amendment to increase the Year's Maximum Contributory Earnings made effective April 1, 2009, and¶

(iv) disregard the effect of the amendment effective April 1, 2009 to increase Member contributions under subparagraph 3.1(a).¶

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ARTICLE 5 - INTEREST

5.1 Interest Rate on Contribution Accounts

The interest rate to be credited to the Contribution Accounts other than the Additional Voluntary Contribution Account shall be equal to the average of the yields of the 5-year personal fixed term chartered bank deposit rate (CANSIM Series ~~v80691336~~).

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The interest rate to be credited to the Additional Voluntary Contribution Account shall be equal to the investment return on the Fund net of all expenses paid from the Fund. For the purpose of Section 5.3 the net investment return on the Fund to be credited to the Additional Voluntary Contribution Account shall be determined up to the end of the month preceding the month of payment.

5.2 Determination of Contribution Accounts on Anniversary Dates

On each Anniversary Date, each Member's Total Required Contribution Account and his Additional Voluntary Contribution Account, if any, shall be increased from their value at the previous Anniversary Date by the sum of:

- (a) interest on the amount in each Account at the previous Anniversary Date at the rate specified in Paragraph 5.1 for the year since the previous Anniversary Date,
- (b) contributions made to each Account since the previous Anniversary Date, and
- (c) interest on the contributions made to each Account since the previous Anniversary Date at one-half of the rate specified in Paragraph 5.1 for the year since the previous Anniversary Date.

5.3 Determination of Contribution Accounts at other times

Where a determination of the value of a Contribution Account is required at other than an Anniversary Date, the Member's Total Required Contribution Account and his Additional Voluntary Contribution Account, if any, shall be increased from their value at the previous Anniversary Date by the sum of:

- (a) interest on the amount in each Account at the previous Anniversary Date at the rate specified in Paragraph 5.1 for the part of the year since the previous Anniversary Date,
- (b) contributions made to each Account since the previous Anniversary Date, and
- (c) interest on the contributions made to each Account since the previous Anniversary Date at one-half of the rate specified in Paragraph 5.1 for the part of the year since the previous Anniversary Date.

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ARTICLE 6 - PENSION COMMENCEMENT

6.1 Normal Pension Commencement Date

The Normal Pension Commencement Date of a Member shall be the first of the month coincident with or next following the Member's 65th birthday.

6.2 Early Pension Commencement Date

- (a) A Member may elect to retire and commence receiving pension payments on the first day of any month after attaining age 55.
- (b) For a Member whose pension commences prior to April 1, 1996, the following provisions shall apply:
 - (i) If the Member has completed less than 15 years of Qualifying Service, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by 1/3% for each month by which his actual pension commencement date precedes his Normal Pension Commencement Date.
 - (ii) If the Member has completed 15 years of Qualifying Service and is age 60 or more, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by 1/6% for each month by which his actual pension commencement date precedes his Normal Pension Commencement Date.
 - (iii) If the Member has completed 15 years of Qualifying Service and is less than age 60, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by the sum of 10% and 1/2% for each month by which his actual pension commencement date precedes the first of the month following his 60th birthday.
- (c) For a Member whose pension commences on or after April 1, 1996, the following provisions shall apply:
 - (i) If the Member's age plus Qualifying Service equals at least 85 and the Member is at least age 60, the early commencement pension shall be calculated in accordance with Paragraph 7.1.
 - (ii) If the Member has not satisfied the conditions in Paragraph 6.2(c)(i) above, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by 1/3% for each month by which the actual commencement date precedes the date on which the Member would first have satisfied the provisions in Paragraph 6.2(c)(i) had employment with the University continued.

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- (d) In the event that a Member whose pension commences on or after April 1, 1996 is entitled to a higher pension under the provisions in Paragraph 6.2(b) than those of Paragraph 6.2(c), the provisions of Paragraph 6.2(b) shall apply.

6.3 Late Pension Commencement Date

A Member who continues in employment after his Normal Pension Commencement Date shall defer receipt of the pension until actual retirement date or the end of the calendar year in which the Member attains age 71, if earlier. The pension shall be calculated in accordance with Paragraph 7.6. If the Member has not made an election under Paragraph 3.9 to stop contributing, the Member shall continue making contributions to the Plan.

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ARTICLE 7 - CALCULATION OF PENSION

7.1 Basic Pension

Subject to 7.4, the annual pension payable to a Member who retires on or after his Normal Pension Commencement date shall be equal to

- (a) if he or she retires on or after ~~April 1, 2023,~~
 - (i) ~~2% of Final Average Earnings multiplied by years of Credited Service, LESS~~
 - (ii) ~~0.4% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1990, or~~
- (b) ~~if he or she retired on or after January 1, 1999 and prior to April 1, 2023,~~
 - (i) 2% of Final Average Earnings multiplied by years of Credited Service, LESS
 - (ii) 0.6% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1990, or
- (c) ~~if he or she retired prior to January 1, 1999,~~
 - (i) 2% of Final Average Earnings multiplied by years of Credited Service, LESS
 - (ii) 0.6% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1966.

The pension payments for a Member who retired prior to January 1, 1999 shall be increased effective on that date so that the pension after the increase will be equal to that which it would have been at the date of retirement had paragraph (a) applied at that date, increased by all supplementary increases made since the date of retirement.

For the purpose of this Paragraph 7.1

"Final Average Earnings" means the annual average of the Member's Basic Salary in the 60 months of Service when such Basic Salary was highest during the 12 years prior to the date of death, retirement or termination of employment.

"Canada Pension Plan Average Earnings" means the annual average of that part of the Member's Basic Salary in the same 60 months as were used to calculate "Final Average

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Earnings" which is less than the Year's Maximum Pensionable Earnings during those months.

Where a member has made an election to stop contributing under Paragraph 3.9 and the contribution stop date is a date other than a calendar year-end, the Final Average Earnings and Canada Pension Plan Average Earnings would be calculated using prorated earnings and service for the last calendar year in which contributions were made.

7.2 **Minimum Pension for Service after January 1, 1985 (50% Rule)**

As required under the Pension Benefits Act, if the Post-1984 Required Contribution Account is greater than 50% of the Commuted Value of the Basic Pension in respect of Credited Service after January 1, 1985 and for periods where contributions were made, the Member may, on retirement, elect to:

- (i) receive a refund of the excess, or
- (ii) apply the excess to increase the Basic Pension.

7.3 **Supplementary Pension**

- (a) If, in 1990 or any subsequent calendar year prior to 2012, the net investment return on the Fund, as determined by the Actuary using smoothed asset values, exceeds 6.0% per annum, each Pensioner who was receiving a pension at the end of that year, including a Pensioner whose pension has been purchased from an Insurer, shall be entitled to receive an increase in such pension effective from July 1 in the following calendar year.

If, in 2012 or any subsequent calendar year, the average net investment return on the Fund, or if a portion of the Fund is allocated to support Pensioner liabilities the average net investment return on that portion of the Fund, exceeds 6.0% per annum, each Pensioner who was receiving a pension at the end of that year, including a Pensioner whose pension has been purchased from an Insurer prior to 1990, shall be entitled to receive an increase in such pension effective from July 1 in the following calendar year. The average net investment return on the Fund or allocated portion of the Fund, as the case may be, for this purpose shall be calculated by the Actuary based on the geometric average of the net investment return for the current year and the corresponding net investment return for a number of preceding years, where the number of preceding years is determined in accordance with administrative policy as adopted by the Pension Trustees from time to time.”

- (b) For a Pensioner who was receiving a pension at the start of the calendar year, the increase shall consist of a percentage increase in the pension, which percentage shall be equal to the lesser of
 - (i) the excess of the average net investment return over 6.0% (the "excess

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interest" increase), and

- (ii) the increase in the Consumer Price Index (Canada) over the 12 month period ending in December of the calendar year (the "CPI" increase).
- (c) For a Pensioner who commenced receiving the pension during the calendar year, the increase shall be the same proportion of the increase determined in accordance with (b) above, as the number of months during which the Pensioner received the pension in the calendar year bears to 12.
- (d) For the purpose of this Section 7.3, a "Pensioner" includes a Member who commenced a pension in accordance with Section 6 and a surviving Eligible Spouse of a Member who commenced a pension in accordance with Section 6 on a survivor pension basis.
- (e) If, in a calendar year, the "excess interest" increase is less than the "CPI" increase, but in a subsequent calendar year, the "excess interest" increase is greater than, and hence limited by, the "CPI" increase, the University may, on the recommendation of the Pension Trustees, provide that the unused excess interest in that subsequent year be used to enhance the increase for that year for those who were affected by the limitation in a previous year in order to make up part or all of the shortfall in that previous year.

7.4 Maximum Pension

The maximum annual pension at retirement, termination of employment or termination of the Plan, including any retirement income payable under any other registered pension plan of the University but excluding the portion of the annual retirement income derived from the Member's Additional Voluntary Contribution Account shall not exceed the lesser of:

- (i) the Defined Benefit Limit times the number of years of Credited Service, or
- (ii) an amount that is the product of 2% per year of Credited Service and the average of the best three non-overlapping ~~12~~-month periods of Basic Salary paid to the Member by the University.

In the above calculation, Credited Service prior to December 31, 1991 shall be limited to 35 years. For the purpose of this Paragraph 7.4, "Defined Benefit Limit" shall mean:

- (i) ~~\$1,722.22 for Members whose employment terminates at any time prior to April 1, 2009,~~
- (ii) ~~\$1,975.00 for Members whose employment terminates at any time between March 31, 2009 and April 1, 2023,~~

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(iii) ~~\$1,975.00 for Members whose employment terminates at any time between March 31, 2023 and April 1, 2024 if they are no longer a Plan Member as at April 1, 2024, and~~

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(iv) For all other Members whose employment terminates at any time after March 31, 2023:

(i) For Credited Service up to and including December 31, 2022, \$2,209 per year of service, and

(ii) For Credited Service accrued after December 31, 2022, 63% of the Income Tax Regulations defined benefit limit for the year in which employment terminates, subject to adjustment in accordance with Section 13.7 when the going concern funded ratio of the Plan is below 105%. The amount determined in this section is calculated without application of the 0.25% per month reduction for commencement before attaining the earliest of age 60, 30 years of Service, or age and Service equal to 80 points.

7.5 Suspension of Pension on Re-employment

Where a Member elects to suspend pension payments in accordance with Paragraph 2.8, on the re-commencement of the pension, the Member will receive two separate pensions in accordance with paragraphs (a) and (b)

(a) the recalculated pension applicable to the period of employment that preceded the initial pension commencement date (the "Initial Employment Period"), shall be calculated as follows:

- (i) If the retired Member's initial pension commencement date occurred before the Normal Pension Commencement Date and before meeting the criteria for an unreduced early retirement pension provided by Paragraph 6.2, the amount of pension to which the retired Member would have been entitled, under the terms of the Plan as it read on the initial pension commencement date, had the retired member retired
 - A. At the Assumed Age and
 - B. After having worked the Initial Employment Period

The Assumed Age for the purpose of this paragraph (a)(i) is the age of the retired member at the subsequent pension commencement date less the period of time the member was in receipt of a pension determined based on a prior period of plan membership following the initial pension commencement ("Subsequent Employment Period");

- (ii) If the retired member's initial pension commencement date occurred before the Normal Pension Commencement Date and at or after meeting the criteria for an

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unreduced early retirement pension provided by Paragraph 6.2, the amount of pension that was payable at the initial pension commencement date;

- (iii) If the retired member's initial pension commencement date occurred at or after the Normal Pension Commencement Date, the amount of pension that was payable at the initial pension commencement date;
- (iv) If the date of re-commencement of the pension is after the Normal Pension Commencement Date, the pensions under (a)(i) and (a)(ii) are increased to be the actuarial equivalent of the pension as if it would have been payable at the Normal Pension Commencement Date, and the pension under (a)(iii) is increased to be the actuarial equivalent of the pension as if it would have been payable at the date the pension was suspended. For greater clarity, an actuarial increase is applied to any period during which the pension is suspended after the Normal Pension Commencement Date.
- (v) Any remaining guarantee period at the time of re-employment is paused during the Subsequent Employment Period so that the total number of guaranteed payments is preserved.

(b) the pension for the Subsequent Employment Period is determined according to the plan terms for the period of employment without regard to the Initial Employment Period.

7.6 Pension Amount at Late Pension Commencement Date

The pension for a Member who retires at his Late Pension Commencement Date shall be calculated in accordance with Paragraph 7.1, including earnings and service after his Normal Pension Commencement Date up to the earlier of the Late Pension Commencement Date and the effective date of an election to stop contributing under Paragraph 3.9.

Notwithstanding the above, if a Member retires from active employment after May 31, 2010, on his Late Pension Commencement Date, the pension is the greater of:

- (a) The pension calculated in accordance with Paragraph 7.1 at the Member's actual pension commencement date, including earnings and service after his Normal Pension Commencement Date up to the earlier of the Late Pension Commencement Date and the effective date of an election to stop contributing under Paragraph 3.9;
- (b) The actuarial equivalent of the pension calculated in accordance with Paragraph 7.1 that would have been payable if the Member had retired at his Normal Pension Commencement Date; and
- (c) The actuarial equivalent of the pension calculated in accordance with Paragraph 7.1 that would have been payable if the Member had retired on the effective date of their election to stop contributing under Paragraph 3.9.

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ARTICLE 8 - FORM OF PENSION

8.1 Normal Form

The pension shall be payable commencing on the first day of the month coincident with or next following the Member's retirement date and continuing on the first day of each month thereafter during the lifetime of the Member.

- (a) Where the Member who has an Eligible Spouse at retirement and who has made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 dies after commencement of pension payment, payments shall continue for the lifetime of that Eligible Spouse, if living, at 66 2/3% of the pension payable to the Member.
- (b) Where the Member who does not have an Eligible Spouse at retirement or who has an Eligible Spouse and has not made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 dies after the commencement of pension payment but before 60 monthly payments have been made, payments shall continue to his Beneficiary or, if there was no Beneficiary, to his estate until 60 monthly payments have been made

8.2 Mandatory Survivor Pension

A Member with an Eligible Spouse who has not made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 and therefore is not eligible for a joint and survivor normal form pension described in Paragraph 8.1(a) must elect to receive a pension which provides at least 66 2/3% of the initial level of pension continues to the survivor after the death of the Member. The amount of such pension shall be the Actuarial Equivalent of the pension in the normal form.

Such mandatory survivor pension may only be waived where a form, the wording of which has been approved by the Pension Commission, containing a statement that the Spouse of the Member is aware of the right to the survivor pension and elects to waive that right, is signed by the Spouse in the absence of the Member and by the Member in the absence of the Spouse and, in each case, in the presence of an independent witness.

8.3 Optional Form

A Member may elect to receive his pension in a form other than that described above. The amount of such alternate form shall be the Actuarial Equivalent of the pension in the normal form. The alternate forms are as follows:

- (a) For a Member with a normal form of pension in accordance with Paragraph 8.1(b), a

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pension payable during the Member's lifetime without a guaranteed period or with a guaranteed period, which may be any whole number of years to a maximum of 15.

- (b) For a Member with an Eligible Spouse at retirement – a pension payable during the Member's lifetime and thereafter to that Eligible Spouse, if living, at a rate equal to or less than the initial level of pension, but in any event not less than $66 \frac{2}{3}$ % for a Member with a normal form of pension in accordance with Paragraph 8.1(a).
- (c) For a Member who retires prior to the Normal Pension Commencement Date - a pension payable at a higher level until age 65 and at a lower level thereafter so as to provide, as nearly as possible, a level income for the lifetime of the Member from the combined sources of the Plan, Old Age Security and Canada Pension Plan.
- (d) Any other form consistent with applicable legislation and the administrative rules of Revenue Canada, Taxation.

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ARTICLE 9 - DEATH BENEFITS

9.1 **Death prior to Pension Commencement**

For a Member who dies prior to commencing to receive a pension, the death benefit shall be equal to the Commuted Value of his Total Deferred Pension, adjusted, if necessary, in accordance with Paragraph 10.7. In no event shall the Commuted Value of the Pre-1985 Deferred Pension be less than the Member's Pre-1985 Required Contribution Account.

For a Member with an Eligible Spouse who dies before commencing to receive a pension, the spouse may elect to receive the death benefit in the form of a monthly pension that is actuarially equivalent to the pension the Member would have received had he retired immediately prior to his death.

For greater certainty, the Commuted Value of the Eligible Spouse's pension shall be equal to the Commuted Value of the pension the Member would have received had he retired immediately prior to his death.

The pension payable to the Eligible Spouse must commence to be paid no later than December 1 of the calendar year in which the Spouse attains age 71 or such other age as may be permitted under the Income Tax Act (or within one year after the Member's death, if later).

9.2 **Deleted by Amendment 11/01**

9.3 **Death After Retirement**

For a Member who dies after his retirement date, the benefit shall be in accordance with the form of pension elected by the Member under Article 8.

9.4 **To Whom Payable**

Any benefits payable on or after the death of a Member shall be payable to his Eligible Spouse. If there is no Eligible Spouse or if the Member and Eligible Spouse were living separate and apart by reason of relationship breakdown or the Eligible Spouse has waived his right to the pre-retirement death benefit, the benefits shall be payable in a lump sum to the Member's beneficiary or estate. Notwithstanding the foregoing, where a Member is entitled to a benefit under Paragraph 9.1(i) and has designated a beneficiary other than his Eligible Spouse for this benefit, the benefit under this sub-paragraph shall be paid to such beneficiary.

9.5 **Alternate Form of Benefit to Eligible Spouse**

The Eligible Spouse may elect to transfer the death benefit determined in accordance with Paragraph 9.1 to a Locked-In Retirement Account or Life Income Fund. Notwithstanding the foregoing, a cash payment is permitted or required in accordance with Paragraph 10.8.

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9.6 **Designation of Beneficiary**

A Member may, by completion of a form signed by him and filed with the University, designate a beneficiary or beneficiaries to receive a death benefit under the Plan. A Member, who has made a designation in accordance with the foregoing, may from time to time alter or revoke the designation by filing with the University such alteration or revocation in writing on a form prescribed by the University for that purpose. Where a Member acquires an Eligible Spouse, any previous beneficiary designation shall be automatically revoked in favour of the Eligible Spouse unless he specifically indicates to the University, on the form provided, that he wishes to retain the beneficiary for benefits in accordance with Paragraph 9.1(i).

9.7 **Recipient if no Eligible Spouse or Beneficiary**

If there is no Eligible Spouse or beneficiary, any death benefit shall be payable to the Member's estate.

9.8 **Commutation of Outstanding Guarantee**

If after the death of a Pensioner, a series of payments is payable to his beneficiary, where that person is not his Eligible Spouse, or to his estate, such payments shall be commuted to an equivalent lump sum and paid to the beneficiary or estate.

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ARTICLE 10 - BENEFITS ON TERMINATION OF EMPLOYMENT

10.1 Immediate Vesting

A Member whose employment with the University terminates other than by death or retirement, shall be entitled to receive his Total Deferred Pension as determined at his termination date and payable from his Normal Pension Commencement Date.

10.2 Adjustments to deferred pension

- (a) If, in 1990 or any subsequent calendar year prior to 2012, the net investment return on the Fund, as determined by the Actuary using smoothed asset values, exceeds 6.0% per annum, each Member who had terminated prior to the end of that year and elected a deferred pension, shall be entitled to an increase in such pension effective from July 1 in the following year.
- (b) If, in 2012 or any subsequent calendar, the average net investment return on the Fund, or if a portion of the Fund is allocated to support deferred pension liabilities the average net investment return on that portion of the Fund, exceeds 6.0% per annum, each Member who had terminated prior to the end of that year and elected a deferred pension, shall be entitled to an increase in such pension effective from July 1 in the following year. The average net investment return on the Fund or allocated portion of the Fund, as the case may be, for this purpose shall be calculated by the Actuary based on the geometric average of the net investment return for the current year and the corresponding net investment return on the Fund for a number of preceding years, where the number of preceding years is determined in accordance with administrative policy as adopted by the Pension Trustees from time to time.
- (c) For a Member who had terminated prior to the start of the calendar year, the increase in the deferred pension shall consist of a percentage increase in the pension, which percentage shall be equal to the lesser of
 - (i) the excess of the average net investment return over 6.0% (the "excess interest" increase), and
 - (ii) the increase in the Consumer Price Index (Canada) over the 12 month period ending in December of the calendar year (the "CPI" increase).
- (d) For a Member who had terminated during the calendar year, the increase in the deferred pension shall be the same proportion of the increase determined in accordance with (b) above, as the number of full calendar months in the year of termination following the termination date bears to 12.

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- (e) If, in a calendar year, the "excess interest" increase is less than the "CPI" increase, but in a subsequent calendar year, the "excess interest" increase is greater than, and hence limited by, the "CPI" increase, the University may, on the recommendation of the Pension Trustees, provide that the unused excess interest in that subsequent year be used to enhance the increase for that year for those who were affected by the limitation in a previous year in order to make up part or all of the shortfall in that previous year.
- (f) If a Member dies prior to pension commencement, and the date of death of the Member was at least one year before the start of the current calendar year, and the Eligible Spouse of the deceased Member has elected to receive a deferred pension in accordance with paragraph 9.1, the increase in the deferred pension shall be at the same rate as determined in accordance with Paragraph 7.3(b).
- (g) If a Member dies prior to pension commencement, and the date of death of the Member was within the calendar year immediately preceding the current calendar year, and the Eligible Spouse of the deceased Member has elected to receive a deferred pension in accordance with paragraph 9.1, the increase in the deferred pension shall be at the same rate as determined in accordance with Paragraph 7.3(c).

10.3 Members with less than 2 years of Service

In lieu of his Total Deferred Pension, a Member whose employment with the University terminated prior to May 31, 2010 and who has not completed 2 years of Service shall be entitled to receive a refund of his Total Required Contribution Account.

10.4 Members with more than 2 years of Service who are not 45 and 10

A Member whose employment with the University terminated prior to May 31, 2010 who has completed 2 years of Service but who has not both attained age 45 and completed 10 years of Service may, in lieu of his Pre-1985 Deferred Pension, elect to receive a refund of his Pre-1985 Required Contribution Account. In any event, his Post-1984 Deferred Pension must remain Locked-In.

10.5 Members who are 45 and 10

A Member who has both attained age 45 and completed 10 years of Service may, in lieu of his Pre-1976 Deferred Pension, elect to receive a refund of his Pre-1976 Required Contribution Account. He may also elect to receive a refund of 25% of the Commuted Value of his 1976-1984 Deferred Pension. In any event, 75% of his 1976-1984 Deferred Pension and 100% of his Post-1984 Deferred Pension must remain Locked-in.

10.6 Minimum Deferred Pension for Pre-1985 Service

The Pre-1985 Deferred Pension shall be increased, if necessary, so that its Commuted Value is equal to the Pre-1985 Required Contribution Account.

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10.7 **Minimum Deferred Pension for Post-1984 Service (50% Rule)**

As required under the Pension Benefits Act, if the Post-1984 Required Contribution Account is greater than 50% of the Commuted Value of the Post-1984 Deferred Pension, the Member may on termination of employment elect to:

- (i) receive a refund of the excess, or
- (ii) apply the excess to increase the Post-1984 Deferred Pension.

10.8 **Commutation**

- (a) Where the earlier of the date of termination of employment and the date of death of the Member occurred prior to January 1, 1998, a refund of the Commuted Value of Locked-In deferred pensions is permitted if the annual amount of pension payable to the Member at Normal Pension Commencement Date, or the Commuted Value of that pension, is less than \$1,432.
- (b) Where the earlier of the date of termination of employment and the date of death of the Member occurred on or after January 1, 1998, a refund of the Commuted Value of Locked-In pension is required if the annual amount of pension payable to the Member at Normal Pension Commencement Date is less than 4% of the Year's Maximum Pensionable Earnings in the year of termination of employment or death, or the Commuted Value of that pension is less than 20% of the Year's Maximum Pensionable Earnings in the year of termination of employment or death.

10.9 **Portability**

A Member entitled to a deferred pension under this Article 10 and who is not yet entitled to commence payment of such pension in accordance with Paragraph 10.12 may elect to transfer the Commuted Value of such a pension to the pension plan of his new employer, if that plan so permits, or to a Locked-In Retirement Account approved in accordance with the Pension Benefits Act. That part of the deferred pension which is *not* Locked-In may be transferred to a registered retirement savings plan.

10.10 **Deleted by Amendment 11/01**

10.11 **Re-employment**

A Member, whose employment with the University terminates and who is subsequently re-employed by the University within five years of his termination date and again joins the Plan, shall be entitled to a pension based on all his years of Credited Service provided that on his initial termination he did not receive any refund in accordance with this Article 10.

10.12 **Early Commencement of Deferred Pension**

The Deferred Pension may commence at any time after age 55. If the terminated Member

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had less than 15 years of Qualifying Service, the Deferred Pension shall be reduced in accordance with the provisions of Paragraph 6.2(b)(i).

If the terminated Member had 15 years of Qualifying Service or more, the Deferred Pension shall be reduced in accordance with Paragraph 6.2(c) but if that results in a greater reduction than that provided by the application of Paragraph 6.2(b)(ii) or (iii), whichever is applicable, the latter reduction shall apply.

10.13 Late Commencement of Deferred Pension

If the Deferred Pension commences after the Member's Normal Pension Commencement Date, the pension payable shall be the Actuarial Equivalent of the Deferred Pension that would have been payable if the Member had commenced his pension at his Normal Pension Commencement Date.

10.14 Unlocking for Non-Residents

Notwithstanding anything in the Plan to the contrary, a Member who is entitled to a deferred pension under this Article 10 and who is or becomes a non-resident of Canada is permitted to make a lump sum withdrawal of the Commuted Value of such pension subject to the provisions of Applicable Legislation.

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ARTICLE 11 - INVESTMENT OF FUNDS

11.1 **Investment Management**

The assets of the Fund shall be invested and re-invested by the Custodian under the direction of the Investment Manager and only in securities which conform with the Pension Benefits Act and the Income Tax Act (Canada).

11.2 **Investment Custody**

The assets of the Fund shall be held by the Custodian.

11.3 **Payment of Contributions**

The University shall pay into the Fund contributions deducted from Member's remuneration under Paragraph 3.1 within 30 days after the end of the month in which such contributions were deducted. The University shall pay into the Fund its contributions under Paragraphs 4.1 and 4.2 within 30 days after the end of the period for which they are payable.

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ARTICLE 12 - ASSIGNMENT OF BENEFITS

12.1 Prohibition of Assignment

Except as provided in Paragraphs 12.2, 12.5 and 12.6, no right of a person under the Plan is capable of being assigned, charged, anticipated, given as security or surrendered, and is exempt from execution, seizure or attachment, and any transaction purporting to assign, charge, anticipate or give as security such moneys is void.

12.2 Exceptions for Marriage Break-up

- (a) Notwithstanding Paragraph 12.1, on marriage break-up per decree, order or judgement of competent tribunal or a written agreement, the Eligible Spouse's share of the value of the benefits as specified in the Pension Benefits Act shall be transferred out of the Fund to an alternative investment vehicle in accordance with such Act unless the parties agree to waive the mandatory pension split as described in Paragraph 12.5.
- (b) Notwithstanding Paragraph 12.2(a), where a marriage break-up occurs after the pension has commenced to be paid, the pension amount will be divided as specified in the Pension Benefits Act. The parties may agree in writing to have the pensions paid as two separate pensions without joint and survivor benefits; one to the Member, and the other to the former Spouse. The same remaining guarantee period, if any, must apply to the two separate pensions after division. The two separate pensions must be Actuarial Equivalent to the pension at the date of marriage break-up.

If the parties do not agree in writing to have the pensions paid as two separate pensions, the form of payment must not be changed.

12.3 Adjustment to benefits after Marriage Break-up

Following such a transfer pursuant to Paragraph 12.2(a), an adjustment calculated by the Actuary shall be made to the Member's Credited Service and Total Required Contribution Account such that the value of the benefits remaining after the transfer plus the amount transferred is equal to the value of the benefits prior to the transfer.

12.4 Exception to Credit Splitting on Marriage Break-up

Paragraph 12.2 does not apply where both spouses, after each has received

- (i) independent legal advice.
- (ii) a statement from the administrator of the pension plan showing the commuted value of the pension benefit credit in the pension plan, or the amount of the payments under the pension plan, to which each would be entitled in accordance with Paragraph 12.2

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enter into a written agreement with each other to the effect that the pension benefit credit or the pension payments, as the case may be, shall not be divided between them, and the agreement shall otherwise be in accordance with the Pension Benefits Act.

12.5 **Exception for Garnishment for purposes of Maintenance Enforcement**

Notwithstanding Paragraph 12.1, when, after December 31, 1995, the University is served with a garnishing order obtained under Section 14.1 of the Garnishment Act of Manitoba against a Member, the Member is entitled, for the purposes of satisfying the garnishing order and associated costs and taxes, to receive the lesser of

- (a) the Commuted Value of the Member's termination benefit determined in accordance with Article 10 assuming that the Member had terminated employment at the date of the garnishing order, less any amount to which a Spouse remains entitled in accordance with Paragraph 12.2, and
- (b) the amount specified in the garnishing order plus associated costs and taxes.

Following the payment of such an amount, the Member's benefits shall be adjusted in a manner consistent with that described in Paragraph 12.3.

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ARTICLE 13 - MISCELLANEOUS

13.1 Booklet

On or before the date that an Employee is eligible or required to become a Member of the Plan, he shall be furnished by the University with a booklet, approved by the Pension Trustees, explaining his status, rights and privileges under the Plan.

13.2 Annual Statement

Each Member shall be entitled to an annual statement in a form prescribed by the University and containing the information specified in the Pension Benefits Act.

13.3 Legislative Requirements

This Plan shall be administered and construed in accordance with the laws of the Province of Manitoba and the rules and regulations of the Income Tax Act (Canada).

13.4 Proof of Death

Payment arising or conditional upon the death of any Member, Eligible Spouse, beneficiary or joint annuitant or upon the continued life of a Member, retired Member, Eligible Spouse, beneficiary or joint annuitant or upon the happening of any other event or contingency upon which a payment becomes payable, shall be made by the University on satisfactory proof of such death or from time to time of such continued life or the happening of such event or contingency as the case may be.

13.5 Proof of Age

Proof of the Member's age and of the age of any person who may be designated a joint annuitant shall be provided to the University prior to the commencement of pension payments.

13.6 Primary Purpose

The primary purpose of the Plan is to provide monthly payments to the Members after retirement and until death in respect of their Service as Employees.

13.7 Going Concern Funded Ratio Below 105%

For the purpose of Section 7.4, the Defined Benefit Limit for Credited Service after December 31, 2022 is expected to increase each year by the increase in the average indexed wage for Canada such that it is equal to 63% of the Income Tax Regulations defined benefit limit. For 2023 this amount is 63% of \$3,506.67, or \$2,209. If the going concern funded ratio calculated by the Actuary is below 105%, no increase will be applied to the Defined Benefit Limit until

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2.2 Draft Office Consolidation (Changes Included)

such time that the going concern funded ratio exceeds 105%. The going concern funded ratio will be measured annually one year in advance of the increase to the Defined Benefit Limit which occurs January 1 of each calendar year. If the going concern funded ratio has fallen below 105% and subsequently increases above 105%, the Defined Benefit Limit will be increased to maximum extent possible while maintaining a going concern funded ratio of at least 105%, but not exceeding 63% of the Income Tax Regulations defined benefit limit. The Defined Benefit Limit in effect at the time of termination of employment will apply to a Member's pension, meaning that subsequent increases to the Defined Benefit Limit, if any, will not apply to pensions in pay or vested deferred pensions.

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ARTICLE 14 - AMENDMENT AND TERMINATION OF THE PLAN

14.1 Amendment

The University may at any time supplement, modify or amend this Plan, provided that no such supplementation, modification or amendment of the Plan shall adversely affect the entitlement of any Member accrued prior to the effective date of such amendment other than an amendment required in order to avoid revocation of registration of the Plan under the Income Tax Act which amendment has been approved by the Pension Commission. The University shall amend this Plan in any other respect which may be required in order to meet the requirements of the Pension Benefits Act and the Income Tax Act (Canada) in order to maintain the Plan as a registered pension plan under the provisions of such Acts or of any other statute applicable to this Plan.

14.2 Termination

(a) The University expects to continue the Plan indefinitely but, as future conditions cannot be foreseen, the University reserves the right to terminate the Plan at any time. At no time, however, may any part of the contributions made by the Members or the University be used for purposes other than those provided for in the Plan.

(b) Prior to the termination of the Plan, the University shall notify The Pension Commission in writing of the date of termination and the Plan shall not be terminated as of a date prior to the date of notification.

(c) If the plan is terminated, the assets of the Plan shall be applied or allocated so as to provide, in order of priority,

(i) for benefit equal to the value of employee required contributions and voluntary contributions, if any,

(ii) for accrued current service benefits; and

(iii) for other benefits provided by an amendment to the Plan made after the qualification date or by the creation of a plan after the qualification date in respect of service prior to such amendment or creation.

Within these levels of priority, the assets shall first be applied or allocated to provide for the benefits of Pensioners and for those benefits of other Members which are vested.

(d) Any balance remaining after the distributions specified in sub-paragraph (c), above shall be paid to the University.

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(e) Notwithstanding the foregoing, any method of distribution of assets on the termination of the Plan shall be subject to the approval of the Pension Commission.

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**ARTICLE 15 - BENEFITS PAYABLE IN RESPECT OF
VOLUNTARY CONTRIBUTIONS**

15.1 At Pension Commencement

On the commencement of his pension a Member may receive his Additional Voluntary Contribution Account

- (a) in a lump sum, or
- (b) as a pension in any of the forms indicated in Article 8 by the purchase of an annuity from an Insurer, or
- (c) as an increase to the Basic Pension under Paragraph 7.1, or
- (d) any combination of (a) or (b).

Alternatively, he may leave them in the Fund to be paid at a later date, which must be prior to the end of the calendar year in which the Member attains age 71, or such other age as prescribed by the Income Tax Act.

15.2 On Death

On the death of a Member prior to the commencement of his pension, his Additional Voluntary Contribution Account shall be paid to his designated beneficiary or estate.

15.3 On Termination of Employment

On the termination of employment of a Member, his Additional Voluntary Contribution Account shall be paid to him in a lump sum.

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**THE
BRANDON UNIVERSITY
RETIREMENT PLAN**

AMENDED AND RESTATED AT JANUARY 2023

OFFICE CONSOLIDATION UP TO AND
INCLUDING AMENDMENT 2023-2

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INTRODUCTION

The plan document was restated January 1, 1990 to improve clarity. There were no substantive amendments at that time.

Effective January 1, 1991, three amendments were made to the plan and are incorporated into this document. Article 7.3 was amended to formalize increases to Pensioners. Article 10 was amended to provide increases to deferred pensions and Article 6.2 was amended to adjust the early retirement reduction for members who retire from age 55 to 59 with 15 or more years of service.

Effective January 1, 1992 the plan was amended to comply with changes to the Income Tax Act (Canada) and the Regulations thereunder and the Manitoba Pension Benefits Act.

Effective April 1, 1996 the plan was amended to improve early retirement provisions.

Effective January 1, 2001, the plan was amended to accommodate Reciprocal Transfer Agreements with other pension plans and to permit members to make additional contributions in the circumstances of not receiving full service credit under a Reciprocal Transfer Agreement.

Effective January 1, 2003, the plan was amended to increase the rate of University Contributions at April 1, 2002 and April 1, 2003 and was also amended to allow a member to purchase eligible past-service under the plan at the member's own expense.

Effective January 1, 2006, the Plan was amended to limit the salary in any year on which Member Required Contributions are made to be consistent with the maximum pension payable under the Plan.

Effective November 10, 2008, the Plan was amended to change the normal form of pension for a Member who has made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 and has an Eligible Spouse at retirement to be payable for the Member's lifetime and, on the death of the Member, payable for the lifetime of the Spouse, if living, at 66 2/3% of the Member's pension.

Effective April 1, 2009, the Plan was amended to increase Member Contributions by 0.5% of earnings and to increase the maximum pension calculation from \$1,722.22 to \$1,975.00 per year of pensionable service.

The Plan was amended effective November 10, 2008 and April 1, 2009 to increase University Contributions corresponding to the benefit changes on those effective dates.

Effective May 31, 2010, the Plan was amended to comply with changes to the Manitoba Pension Benefits Act and Regulations.

Effective April 1, 2012, the Plan was amended to increase the rate of Member contributions and University contributions.

Effective June 23, 2012, the Plan was amended to eliminate the mandatory enrolment waiver for the President of the University.

Effective April 11, 2013 the Plan was amended to change the methodology for calculating pension increases to be based on a geometric four-year average return of the fund.

Effective June 6, 2013 the Plan was amended to replace several references to Service with Qualifying Service.

In 2015, the Plan was amended retroactively to May 31, 2010 for the interest rate credited on Additional Voluntary Contribution Accounts to comply with changes to the Manitoba Pension Benefits Act and Regulations.

Effective January 1, 2015, the Plan was amended to change the mandatory form of pension for a Member with an Eligible Spouse who is not eligible for a joint and survivor normal form pension to be the same as the normal form for a Member with an Eligible Spouse who is eligible for a joint and survivor normal form pension.

Effective January 1, 2018 the Plan was amended to permit a joint and survivor pension in pay to be paid as two separate pensions without joint and survivor benefits following relationship breakdown.

Effective January 1, 2019, the Plan was amended for several corrections and compliance with the Manitoba Pension Benefits Act and Regulations and Income Tax Act, and to provide an actuarial increase to deferred pensions that commence to be paid after the Normal Pension Commencement Date.

Effective January 28, 2023, the Plan was amended to provide Members with the option to cease making required contributions to the Plan and thereby stop accruing additional benefits after reaching the Normal Pension Commencement Date.

ARTICLE 1 - DEFINITIONS

The following words or phrases shall be as defined herein unless the context clearly indicates otherwise:

- 1.1 "Actuarial Equivalent" means having an equivalent value calculated on the actuarial basis recommended by the Actuary.
- 1.2 "Actuary" means a Fellow of the Canadian Institute of Actuaries or a firm employing one or more such persons, retained by the Pension Trustees to perform periodic valuations of the Plan and to provide such actuarial services as may from time to time be required.
- 1.3 "Additional Voluntary Contribution Account" means the account established and maintained for each Member who has made additional voluntary contributions or who has made a lump sum transfer in accordance with Section 3.4.
- 1.4 "Anniversary Date" means December 31.
- 1.5 "Basic Salary" means
 - (i) the amount of regular annual salary paid by the University exclusive of any administrative stipends, any allowances, any additional payments for evening, summer or special sessions, and any overtime payments,
 - (ii) for a Member on leave of absence, the amount of annual salary on which his contributions are based,
 - (iii) for a Member receiving benefits from the University's Long-Term Disability Plan, the annual rate of salary which would have been paid to the Member had he not been disabled and had he been employed in the same position that he occupied immediately prior to becoming disabled,
 - (iv) for a Member who is employed on a less than full-time basis, including one on an Amended Appointment, the total annual salary he would have received had he been employed on a full-time basis.
- 1.6 "Board" means the Board of Governors of Brandon University.
- 1.7 "Commuted Value" means the amount calculated on the date of termination of employment which is required to provide an immediate or deferred pension whichever is applicable. This amount shall be determined in accordance with accepted actuarial practice in Canada.
- 1.8 "Credited Service" means the period of Service during which the Member makes contributions to this Plan. In addition it shall include:

- (i) Service prior to April 1, 1974 for Full-Time Employees except unpaid leaves of absence during this period.
- (ii) Service while the Member is receiving benefits under the Long-Term Disability Plan of the University, and
- (iii) Service transferred to the Plan in accordance with the terms of a Reciprocal Transfer Agreement in accordance with Paragraph 3.8

For a Member who is employed on a less than full-time basis except for one on an Amended Appointment, Credited Service shall be calculated in the same proportion that the Member's actual time in respect of which contributions were made bears to that on which he would have contributed were he employed on a full-time basis.

For a Member, who has been employed by the University for at least 36 months, on an Amended Appointment, Credited Service shall be calculated as if he was employed on a full-time basis, subject to the limitations of paragraph 8507 of the Income Tax Regulations.

- 1.9 "Custodian" means one or more trust or insurance companies appointed by the Pension Trustees to take custody of the assets of the Plan.
- 1.10 "Effective Date" means April 1, 1974.
- 1.11 "Eligible Spouse" means a Spouse other than one who
 - (a) at January 1, 1984 was living separate and apart from the Member pursuant to a court order or written separation agreement, or
 - (b) after January 1, 1984 began living separate and apart from the Member and who has received or remains entitled to receive a payment in accordance with Paragraph 12.2.
- 1.12 "Employee" means a person employed by the University.
- 1.13 "Fund" means the fund established under the provisions of the Plan and the Trust Agreement.
- 1.14 "Insurer" means a life insurance company or any other entity licensed to transact life annuity business in Canada or in any of the provinces of Canada.
- 1.15 "Investment Committee" means the Committee, whose structure is described in the Trust Agreement and whose duties are described in that Agreement.
- 1.16 "Investment Manager" means one or more individuals and/or companies, appointed by the Investment Committee for the purpose of managing all or a portion of the investments of the Fund.

- 1.17 "Locked-in" means that the deferred pension to which a Member or the surviving spouse of a deceased Member is entitled on termination of employment or death of the Member may not be commuted for cash, in accordance with the Pension Benefits Act, other than for small pensions in accordance with Paragraph 10.8.
- 1.18 "Member" means a person who has joined the Plan in accordance with Article 2 and who remains entitled to any benefit under the Plan.
- 1.19 "Pension Benefits Act" means the Pension Benefits Act of the Province of Manitoba and shall include the Regulations thereunder.
- 1.20 "Pension Commission" means the Pension Commission of Manitoba.
- 1.21 "Pension Trustees" means the individuals for the time being appointed under the terms of the Trust Agreement and appearing as signatories thereto, and their duly appointed successors and whose duties are described in that Agreement.
- 1.22 "Pensioner" means a person receiving a pension from the Plan being a Member who has retired from the University or the surviving Spouse of such a Member who has since died and is in receipt of a survivor pension.
- 1.23 "Plan" means this Plan as adopted by the Board and as it may be amended from time to time which shall be named "The Brandon University Retirement Plan".
- 1.24 "Amended Appointment" means an appointment in which a Member carries a workload which is reduced by a factor not exceeding 50% for a period, under an agreement between the Member and the University.
- 1.25 "Regular Employee" means an Employee employed under a permanent appointment or under a term appointment where the term is not less than 12 months.
- 1.26 "Service" means the length of time a Member has been employed by the University including leaves of absence and periods of Temporary Interruption of Employment.
- 1.27 "Spouse" means the person who is married to the Member or
- (a) a person who, with the Member, registered a common-law relationship under section 13.1 of *The Vital Statistics Act*, or
 - (b) a person who, not being married to the Member, cohabited with him or her in a conjugal relationship
 - (i) for a period of at least three years, if either of them is married or
 - (ii) for a period of at least one year, if neither of them is married.

- 1.28 "Temporary/Casual Employee" means an Employee other than
- (i) a Regular Employee, or
 - (ii) an Employee who is a student on a substantially full-time basis, or
 - (iii) an Employee who is hired on a sessional basis and is already a member of a registered pension plan and accruing benefits as an active member in that plan on a substantially full-time basis.
- 1.29 "Temporary Interruption of Employment" means a period not exceeding 54 consecutive weeks during which a Member is not performing duties as an employee of the University, and after the expiry of which is again employed by the University. The period of 54 weeks shall include any leaves of absence authorized by the University or required by law, but shall exclude any period of time following the termination of employment of the Member or any period of time during which the Member is receiving benefits from the Long-Term Disability Plan of the University.
- 1.30 "Total Deferred Pension" means the annual amount of pension, commencing at his Normal Pension Commencement Date, to which a Member, whose employment with the University is terminated prior to retirement, is entitled, calculated on the basis of his Credited Service, Basic Salary and Year's Maximum Pensionable Earnings up to the date of termination in accordance with Article 7. This Total Deferred Pension is comprised of the sum of:
- (a) "Pre-1976 Deferred Pension" which means the deferred pension calculated using his Credited Service in the period up to June 30, 1976,
 - (b) "1976-1984 Deferred Pension" which means the deferred pension calculated using his Credited Service in the period from July 1, 1976 to December 31, 1984, and
 - (c) "Post-1984 Deferred Pension" which means the deferred pension calculated using his Credited Service in the period after January 1, 1985.

The term "Pre-1985 Deferred Pension" means the sum of (a) and (b).

- 1.31 "Total Required Contribution Account" means the account established and maintained for each Member who is making or has made required contributions. This Total Required Contribution Account is comprised of the sum of:
- (a) "Pre-1976 Required Contribution Account" which means that part of the Total Required Contribution Account in respect of his required contributions made prior to June 30, 1976,
 - (b) "1976-1984 Required Contribution Account" which means that part of the Total Required Contribution Account in respect of his required contributions made in the period from July 1, 1976 to December 31, 1984, and

- (c) "Post-1984 Required Contribution Account" which means that part of the Total Required Contribution Account in respect of his required contributions made in the period after January 1, 1985.

The term "Pre-1985 Required Contribution Account" means the sum of (a) and (b).

- 1.32 "Trust Agreement" means the Trust Agreement between the University and the Pension Trustees.
- 1.33 "University" means Brandon University or the Board of Governors thereof, as the context requires.
- 1.34 "Vesting" means the right to receive a deferred pension from the Plan.
- 1.35 "Year's Basic Exemption" means the amount from year to year defined as such under the Canada Pension Plan.
- 1.36 "Year's Maximum Pensionable Earnings" means the amount from year to year defined as such under the Canada Pension Plan.
- 1.37 "Qualifying Service" means the period of Service since the most recent date on which the Member joined the Plan, or for a re-employed Member who qualifies under Paragraph 10.11, the previous date of joining the Plan, but excluding any period during which contributions are not made to the Plan by the Member or on behalf of the Member. It shall include Service prior to April 1, 1974 except unpaid leaves of absence during this period. Qualifying Service shall not be reduced as a result of a transfer following marriage breakdown. Qualifying Service for a Member who transferred to the Plan under a Reciprocal Transfer Agreement includes the period of Service while a member of the previous employer's plan.
- 1.38 "Year's Maximum Contributory Earnings" means, for each year from 2005, the sum of:
 - (a) \$86,111 prior to 2009, or \$98,750 after 2008; and
 - (b) 30% of the Year's Maximum Pensionable Earnings for that year.

Reference to the male gender shall 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. Reference to a Paragraph or Article means a Paragraph or Article in this Plan unless otherwise stated. The headings in this Plan are for convenience of reference only and are not to be construed as part of the Plan.

ARTICLE 2 - ELIGIBILITY AND MEMBERSHIP

2.1 Eligibility

Each Regular Employee or Temporary/Casual Employee shall be eligible to join the Plan on the date his employment commences.

2.2 Membership for Regular Employees

Each Regular Employee shall join the Plan on the date he becomes eligible to join the Plan.

2.3 Membership for Temporary/Casual Employees

Each Temporary/Casual Employee may join the Plan on the date he becomes eligible to join the Plan.

Each Temporary/Casual Employee whose date of employment is on or after January 1, 1984 and whose actual salary in two consecutive numerical years is greater than or equal to 25% of the Year's Maximum Pensionable Earnings in those two years, shall join the Plan on the January 1 of the year following the second of these consecutive years.

2.4 Exception for Teachers

An Employee who, immediately prior to becoming employed by the University, was employed as a teacher as defined under the Teacher's Pension Act of Manitoba and who, under that Act, is entitled to elect to continue to be a teacher for the purposes of that Act during his employment with the University, and who makes such an election, shall not be required or permitted to join the Plan.

2.5 Deleted

2.6 Joining the Plan

On joining the Plan, an Employee shall complete and sign the form or forms prescribed for the purpose by the University and authorize deductions from his Basic Salary as required by the Plan.

2.7 Suspension of Membership

The University may from time to time make special arrangements for the suspension of participation in this Plan by Members on leave of absence without pay provided that such suspension shall not constitute termination of employment for the purposes of Article 10. The Credited Service of any Member shall not include any such period during which contributions are suspended.

2.8 Eligibility for Pensioners

A Member who has retired from the University and is in receipt of pension benefits from the Plan and has subsequently returned to work for the University is not eligible to join the Plan unless the Member agrees to the suspension of payment of pension benefits until subsequent termination of employment, or the end of the year in which he attains age 71 if earlier, or such other age as prescribed by the Income Tax Act.

For greater clarity, this paragraph does not apply with respect to a pension that is paid to a surviving spouse.

ARTICLE 3 - MEMBER CONTRIBUTIONS

3.1 Required Contributions

- (a) Except as provided in Paragraphs 3.4, 3.5, and 3.9, each full-time Member, unless he is receiving benefits from the Long-Term Disability Plan of the University, or has reached the Normal Pension Commencement Date and has made an election to under Paragraph 3.9, shall make required contributions to the Fund each year, by means of consecutive payroll deductions, so that the contributions in the year total the sum of the following:

Effective	% of Basic Salary up to the Year's Basic Exemption	% of Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings	% of Basic Salary which is in excess of the Year's Maximum Pensionable Earnings and less than the Year's Maximum Contributory Earnings
Up to March 31, 2009	7.0%	5.2%	7.0%
April 1, 2009	7.5%	5.7%	7.5%
April 1, 2012	8.0%	6.2%	8.0%

- (b) A Member employed on a less than full-time basis, other than one on an Amended Appointment, shall make required contributions as in (a) above but based on his actual salary rather than his Basic Salary. A Member on an Amended Appointment shall make required contributions as if he were employed on a full-time basis.
- (c) A Member who is receiving benefits from the Long-Term Disability Plan of the University shall not be required to contribute to the Plan, but such Disability Plan shall pay contributions to the Plan on behalf of the Member at the rates outlined in subparagraph 3.1(a).
- (d) "Required contributions made by a Member shall not exceed the limitations of paragraph 8503(4)(a) of the Income Tax Regulations.

3.2 Additional Voluntary Contributions

A Member is not permitted to make Additional Voluntary Contributions on or after January 1, 1992.

3.3 Lump Sum Transfers

A Member who participated in the registered pension plan of another employer may in accordance with section 147.3 of the Income Tax Act transfer to this Plan any amount to which he may have the unrestricted right to so transfer from such other plan, and such transfer shall vest immediately and be credited in total to the Additional Voluntary Contribution Account of such Member (and dealt with solely in accordance with the provisions of this Plan).

Provided however, that where the previous employer so requires, as a condition for making such a transfer of contributions, the Member may be required, upon subsequent termination of employment, to have such contributions applied for the purchase of a vested annuity benefit. Transferred contributions which are subject to such restriction shall be referred to as restricted additional voluntary contributions.

3.4 Leave of Absence with Pay

A Member on leave of absence with pay shall be required to continue his contributions in accordance with Paragraph 3.1 based on the Basic Salary that he would have been receiving from the University were he not on such leave of absence.

3.5 Leave of Absence without Pay

A Member on leave of absence without pay may elect to suspend his contributions in accordance with Paragraph 2.7, or, provided he has at least 3 years' Service, continue to make contributions, for a maximum period of five years, based on the Basic Salary that he would have been receiving from the University were he not on such leave of absence, but in this situation, he must also make the contributions on behalf of the University in accordance with Paragraph 4.1. 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 Credited Service under this Plan shall cease forthwith.

3.6 Return of Contributions

Contributions made by the Member which, if they remained in the Fund, would lead to revocation of registration of the Plan under the Income Tax Act, shall, subject to the approval of the Pension Commission, be returned to the Member.

3.7 Reciprocal Transfer Agreement

A Reciprocal Transfer Agreement is an agreement between this Plan and another registered pension plan in Canada under which an employee who ceases accruing benefits under one of the plans and commences accruing benefits under the other, may elect to have funds transferred from the original plan to the new plan and, as a consequence, shall have some or all of his or her pensionable service in the original plan count as pensionable service in the new plan.

Transfers to the Plan under a Reciprocal Transfer Agreement will be processed in accordance with the terms of that Agreement but in the event that such a transaction results in a Past Service Pension Adjustment (PSPA) which must be certified in accordance with the Income Tax Regulations, the University shall delay completion of the transfer until the PSPA has been so certified.

3.8 Past Service Contributions

A Member who transferred into the Plan under a Reciprocal Transfer Agreement and whose pensionable service in the previous employer's plan did not all count as Credited Service in the Plan, may make additional contributions to the Plan, subject to the annual amount of any such contributions not exceeding the maximum allowed by the Income Tax Act from time to time, so that some, or all, as determined by the Actuary, of the non-utilised service under the previous employer's plan will count as Credited Service in the Plan.

A Member, whose employment with the University has not ceased by reason of retirement or termination of employment, and who has employment service with the University prior to joining the Plan may elect to make additional contributions to the Plan, subject to the annual amount of any such contributions not exceeding the maximum allowed by the Income Tax Act, with respect to such pre-membership service. In that event, some, or all, as determined by the Actuary, of the pre-membership service will count as Credited Service under the Plan. If a Member elects to make additional contributions to the Plan in respect of such pre-membership service with the University:

- (a) the Member shall make all contributions to the Fund with respect to those periods,
- (b) the University is not required to make any contributions with respect to those periods.

Whether the Member purchases service or not, the Member will be responsible for any actuarial costs to provide the quotation of the amount of contribution required to purchase the service.

Where such a period of service is prior to 1990, the benefit which can be provided is limited to that provided by Income Tax Regulation 8504(6).

3.9 Suspension of Member Contributions after Normal Pension Commencement

A Member who is an Employee after their Normal Pension Commencement Date may elect to cease contributing to the Plan at the end of any pay period on or after their Normal Pension Commencement Date. Once an election is made and contributions are discontinued, a Member may not elect to resume contributions.

ARTICLE 4 - UNIVERSITY CONTRIBUTIONS

4.1 Regular Contributions

- (a) Except as provided in sub-paragraph (c), (d), (e), (f), and (g) of this Paragraph 4.1, the University shall make contributions to the Fund on behalf of each full-time Member, concurrent with the contributions made by the Member pursuant to Paragraph 3.1, of an amount equal to the sum in accordance with the following, which shall be made pursuant to a recommendation of an Actuary in accordance with subsection 147.2(2) of the Income Tax Act:

Effective	% of Basic Salary up to the Year's Basic Exemption	% of Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings	% of Basic Salary, if any, in excess of the Year's Maximum Pensionable Earnings
April 1, 1996	6.5%	4.7%	6.5%
April 1, 2002	7.0%	5.2%	7.0%
April 1, 2003	7.5%	5.7%	7.5%
April 1, 2012	8.0%	6.2%	8.0%

- (b) For a part-time Member, other than one on an Amended Appointment, the University shall contribute as in (a) above but based on his actual salary rather than his Basic Salary. For a Member on an Amended Appointment, the University shall contribute as if he were employed on a full-time basis.
- (c) For a Member who is receiving benefits from the Long-Term Disability Plan of the University, the University shall contribute in accordance with sub-paragraph 4.1(a).
- (d) While a Member is on leave of absence with pay, the University shall contribute as in (a) above, but based on the Basic Salary that he would have been receiving from the University were he not on such leave of absence.
- (e) While a Member is on leave of absence without pay, the University shall not make contributions in respect of that Member.
- (f) In addition to contribution obligations as provided in sub-paragraphs (a), (b), (c), (d), and (e), the University shall make contributions to the Fund in an amount equal to the normal actuarial cost of current service in respect of plan changes implemented effective November 10, 2008 and April 1, 2009, as determined by the Actuary in an actuarial valuation prepared in compliance with the Pension Benefits Act. In

determining the actuarial cost of current service in respect of the plan changes implemented effective November 10, 2008 and April 1, 2009, the Actuary shall:

- (i) include the increase in cost related to the change in the normal form of pension for a Member with an Eligible Spouse at retirement implemented by amending Paragraph 8.1 effective November 10, 2008,
 - (ii) include the increase in cost related to the increase in the Defined Benefit Limit as defined in Paragraph 7.4 from \$1,722.22 to \$1,975.00 for Members whose employment terminates at any time after March 31, 2009,
 - (iii) take into account the effect of the amendment to increase the Year's Maximum Contributory Earnings made effective April 1, 2009, and
 - (iv) disregard the effect of the amendment effective April 1, 2009 to increase Member contributions under sub-paragraph 3.1(a).
- (g) For a Member that has made an election under Paragraph 3.9, the University shall not make contributions in respect of that Member.

4.2 Additional Contributions

In addition to the contributions specified in Paragraph 4.1, the University shall make such additional contributions as may be necessary to satisfy funding obligations arising from a collective bargaining agreement or the Pension Benefits Act. Any such additional contributions shall not exceed the amount permissible as an eligible contribution under subsection 147.2(2) of the Income Tax Act.

- (a) Collective Bargaining November 2008 – The University shall make additional contributions with a total value as at December 31, 2007 of \$5,107,000 (“initial amount”), to be funded at a rate not less than a stipulated percentage of Basic Salary for members who joined the Plan prior to January 1, 2008. The stipulated percentage is 1.15% effective November 10, 2008, increasing to 2.25% effective April 1, 2009. The University may make additional contributions in excess of the amount determined by the stipulated percentage. Any contribution made by the University in excess of the University's portion of the normal actuarial cost of current service as calculated by the Actuary may be applied to reduce the additional contributions that would otherwise be required based on the stipulated percentage. The Actuary shall determine the outstanding balance of the initial amount at each full valuation of the Plan, increased with interest at the actuarial interest rate used to determine the initial amount, and decreased for additional contributions made towards the balance. Additional contributions under this provision shall cease when the outstanding balance is reduced to zero.
- (b) Pension Benefits Act - In the event that the minimum University funding requirements exceed the contributions stipulated in accordance with Paragraphs 4.1 and 4.2(a) as a result of an actuarial valuation, the University shall make additional contributions to satisfy those requirements.

4.3 Return of Contributions

Contributions made by the University, which, if they remained in the Fund, would lead to revocation of registration of the Plan under the Income Tax Act, shall, subject to the approval of the Pension Commission, be returned to the University.

ARTICLE 5 - INTEREST

5.1 Interest Rate on Contribution Accounts

The interest rate to be credited to the Contribution Accounts other than the Additional Voluntary Contribution Account shall be equal to the average of the yields of the 5-year personal fixed term chartered bank deposit rate (CANSIM Series B-14045).

The interest rate to be credited to the Additional Voluntary Contribution Account shall be equal to the investment return on the Fund net of all expenses paid from the Fund. For the purpose of Section 5.3 the net investment return on the Fund to be credited to the Additional Voluntary Contribution Account shall be determined up to the end of the month preceding the month of payment.

5.2 Determination of Contribution Accounts on Anniversary Dates

On each Anniversary Date, each Member's Total Required Contribution Account and his Additional Voluntary Contribution Account, if any, shall be increased from their value at the previous Anniversary Date by the sum of:

- (a) interest on the amount in each Account at the previous Anniversary Date at the rate specified in Paragraph 5.1 for the year since the previous Anniversary Date,
- (b) contributions made to each Account since the previous Anniversary Date, and
- (c) interest on the contributions made to each Account since the previous Anniversary Date at one-half of the rate specified in Paragraph 5.1 for the year since the previous Anniversary Date.

5.3 Determination of Contribution Accounts at other times

Where a determination of the value of a Contribution Account is required at other than an Anniversary Date, the Member's Total Required Contribution Account and his Additional Voluntary Contribution Account, if any, shall be increased from their value at the previous Anniversary Date by the sum of:

- (a) interest on the amount in each Account at the previous Anniversary Date at the rate specified in Paragraph 5.1 for the part of the year since the previous Anniversary Date,
- (b) contributions made to each Account since the previous Anniversary Date, and
- (c) interest on the contributions made to each Account since the previous Anniversary Date at one-half of the rate specified in Paragraph 5.1 for the part of the year since the previous Anniversary Date.

ARTICLE 6 - PENSION COMMENCEMENT

6.1 Normal Pension Commencement Date

The Normal Pension Commencement Date of a Member shall be the first of the month coincident with or next following the Member's 65th birthday.

6.2 Early Pension Commencement Date

- (a) A Member may elect to retire and commence receiving pension payments on the first day of any month after attaining age 55.
- (b) For a Member whose pension commences prior to April 1, 1996, the following provisions shall apply:
 - (i) If the Member has completed less than 15 years of Qualifying Service, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by 1/3% for each month by which his actual pension commencement date precedes his Normal Pension Commencement Date.
 - (ii) If the Member has completed 15 years of Qualifying Service and is age 60 or more, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by 1/6% for each month by which his actual pension commencement date precedes his Normal Pension Commencement Date.
 - (iii) If the Member has completed 15 years of Qualifying Service and is less than age 60, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by the sum of 10% and 1/2% for each month by which his actual pension commencement date precedes the first of the month following his 60th birthday.
- (c) For a Member whose pension commences on or after April 1, 1996, the following provisions shall apply:
 - (i) If the Member's age plus Qualifying Service equals at least 85 and the Member is at least age 60, the early commencement pension shall be calculated in accordance with Paragraph 7.1.
 - (ii) If the Member has not satisfied the conditions in Paragraph 6.2(c)(i) above, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by 1/3% for each month by which the actual commencement date precedes the date on which the Member would first have satisfied the provisions in Paragraph 6.2(c)(i) had employment with the University continued.

- (d) In the event that a Member whose pension commences on or after April 1, 1996 is entitled to a higher pension under the provisions in Paragraph 6.2(b) than those of Paragraph 6.2(c), the provisions of Paragraph 6.2(b) shall apply.

6.3 Late Pension Commencement Date

A Member who continues in employment after his Normal Pension Commencement Date shall defer receipt of the pension until actual retirement date or the end of the calendar year in which the Member attains age 71, if earlier. The pension shall be calculated in accordance with Paragraph 7.6. If the Member has not made an election under Paragraph 3.9 to stop contributing, the Member shall continue making contributions to the Plan.

ARTICLE 7 - CALCULATION OF PENSION

7.1 Basic Pension

Subject to 7.4, the annual pension payable to a Member who retires on or after his Normal Pension Commencement date shall be equal to

- (a) if he or she retires on or after January 1, 1999,
 - (i) 2% of Final Average Earnings multiplied by years of Credited Service, LESS
 - (ii) 0.6% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1990, or
- (b) if he or she retired prior to January 1, 1999,
 - (i) 2% of Final Average Earnings multiplied by years of Credited Service, LESS
 - (ii) 0.6% of Canadian Pension Plan Average Earnings multiplied by years of Credited Service since January 1, 1966.

The pension payments for a Member who retired prior to January 1, 1999 shall be increased effective on that date so that the pension after the increase will be equal to that which it would have been at the date of retirement had paragraph (a) applied at that date, increased by all supplementary increases made since the date of retirement.

For the purpose of this Paragraph 7.1

"Final Average Earnings" means the annual average of the Member's Basic Salary in the 60 months of Service when such Basic Salary was highest during the 12 years prior to the date of death, retirement or termination of employment.

"Canada Pension Plan Average Earnings" means the annual average of that part of the Member's Basic Salary in the same 60 months as were used to calculate "Final Average Earnings" which is less than the Year's Maximum Pensionable Earnings during those months.

Where a member has made an election to stop contributing under Paragraph 3.9 and the contribution stop date is a date other than a calendar year-end, the Final Average Earnings and Canada Pension Plan Average Earnings would be calculated using prorated earnings and service for the last calendar year in which contributions were made.

7.2 Minimum Pension for Service after January 1, 1985 (50% Rule)

As required under the Pension Benefits Act, if the Post-1984 Required Contribution Account is greater than 50% of the Commuted Value of the Basic Pension in respect of Credited Service after January 1, 1985 and for periods where contributions were made, the Member may, on retirement, elect to:

- (i) receive a refund of the excess, or
- (ii) apply the excess to increase the Basic Pension.

7.3 Supplementary Pension

- (a) If, in 1990 or any subsequent calendar year prior to 2012, the net investment return on the Fund, as determined by the Actuary using smoothed asset values, exceeds 6.0% per annum, each Pensioner who was receiving a pension at the end of that year, including a Pensioner whose pension has been purchased from an Insurer, shall be entitled to receive an increase in such pension effective from July 1 in the following calendar year.

If, in 2012 or any subsequent calendar year, the average net investment return on the Fund, or if a portion of the Fund is allocated to support Pensioner liabilities the average net investment return on that portion of the Fund, exceeds 6.0% per annum, each Pensioner who was receiving a pension at the end of that year, including a Pensioner whose pension has been purchased from an Insurer prior to 1990, shall be entitled to receive an increase in such pension effective from July 1 in the following calendar year. The average net investment return on the Fund or allocated portion of the Fund, as the case may be, for this purpose shall be calculated by the Actuary based on the geometric average of the net investment return for the current year and the corresponding net investment return for a number of preceding years, where the number of preceding years is determined in accordance with administrative policy as adopted by the Pension Trustees from time to time.”

- (b) For a Pensioner who was receiving a pension at the start of the calendar year, the increase shall consist of a percentage increase in the pension, which percentage shall be equal to the lesser of
 - (i) the excess of the average net investment return over 6.0% (the "excess interest" increase), and
 - (ii) the increase in the Consumer Price Index (Canada) over the 12 month period ending in December of the calendar year (the "CPI" increase).
- (c) For a Pensioner who commenced receiving the pension during the calendar year, the increase shall be the same proportion of the increase determined in accordance with (b) above, as the number of months during which the Pensioner received the pension

in the calendar year bears to 12.

- (d) For the purpose of this Section 7.3, a “Pensioner” includes a Member who commenced a pension in accordance with Section 6 and a surviving Eligible Spouse of a Member who commenced a pension in accordance with Section 6 on a survivor pension basis.
- (e) If, in a calendar year, the "excess interest" increase is less than the "CPI" increase, but in a subsequent calendar year, the "excess interest" increase is greater than, and hence limited by, the "CPI" increase, the University may, on the recommendation of the Pension Trustees, provide that the unused excess interest in that subsequent year be used to enhance the increase for that year for those who were affected by the limitation in a previous year in order to make up part or all of the shortfall in that previous year.

7.4 **Maximum Pension**

The maximum annual pension at retirement, termination of employment or termination of the Plan, including any retirement income payable under any other registered pension plan of the University but excluding the portion of the annual retirement income derived from the Member's Additional Voluntary Contribution Account shall not exceed the lesser of:

- (i) the Defined Benefit Limit times the number of years of Credited Service, or
- (ii) an amount that is the product of 2% per year of Credited Service and the average of the best three non-overlapping 12 month periods of Basic Salary paid to the Member by the University.

In the above calculation, Credited Service prior to December 31, 1991 shall be limited to 35 years. For the purpose of this Paragraph 7.4, “Defined Benefit Limit” shall mean \$1,722.22 for Members whose employment terminates at any time prior to April 1, 2009 and \$1,975.00 for Members whose employment terminates at any time after March 31, 2009.

7.5 **Suspension of Pension on Re-employment**

Where a Member elects to suspend pension payments in accordance with Paragraph 2.8, on the re-commencement of the pension, the Member will receive two separate pensions in accordance with paragraphs (a) and (b)

- (a) the recalculated pension applicable to the period of employment that preceded the initial pension commencement date (the “Initial Employment Period”), shall be calculated as follows:
 - (i) If the retired Member’s initial pension commencement date occurred before the Normal Pension Commencement Date and before meeting the criteria for an unreduced early retirement pension provided by Paragraph 6.2, the amount of pension to which the retired Member would have been entitled, under the terms of

the Plan as it read on the initial pension commencement date, had the retired member retired

- A. At the Assumed Age and
- B. After having worked the Initial Employment Period

The Assumed Age for the purpose of this paragraph (a)(i) is the age of the retired member at the subsequent pension commencement date less the period of time the member was in receipt of a pension determined based on a prior period of plan membership following the initial pension commencement (“Subsequent Employment Period”);

- (ii) If the retired member’s initial pension commencement date occurred before the Normal Pension Commencement Date and at or after meeting the criteria for an unreduced early retirement pension provided by Paragraph 6.2, the amount of pension that was payable at the initial pension commencement date;
 - (iii) If the retired member’s initial pension commencement date occurred at or after the Normal Pension Commencement Date, the amount of pension that was payable at the initial pension commencement date;
 - (iv) If the date of re-commencement of the pension is after the Normal Pension Commencement Date, the pensions under (a)(i) and (a)(ii) are increased to be the actuarial equivalent of the pension as if it would have been payable at the Normal Pension Commencement Date, and the pension under (a)(iii) is increased to be the actuarial equivalent of the pension as if it would have been payable at the date the pension was suspended. For greater clarity, an actuarial increase is applied to any period during which the pension is suspended after the Normal Pension Commencement Date.
 - (v) Any remaining guarantee period at the time of re-employment is paused during the Subsequent Employment Period so that the total number of guaranteed payments is preserved.
- (b) the pension for the Subsequent Employment Period is determined according to the plan terms for the period of employment without regard to the Initial Employment Period.

7.6 Pension Amount at Late Pension Commencement Date

The pension for a Member who retires at his Late Pension Commencement Date shall be calculated in accordance with Paragraph 7.1, including earnings and service after his Normal Pension Commencement Date up to the earlier of the Late Pension Commencement Date and the effective date of an election to stop contributing under Paragraph 3.9.

Notwithstanding the above, if a Member retires from active employment after May 31, 2010, on his Late Pension Commencement Date, the pension is the greater of:

- (a) The pension calculated in accordance with Paragraph 7.1 at the Member's actual pension commencement date, including earnings and service after his Normal Pension Commencement Date up to the earlier of the Late Pension Commencement Date and the effective date of an election to stop contributing under Paragraph 3.9;
- (b) The actuarial equivalent of the pension calculated in accordance with Paragraph 7.1 that would have been payable if the Member had retired at his Normal Pension Commencement Date; and
- (c) The actuarial equivalent of the pension calculated in accordance with Paragraph 7.1 that would have been payable if the Member had retired on the effective date of their election to stop contributing under Paragraph 3.9.

ARTICLE 8 - FORM OF PENSION

8.1 Normal Form

The pension shall be payable commencing on the first day of the month coincident with or next following the Member's retirement date and continuing on the first day of each month thereafter during the lifetime of the Member.

- (a) Where the Member who has an Eligible Spouse at retirement and who has made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 dies after commencement of pension payment, payments shall continue for the lifetime of that Eligible Spouse, if living, at 66 2/3% of the pension payable to the Member.
- (b) Where the Member who does not have an Eligible Spouse at retirement or who has an Eligible Spouse and has not made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 dies after the commencement of pension payment but before 60 monthly payments have been made, payments shall continue to his Beneficiary or, if there was no Beneficiary, to his estate until 60 monthly payments have been made

8.2 Mandatory Survivor Pension

A Member with an Eligible Spouse who has not made contributions in accordance with Paragraph 3.1 at any time after November 9, 2008 and therefore is not eligible for a joint and survivor normal form pension described in Paragraph 8.1(a) must elect to receive a pension which provides at least 66 2/3% of the initial level of pension continues to the survivor after the death of the Member. The amount of such pension shall be the Actuarial Equivalent of the pension in the normal form.

Such mandatory survivor pension may only be waived where a form, the wording of which has been approved by the Pension Commission, containing a statement that the Spouse of the Member is aware of the right to the survivor pension and elects to waive that right, is signed by the Spouse in the absence of the Member and by the Member in the absence of the Spouse and, in each case, in the presence of an independent witness.

8.3 Optional Form

A Member may elect to receive his pension in a form other than that described above. The amount of such alternate form shall be the Actuarial Equivalent of the pension in the normal form. The alternate forms are as follows:

- (a) For a Member with a normal form of pension in accordance with Paragraph 8.1(b), a

pension payable during the Member's lifetime without a guaranteed period or with a guaranteed period, which may be any whole number of years to a maximum of 15.

- (b) For a Member with an Eligible Spouse at retirement – a pension payable during the Member's lifetime and thereafter to that Eligible Spouse, if living, at a rate equal to or less than the initial level of pension, but in any event not less than 66 2/3 % for a Member with a normal form of pension in accordance with Paragraph 8.1(a).
- (c) For a Member who retires prior to the Normal Pension Commencement Date - a pension payable at a higher level until age 65 and at a lower level thereafter so as to provide, as nearly as possible, a level income for the lifetime of the Member from the combined sources of the Plan, Old Age Security and Canada Pension Plan.
- (d) Any other form consistent with applicable legislation and the administrative rules of Revenue Canada, Taxation.

ARTICLE 9 - DEATH BENEFITS

9.1 **Death prior to Pension Commencement**

For a Member who dies prior to commencing to receive a pension, the death benefit shall be equal to the Commuted Value of his Total Deferred Pension, adjusted, if necessary, in accordance with Paragraph 10.7. In no event shall the Commuted Value of the Pre-1985 Deferred Pension be less than the Member's Pre-1985 Required Contribution Account.

For a Member with an Eligible Spouse who dies before commencing to receive a pension, the spouse may elect to receive the death benefit in the form of a monthly pension that is actuarially equivalent to the pension the Member would have received had he retired immediately prior to his death.

For greater certainty, the Commuted Value of the Eligible Spouse's pension shall be equal to the Commuted Value of the pension the Member would have received had he retired immediately prior to his death.

The pension payable to the Eligible Spouse must commence to be paid no later than December 1 of the calendar year in which the Spouse attains age 71 or such other age as may be permitted under the Income Tax Act (or within one year after the Member's death, if later).

9.2 **Deleted by Amendment 11/01**

9.3 **Death After Retirement**

For a Member who dies after his retirement date, the benefit shall be in accordance with the form of pension elected by the Member under Article 8.

9.4 **To Whom Payable**

Any benefits payable on or after the death of a Member shall be payable to his Eligible Spouse. If there is no Eligible Spouse or if the Member and Eligible Spouse were living separate and apart by reason of relationship breakdown or the Eligible Spouse has waived his right to the pre-retirement death benefit, the benefits shall be payable in a lump sum to the Member's beneficiary or estate. Notwithstanding the foregoing, where a Member is entitled to a benefit under Paragraph 9.1(i) and has designated a beneficiary other than his Eligible Spouse for this benefit, the benefit under this sub-paragraph shall be paid to such beneficiary.

9.5 **Alternate Form of Benefit to Eligible Spouse**

The Eligible Spouse may elect to transfer the death benefit determined in accordance with Paragraph 9.1 to a Locked-In Retirement Account or Life Income Fund. Notwithstanding the foregoing, a cash payment is permitted or required in accordance with Paragraph 10.8.

9.6 Designation of Beneficiary

A Member may, by completion of a form signed by him and filed with the University, designate a beneficiary or beneficiaries to receive a death benefit under the Plan. A Member, who has made a designation in accordance with the foregoing, may from time to time alter or revoke the designation by filing with the University such alteration or revocation in writing on a form prescribed by the University for that purpose. Where a Member acquires an Eligible Spouse, any previous beneficiary designation shall be automatically revoked in favour of the Eligible Spouse unless he specifically indicates to the University, on the form provided, that he wishes to retain the beneficiary for benefits in accordance with Paragraph 9.1(i).

9.7 Recipient if no Eligible Spouse or Beneficiary

If there is no Eligible Spouse or beneficiary, any death benefit shall be payable to the Member's estate.

9.8 Commutation of Outstanding Guarantee

If after the death of a Pensioner, a series of payments is payable to his beneficiary, where that person is not his Eligible Spouse, or to his estate, such payments shall be commuted to an equivalent lump sum and paid to the beneficiary or estate.

ARTICLE 10 - BENEFITS ON TERMINATION OF EMPLOYMENT

10.1 Immediate Vesting

A Member whose employment with the University terminates other than by death or retirement, shall be entitled to receive his Total Deferred Pension payable from his Normal Pension Commencement Date.

10.2 Adjustments to deferred pension

- (a) If, in 1990 or any subsequent calendar year prior to 2012, the net investment return on the Fund, as determined by the Actuary using smoothed asset values, exceeds 6.0% per annum, each Member who had terminated prior to the end of that year and elected a deferred pension, shall be entitled to an increase in such pension effective from July 1 in the following year.
- (b) If, in 2012 or any subsequent calendar, the average net investment return on the Fund, or if a portion of the Fund is allocated to support deferred pension liabilities the average net investment return on that portion of the Fund, exceeds 6.0% per annum, each Member who had terminated prior to the end of that year and elected a deferred pension, shall be entitled to an increase in such pension effective from July 1 in the following year. The average net investment return on the Fund or allocated portion of the Fund, as the case may be, for this purpose shall be calculated by the Actuary based on the geometric average of the net investment return for the current year and the corresponding net investment return on the Fund for a number of preceding years, where the number of preceding years is determined in accordance with administrative policy as adopted by the Pension Trustees from time to time.
- (c) For a Member who had terminated prior to the start of the calendar year, the increase in the deferred pension shall consist of a percentage increase in the pension, which percentage shall be equal to the lesser of
 - (i) the excess of the average net investment return over 6.0% (the "excess interest" increase), and
 - (ii) the increase in the Consumer Price Index (Canada) over the 12 month period ending in December of the calendar year (the "CPI" increase).
- (d) For a Member who had terminated during the calendar year, the increase in the deferred pension shall be the same proportion of the increase determined in accordance with (b) above, as the number of full calendar months in the year of termination following the termination date bears to 12.

- (e) If, in a calendar year, the "excess interest" increase is less than the "CPI" increase, but in a subsequent calendar year, the "excess interest" increase is greater than, and hence limited by, the "CPI" increase, the University may, on the recommendation of the Pension Trustees, provide that the unused excess interest in that subsequent year be used to enhance the increase for that year for those who were affected by the limitation in a previous year in order to make up part or all of the shortfall in that previous year.
- (f) If a Member dies prior to pension commencement, and the date of death of the Member was at least one year before the start of the current calendar year, and the Eligible Spouse of the deceased Member has elected to receive a deferred pension in accordance with paragraph 9.1, the increase in the deferred pension shall be at the same rate as determined in accordance with Paragraph 7.3(b).
- (g) If a Member dies prior to pension commencement, and the date of death of the Member was within the calendar year immediately preceding the current calendar year, and the Eligible Spouse of the deceased Member has elected to receive a deferred pension in accordance with paragraph 9.1, the increase in the deferred pension shall be at the same rate as determined in accordance with Paragraph 7.3(c).

10.3 Members with less than 2 years of Service

In lieu of his Total Deferred Pension, a Member whose employment with the University terminated prior to May 31, 2010 and who has not completed 2 years of Service shall be entitled to receive a refund of his Total Required Contribution Account.

10.4 Members with more than 2 years of Service who are not 45 and 10

A Member whose employment with the University terminated prior to May 31, 2010 who has completed 2 years of Service but who has not both attained age 45 and completed 10 years of Service may, in lieu of his Pre-1985 Deferred Pension, elect to receive a refund of his Pre-1985 Required Contribution Account. In any event, his Post-1984 Deferred Pension must remain Locked-In.

10.5 Members who are 45 and 10

A Member who has both attained age 45 and completed 10 years of Service may, in lieu of his Pre-1976 Deferred Pension, elect to receive a refund of his Pre-1976 Required Contribution Account. He may also elect to receive a refund of 25% of the Commuted Value of his 1976-1984 Deferred Pension. In any event, 75% of his 1976-1984 Deferred Pension and 100% of his Post-1984 Deferred Pension must remain Locked-in.

10.6 Minimum Deferred Pension for Pre-1985 Service

The Pre-1985 Deferred Pension shall be increased, if necessary, so that its Commuted Value is equal to the Pre-1985 Required Contribution Account.

10.7 Minimum Deferred Pension for Post-1984 Service (50% Rule)

As required under the Pension Benefits Act, if the Post-1984 Required Contribution Account is greater than 50% of the Commuted Value of the Post-1984 Deferred Pension, the Member may on termination of employment elect to:

- (i) receive a refund of the excess, or
- (ii) apply the excess to increase the Post-1984 Deferred Pension.

10.8 Commutation

- (a) Where the earlier of the date of termination of employment and the date of death of the Member occurred prior to January 1, 1998, a refund of the Commuted Value of Locked-In deferred pensions is permitted if the annual amount of pension payable to the Member at Normal Pension Commencement Date, or the Commuted Value of that pension, is less than \$1,432.
- (b) Where the earlier of the date of termination of employment and the date of death of the Member occurred on or after January 1, 1998, a refund of the Commuted Value of Locked-In pension is required if the annual amount of pension payable to the Member at Normal Pension Commencement Date is less than 4% of the Year's Maximum Pensionable Earnings in the year of termination of employment or death, or the Commuted Value of that pension is less than 20% of the Year's Maximum Pensionable Earnings in the year of termination of employment or death.

10.9 Portability

A Member entitled to a deferred pension under this Article 10 and who is not yet entitled to commence payment of such pension in accordance with Paragraph 10.12 may elect to transfer the Commuted Value of such a pension to the pension plan of his new employer, if that plan so permits, or to a Locked-In Retirement Account approved in accordance with the Pension Benefits Act. That part of the deferred pension which is *not* Locked-In may be transferred to a registered retirement savings plan.

10.10 Deleted by Amendment 11/01

10.11 Re-employment

A Member, whose employment with the University terminates and who is subsequently re-employed by the University within five years of his termination date and again joins the Plan, shall be entitled to a pension based on all his years of Credited Service provided that on his initial termination he did not receive any refund in accordance with this Article 10.

10.12 Early Commencement of Deferred Pension

The Deferred Pension may commence at any time after age 55. If the terminated Member

had less than 15 years of Qualifying Service, the Deferred Pension shall be reduced in accordance with the provisions of Paragraph 6.2(b)(i).

If the terminated Member had 15 years of Qualifying Service or more, the Deferred Pension shall be reduced in accordance with Paragraph 6.2(c) but if that results in a greater reduction than that provided by the application of Paragraph 6.2(b)(ii) or (iii), whichever is applicable, the latter reduction shall apply.

10.13 Late Commencement of Deferred Pension

If the Deferred Pension commences after the Member's Normal Pension Commencement Date, the pension payable shall be the Actuarial Equivalent of the Deferred Pension that would have been payable if the Member had commenced his pension at his Normal Pension Commencement Date.

10.14 Unlocking for Non-Residents

Notwithstanding anything in the Plan to the contrary, a Member who is entitled to a deferred pension under this Article 10 and who is or becomes a non-resident of Canada is permitted to make a lump sum withdrawal of the Commuted Value of such pension subject to the provisions of Applicable Legislation.

ARTICLE 11 - INVESTMENT OF FUNDS

11.1 Investment Management

The assets of the Fund shall be invested and re-invested by the Custodian under the direction of the Investment Manager and only in securities which conform with the Pension Benefits Act and the Income Tax Act (Canada).

11.2 Investment Custody

The assets of the Fund shall be held by the Custodian.

11.3 Payment of Contributions

The University shall pay into the Fund contributions deducted from Member's remuneration under Paragraph 3.1 within 30 days after the end of the month in which such contributions were deducted. The University shall pay into the Fund its contributions under Paragraphs 4.1 and 4.2 within 30 days after the end of the period for which they are payable.

ARTICLE 12 - ASSIGNMENT OF BENEFITS

12.1 Prohibition of Assignment

Except as provided in Paragraphs 12.2, 12.5 and 12.6, no right of a person under the Plan is capable of being assigned, charged, anticipated, given as security or surrendered, and is exempt from execution, seizure or attachment, and any transaction purporting to assign, charge, anticipate or give as security such moneys is void.

12.2 Exceptions for Marriage Break-up

- (a) Notwithstanding Paragraph 12.1, on marriage break-up per decree, order or judgement of competent tribunal or a written agreement, the Eligible Spouse's share of the value of the benefits as specified in the Pension Benefits Act shall be transferred out of the Fund to an alternative investment vehicle in accordance with such Act unless the parties agree to waive the mandatory pension split as described in Paragraph 12.5.
- (b) Notwithstanding Paragraph 12.2(a), where a marriage break-up occurs after the pension has commenced to be paid, the pension amount will be divided as specified in the Pension Benefits Act. The parties may agree in writing to have the pensions paid as two separate pensions without joint and survivor benefits; one to the Member, and the other to the former Spouse. The same remaining guarantee period, if any, must apply to the two separate pensions after division. The two separate pensions must be Actuarial Equivalent to the pension at the date of marriage break-up.

If the parties do not agree in writing to have the pensions paid as two separate pensions, the form of payment must not be changed.

12.3 Adjustment to benefits after Marriage Break-up

Following such a transfer pursuant to Paragraph 12.2(a), an adjustment calculated by the Actuary shall be made to the Member's Credited Service and Total Required Contribution Account such that the value of the benefits remaining after the transfer plus the amount transferred is equal to the value of the benefits prior to the transfer.

12.4 Exception to Credit Splitting on Marriage Break-up

Paragraph 12.2 does not apply where both spouses, after each has received

- (i) independent legal advice.

- (ii) a statement from the administrator of the pension plan showing the commuted value of the pension benefit credit in the pension plan, or the amount of the payments under the pension plan, to which each would be entitled in accordance with Paragraph 12.2

enter into a written agreement with each other to the effect that the pension benefit credit or the pension payments, as the case may be, shall not be divided between them, and the agreement shall otherwise be in accordance with the Pension Benefits Act.

12.5 Exception for Garnishment for purposes of Maintenance Enforcement

Notwithstanding Paragraph 12.1, when, after December 31, 1995, the University is served with a garnishing order obtained under Section 14.1 of the Garnishment Act of Manitoba against a Member, the Member is entitled, for the purposes of satisfying the garnishing order and associated costs and taxes, to receive the lesser of

- (a) the Commuted Value of the Member's termination benefit determined in accordance with Article 10 assuming that the Member had terminated employment at the date of the garnishing order, less any amount to which a Spouse remains entitled in accordance with Paragraph 12.2, and
- (b) the amount specified in the garnishing order plus associated costs and taxes.

Following the payment of such an amount, the Member's benefits shall be adjusted in a manner consistent with that described in Paragraph 12.3.

ARTICLE 13 - MISCELLANEOUS

13.1 **Booklet**

On or before the date that an Employee is eligible or required to become a Member of the Plan, he shall be furnished by the University with a booklet, approved by the Pension Trustees, explaining his status, rights and privileges under the Plan.

13.2 **Annual Statement**

Each Member shall be entitled to an annual statement in a form prescribed by the University and containing the information specified in the Pension Benefits Act.

13.3 **Legislative Requirements**

This Plan shall be administered and construed in accordance with the laws of the Province of Manitoba and the rules and regulations of the Income Tax Act (Canada).

13.4 **Proof of Death**

Payment arising or conditional upon the death of any Member, Eligible Spouse, beneficiary or joint annuitant or upon the continued life of a Member, retired Member, Eligible Spouse, beneficiary or joint annuitant or upon the happening of any other event or contingency upon which a payment becomes payable, shall be made by the University on satisfactory proof of such death or from time to time of such continued life or the happening of such event or contingency as the case may be.

13.5 **Proof of Age**

Proof of the Member's age and of the age of any person who may be designated a joint annuitant shall be provided to the University prior to the commencement of pension payments.

13.6 **Primary Purpose**

The primary purpose of the Plan is to provide monthly payments to the Members after retirement and until death in respect of their Service as Employees.

ARTICLE 14 - AMENDMENT AND TERMINATION OF THE PLAN

14.1 Amendment

The University may at any time supplement, modify or amend this Plan, provided that no such supplementation, modification or amendment of the Plan shall adversely affect the entitlement of any Member accrued prior to the effective date of such amendment other than an amendment required in order to avoid revocation of registration of the Plan under the Income Tax Act which amendment has been approved by the Pension Commission. The University shall amend this Plan in any other respect which may be required in order to meet the requirements of the Pension Benefits Act and the Income Tax Act (Canada) in order to maintain the Plan as a registered pension plan under the provisions of such Acts or of any other statute applicable to this Plan.

14.2 Termination

- (a) The University expects to continue the Plan indefinitely but, as future conditions cannot be foreseen, the University reserves the right to terminate the Plan at any time. At no time, however, may any part of the contributions made by the Members or the University be used for purposes other than those provided for in the Plan.
- (b) Prior to the termination of the Plan, the University shall notify The Pension Commission in writing of the date of termination and the Plan shall not be terminated as of a date prior to the date of notification.
- (c) If the plan is terminated, the assets of the Plan shall be applied or allocated so as to provide, in order of priority,
 - (i) for benefit equal to the value of employee required contributions and voluntary contributions, if any,
 - (ii) for accrued current service benefits; and
 - (iii) for other benefits provided by an amendment to the Plan made after the qualification date or by the creation of a plan after the qualification date in respect of service prior to such amendment or creation.

Within these levels of priority, the assets shall first be applied or allocated to provide for the benefits of Pensioners and for those benefits of other Members which are vested.

- (d) Any balance remaining after the distributions specified in sub-paragraph (c), above shall be paid to the University.

(e) Notwithstanding the foregoing, any method of distribution of assets on the termination of the Plan shall be subject to the approval of the Pension Commission.

**ARTICLE 15 - BENEFITS PAYABLE IN RESPECT OF
VOLUNTARY CONTRIBUTIONS**

15.1 At Pension Commencement

On the commencement of his pension a Member may receive his Additional Voluntary Contribution Account

- (a) in a lump sum, or
- (b) as a pension in any of the forms indicated in Article 8 by the purchase of an annuity from an Insurer, or
- (c) as an increase to the Basic Pension under Paragraph 7.1, or
- (d) any combination of (a) or (b).

Alternatively, he may leave them in the Fund to be paid at a later date, which must be prior to the end of the calendar year in which the Member attains age 71, or such other age as prescribed by the Income Tax Act.

15.2 On Death

On the death of a Member prior to the commencement of his pension, his Additional Voluntary Contribution Account shall be paid to his designated beneficiary or estate.

15.3 On Termination of Employment

On the termination of employment of a Member, his Additional Voluntary Contribution Account shall be paid to him in a lump sum.



ECKLER

Brandon University Retirement Plan

April 2024 – BUFA Bargaining and Plan Changes

April 2024

1. Summary of BUFA negotiated changes
2. Draft Amendment
3. Pension Trustees Decisions and Policies
 - a) Going concern funded ratio measurement frequency
 - b) Going concern funded ratio valuation assumptions
 - c) Post age 65 actuarial increases
4. Regulatory filings, Other Considerations, and Next Steps

Summary of Plan Changes

- Agreement was made to improve benefits by using:
 - 60% of the surplus, and
 - Increase Member and University contributions by approximately 1% of pay each
- Estimated surplus at Dec. 31, 2023: \$25,829,000
- Approximately:
 - 28% of surplus used to increase past service
 - Benefit accrual rate and updated fixed maximum pension for service pre-2023
 - Remaining 32% plus 2.3% combined increase in contributions to increase future service
 - Benefit accrual rate, and updated and indexed maximum pension for service post-2022

Summary of Plan Changes

Past Provisions	Future Provisions
Final average earnings	Final average earnings
Benefit rate below YMPE <ul style="list-style-type: none"> - Service pre-1990: 2.0% - Service post-1990: 1.4% 	Benefit rate below YMPE <ul style="list-style-type: none"> - Service pre-1990: 2.0% - Service post-1990: 1.6%
Benefit rate above YMPE <ul style="list-style-type: none"> - Service pre-1990: 2.0% - Service post-1990: 2.0% 	Benefit rate above YMPE <ul style="list-style-type: none"> - Service pre-1990: 2.0% - Service post-1990: 2.0%
Maximum pension per year of service: \$1975	Maximum pension per year of service: <ul style="list-style-type: none"> - Service prior to 2023: \$2,209 (63% of 2023 DB Dollar Limit) - Service from 2023: 63% of DB Dollar Limit
Year's Maximum Contributory Earnings: <ul style="list-style-type: none"> - \$98,750 + 30% x YMPE - \$119,300 for 2024 	Year's Maximum Contributory Earnings: <ul style="list-style-type: none"> - 63% x DB Dollar Limit x 50 + 20% x YMPE - \$2,274 x 50 + 20% x \$68,500 - \$127,400 for 2024 <p><i>The formula above was developed by determining the appropriate level of YMCE to result in a maximum pension of \$2,209 pre-2023.</i></p>

- Maximum pension rounded to the nearest dollar
- YMCE corresponds to the level of earnings at which the maximum benefit level is achieved (same as before, but increased for bigger pension)
- Retired and deferred vested members who terminated employment after April 1, 2023 are included
- Terminated and commuted former members who terminated employment after April 1, 2023 are not included
- The maximum pension is calculated at the time of termination, as opposed to the time of pension commencement
 - In many cases this will be the same date
 - COLAs applied to pensions in pay also apply to deferred pensions
- The DB dollar limit post-2022 used in the determination of the maximum pension does not take ITA early retirement reductions (3% per year before 30 years of service, age 60, or 80 points)

- Future indexing of the maximum pension is conditional on the plan being funded at 105% on a going concern basis
- Special University funding provision related to 2009 increase to maximum pension limit is removed
- Special University funding provision related to 2008 introduction of J&S normal form pension remains
- Affected members will get a Past Service Pension Adjustment (“PSPA”) which reduces RRSP room
 - In many cases, members may end up with negative RRSP room

Estimated Financial Impact of Plan Changes

- Increase in going concern liabilities: \$7.3M
- Increase in current service cost: 4.56% of earnings
- Increase in Member contributions: 1.22% of earnings
- Increase in University contributions: 1.12% of earnings
- Future cost funded from surplus: 2.22% of earnings
 - The available surplus for benefit improvements is amortized for future service over approximately 10 years

- Update interest rate on employee contribution - CANSIM Series V180691336
 - Plan text had a reference to an old CANSIM series that is no longer published
 - No financial impact on plan

Draft Amendment

Attachment

Pension Trustees Decisions and Policies

- The bargaining group deferred certain administrative aspects of the plan changes to the Pension Trustees

Measurement of Going Concern Funded Ratio

- Frequency
- Margin for conservatism
- Provision for future indexing of the maximum pension

Actuarial equivalent calculation on post-age 65 retirement

- Apply retroactive to age 65 pension amount?

Regulatory filing – actuarial cost certificate

- Three filing options

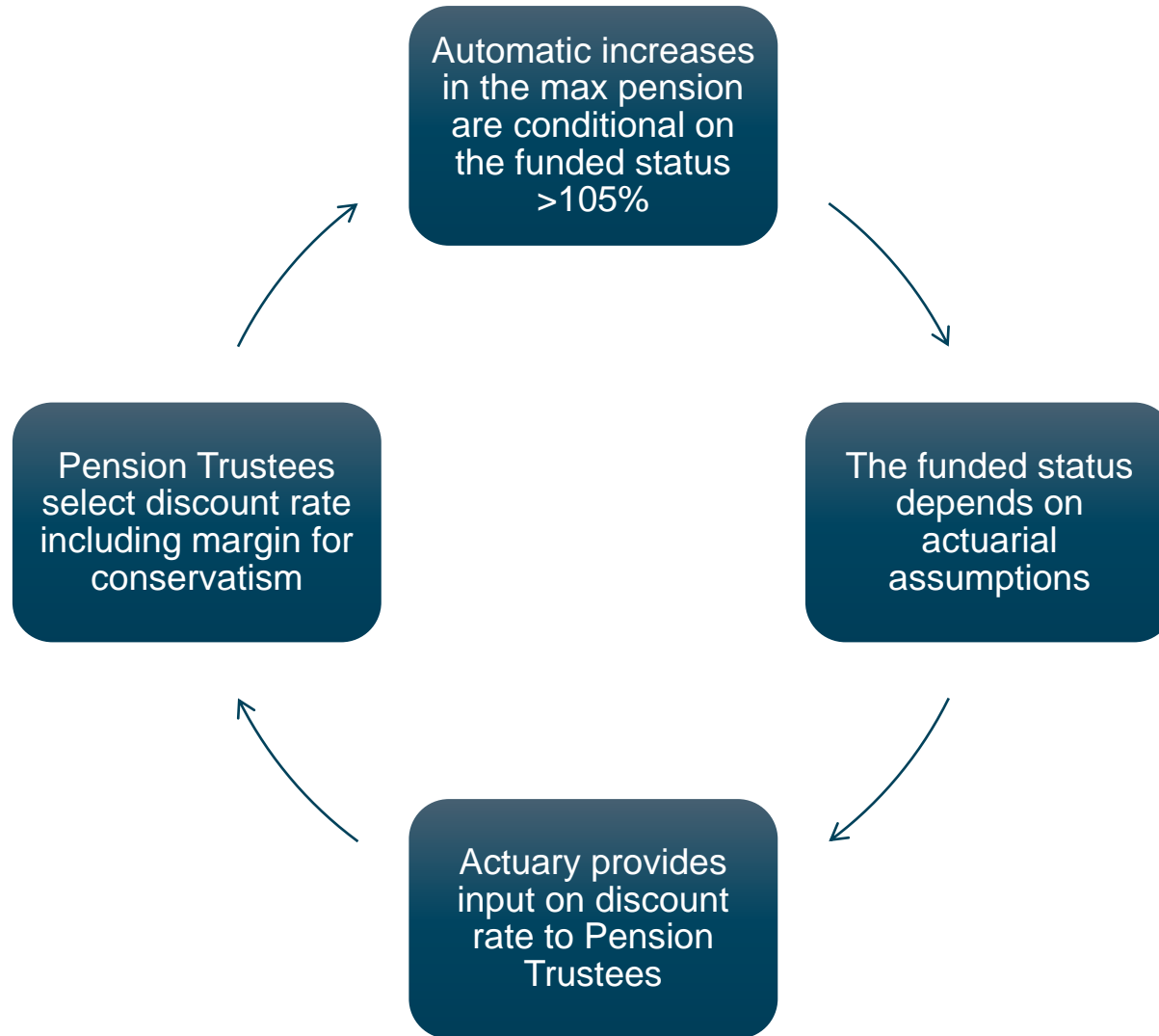
Decision between:

- Measurement always based on last filed actuarial valuation report, which can sometimes be every three years, or
- Annual measurement, estimated in years when a valuation is not prepared

Draft amendment reflects annual measurement, one year in advance

- Strong preference for updates to Plan maximum to align with CRA maximum
 - i.e. January 1 each year, want to avoid retroactivity
- Actual valuation reports typically available 6 months after valuation date (e.g. June)
- Extrapolated valuation results typically available 3+ months after measurement date (March/April)
- New CRA maximum typically available October/November
- New CRA maximum applies for a calendar year, effective January 1
- For example: Measure funded ratio Dec. 31, 2023, CRA releases new max in Oct 2024, Plan and CRA update maximum pension Jan 2025

Measurement of GC Funded Ratio Margin for Conservatism



- Maybe desirable to unlink the financial impact from the benefit impact of the margin decision
- We propose a prescribed margin in the discount rate for purposes of the indexing condition
- Valuation margin has ranged from 0.25% - 1.05%
- Higher margin:
 - Higher liability and service cost
 - Higher University contributions
 - Lower funded ratio
 - More frequent pauses to indexing the maximum pension



Going concern liability would include an assumption about future increases to the maximum



Costings indicated cost of future indexing is currently ~\$10M of liability

\$10M is approx. 4% of assets

In other words, including future increases could move the going concern ratio by as much as 4%

e.g. difference between 107% vs. 103%



Should the measurement of the 105% in **ALL** future increases?

Pro: Including all increases provides greatest cost containment for University

Pro: Including future increases is the correct measure of the obligation, assuming that increases are actually provided

Con: longer term future increases are given precedent over the next year's increase

- Pension on post-65 retirement date is greater of:
 - Age 65 pension increased on an actuarial equivalent basis for the late start
 - *The actuarial equivalent of the pension calculated in accordance with Paragraph 7.1 that **would have been payable if the Member had retired at his Normal Pension Commencement Date***
 - The accrued pension based on the plan formula
- The benefit improvement applies retroactive to April 1, 2023
- **Question:** Should the benefit improvement apply retroactively before April 1, 2023 on a Member's age 65 pension for the purpose of the actuarial equivalent test?

- Default position is probably that legislation and wording in text do not apply it retroactive
 - E.g. ***Had you retired at age 65 in 2022***...you would not have received the benefit increase in 2023
 - Pro: lower cost than the alternative
- We can apply it retroactive
 - Pro: more generous benefits for members
- Illustration of different treatment provided on next slides

Sample 1 – Member above Maximum Earnings Level	Sample 2 – Member at Earnings Level below YMPE	Sample 3 – Member above Maximum Earnings Level & Opted out of post-65 contrib's & service
1A: Current provision	2A: Current provision	-
1B: Amended without retroactive application	2B: Amended without retroactive application	3B: Amended without retroactive application
1C: Amended with retroactive application	2C: Amended with retroactive application	3C: Amended with retroactive application

A: Before Amendment

- Actuarial Equivalent (AE) increase outpaces pension formula

Age	Accrued Pension	AE increased pension*	Net Pension
65	\$49,375	\$49,375	\$49,375
66	\$51,350	\$52,831	\$52,831
67	\$53,325	\$56,529	\$56,529
68	\$55,300	\$60,486	\$60,486
69	\$57,275	\$64,721	\$64,721
70	\$59,250	\$69,251	\$69,251

Sample Member 1 – Above Max Earnings & 25 years Service

2.4 Draft Plan Changes Summary

B: After Amendment – No Retroactive Application

- Actuarial Equivalent (AE) increase outpaces pension formula except in year of amendment
- Nothing gained from 2023 benefit improvement at ages 69 or 70

Age	Accrued Pension	AE increased pension	Amended Pension	Original Pension	Change
65	\$49,375	\$49,375	\$49,375	\$49,375	-
66	\$51,350	\$52,831	\$52,831	\$52,831	-
67	\$53,325	\$56,529	\$56,529	\$56,529	-
68	\$61,852	\$60,486	\$61,852	\$60,486	\$1,366
69	\$64,127	\$64,721	\$64,721	\$64,721	\$0
70	\$66,539	\$69,251	\$69,251	\$69,251	\$0

Sample Member 1 – Above Max Earnings & 25 years Service

2.4 Draft Plan Changes Summary

C: After Amendment – With Retroactive Application

- This adds the value of the benefit improvement into the actuarial increase

Age	Accrued Pension	AE increased pension	Amended Pension	Original Pension	Change
65	\$49,375	\$49,375	\$49,375	\$49,375	-
66	\$51,350	\$52,831	\$52,831	\$52,831	-
67	\$53,325	\$56,529	\$56,529	\$56,529	-
68	\$61,852	\$67,653	\$67,653	\$60,486	\$7,167
69	\$64,127	\$72,389	\$72,389	\$64,721	\$7,668
70	\$66,539	\$77,456	\$77,456	\$69,251	\$8,205

Sample Member 2 – Earnings <YMPE & 25 years Service

A: Before Amendment

- Actuarial Equivalent (AE) increase outpaces pension formula at age 68+
- Very marginal difference between the two pensions

Age	Accrued Pension	AE increased pension	Net Pension
65	\$21,000	\$21,000	\$21,000
66	\$22,495	\$22,470	\$22,495
67	\$24,061	\$24,043	\$24,061
68	\$25,701	\$25,726	\$25,726
69	\$27,417	\$27,527	\$27,527
70	\$29,214	\$29,454	\$29,454

Sample Member 2 – Earnings <YMPE & 25 years Service

B: After Amendment – No Retroactive Application

- Benefit improvement bumps formula pension to be better than Actuarial Equivalent (AE) increased pension

Age	Accrued Pension	AE increased pension	Amended Pension	Original Pension	Change
65	\$21,000	\$21,000	\$21,000	\$21,000	-
66	\$22,495	\$22,470	\$22,495	\$22,495	-
67	\$24,061	\$24,043	\$24,061	\$24,061	-
68	\$29,373	\$25,726	\$29,373	\$25,726	\$3,647
69	\$31,334	\$27,527	\$31,334	\$27,527	\$3,807
70	\$33,387	\$29,454	\$33,387	\$29,454	\$3,934

Sample Member 2 – Earnings <YMPE & 25 years Service

C: After Amendment – With Retroactive Application

- This adds the value of the benefit improvement into the Actuarial Equivalent (AE) increased pension
- Actuarial Equivalent increased pension again marginally outpaces the formula, in same pattern as before amendment, i.e. for ages 68-70

Age	Accrued Pension	AE increased pension	Amended Pension	Original Pension	Change
65	\$21,000	\$21,000	\$21,000	\$21,000	-
66	\$22,495	\$22,470	\$22,495	\$22,495	-
67	\$24,061	\$24,043	\$24,061	\$24,061	-
68	\$29,373	\$29,401	\$29,401	\$25,726	\$3,675
69	\$31,334	\$31,459	\$31,459	\$27,527	\$3,932
70	\$33,387	\$33,661	\$33,661	\$29,454	\$4,208

Sample Member 3 – Above Max Earnings & 25 years Service – Opted out of contrib’s & service
B: After Amendment – No Retroactive Application

- Nothing “gained” from 2023 benefit improvement at any age
- Unlike 1B, the actuarial increase “wins” at all ages

Age	Accrued Pension	AE increased pension	Amended Pension	Original Pension	Change
65	\$49,375	\$49,375	\$49,375	\$49,375	-
66	\$49,375	\$52,831	\$52,831	\$52,831	-
67	\$49,375	\$56,529	\$56,529	\$56,529	-
68	\$55,225	\$60,486	\$60,486	\$60,486	\$0
69	\$55,225	\$64,721	\$64,721	\$64,721	\$0
70	\$55,225	\$69,251	\$69,251	\$69,251	\$0

Sample Member 3 – Above Max Earnings & 25 years Service – Opted out of contrib's & service
C: After Amendment – With Retroactive Application

Age	Accrued Pension	AE increased pension	Amended Pension	Original Pension	Change
65	\$49,375	\$49,375	\$49,375	\$49,375	-
66	\$49,375	\$52,831	\$52,831	\$52,831	-
67	\$49,375	\$56,529	\$56,529	\$56,529	-
68	\$55,225	\$67,653	\$67,653	\$60,486	\$7,167
69	\$55,225	\$72,389	\$72,389	\$64,721	\$7,668
70	\$55,225	\$77,456	\$77,456	\$69,251	\$8,205

- This adds the value of the benefit improvement into the actuarial increase
- Results here are the same as 1C where they did not opt out of contribution

Regulatory Filings, Other Considerations, and Next Steps

Regulatory Filing Requirements

1. Plan amendment and submission form must be filed with Manitoba within 60 days of adopting the amendment
2. Plan amendment and T920 must be filed with CRA within 60 days of adopting the amendment
3. Written notice to members and bargaining agents (other than BUFA) representing affected members – within 60 days after adopting the amendment
4. Actuarial review of the Plan – within 120 days after adopting the amendment
 - a) Refile last valuation with updates to reflect plan changes, or
 - b) New valuation prepared at December 31, 2023, or
 - c) Interim cost certificate as at amendment date
5. T215 PSPA return – within 120 days after adopting amendment

- Reciprocal transfers provide for the purchase of past service in the Plan
- What benefit rate is credited when past service is purchased/transferred in?
- Pension Trustees should adopt a policy or amend the reciprocal transfer agreements
 - Adequate to document the policy decision in the Pension Board meeting minutes?
- Eckler Recommendation:
 - ***Apply the new benefit level to all service transferred in***
- Rationale:
 - Better benefits for members
 - Administratively simpler
 - Eliminates the need to assign past service to specific periods with different accrual rates and maximums
 - Treating everything as post April 2024 service reduces confusion and complexity
 - For example, if a transferred amount cannot purchase all past service, do you carve out earliest or most recent service first, or do some proration? Different periods with different accrual rates, different maximum pensions, it affects PSPAs.
 - Cost is “self adjusting” → higher accrual rate → higher cost to purchase service → less service is purchase for a given transfer amount



Finalize draft amendment



BUFA and Board of Governors approval



File plan amendment with MB and CRA (60 days)



Written notice to affected members and Unions (60 days)



Calculations and benefit payments:

Updated pension amounts

Retroactive pensions payable to recent retirees

PSPAs



Prepare and file actuarial report and cost certificate with MB and CRA (120 days)



File T215 PSPA return with CRA (120 days)



Reciprocal Transfers – Trustees to adopt policy or amend agreements

ECKLER