

**ELCIC Pension Plan**

**Canada Revenue Agency Registration No. 0533240**

Amended and restated effective January 1, 2021

**Certified** to be a true and complete copy  
of the text of the **ELCIC Pension Plan** as  
at January 1, 2021

A handwritten signature in black ink, appearing to be 'S. Swift', written in a cursive style.

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Signature

# ELCIC PENSION PLAN

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## **SECTION 1 – Introduction**

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- 1.01 The Lutheran Church of America - Canada Section established a pension plan effective January 1, 1963, for their employees to provide retirement and other benefits to participating members. The Evangelical Lutheran Church of Canada established a pension plan, effective January 1, 1967, to provide retirement and other benefits to participating members. The establishment of the aforementioned pension plans was subject to Lutheran Church in America - Canada Section and Evangelical Lutheran Church of Canada obtaining and retaining registration by the relevant income tax authorities as is necessary to establish that the members are entitled to deduct the amount of their contributions to the Plan from taxable income under the provisions of applicable income tax laws of the federal and provincial governments of Canada.
- 1.02 With effect from January 1, 1986, Lutheran Church in America - Canada Section and Evangelical Lutheran Church of Canada amalgamated to provide for the creation of the Evangelical Lutheran Church in Canada. As a result of this amalgamation, it was desirable to have the membership of the pension plans of the two churches merged into one pension plan. Suitable documents were adopted by the appropriate bodies of each church to accept the provisions of this Plan to supersede their previous plan or plans.
- 1.03 The “ELCIC Pension Plan” (the “Plan”) was established on January 1, 1986.
- 1.04 The Plan is registered in the province of Ontario. Under this registration, ELCIC Group Services Inc. is the sponsor and Administrator of the Plan.
- 1.05 The operation of the Plan is subject to ELCIC Group Services Inc. retaining registration of the Plan by the relevant income tax authorities.
- 1.06 The purpose of the Plan is for eligible Employees to accumulate funds for the ultimate purpose of providing a retirement income.
- 1.07 The interpretation of the terms of the Plan as restated in this text is subject to the provisions set out in the appendix hereto. Where the provisions of Sections 1 through 14 of the Plan are inconsistent with the provisions of the appendix applicable to a Member, the provisions of the appendix shall apply in respect of the Member.

1.08 Unless stated otherwise, the terms of the Plan as stated in this text apply to Members whose Continuous Service terminates on or after January 1, 2021. The benefits of Members whose Continuous Service terminated before January 1, 2021 shall be determined by the terms of the Plan, that was or has since been made effective at the time of that event.

## SECTION 2 – Definitions

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For the purposes of this Plan the following words and phrases shall have the meanings described below, unless a different meaning is clearly and specifically required by the context:

- 2.01 **Account** means the account established and maintained under the Plan for each Member, to which are credited the Member's required Contributions and Voluntary Contributions, the Contributions made by an Employer on behalf of the Member, and any Investment Return allocations thereon.
- 2.02 **Administrator** means ELCIC Group Services Inc.
- 2.03 **Anniversary Date** means December 31<sup>st</sup> of any Plan Year.
- 2.04 **Applicable Legislation** means the Pension Benefits Act, the Income Tax Act, and any other statute or regulation which applies to the rights or obligations of the Administrator, an Employer or a Member of the Plan.
- 2.05 **Beneficiary** means an individual designated by a Member as beneficiary under Section 11.
- 2.07 **Chief Executive Officer** means the Chief Executive Officer appointed under subsection 10(2) of the Financial Services Regulatory Authority of Ontario Act, 2016.
- 2.08 **Church** means the Evangelical Lutheran Church in Canada or its successor organization.
- 2.09 **Contributions** means the required payments by an Employer to the Plan and by or on behalf of a Member. "Contributions" does not include Voluntary Contributions.
- 2.10 **Custodian** means the trust company or insurance company as the Administrator may from time to time appoint for the purposes of holding the assets of the Fund.
- 2.11 **Disability** means a condition of a qualified Member, certified by a medical doctor licensed to practice medicine under the laws of a province of Canada, which prevents the Member from carrying out the duties for which the Member is qualified by education, training and experience. For the purposes of this provision, a "qualified Member" is a Member who has qualified for disability benefits under a disability plan sponsored by the Administrator. "Disabled" means being in a state of Disability.

2.12 **Employee** means an individual employed by an Employer on a full-time or part-time basis, and excludes

- (1) an individual who is employed as an intern where such internship is undertaken by the individual pursuant to a post-secondary educational program as part of their preparation process for rostered ministry; and
- (2) an individual who is employed by an Employer but is rostered with the Anglican Church of Canada where such Employer is contributing to their pension benefit with the Anglican Church of Canada.

2.13 **Employer** includes

- (1) the Church, member congregations of the Church, colleges, seminaries, and other entities which share an ecclesiastical bond with the Church;
- (2) any organization which employs rostered Employees; and,
- (3) any not-for-profit faith-based body corporate and any affiliated corporation of such faith-based body corporate,

which has been accepted by the Administrator as an Employer and has executed a Participation Agreement in a form acceptable to the Administrator and includes the Administrator.

2.14 **Fund** means all the assets of the Plan whether held under an insurance contract, a trust fund or a bank account to which Contributions and Voluntary Contributions made under the terms of the Plan are deposited, to which Investment Returns are credited and from which retirement and other ancillary benefits arising under the Plan are provided.

2.15 **Income Tax Act** means the *Income Tax Act* (Canada) and the Regulations thereunder, each as amended or replaced from time to time.

2.16 **Insurer** means an insurance company licensed under the laws of Canada or a province thereof to carry on annuity business in Canada.

2.17 **Investment Returns** means the gain or loss (net of expenses pursuant to Section 5.04) on the market value of the assets in the Fund. Investment Returns includes dividends, accrued interest income, and realized and unrealized capital gains and losses.

- 2.18 **Member** means an Active Member or an Inactive Member.
- (1) **Active Member** means an individual who is an Employee and who has met the eligibility requirements of the Plan and has been enrolled as a participant in the Plan by an Employer in accordance with Section 3.03.
  - (2) **Inactive Member** means former Employee who has enrolled in the Plan in accordance with Section 3 hereof and remains entitled to an Account.
- 2.19 **Normal Retirement Date** means the last day of the month in which the Member attains age 65.
- 2.20 **Participation Agreement** means an agreement entered into between the Administrator and an Employer which provides for the participation of the Employer in the Plan.
- 2.21 **Pension Benefits Act** means the *Pension Benefits Act* (Ontario), R.S.O. 1990, c. P.8 and the Regulations thereunder and, to the extent applicable, any other similar legislation and regulations enacted by any other province of Canada, all as amended from time to time.
- 2.22 **Plan** means the ELCIC Pension Plan as set out herein, and as amended from time to time, including any changes in Applicable Legislation which are effective, but which have not been formally reflected in the Plan by amendment.
- 2.23 **Plan Year** means the calendar year.
- 2.24 **Salary** means:
- (1) gross earnings paid including overtime, bonuses and vacation pay,
  - (2) plus housing equity paid or housing allowance paid,
  - (3) plus fair rental value of the residence, where a parsonage is provided to an Employee.

For a Member on Disability or on a Statutory Leave of Absence, "Salary" shall mean the annual salary that would have been used for contribution purposes had the Member not been Disabled or on leave, as applicable, as determined in accordance with the Income Tax Act.

Under no circumstances shall "Salary" include pay in excess of statutory or contractual pay in lieu of notice.

- 2.25 **Service** means continuous employment with an Employer and shall include temporary suspensions of employment as provided for in the Pension Benefits Act.

- 2.26 **Spouse** means, in relation to a Member, at the time a determination of spousal status is required, the individual who is the pension partner, spouse or common-law partner of the Member as defined by the Pension Benefits Act (including, where applicable, a registered domestic partner or civil union partner of the Member), provided that such individual also qualifies as a “spouse” or “common-law partner” of the Member as defined at the relevant time in the Income Tax Act for purposes of registered pension plans.
- 2.27 **Statutory Leave of Absence** means a leave of absence to which a Member is entitled under Applicable Legislation.
- 2.28 **Voluntary Contributions** means contributions made to the Plan by a Member in accordance with Section 4.04.
- 2.29 **YMPE** means, in respect of any calendar year, the Year’s Maximum Pensionable Earnings as defined under the Canada Pension Plan or the Quebec Pension Plan, as applicable,

#### **References to Number**

In this Plan, words importing the singular number include the plural number and vice versa.

#### **Captions and Headings**

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



## **SECTION 3 – Eligibility and Membership**

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### **3.01 Eligibility for Employees**

- (1) An Employee must join the Plan on his or her date of hire if his or her monthly Salary is equal to or greater than 25% of one-twelfth (1/12<sup>th</sup>) of the YMPE.
- (2) An Employee who is not eligible to join the Plan on his or her date of hire under paragraph 3.01(1) must join the Plan on the first day of the month following the month his or her monthly Salary is equal to or greater than 25% of one-twelfth (1/12<sup>th</sup>) of the YMPE.

### **3.02 Minimum Eligibility Requirements**

In no event shall the eligibility requirements set out in Sections 3.01 result in an Employee becoming eligible to join the Plan later than the date upon which the minimum eligibility requirements under the Pension Benefits Act are met. In addition, a Member shall not cease to be a Member solely due to earning less than 25% of one-twelfth (1/12<sup>th</sup>) of the YMPE in a month.

### **3.03 Enrollment**

Each Employer shall ensure each of its eligible Employees completes and signs the form prescribed by the Administrator for the purpose of enrolling in the Plan. Upon it becoming mandatory that one of its Employees join the Plan, or upon request of an eligible Employee, the Employer must ensure that enrollment is carried out as required.

### **3.04 Employees from Evangelical Church in Germany**

Any individual who is from the Evangelische Kirche in Deutschland (Evangelical Church in Germany), where such an individual will be accepting a temporary position with an Employer in Canada and will continue to earn a pension benefit in Germany for their employment service in Canada, will either elect to become or not become a Member of the Plan. Such election is binding for the term of the temporary position.

## **SECTION 4 – Contributions**

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### **4.01 Member Contributions**

Subject to Sections 4.07, each Active Member of the Plan shall contribute 7% of Salary to the Plan each month, by means of payroll deduction.

### **4.02 No Cessation of Member Contributions**

Except as provided in Sections 4.09 and 4.10, an Active Member shall not be permitted to suspend making Contributions while the Member remains in the Service of an Employer.

### **4.03 Member Contributions After Normal Retirement Date**

Contributions under Section 4.01, 4.04 and 4.05 will continue for Active Members who remain in the service of an Employer after their Normal Retirement Date.

Active Members will cease participating in the Plan and cease all Contributions to their account by the end of the year in which they turn age 71, or such other age as prescribed by the Income Tax Act. Prepayment of Contributions to the end of such year described above will be made prior to September 30<sup>th</sup> to allow for the deposit of Contributions and benefit to be processed by the end of the year.

### **4.04 Voluntary Contributions**

An Active Member may, by payroll deductions, make Voluntary Contributions in respect of Service after becoming an Active Member of the Plan provided that such Voluntary Contributions, together with Contributions required by Section 4.01 plus the Contributions made by the Employer under Section 4.05 shall not exceed the amount indicated in Section 4.07.

### **4.05 Employer Contributions on Behalf of Members**

In respect of each Active Member in the Service of an Employer who is contributing to the Plan in accordance with Section 4.01, the Employer shall contribute 8% of such Member's Salary to the Plan each month.

### **4.06 Remittance of Contributions and Voluntary Contributions**

#### **(1) Member Contributions and Voluntary Contributions**

Contributions and Voluntary Contributions made by an Active Member of the Plan under Section 4.01 and 4.04 shall be deposited in the Fund and allocated to individual Member Accounts not later than 30 days after the end of the month in which such contributions are deducted from the Active Member's Salary or otherwise received from or on behalf of the Member.

(2) Employer Contributions

Contributions made by an Employer shall be made not less than frequently than monthly. Each contribution made by an Employer under Section 4.05 shall be deposited in the Fund and will be allocated to the respective Active Member's Account.

**4.07 Maximum Contributions**

The total Contributions and Voluntary Contributions made to the Plan in respect of an Active Member in respect of any Plan Year shall not exceed the lesser of the money purchase limit (as defined by the Income Tax Act) for the year and 18% of the Member's Salary for the year.

**4.08 Return of Contributions**

An amount contributed in by or in respect of an Active Member under this Section 4 may be refunded at any time to the contributor where such action is required to avoid revocation of the Plan's registration under the Income Tax Act, subject to the approval of the Chief Executive Officer.

**4.09 Contributions During a Statutory Leave of Absence**

- (1) An Active Member may elect to continue making Contributions in accordance with Sections 4.01 and 4.04 in respect of a Statutory Leave of Absence, in which case, the Employer shall continue to make Contributions in respect of such Active Member in accordance with Section 4.05 during such leave.
- (2) If an Active Member is on a Statutory Leave of Absence and does not elect to continue making Contributions to the Plan in accordance with Section 4.01 during such leave, no Contributions shall be made by the Employer in respect of such Active Member in accordance with Section 4.05 during such leave. In such case, contributions by and on behalf of the Member shall resume upon the Member's return to active employment.
- (3) An election by a Member under this Section 4.09 is irrevocable.

**4.10 Contributions During a Non-Statutory Leave of Absence**

Contributions to the Plan are neither required nor permitted during a period when a Member who is on a non-statutory unpaid leave of absence receiving no Salary from a participating Employer.

**4.11 Transfer of Registered Funds**

With the consent of the Administrator a Member may elect to transfer to the Plan funds available from another registered pension plan or registered retirement savings plan. Such transferred funds will be administered in accordance with any applicable legislation which applies at the time of transfer of the funds.

## **SECTION 5 – Accounting Procedures**

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### **5.01 Establishment and Maintenance of Accounts**

An Account shall be established and maintained for each Member, to which Contributions and Voluntary Contributions, if any, made pursuant to Section 4 by and on behalf of the Member shall be credited.

### **5.02 Crediting of Investment Returns**

Investment Returns, shall be credited proportionately to each Member's Account and Inactive Member's Account monthly, based on their average daily balance in that month.

### **5.03 Investment of Contributions and Voluntary Contributions**

The Administrator directs the investment of the Fund in accordance with the provisions of the Plan's Statement of Investment Policies & Procedures, as amended from time to time, and the Pension Benefits Act and the statutory and regulatory requirements of any other competent jurisdiction.

### **5.04 Expenses**

The fees properly paid and the expenses reasonably incurred in respect of the Plan and the Fund, including but not limited to:

- (1) costs and charges incurred by the Administrator in connection with the administration of the Plan or the Fund;
  - (2) the fees and disbursements of the agents of the Administrator with respect to the Plan or Fund;
  - (3) the fees and disbursements of the advisors with respect to the Plan, Fund, or the group investment accounts sponsored by the Administrator including actuarial, consulting, legal and accounting; and,
  - (4) costs related to the investment of the Fund, including brokerage, commissions and transfer taxes, and costs related to investment management services;
- shall be paid from the Fund in such proportions as determined by the Administrator.

5.05 The Custodian shall at all times keep or cause to be kept adequate accounts of the Fund. Such accounts shall be maintained on a monthly basis.

5.06 The Fund shall have a fiscal year ending on each December 31<sup>st</sup>.

## **SECTION 6 – Commencement of Retirement Benefits**

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- 6.01 A Member may elect to retire and-commence receiving benefits payable under an annuity that is purchased from an Insurer with the value of his or her Account on or after their Normal Retirement Date provided the Member has terminated Service.
- 6.02 A Member who has attained the age of 55 or has completed 30 years of Service may elect to retire and-commence receiving benefits payable under an annuity that is purchased from an Insurer with the value of his Account prior to his or her Normal Retirement Date provided that the Member has terminated Service.
- 6.03 A Member may elect to defer commencement of benefit payments to the first day of any month following the Member's termination of Service, but in no event shall benefit payments commence later than December 1 in the year in which the Member attains age 71.

## **SECTION 7 – Methods of Settling Retirement Benefits**

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7.01 Subject to Section 7.02, upon the retirement of a Member, the value of the Member's Account may be used to purchase an annuity from an Insurer. Any such purchase shall operate as a complete discharge of the liability to the Member with respect to the Member's Account under the Plan.

7.02 In lieu of the purchase of an annuity, a Member who has terminated Service may settle their benefits under Section 8.

### **7.03 Normal Form of Benefits**

The normal form of benefits in which an annuity purchased from an Insurer pursuant to Section 7.01 shall be paid are as set out in this Section 7.03. For greater clarity, no pension benefits are payable directly from the Fund.

#### **(1) For a Member With a Spouse at Retirement**

For a Member who has a Spouse at the date of pension commencement, the normal form shall be a joint life annuity with 60% of the original amount continuing to the Spouse on the death of the retired Member.

The benefit is guaranteed payable and the original amount of benefit shall not reduce until the earlier of:

- (a) the point at which the retired Member and the Spouse have received payments which are at least equal to the value of the Retired Member's Account as of the date of pension commencement; and
- (b) the point at which 60 monthly payments have been made in total to the retired Member or the Spouse.

#### **(2) For a Member Without a Spouse at Pension Commencement**

For a Member who does not have a Spouse at the date of pension commencement, the normal form shall be a single life annuity which is guaranteed payable until the retired Member has received payments which are at least equal to the value of the retired Member's Account as of the date of pension commencement.

### **7.04 Optional Forms of Benefits**

Subject to Section 7.05, in lieu of the normal form of benefit described in Section 7.03, a Member may elect any other terms for his or her annuity as may be available from the Insurer and which are permitted under the Pension Benefits Act and the Income Tax Act.

#### 7.05 **Spousal Waiver**

A Member with a Spouse at pension commencement may only elect an optional form of annuity pursuant to Section 7.04 that will provide the Spouse with a benefit which is less than that as prescribed under the Pension Benefits Act if the Member provides the Administrator with a waiver in the form and executed (by the Spouse and, where required by the Pension Benefits Act, by the Member) in the manner prescribed under the Pension Benefits Act.

#### 7.06 **Death Prior to Pension Commencement**

- 1) The election of a joint life annuity will become null and void in the event of the death of the Member or the Spouse prior to commencement of benefit payments.
- 2) If the Spouse dies prior to pension commencement, the Member may elect a pension based on the Member's life only.
- 3) If the Member dies prior to pension commencement, the Spouse will be entitled to receive benefits under Section 9 of the Plan.

7.07 A Member may elect to receive, in lieu of a monthly benefit, part or all of that portion of the Member's Account, if any, that is attributable to Voluntary Contributions, as a cash refund or as a transfer to another registered fund, subject to the Income Tax Act.

7.08 If a Member's entitlement under the Plan, other than any portion attributable to Voluntary Contributions, is subject to the threshold for the unlocking of small benefits, as prescribed for this purpose by the applicable Pension Benefits Act, the Member's entitlement shall, at the Member's election, either be paid directly to the Member as a lump sum or be transferred to another registered vehicle permitted under the Income Tax Act. If the Member fails to make an election under this Section 7.08, within the time prescribed by the Administrator, the Member will be deemed to have elected to receive the value as a lump sum. If the value of the Member's entitlement described above is less than 20% of the value of the YMPE in the year in which the most recent determination of the Account is made, then the Account is payable as a lump sum.

## **SECTION 8 – Termination of Service**

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- 8.01 This Section 8 pertains to the entitlements of a Member whose Service with the Employer is terminated other than by death, disability or retirement.
- 8.02 Subject to Sections 8.03 and 8.05, a Member described in 8.01 shall be entitled to leave his or her Account in the Plan and may at age 50 or later elect to commence receiving benefits payable under an annuity that is purchased from an Insurer with the value of his or her Account in accordance with Section 7 and in accordance with the age limits prescribed by the Income Tax Act.
- 8.03 A Member described in 8.01 who elects to leave his or her Account in the Plan in accordance with Section 8.02 may elect, if permitted under the Pension Benefits Act applicable to the Member, at the time the Member's Account is transferred out of the Plan, to receive a cash refund or a transfer to another registered plan or fund of up to twenty-five percent (25%) of the value of the Member's Account that accrued in respect of Contributions made for Service prior to the date specified under the relevant Pension Benefits Act, as described in the Appendix of the Plan.
- 8.04 A Member described in 8.01 who has made Voluntary Contributions may elect to:
- (1) receive a refund of such contributions with Investment Returns thereon;
  - (2) use such Voluntary Contributions, with Investment Returns thereon, to provide a deferred benefit at the Member's Normal Retirement Date or at any age over age 55; or
  - (3) transfer such Voluntary Contributions with Investment Returns thereon to another registered plan or fund.
- 8.05 A Member described in 8.01 may request a transfer of his or her Account (other than that portion, if any, which is attributable to Voluntary Contributions) to another registered pension fund (if that plan so permits), a Locked In Retirement Account (LIRA) or such other comparable registered vehicle. Furthermore, if the Member is age 50 or over and if a Spouse's waiver has been signed in the form and manner prescribed by the Pension Benefits Act and filed with the Administrator, the transfer may be made to a registered retirement income fund that meets the requirements of the Pension Benefits Act, in the manner prescribed in the Pension Benefits Act. Any transfer of a Member's Account under this Section shall operate as a complete discharge of liability to the Member with respect to the Member's Account under this Plan.



8.06 Notwithstanding the above, if, upon termination of Service, a Member's entitlement under the Plan, other than any portion attributable to Voluntary Contributions, is subject to the threshold for the unlocking of small benefits, as prescribed for this purpose by the applicable Pension Benefits Act, the Member must elect to receive the value of such entitlement as a lump sum or have it transferred to another retirement savings vehicle in accordance with the Income Tax Act. If the Member fails to elect such an option within the time prescribed by the Administrator, the Member will be deemed to have elected to receive the value as a lump sum.

## SECTION 9 – Benefits on Death

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### 9.01 Spouse's Entitlement on Member's Death Prior to Pension Commencement

- (1) Subject to Sections 9.02 and 9.03, if a Member dies prior to pension commencement and is survived by a Spouse, the Spouse may elect that the Member's Account (other than that portion, if any, which is attributable to Voluntary Contributions) be:
  - (a) used to purchase for the Spouse, from an Insurer, an immediate or deferred annuity. The Spouse's pension must commence by the end of the year in which the Spouse attains age 71 or if the spouse has passed the age of 71, they will have one year from the date of death to settle the account;
  - (b) transferred to a Locked-In Retirement Account (LIRA), Life Income Fund (LIF) or other registered savings vehicle that meets the requirements of the Income Tax Act and the Pension Benefits Act.
- (2) The Spouse may elect that the amount attributable to the Member's Voluntary Contributions, if any, be used to purchase for the Spouse an immediate or deferred annuity as described above, or be paid to the Spouse in a lump sum.
- (3) Where permitted under the Pension Benefits Act, a Spouse may elect to receive the full value of the Member's Account, including that portion, if any, which is attributable to Voluntary Contributions, as a lump sum or as a transfer to a registered retirement savings plan that is not locked in.
- (4) If the amount otherwise transferable under this Section 9.01 upon the death of a Member before pension commencement is subject to the threshold for the unlocking of small benefits, as specified in Section 7.08, the Spouse may elect to receive payment of such amount as a lump sum.
- (5) Where a lump sum is an available option to the Spouse in respect of a benefit payable pursuant to this Section 9.01, and the Spouse does not submit a valid election to the Administrator, within the time period prescribed by the Administrator for making an election, to receive the benefit in a form other than a lump sum, the Spouse shall be deemed to have elected to receive the benefit in the form of a lump sum.

9.02 If the Member does not have a Spouse or the Spouse has waived entitlement in accordance with Section 9.03, a lump sum equal to the value of the Member's Account will be payable to the Member's Beneficiary. If no Beneficiary is named or if the Beneficiary is the Member's estate, a lump sum payment equal to the value of the Member's Account will be made to the estate of the Member.

- 9.03 Where and under such circumstances as may be permitted under the Pension Benefits Act, a Spouse may waive his or her entitlement to benefits under this Section 9 by executing the appropriate waiver in the form and manner prescribed by the Pension Benefits Act and filing it with the Administrator prior to the date of the Member's death. Subject to the Pension Benefits Act, a waiver issued pursuant to this Section 9.03 may be rescinded by the Spouse by providing written notice to the Administrator, in the prescribed form, at any time prior to the Member's death.
- 9.04 If a Member dies after commencement of the retirement benefits, any entitlement will be based on the form of benefit chosen by the Member at the date of pension commencement.
- 9.05 Any purchase, transfer or payment of the Member's Account under this Section shall operate as a complete discharge of liability with respect to the Member's Account under this Plan.
- 9.06 If a Spouse who becomes entitled to a benefit under this Section 9 dies prior to payment or transfer of the value of such benefit, or commencement of the applicable pension, the Spouse's beneficiary or estate, as applicable, shall receive a benefit equal to the full value of the Member's Account, including Voluntary Contributions.
- 9.07 **Spouse Not Entitled to Survivor Benefits**  
The Spouse is not entitled to receive the benefit payable in the event of the Member's death if the Spouse is living separate and apart from the Member:
- (1) as of the date of the Member's death, in the case of the pre-retirement death benefit; or
  - (2) as of the date of the Member's pension commencement

unless the Member has designated the Spouse as his or her Beneficiary and such designation remains in effect on the relevant date.

## **SECTION 10 – Contributions and Benefits on Disability**

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10.01 When a Disabled Member has satisfied the elimination period and qualifies for benefits under a disability income plan sponsored by the Administrator, contributions shall be made to the Plan in respect of such Member in accordance with the provisions of the disability income plan in effect as at the date such Member qualifies for benefits under such plan.

In no event shall the total Contributions and Voluntary Contributions made to the Plan in respect of a Disabled Member in any Plan Year exceed the maximum contribution level specified in Section 4.07.

10.02 A Member whose disability does not qualify the Member for benefits under a disability income plan sponsored by the Administrator and whose Service terminates will be entitled to the benefits applicable to the Member in accordance with Section 7 or 8 hereof, as applicable.

10.03 If a Member ceases to be Disabled and resumes Service with an Employer, the Member and Employer will resume the Contributions required under Section 4 upon resumption of active employment. If the Member ceases to be Disabled and the Service of the Member terminates, the Member will be entitled to the benefits determined in accordance with Section 7 or 8 hereof, as applicable.

10.04 If a Disabled Member dies before pension commencement, the Member's Account shall be applied in accordance with Section 9 hereof.

## **SECTION 11 – Designated Beneficiary**

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- 11.01 A Member must designate a Beneficiary to receive any benefits payable under the Plan in the event of the Member's death if the Member is not survived by a Spouse or if the Spouse has waived any entitlement to benefits otherwise automatically payable to the Spouse. The Member may alter or revoke such designation at any time and from time to time, subject to the provisions of any annuity, insurance or other contract or other law governing the designation of beneficiaries as may be applicable to the Member. Such written designation or revocation, as applicable, shall be in the form and executed in such manner as the Administrator may in its discretion require, in accordance with Applicable Legislation. If a Member does not validly designate a Beneficiary, or if the Beneficiary predeceases the Member and no subsequent designation is made, the Member's estate shall be the Beneficiary.
- 11.02 A Quebec Member who designation their legal spouse (married or civil union) as beneficiary is assumed to be irrevocable, unless specifically designated as revocable. This provision does not apply to a common law spouse. In order for the Quebec Member to change an irrevocable beneficiary or to change the current beneficiary designation from irrevocable to revocable, the Quebec Member must submit the required documents in accordance with the Pension Benefit Act.

## **SECTION 12 – Assignment and Commutation of Benefits**

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- 12.01 Entitlements under the Plan are not capable of assignment, charge, anticipation, being given as security, alienation, surrender or commutation during the lifetime of the Member, either before or after commencement of retirement benefits, except as expressly provided in the Plan, and any transaction purporting to assign, charge, anticipate or give as security such monies is void unless so provided. The entitlement to retirement benefits under this Plan does not confer upon any Member, Employee, personal representative or dependent, or any other person, any right or interest in such benefits capable of being assigned, charged, anticipated, given as security, alienated, surrendered or commuted, except as specifically provided for in the Plan.
- 12.02 Entitlements under the Plan are subject to execution, seizure or attachment in satisfaction of an order for support or maintenance enforceable in a relevant jurisdiction where such seizure for enforcement of a maintenance order is permitted under the Pension Benefits Act.
- 12.03 Following the breakdown of a Member's spousal relationship, a portion of such Member's entitlements under the Plan may be assigned to his or her Spouse or former Spouse, within the limits imposed by the Pension Benefits Act and applicable family property legislation.
- 12.04 The Administrator will allow, where permitted under the Pension Benefits Act, if the life expectancy of a Member (or, where otherwise subject to locking in, a surviving Spouse) is certified by a medical doctor licensed to practice in Canada as being considerably shortened due to illness or physical disability, the Member (or surviving Spouse, as applicable) may withdraw all or any portion of the Member's Account, provided that, in the case of a Member who has a Spouse, the Spouse consents to such withdrawal in the form and manner prescribed by the Pension Benefits Act. Such payment shall be in full satisfaction of all obligations of the Plan.
- 12.05 The Administrator will allow, where permitted by the Pension Benefits Act and provided that, in the case of a Member who has a Spouse, the Member's Spouse provides a written waiver in the prescribed form, a Member or surviving Spouse who is a non-resident of Canada for the purposes of the Income Tax Act and who meets such other requirements as may be prescribed for this purpose by the Pension Benefits Act may direct the Administrator to make a lump sum payment of the value of the benefit to which the Member (or Spouse, as applicable) is otherwise entitled, in lieu of any other benefit payable under the Plan. To affect such a payment, the Member (or Spouse, as applicable) must make application to the Administrator in the manner prescribed by the Pension Benefits Act. Such payment shall be in full satisfaction of all obligations of the Plan.

## **SECTION 13 – Plan Administration**

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- 13.01 The Administrator may appoint agents or counsel to assist in the administration and interpretation of the Plan. All interpretations shall be handled consistently and be in accordance with the Plan's terms and conditions.
- 13.02 The Administrator shall maintain or cause to be maintained and make available such records as are required to determine accurately the benefits which have accrued to the credit of, or the amounts being paid to Members and/or Beneficiaries in accordance with the terms of the Plan.
- 13.03 For purposes of the Plan, an Employer shall be entitled to determine conclusively a Member's Salary provided that at all times the contributions made are consistent with the Salary reported. The Administrator is entitled to rely conclusively upon all information provided by an Employer respecting a Member of the Plan or any other information required to be furnished by the Employer in relation to the administration of the Plan. If an Employer is found to be negligent in the submission of Contributions and Voluntary Contributions to the Plan, a late penalty may be levied by the Administrator, at the Administrator's sole discretion.
- 13.04 If a benefit becomes payable to a person who is a minor or is mentally or legally incompetent to receive such benefit or to give a valid release therefore, the Administrator may pay the benefit to the person's legal guardian or other responsible person, for the account of the person entitled to the benefit. Any such payment shall operate as a complete discharge of liability therefore under this Plan.
- 13.05 Each Active Member of the Plan and each Employer shall receive a written explanation of the Plan and any amendments thereto, together with an explanation of the Members' rights and duties with respect to such benefits. The Administrator will also provide each Member with, or provide access to, the information prescribed in the Pension Benefits Act.
- 13.06 The Plan will be administered in accordance with the law of the Province of Ontario.
- 13.07 Whenever an actuarial calculation pertaining to the benefits of a Member are required under the Plan, the Administrator, upon the advice of the actuary, shall utilize such factors as have been authorized or are acceptable under the Pension Benefits Act.

- 13.08 The Administrator in its discretion may enter into reciprocal arrangements with the sponsors of other pension plans or portability agreements with individuals. All reciprocal and portability agreements shall be written and properly executed by the Administrator and shall comply with the requirements of the Pension Benefits Act and other Applicable Legislation.
- 13.09 Where a Member, Spouse or Beneficiary becomes entitled to have an amount paid or transferred from the Plan other than as a periodic benefit, the payment shall be due and payable within 60 days after the event giving rise to the payment or the completion and filing of all documents required to authorize the making of the payment.
- 13.10 Subject to the applicable Pension Benefits Act, where a Member, Spouse or Beneficiary becomes entitled to a lump sum benefit payable from the Plan and is eligible under the Income Tax Act to do so, such person may transfer the lump sum to a registered retirement income fund or non-locked in registered retirement savings plan, as applicable, held in the name of such person.
- 13.11 The Administrator is entitled to terminate the participation of an Employer in the Plan which fails to abide by the terms and conditions set out in the Participation Agreement, or which, in the opinion of the Administrator, no longer meets the eligibility requirements of an Employer under the Plan.



## **SECTION 14 – Future of the Plan**

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- 14.01 The Administrator expects and intends to maintain this Plan in force indefinitely, but necessarily reserves the right to amend the Plan in order to comply with the requirements of the Pension Benefits Act and the Income Tax Act and to otherwise amend or discontinue the Plan in whole or in part.
- 14.02 No amendment to the Plan shall operate to reduce the benefits which have accrued to Members, the Spouses of Members or Beneficiaries thereof prior to the date of such amendment. The Administrator will not make any amendment which would cause or permit any portion of the Contributions or Voluntary Contributions made prior to that date to be diverted for purposes other than for the exclusive benefit of the Members, Spouses or Beneficiaries.
- 14.03 Should the Plan be wholly discontinued or terminated, the assets in the Fund shall be used to provide benefits in a manner to be determined by the Administrator acting reasonably, and subject to any requirements of the applicable Pension Benefits Act, the Fund will be used to provide benefits for Members, Spouses and Beneficiaries. All Members will have the value of their Accounts transferred to an appropriate locked-in or non-locked in vehicle.

All assets held pursuant to, or for the purposes of the Plan, shall be applied to provide for the Members, the Spouses of Members or Beneficiaries of Members those benefits which have accrued for Service to date of discontinuance or termination of the Plan. After all liabilities for accrued benefits have been fully met, any assets that may remain in the Fund shall be used as the Administrator may direct, subject to the requirements of the Pension Benefits Act.

## Appendix

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The provisions of this Appendix apply to Members who are not employed in the province of Ontario or who were not employed in Ontario at the time of terminating Service. Where the provisions of Sections 1 through 14 of the Plan are inconsistent with this Appendix, the provisions of this Appendix shall apply in respect of any non-Ontario Member.

### A1 **Spousal Waiver**

If the Spouse of an Alberta Member waives entitlement to the benefit described in Section 7.03(1) in accordance with Section 7.05, the Spouse shall automatically be the beneficiary of any amount payable on such Member's death pursuant to the optional form of pension elected by the Member unless the Spouse further waives such entitlement in accordance with the Pension Benefits Act.

### A2 **Partial Unlocking Under Section 8.03**

For the purposes of Section 8.03, in respect of a non-Ontario Member, the date specified under the Pension Benefits Act is:

|                   |  |
|-------------------|--|
| British Columbia: | any benefits (100%) earned prior to January 1, 1993      |
| Saskatchewan      | any benefits not exceeding 50% of pre-1994 contributions |
| Manitoba          | January 1, 1985  |
| Nova Scotia       | January 1, 1988  |

### A3 **50% Unlocking of Account**

An Inactive Member who last terminated employment with an Employer in Alberta, who has attained age 50 and who is electing to transfer the value of the Alberta Member's Account in accordance with Section 8.05 to a life income fund may elect to receive up to 50% of the Account balance, other than any portion attributable to Voluntary Contributions, as a lump sum provided that, if the Member has a Spouse at the relevant time, the Spouse has provided a waiver to the Administrator in the form and manner prescribed under the *Employment Pension Plans Act* (Alberta).

A surviving Spouse of an Alberta Member who has attained age 50 and who is electing to transfer the value of the Alberta Member's Account to a life income fund may elect to receive up to 50% of the Account balance, other than any portion attributable to Voluntary Contributions, as a lump sum.

**A4 100% Unlocking of Account**

An Inactive Member who last terminated employment with an Employer in Saskatchewan, who has attained age 50 and who is electing to transfer the value of the Saskatchewan Member's Account in accordance with Section 8.05 may transfer it to a Prescribed Retirement Income Fund, other than any portion attributable to Voluntary Contributions. If the Member has a Spouse at the relevant time, the Spouse must complete a waiver and submit it to the Administrator in the form and manner prescribed under the Saskatchewan's *Pension Benefits Act*.

A surviving Spouse of a Saskatchewan Member who is electing to transfer the value of the Member's Account may also transfer it to a Prescribed Retirement Income Fund.

**A5 Termination of Spouse's Entitlement to Death Benefits**

If, prior to commencing the payment of a benefit under the Plan, the Administrator is provided with notice of a division of entitlement, in accordance with applicable provincial family relations legislation, between a Member and such Member's Spouse due to a breakdown of the spousal relationship:

- (1) the normal form of benefit required for a Member with a Spouse at pension commencement under Section 7.03(1) shall not be required for the Member; and,
- (2) the priority right of a Spouse to a death benefit under Section 9.01 shall not apply in respect of the Member's former Spouse in accordance with the applicable Pension Benefits Act.

**A6 Early Benefit**

- (1) A Quebec Member whose working time is reduced pursuant to an agreement with the Administrator effective on or after June 5, 1997 and who has attained age 55 is entitled, upon request to the Administrator, in each calendar year covered by the agreement, to the payment of a lump sum of an early benefit in a lump sum, equal to the least of:
  - (a) 70% of the reduction in his or her Salary resulting from the reduction in working time during the calendar year;
  - (b) 40% of the YMPE in that calendar year; and
  - (c) the value of the Member's Account at the relevant time.
- (2) A Quebec Member cannot receive, in the same calendar year, the early benefit described in this Section B1.03 and the postponed retirement benefits described in Section B1.04, or the pension payable in replacement thereof.
- (3) The Account of the Quebec Member who receives the early retirement benefit provided under paragraph B1.03(1) above shall be reduced by the amount so paid.

**A7 Postponed Retirement Benefits**

- (1) A Quebec Member who remains employed beyond Normal Retirement Date may require that the Member's Account be paid to him or her, in whole or in part, but only to the extent necessary to offset any reduction in Salary during that period. No Quebec Member may exercise this right more than once per 12-month period, except pursuant to an agreement with the Administrator.
- (2) The benefit payable to a Quebec Member under paragraph B1.04(1) above shall be paid in the form of a single lump sum.

**A8 Redetermination of Quebec Member's Pension**

- (1) Where a Quebec Member's pension has been established pursuant to Section 7.03 (1) or under an optional form that provides a survivor pension to the Spouse, and the entitlement of the Member's Spouse to the survivor pension is terminated pursuant to Section B1.05, the Quebec Member may request a redetermination of his or her pension. The redetermined pension shall be in the same amount and have the same characteristics as the pension that would be payable to the Quebec Member at the date of redetermination had the Quebec Member not had a Spouse on the pension commencement date.
- (2) Unless the Administrator has received the notice referred to in Section B1.06(1), the Administrator shall redetermine the Quebec Member's pension if, after the pension commencement date, there has been a division of the Quebec Member's pension pursuant to Section 12.03.
- (3) The redetermination of a pension under this Section B1.06 cannot, on its own, operate to reduce the amount of the pension payable to the Quebec Member.