

Shared Risk Plan for  
Academic Employees of  
the University of New Brunswick

Amended and restated  
as at July 1, 2013

As amended up to and including July 1, 2015



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# Introduction

## Historical Background

Until January 1, 1993, academic employees of the University had been covered under the New Brunswick Public Service Superannuation Act as amended from time to time. Up to January 1, 2014, benefits for service prior to January 1, 1993 continued to be provided under the Act. As of January 1, 2014, benefits for service prior to January 1, 1993 are provided under the Public Service Shared Risk Plan.

The Pension Plan for Academic Employees of the University of New Brunswick (the "Prior Plan") was established for Academic Employees of the University effective from January 1, 1993. The Prior Plan provided benefits for service on and after January 1, 1993.

As of July 1, 2013, the Prior Plan is converted to a shared risk pension plan, within the meaning of the Pension Benefits Act and is renamed as the Shared Risk Plan for Academic Employees of the University of New Brunswick (the "Plan"). The purpose of the Plan shall be to provide secure (but not guaranteed) pension benefits to Members of the Plan with a risk focused management approach to deliver a high degree of certainty that base benefits can be met in the vast majority of potential future economic scenarios.

All calculations to convert benefits accumulated prior to July 1, 2013 to the shared risk model are made as of July 1, 2013 without regard to any administrative changes required to effect the conversion.

## Application

The provisions of the Plan apply to Academic Employees who are Members on the Conversion Date or who become Members thereafter.

For such Members benefits for periods of employment prior to January 1, 1993 will, except as may otherwise be provided under the Plan, be payable under the Public Service Superannuation Act up to January 1, 2014 and then, under the Public Service Shared Risk Plan and the Consolidated Fund of New Brunswick, as applicable. Benefits for periods of employment on and after January 1, 1993 will be payable from the Plan.

Academic Employees whose retirement, death or termination of employment occurred prior to January 1, 1993 did not become Members of the Prior Plan and shall receive pension benefits for employment with the University entirely under the Public Service Superannuation Act up to January 1, 2014 and then, under the Public Service Shared Risk Plan and the Consolidated Fund of New Brunswick, as applicable.

## Section 1: Definitions

In this Plan, the following terms and expressions have the following meanings, unless the context requires otherwise.

- 1.01 "Academic Employee" means either a person who is employed by the University and is included in the Association bargaining unit, or a person who is employed by the University, holds academic rank but is not included in the aforementioned bargaining unit.
- 1.02 "Actuary" means a Fellow of the Canadian Institute of Actuaries, or a firm of actuaries at least one of whose members or employees is a Fellow of the Canadian Institute of Actuaries, appointed in accordance with these provisions.
- 1.03 "Actuarial Equivalent" or "Actuarially Equivalent" means an actuarially equal value computed by use of actuarial tables recommended by the Actuary and approved by the Board of Trustees and in such a manner as to comply with Applicable Legislation.
- 1.04 "Agreement" means the Agreement regarding the Pension Plan for Academic Employees of the University of New Brunswick dated March 31, 2014 and made between the University and the Association.
- 1.05 "Ancillary Benefit" has the meaning set out in the Pension Benefits Act.
- 1.06 "Applicable Legislation" means the Canadian Income Tax Act and regulations thereunder, the Pension Benefits Act and any other legislation or binding directive of any governmental regulatory authority to which the Plan is or may become subject, as the same may be amended from time to time.
- 1.07 "Association" means the Association of University of New Brunswick Teachers.
- 1.08 "Average Investment Return" on any valuation date means the annualized rate of investment return earned on the assets of the Fund over the 3 year period ending on the valuation date. The investment return shall include all dividends, interest and realized and unrealized gains and losses, and shall allow for investment related expenses incurred by the Fund.
- 1.09 "Average Y.M.P.E." means the average of the Y.M.P.E. in the calendar year of the Member's retirement, death or termination of employment and the immediately preceding two years.
- 1.10 "Average Y.M.P.E. at Conversion" means the average of the Y.M.P.E. in 2013 and the two immediately preceding years.
- 1.11 "Base Benefit" has the meaning set out in the Pension Benefits Act.
- 1.12 "Base COLA" means the COLA described in Section 10.02 that may be granted in accordance with the Funding Policy.
- 1.13 "Base CPI COLA" means the Base COLA described in Section 10.03 that may be granted in accordance with the Funding Policy.

- 1.14 "Base Pension COLA" means the Base COLA described in Section 10.04 that may be granted in accordance with the Funding Policy.
- 1.15 "Best Average Pensionable Salary at Conversion" of a Member means the average annual Pensionable Salary of the Member during the 60 consecutive months of Eligible Service in which those earnings were highest, or during all the months in the Member's Eligible Service if the number of such months is less than 60, determined at the Conversion Date.
- 1.16 "Board of Governors" means the Board of Governors of the University.
- 1.17 "Board of Trustees" means the board of trustees of the Plan described in Section 14;
- 1.18 "COLA" means cost of living adjustments as may be granted by the Board of Trustees from time to time in accordance with the Funding Policy, and documented in Appendix B.
- 1.19 "Collective Agreement" means the collective agreement in force between the Association and the University at a given date.
- 1.20 "Continuous Service" means those periods of employment used to determine eligibility for benefits from the Plan, as defined in Section 4.05.
- 1.21 "Contribution Holiday" means the full or partial reduction of the contributions normally paid by both the Members who are Academic Employees and the University into the Fund in accordance with the Funding Policy, where such reduction is required under the Income Tax Act.
- 1.22 "Conversion Date" means July 1, 2013.
- 1.23 "Credited Interest" means interest calculated and applied, for each Plan Year, in such a manner as to comply with Applicable Legislation.
- Before July 1, 2013, "Credited Interest" was calculated at a rate equal to the average of the monthly yields during each Prior Plan year of 5-year personal fixed term chartered bank deposit rates, published in the Bank of Canada Review as CANSIM Series B14045.
- After June 30, 2013, the rate is equal to (a) less (b) where:
- (a) is the rate of return attributed to the Fund; and
- (b) is the rate that can reasonably be attributed to the expenses of administering the Plan that are not required to be paid by the University.
- 1.24 "CPI" means, for a given year, the average of the Consumer Price Index (all items) Canada for the twelve month period ending June 30 of that year and the "percentage increase in CPI" for a given year is the percentage increase over the CPI for the preceding year.
- 1.25 "Deputy Head" means a Member who has been a deputy head as defined under the Public Service Superannuation Act or who is or has been the President of the University.
- 1.26 "Effective Date" means January 1, 1993.
- 1.27 "Eligible Service" means those periods of employment used to determine a Member's eligibility for certain early retirement benefits from the Plan, as defined in Section 4.04.

- 1.28 "Full-Time Academic Employee" means an Academic Employee who is employed on a full-time basis. For the purpose of this Plan, full-time basis means an Academic Employee employed for a period of 12 months or more at a minimum of 29 hours per week.
- 1.29 "Fund" means the fund into which all the contributions of the Members and the University are paid and out of which all the benefits and expenses of the Plan are paid in accordance with these provisions and the Funding Policy.
- 1.30 "Funding Policy" means the written policy regarding funding for the Plan, established in accordance with the Applicable Legislation and the parameters set out in Section 3.
- 1.31 "Income Tax Act" means the *Income Tax Act*, R.S.C. 1985 (5<sup>th</sup> Supp.) c. 1, as amended or replaced from time to time.
- 1.32 "Income Tax Regulations" means the *Income Tax Regulations*, C.R.C., c. 945, as amended or replaced from time to time.
- 1.33 "Indexed Average Y.M.P.E. at Conversion" in effect on a given date of determination means the Average Y.M.P.E. at Conversion, adjusted to reflect any Base CPI COLA that has been granted by the Board of Trustees between the Conversion Date and the date of determination provided that, at no time will potential future COLAs be included in determining the Indexed Average Y.M.P.E. at Conversion.
- 1.34 "Indexed Best Average Pensionable Salary at Conversion" in effect on a given date of determination means a Member's Best Average Pensionable Salary at Conversion, adjusted to reflect:
- (a) any Base CPI COLA that has been granted by the Board of Trustees between the Conversion Date and the date of determination; and
  - (b) the product of (i) and (ii), where:
    - (i) is the Indexed PTR Adjustment in effect on the date of determination; and
    - (ii) is the number of years between the Conversion Date and the date of determination in which:
      - (A) the Member's Pensionable Salary was less than the Indexed Professor Salary Ceiling in effect for that year; and
      - (B) the Member actually received a PTR Adjustment.

Provided that the Member's Indexed Best Average Pensionable Salary at Conversion in effect on the date of determination shall be limited to the lesser of (c) and (d), where:

- (c) is the greater of (i) and (ii), where:
  - (i) is the Member's Best Average Pensionable Salary at Conversion; and
  - (ii) is the Member's highest Pensionable Salary for any year between the Conversion Date and the date of determination; and
- (d) is such amount that may be permitted under the Income Tax Act.



Provided that, at no time will potential future COLAs be included in determining the Indexed Best Average Pensionable Salary at Conversion.

1.35 "Indexed Pensionable Salary" in effect on a given date of determination in respect of a given year in which a Member received Pensionable Salary means the Member's Pensionable Salary for that year, adjusted to reflect :

- (a) any Base CPI COLA that has been granted by the Board of Trustees for each subsequent year up to the date of determination; and
- (b) the product of (i) and (ii), where:
  - (i) is the Indexed PTR Adjustment in effect on the date of determination; and
  - (ii) is the number of subsequent years up to the date of determination in which:
    - (A) the Member's Pensionable Salary was less than the Indexed Professor Salary Ceiling in effect for that subsequent year; and
    - (B) the Member actually received a PTR Adjustment.

Provided that the Member's Indexed Pensionable Salary in effect on the date of determination in respect of a given year shall be limited to the lesser of (c) and (d), where:

- (c) is the greater of (i) and (ii), where:
  - (i) is the Member's Pensionable Salary for that year; and
  - (ii) is the Member's highest Pensionable Salary for any subsequent year up to the date of determination; and
- (d) is such amount that may be permitted under the Income Tax Act.

Provided that at no time will potential future COLAs be included in determining the Indexed Pensionable Salary.

1.36 "Indexed Professor Salary Ceiling" in effect on a given date of determination means the lesser of (a) and (b), where:

- (a) is the salary ceiling of the rank of Professor as at June 30, 2013, as defined under the Collective Agreement in effect immediately prior to the Conversion Date, adjusted to reflect any Base CPI COLA and PTR Recapture that have been granted by the Board of Trustees between the Conversion Date and the date of determination; and
- (b) is the salary ceiling of the rank of Professor for that year, as defined under the Collective Agreement in effect on the date of determination.

Provided that at no time will potential future COLAs be included in determining the Indexed Professor Salary Ceiling. Historical amount can be found in Appendix B.

1.37 "Indexed PTR Adjustment" in effect on a given date of determination means the lesser of (a) and (b), where:

- (a) is the PTR Adjustment at Conversion, adjusted to reflect any Base CPI COLA and PTR Recapture that have been granted by the Board of Trustees between the Conversion Date and the date of determination; and
- (b) is the PTR Adjustment in effect on the date of determination.

Provided that, at no time, will potential future COLAs be included in determining the Indexed PTR Adjustment. Historical amount can be found in Appendix B.

- 1.38 "Indexed YMPE" in effect on a given date of determination in respect of a given year means the YMPE for that year, adjusted to reflect any Base CPI COLA that has been granted by the Board of Trustees for each subsequent year up to the date of determination provided that at no time, will potential future COLAs be included in determining the Indexed YMPE.
- 1.39 "Initial Contributions" has the meaning set out in the Pension Benefits Act.
- 1.40 "Member" means a person who is or has been an Academic Employee and a contributor to the Plan or the Prior Plan and includes a Member who:
  - (a) is entitled to a deferred pension from the Plan,
  - (b) is in receipt of a pension from the Plan, or
  - (c) is entitled to receive any other payment from the Plan.
- 1.41 "Investment Policy" means the investment policy, as amended from time to time, established by the Board of Trustees in accordance with the Pension Benefits Act.
- 1.42 "Normal Retirement Date" with respect to a Member, for the purposes of this Plan, means the June 30 next following the Member's 65th birthday.
- 1.43 "Part-Time Academic Employee" means an Academic Employee who is not employed on a full-time basis.
- 1.44 "Pensionable Salary" for a Full-Time Academic Employee means the normal salary (including administrative stipends) received by a Member from the University. If any period is included in the calculation of Pensionable Salary during which a Member is a Part-Time Academic Employee, the Member's Pensionable Salary for such period shall be at the rate which the Member would have earned if the Member had been working on a full-time basis.

During periods of absence recognized as Pensionable Service in accordance with Section 4, Pensionable Salary shall be:

- (a) in the case of disability under Section 4.02(a), based on the normal salary that the person would have been paid (excluding PTR salary adjustments that would have been granted after the start of the disability period) if that person had continued working in the position held immediately prior to disability;
- (b) in the case of workload reduction under Section 4.02(b), based on the normal salary that the person would have been paid if that person had continued working in the position held immediately prior to commencement of the workload reduction;
- (c) in the case of leave with full pay under Section 4.02(c), based on the salary paid, or

in the case of leave with partial pay under Section 4.02(c), based on the normal full-time salary that the person would have been paid if that person had continued working on a full-time basis in the position held immediately prior to the leave;

- (d) in the case of leave without pay under Section 4.02(d), based on the normal salary that the person would have been paid (PTR salary adjustments may be excluded) if that person had continued working in the position held immediately prior to the leave;

provided that any such Pensionable Salary shall be limited to amounts that may be allowed under Applicable Legislation.

- 1.45 "Pensionable Service" means those periods of employment used to determine the amount of a Member's benefit from the Plan, as defined in Sections 4.01 to 4.03.
- 1.46 "Pension Benefits Act" means the *Pension Benefits Act* (New Brunswick), ch. P-5.1, as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.
- 1.47 "Plan" means the Shared Risk Plan for Academic Employees of The University of New Brunswick that is established effective as of the Conversion Date, as a successor to the Prior Plan.
- 1.48 "Plan Membership" with respect to a Member means the period of Continuous Service on and after January 1, 2001 while a Member of the Plan or Prior Plan.
- 1.49 "Plan Year" means, with respect to the period up to the Conversion date; the period from the Effective Date to December 31, 1993 and each twelve (12) month period thereafter and, with respect to the periods after the Conversion Date, the period from July 1, 2013 to June 30, 2014 and each twelve (12) month period thereafter.
- 1.50 "Pre-Conversion Maximum Pensionable Salary" for a given calendar year shall be equal to (a) divided by (b), where:
  - (a) is the sum of (i) the Defined Benefit Limit, as defined in paragraph 9.01(a) of the Plan, and (ii) 0.7% of the Y.M.P.E. for that calendar year; and
  - (b) is 2.0%.

For the purposes of Section 5, the Pre-Conversion Maximum Pensionable Salary shall be determined in the calendar year of the Member's retirement, death or termination of employment, whichever shall first occur.

- 1.51 "Post-Conversion Maximum Pensionable Salary" for a given calendar year shall be equal to (a) divided by (b), where:
  - (a) is the sum of (i) the Defined Benefit Limit, as defined in paragraph 9.01(a) of the Plan, and (ii) 0.7% of the Y.M.P.E. for that calendar year; and
  - (b) is 1.8%.

For the purposes of Section 5, the Post-Conversion Maximum Pensionable Salary shall be determined in the calendar year of the Member's retirement, death or termination of employment, whichever shall first occur.

- 1.52 "Prior Plan" means the Pension Plan for Academic Employees of the University of New Brunswick prior to the Conversion Date.
- 1.53 "PTR Adjustment" for a given year means the amount of progress-through-the-ranks salary increase determined in accordance with the Collective Agreement in effect at that time;
- 1.54 "PTR Adjustment at Conversion" means 2 times the semi-annual amount of progress-through-the-ranks salary increase determined as at June 30, 2013 in accordance with the Collective Agreement in effect immediately prior to the Conversion Date.
- 1.55 "PTR Recapture" means the COLA described in Sections 10.09 and following, that may be granted in accordance with the Funding Policy.
- 1.56 "Public Service Shared Risk Plan" means the New Brunswick Public Service Superannuation Act prior to January 1, 2014 and the Public Service Shared Risk Plan on or after January 1, 2014.
- 1.57 "Spouse" of a Member on any date means a person, of the opposite or the same sex of the Member, who:
- (a) is married to the Member,
  - (b) is married to the Member by a marriage that is voidable and has not been voided by a declaration of nullity,
  - (c) has gone through a form of marriage with the Member in good faith that is void and has cohabited with the Member within the preceding year, or
  - (d) is not married to the Member, but has cohabited with the Member for a continuous period of not less than two years in a conjugal relationship.
- If, at the relevant time, one person qualifies under (a), (b) or (c) above with respect to the Member and another person qualifies under (d) above with respect to the Member, the person who qualifies under (a), (b) or (c) is entitled to benefits under the Plan, provided she is otherwise eligible, unless there is a valid domestic contract between the Member and such person or a decree, order or judgment of a competent tribunal that bars that person's claim.
- 1.58 "Termination Value" means the value of a Base Benefit calculated in the manner prescribed by Applicable Legislation and as of the date of termination of employment, termination of membership, retirement, death or marriage breakdown as applicable. A Termination Value payable under this Plan shall accumulate Credited Interest at the rate in effect for the immediately preceding Plan Year from the date of a Member's termination of employment, termination of membership, retirement, death or marriage breakdown, as applicable, to the date of payment or transfer.
- 1.59 "Trust Agreement": Before July 1, 2013, means the agreement made the 30th day of December 1992 between the University of New Brunswick of the first Part and The Association of University of New Brunswick Teachers of the second part, as amended on the 21<sup>st</sup> day of June, 2007. On and after July 1, 2013 means the agreement made on March 31, 2014 between The Association of University of New Brunswick Teachers and the University of New Brunswick.

1.60 "University" means The University of New Brunswick.

1.61 "Y.M.P.E." means the Year's Maximum Pensionable Earnings, as defined under the Canada Pension Plan.

## Section 2: Eligibility and Membership

### Eligibility

- 2.01 A person who on June 30, 2013 was a Member under the Prior Plan shall continue under the same status (i.e. active, deferred, pensioner, suspended) as of the Conversion Date under this Plan.
- 2.02 A Full-Time Academic Employee shall become a Member of the Plan on the date on which he or she becomes a Full-Time Academic Employee
- 2.03 A Part-Time Academic Employee may elect to become a Member of this Plan on the first day of any month provided that in each of the two consecutive calendar years immediately preceding the date such person elects to join the Plan, the Academic Employee had Pensionable Salary at least equal to 35% of the Y.M.P.E for the year.

### Rehires

- 2.04 A Member re-entering the employment of the University after having previously terminated employment, shall have the period of membership following the date of re-employment treated separately from the prior period of membership for purposes of the Plan.

### No Withdrawal

- 2.05 An Academic Employee who has become a Member of the Plan shall remain a Member of the Plan so long as he or she continues to be an Academic Employee.

## Section 3: Contributions and Funding

### Initial Contributions

3.01 Subject to applicable limits under the Income Tax Act and Sections 3.03, 3.04, 3.05, and 4.02, with effect from the Conversion Date a Member shall contribute to the Fund by payroll deduction, during the period that the Member remains an Academic Employee and is not in receipt of a retirement pension, Initial Contributions equal to:

- (a) X% of Pensionable Salary up to the Y.M.P.E.; plus
- (b) Y% of the Pensionable Salary up to the Post-Conversion Maximum Pensionable Salary, in excess of the Y.M.P.E.

The above X and Y rates shall be determined by the Board of Trustees, on the recommendation of the Actuary, as of the Conversion Date and for each year thereafter so that:

- (c) Y% is equal to X% plus 1.7%; and
- (d) the estimated total contributions made by the Members for each year or part thereof equal 11.5% of total Pensionable Salary limited to the Post-Conversion Maximum Pensionable Salary for that period.

For any period during which a Member is not a Full-Time Academic Employees, the Member's Initial Contributions under this section shall be reduced based on the ratio of the Members' Actual Pensionable Salary in such period to the Pensionable Salary that would have applied for full-time employment in the same position.

3.02 Subject to Sections 3.03, 3.04 and 3.05, the University shall contribute to the Fund, Initial Contributions equal to the total of the Member's Initial Contributions determined in accordance with Section 3.01.

### Contribution Adjustments

3.03 The contribution requirements established under Sections 3.01 and 3.02 above for the Members who are Academic Employees and the University, respectively, may be adjusted by the Board of Trustees from time to time subject to the triggering mechanisms and limitations imposed by the Funding Policy, Sections 3.04 and 3.05 below, and the conditions that the contribution requirements:

- (a) established under Section 3.01 above for each Member who is an Academic Employee shall not be increased or decreased by an amount greater than 2.25% of Pensionable Salary; and
- (b) for the University shall, at all times, be equal to the total of the Members' contributions, including any adjustments made in accordance with paragraph (a) above.

Any such adjustments to the contribution requirements shall be documented in Appendix A.

### **Contribution Holidays**

- 3.04 Notwithstanding anything contained herein, the contributions made by the Members and the University to the Plan in any calendar year shall not exceed the maximum amounts permitted as contributions to a pension plan registered under the Income Tax Act.
- 3.05 Contribution Holidays shall only be permitted if required under the Income Tax Act. Contribution Holidays shall apply to both Members who are Academic Employees and the University equally and will only be applied in the manner allowed under the Funding Policy.

### **General Contribution Provisions**

- 3.06 Member and University bi-weekly contributions shall be remitted by the University to the Board of Trustees as required by the Board of Trustees in compliance with Applicable Legislation.
- 3.07 The Association, the Members and the University shall have no financial obligations or responsibilities in respect of the Plan, save and except for the obligation to contribute as required by the terms of the Funding Policy and the Plan.

### **Funding Policy**

- 3.08 The University and the Association shall establish a Funding Policy. The Funding Policy shall at a minimum contain the information required under the Applicable Legislation and shall provide:
- (a) the risk management goals and risk management procedures which shall meet or exceed the minimum set out in the Applicable Legislation;
  - (b) the rules that shall be followed for determining the level of contribution rates and timing for change;
  - (c) the circumstances under which contributions may be suspended;
  - (d) a description of the cost sharing between the University and the Members;
  - (e) the level of COLA that may be allowed depending on the financial position of the Plan and the limits under the Income Tax Act;
  - (f) the funding deficit recovery plan;
  - (g) the funding excess utilization plan;
  - (h) a description of who is responsible for paying the administrative expenses of the Plan and how the expenses are treated for purpose of the risk management objectives; and
  - (i) the actuarial assumptions used on the conversion of the Prior Plan to the Plan and the process for changing the assumptions over time, including the discount rate used to calculate the Funding Policy liabilities of the Plan.



In the administration of the Plan, the Board of Trustee shall adhere to and act in accordance with the Funding Policy.

- 3.09 The Board of Trustees shall review the Funding Policy at least annually.
- 3.10 Except as permitted by the Funding Policy, the Funding Policy shall only be amended with the agreement of both the University and the Association.

## Section 4: Pensionable and Eligible Service

### Pensionable Service

4.01 Pensionable Service with respect to a Member means the sum of the following periods (calculated in years, months and days):

- (a) the period of employment as a Full-Time Academic Employee on and after the Effective Date during which the Member made contributions to the Plan in accordance with Section 3 or to the Prior Plan.
- (b) the period of pro-rated part-time employment as a Part-Time Academic Employee during the period of the Member's membership in the Plan or Prior Plan on and after the Effective Date, with the pro-rating based in each calendar year on the ratio of the Member's actual Pensionable Salary in such year to the Pensionable Salary that would have applied for full-time employment in the same position.
- (c) any period on and after the Effective Date during which the Member is on leave of absence, determined in accordance with Section 4.02; and
- (d) any additional period for which a Member is granted pension credits under a reciprocal agreement in accordance with Section 14.08,

provided that any such period of Pensionable Service shall be limited to periods that may be allowed under Applicable Legislation.

### Leave of Absence

4.02 A Member who is on leave of absence for one of the reasons covered in this Section 4.02, and who is absent for such a period of time that the Member would lose Pensionable Service, may have part or all of the period of absence recognized as Pensionable Service, subject to the conditions and requirements set out below.

In accordance with Applicable Legislation, the total additional period of Pensionable Service granted to a Member in respect of leaves of absence under paragraphs (b), (c) and (d) of this Section 4.02 shall be limited to 5 years of full-time employment plus an extra 3 years of full-time employment for periods of absence that are within 12 months following the date of birth or adoption of the Member's child. For this purpose, the additional period of Pensionable Service in any year is the difference between the Pensionable Service actually granted under the relevant paragraph and the Pensionable Service that would have been granted based on the Member's actual employment status during the year.

- (a) Disability

The period during which a Member is absent on account of disability and receives a disability benefit from a long term disability plan established by the University shall be deemed to be Pensionable Service. A Member who is absent on account of such a disability shall be treated as a Full-Time Academic Employee or a Part-Time Academic

Employee, depending on the Member's employment status at the date of commencement of the disability.

A Member shall not be required to make contributions to the Plan under Section 3 during such period nor shall the University be required to make contributions under Section 3 in respect of such Member during such time period.

(b) Workload Reduction Arrangements

The period during which a Member is on a workload reduction arrangement shall be deemed to be Pensionable Service. A Member who is on a workload reduction arrangement shall be treated as a Full-Time Academic Employee for such a period up to a maximum of five years, and as a Part-Time Academic Employee for any such period in excess of five years.

A Member who is on a temporary workload reduction arrangement shall have the option of either:

- (i) making contributions to the Plan calculated in accordance with Section 3.01 based on the Member's Pensionable Salary for the period of the workload reduction, or
- (ii) allowing contributions to lapse during the period of the workload reduction, and paying the required contributions in accordance with Section 3.01 based on the Member's Pensionable Salary for the period of the workload reduction plus Credited Interest thereon upon return to Full-Time employment.

A Member who is on a permanent workload reduction arrangement shall be required to make regular contributions to the Plan calculated in accordance with Section 3.01 based on the Member's Pensionable Salary for such period.

(c) Leave of Absence with Full or Partial Pay

The period during which a Member is on a leave of absence granted by the University and receives full or partial pay shall be deemed to be Pensionable Service. A Member who is on a leave of absence with full pay shall be treated as a Full-Time Academic Employee during the period of such leave. A Member who is on a leave of absence with partial pay shall be treated as a Full-Time Academic Employee for the period of such leave up to a maximum of five years, and as a Part-Time Academic Employee for the period of such leave in excess of five years.

A Member shall be required to make contributions to the Plan calculated in accordance with Section 3.01 based on the Member's Pensionable Salary and employment status for the period of the leave of absence.

(d) Leave of Absence without Pay

The period during which a Member who is on a leave of absence granted by the University and receives no pay may be recognized as Pensionable Service up to a maximum period of two years, if the Member elects after return to active employment to have such period recognized as Pensionable Service. A Member who is on such a leave of absence shall be treated as a Full-Time Academic Employee during such period up to a maximum period of two years.

Upon such election, the Member shall pay the required contributions calculated in accordance with Section 3.01 based on the Member's Pensionable Salary for the period of the leave of absence, up to a maximum period of two years, plus Credited Interest thereon.

### **Prior Period of Employment**

4.03 A Member re-entering the employment of the University after having previously terminated employment shall have the period of membership following the date of re-employment treated separately from the prior period of membership for purposes of the Plan

### **Eligible Service**

4.04 Eligible Service with respect to a Member means the sum of:

- (a) For Members who joined the Prior Plan on or before April 30, 2009, the sum of:
  - (i) the Member's Pensionable Service, in accordance with Section 4.01, and
  - (ii) the Member's period of employment prior to the Effective Date which is counted as pensionable service under the Public Service Shared Risk Plan.
- (b) For Members who joined the Plan or the Prior Plan on or after May 1, 2009, the Member's Pensionable Service, in accordance with Section 4.01.

### **Continuous Service**

4.05 Continuous Service with respect to a Member means the sum of the following periods (calculated in years, months and days):

- (a) the Member's most recent uninterrupted period of employment with the University including periods of leave of absence covered under Section 4.02;
- (b) any period of prior employment with the University during which the Member made contributions to the Plan or the Prior Plan in accordance with Section 4.03; and
- (c) any additional period for which a Member is granted pension credits under a reciprocal agreement in accordance with Section 14.08.

## Section 5: Base Benefits

- 5.01 The Base Benefits described in this Section 5 and Sections 6.03, 6.04, and 6.05, as applicable, are the intended Base Benefits under this Plan. Notwithstanding any other provision of this Plan, the Funding Policy may allow or require the Board of Trustees to reduce Base Benefits under certain circumstances. Such reductions may affect all classes of Members. Any reductions to Base Benefits made pursuant to the Funding Policy shall be for the time period required under the Funding Policy and shall affect the Base Benefits specified in this Plan. Any such reductions shall be documented in Appendix C.
- 5.02 Subject to any benefit reductions set out in Appendix C, the Base Benefits for Members who retired prior to the Conversion Date, surviving Spouses or beneficiaries in receipt of a pension prior to the Conversion Date, and Members with a deferred pension entitlement under the Prior Plan prior to the Conversion Date shall be the amount of pension paid or payable at the Conversion Date, plus all Base Pension COLAs granted by the Board of Trustees from time to time after the Conversion Date in compliance with the terms of the Plan and the Funding Policy. However, at no time will potential future COLAs be included in determining the Base Benefits.
- 5.03 Subject to the maximum benefits limits under Section 9 and any benefit reductions set out in Appendix C, for a Member who, on or after the Conversion Date, retires, terminates employment or dies prior to terminating employment, the Base Benefit payable from the Member's Normal Retirement Date shall be equal to the sum of:
- (a) an annual pension equal to, for each year of Pensionable Service related to the periods of service before July 1, 2007, the sum of:
    - (i) 1.3% of the Member's Indexed Best Average Pensionable Salary at Conversion up to the Indexed Average Y.M.P.E. at Conversion; plus
    - (ii) 2.0% of the Member's Indexed Best Average Pensionable Salary at Conversion in excess of the Indexed Average Y.M.P.E. at Conversion; plus
  - (b) an annual pension equal to, for each year of Pensionable Service related to the periods of service between July 1, 2007 and June 30, 2013, the sum of:
    - (i) 1.0% of the Member's Indexed Best Average Pensionable Salary at Conversion up to the Indexed Average Y.M.P.E. at Conversion; plus
    - (ii) 1.7% of the Member's Indexed Best Average Pensionable Salary at Conversion up to the Pre-Conversion Maximum Pensionable Salary at the date of determination, in excess of the Indexed Average Y.M.P.E. at Conversion; plus
  - (c) an annual pension equal to, for each year of Pensionable Service on or after the Conversion Date, the sum of:
    - (i) 1.1% of the Member's Indexed Pensionable Salary up to the Indexed Y.M.P.E.; plus
    - (ii) 1.8% of the Member's Indexed Pensionable Salary, in excess of the Indexed Y.M.P.E.; plus

- (d) all Base Pension COLAs granted by the Board of Trustees following the Member's date of retirement, termination of employment or death prior to termination of employment, as applicable. However, at no time will potential future COLAs be included in determining Base Benefits.
- 5.04 For each year that a member was working as a Part-Time Academic Employee or is credited with Part-Time adjusted Pensionable Service under a reduced workload arrangement in accordance with paragraph 4.02(b), the Base Benefit under 5.03 shall be multiplied by the Pensionable Service accrued during that year.

## Section 6: Ancillary Benefits

- 6.01 The following benefits are Ancillary Benefits for the purposes of the Plan:
- a) the early retirement benefits described under paragraphs 8.02(a)(i), 8.02(b)(i) , 8.02(c)(i) and Section 13.04;
  - b) the post-retirement death benefit in accordance with Section 11;
  - c) the pre-retirement death benefit in accordance with Sections 12.04 to 12.09; and
  - d) COLA described under Section 10.
- 6.02 Notwithstanding any other provision of this Plan, the Funding Policy may allow or require the Board of Trustees to adjust Ancillary Benefits that are paid or payable to Members.
- 6.03 The Ancillary Benefits described under paragraphs 6.01 (a) and (b) shall form part of a Member's Base Benefits for the purposes of the Plan after such Member becomes eligible for an immediate pension in accordance with Sections 7.02, 7.03, 7.04 or 13.04.
- 6.04 The Ancillary Benefits described under paragraph 6.01 (c) shall form part of a Member's Base Benefits for the purposes of the Plan after such benefits become payable in accordance with Section 12.
- 6.05 Once COLA has been granted by the Board of Trustees in accordance with the Funding Policy, it shall form part of the Member's Base Benefits for the purposes of the Plan.

## Section 7: Retirement Dates

### Normal Retirement Date

- 7.01 A Member shall be eligible to receive a normal retirement pension on the Member's Normal Retirement Date.

### Early Retirement Dates

- 7.02 A Member with Eligible Service as at the Conversion Date, shall be eligible to receive an immediate early retirement pension with respect to Pensionable Service prior to the Conversion Date, as defined in Section 8.02(a)(i), if the Member's combined years of age (calculated in years, months and days) and Eligible Service total 85 or more.
- 7.03 Notwithstanding Section 7.02, a Member who has served as a Deputy Head shall be eligible to receive an immediate early retirement pension, with respect to Pensionable Service prior to the Conversion Date, as defined in Section 8.02(b)(i), if the Member
- (a) has served as a Deputy Head for at least one year;
  - (b) has completed at least 25 years of Eligible Service; and
  - (c) has attained age 55.
- 7.04 A Member may retire at any time within 10 years immediately preceding the Member's Normal Retirement Date, provided that the Member has completed 2 years of Plan Membership.

### Postponed Retirement Date

- 7.05 A Member who remains in the employment of the University after his Normal Retirement Date and who does not elect to receive his pension from Normal Retirement Date may retire on the first day of any month following his Normal Retirement Date. In any event, he will be deemed to have retired, for the purposes of the Plan, at the earlier of the following dates:
- a) the first day of the month following the date he terminates employment;
  - b) the latest date on which the payment of his pension should begin pursuant to the Income Tax Act.

The Member shall receive a pension determined in accordance with the provisions of Section 8.04.



## Section 8: Retirement Benefits

### Normal Retirement Pension

8.01 A Member who retires on his Normal Retirement Date on or after the Conversion Date shall receive, commencing on the first day of the month coincident with or following the Member's retirement date, Base Benefits calculated in accordance with Section 5.03.

### Early Retirement Pension

- 8.02 (a) A Member who retires prior to the Member's Normal Retirement Date on or after the Conversion Date under the provisions of section 7.02 shall receive Base Benefits commencing on the first day of the month coincident with or next following the Member's retirement date calculated as the sum of (i) and (ii) below:
- (i) With respect to benefits for periods of service prior to the Conversion Date:
    - (A) for the time period, if any, prior to the date the Member reaches age 60, Base Benefits determined in accordance with Section 5.03(a) and (b), adjusted to replace the benefit accrual rates under subparagraphs 5.03(a)(i) and 5.03(b)(i) with the benefit accrual rates under subparagraphs 5.03(a)(ii) and 5.03(b)(ii), respectively, for periods of service recognized as Pensionable Service;
    - (B) for the time period on or after the date the member reaches age 60, Base Benefits determined in accordance with Section 5.03(a) and (b) for periods of service recognized as Pensionable Service; and
    - (C) for each year of the Member's period of employment prior to January 1, 1993 which is counted as pensionable service under the Public Service Shared Risk Plan, an amount equal to the excess, if any, of:
      - (1) the pension determined in accordance with subparagraphs (A) and (B) based on the formula set out under paragraph 5.03(a); over
      - (2) the pension determined in accordance with subparagraph (1), adjusted to reflect the early retirement provisions applicable under the Public Service Shared Risk Plan for such period of service.
  - (ii) With respect to benefits for periods of service on or after the Conversion Date, once the Member is within 10 years of the Normal Retirement Date, the Member shall be entitled to receive Base Benefits determined in accordance with paragraph 5.03(c), less an early retirement reduction. Subject to Section 8.03, the early retirement reduction shall be the same amount for payments made before and after the Member's Normal Retirement Date and shall be equal to the amount determined on an Actuarially Equivalent basis.
- (b) A Member who retires prior to the Member's Normal Retirement Date on or after the Conversion Date under the provisions of section 7.03 shall receive Base Benefits

commencing on the first day of the month coincident with or next following the Member's retirement date calculated as the sum of (i) and (ii) below:

- (i) With respect to benefits for periods of service prior to the Conversion Date:
    - (A) for the time period, if any, prior to the date the Member reaches age 60, Base Benefits determined in accordance with Section 5.03(a) and (b), adjusted to replace the benefit accrual rates under subparagraphs 5.03(a)(i) and 5.03(b)(i) with the benefit accrual rates under subparagraphs 5.03(a)(ii) and 5.03(b)(ii), respectively, for periods of service recognized as Pensionable Service;
    - (B) for the time period on or after the date the member reaches age 60, Base Benefits determined in accordance with Section 5.03(a) and (b) for periods of service recognized as Pensionable Service; and
  - (ii) With respect to benefits for periods of service on or after the Conversion Date, once the Member is within 10 years of the Normal Retirement Date, the Member shall be entitled to receive Base Benefits determined in accordance with paragraph 5.03(c), less an early retirement reduction. Subject to Section 8.03, the early retirement reduction shall be the same amount for payments made before and after the Member's Normal Retirement Date and shall be equal to the amount determined on an Actuarially Equivalent basis.
- (c) A Member who retires prior to the Member's Normal Retirement Date on or after the Conversion Date under the provisions of Section 7.04 shall receive Base Benefits commencing on the first day of the month coincident with or next following the Member's retirement date equal to the sum of (i) and (ii) below:
- (i) With respect to benefits for periods of service prior to the Conversion Date, the Base Benefits determined in accordance with Section 8.02(b)(i) for periods of service recognized as Pensionable Service, reduced by the lesser of:
    - (A) five-twelfths of 1% for each month by which the Member's actual retirement date precedes the date the Member reaches age 65; or
    - (B) the amount determined on an Actuarially Equivalent basis.
  - (ii) Subject to Section 8.03, with respect to benefits for periods of service on or after the Conversion Date, the Base Benefits determined in accordance with Section 5.03(c) for periods of service recognized as Pensionable Service, reduced by the amount determined on an Actuarially Equivalent basis.

### **Prescribed Reduction Under the Income Tax Act**

8.03 In no event shall the pension payable under section 8.02 be greater than the pension payable at Normal Retirement Date reduced by 0.25% for each complete month by which the Early Retirement Date precedes the earliest of:

- (a) the date the Member attains age 60;

- (b) the date the Member completed, or would have completed had the Member continued in employment after his Early Retirement Date, 30 years of Continuous Service; and
- (c) the date on which the aggregate of the Member's age and Continuous Service is, or would have been had the Member continued in employment after his Early Retirement Date, equal to 80 years.

### **Postponed Retirement Pension**

- 8.04 A Member who continues working for the University after his Normal Retirement Date shall continue to accrue benefits during his employment and shall continue to pay contributions to the Plan in accordance with Section 3.01. Upon Postponed Retirement in accordance with Section 7.05, the Member shall receive Base Benefits commencing on his postponed retirement date, calculated in accordance with Section 5.03, based on his years of Pensionable Service on that date.

## Section 9: Maximum Retirement Pension

9.01 (a) For purposes of this Section 9.01:

"Average Consumer Price Index" for a calendar year is defined by Section 8500 of the Income Tax Regulations (Canada);

"Bridging Benefit" in respect of a Member whose pension commences before the Normal Retirement Date means the amount by which the annual pension payable to the Member before the Normal Retirement Date exceeds the annual pension payable to the Member after the Normal Retirement Date;

"Defined Benefit Limit" means \$1,722.22 for years before 1996 and, for years after 1995, the greater of \$1,722.22 or one-ninth of the Money Purchase Limit for the year;

"Final Earnings Ratio" means the proportion, not exceeding one, that the total of the Member's remuneration for the three calendar years in which the remuneration is the highest is to the total of the Y.M.P.E. for those three years;

"Highest Average Compensation" means one-third of the total of the Member's Indexed Compensation for the three non-overlapping 12-month periods of highest Indexed Compensation;

"Indexed Compensation" means Pensionable Salary with such Pensionable Salary for a particular year being adjusted to reflect the increase in the average wage index, in accordance with Section 147.1 of the Income Tax Act (Canada), from the later of that year and 1986 to the year in which pension payments commence to or in respect of the Member; and

"Money Purchase Limit" for a calendar year is defined by Section 147.1 of the Income Tax Act (Canada).

- (b) The initial lifetime retirement pension payable under this Plan on an annual basis to a Member at retirement, termination of employment or termination of this Plan, including any amount paid out to the Member's spouse as a result of marriage breakdown, but excluding the annual lifetime pension determined in accordance with section 8.02(a)(i)(C), shall not exceed the Defined Benefit Limit for the calendar year in which pension payments commence (or 2% of the Member's Highest Average Compensation, if less) times the number of years of such Pensionable Service.
- (c) The lifetime retirement pension payable under this Plan on an annual basis to a Member for any calendar year after the year in which pension payments commence (hereinafter the "particular year") shall not exceed the limit described in Section 9.01(b) multiplied by the ratio of the Average Consumer Price Index for the particular year to the Average Consumer Price Index for the calendar year in which pension payments commenced.
- (d) The initial Bridging Benefit payable to a Member, excluding the Bridging Benefit determined in accordance with section 8.02(a)(i)(C), shall not exceed the sum of:

- (i) 25% of the Average Y.M.P.E. for the calendar year in which the pension payments commence, multiplied by the Final Earnings Ratio, and
- (ii) The maximum amount of Old Age Security benefits that would be payable to the Member if the Member were eligible for such benefits;

provided that such amount shall be reduced by 0.25% for each month, if any, by which the date on which payment of the pension commences precedes the Member's attainment of age 60, and by 10% for each year, if any, by which the Member's years of Eligible Service are less than ten years.

- (e) The Bridging Benefit payable to a Member for any calendar year after the year in which pension payments commence (hereinafter the "particular year") shall not exceed the limit described in Section 9.01(d) multiplied by the ratio of the Average Consumer Price Index for the particular year to the Average Consumer Price Index for the calendar year in which pension payments commenced.
- (f) The total of the lifetime retirement pension and the Bridging Benefit payable on an annual basis for the period prior to the Member's attainment of age 65, excluding the annual pension and Bridging Benefit determined in accordance with section 8.02(a)(i)(C), shall not exceed:
  - (i) during the calendar year in which pension payments commence, the sum of:
    - (A) The Defined Benefit Limit for such year, multiplied by the Member's years of Pensionable Service, and
    - (B) 25% of the Average Y.M.P.E. for such year, multiplied by the ratio of the Member's years of Pensionable Service (not in excess of 35 years) to 35 years; and
  - (ii) during any calendar year after the year in which pension payments commence (hereinafter the "particular year"), the limit described in Section 9.01(f)(i) multiplied by the ratio of the Average Consumer Price Index for the particular year to the Average Consumer Price Index for the calendar year in which pension payments commenced.

## Section 10: COLA

### COLA

10.01 Pursuant to the Applicable Legislation all rights to future cost of living adjustments after the Conversion Date are extinguished for all Members who were members of the Prior Plan at Conversion Date and the right to future increases to accrued pensions arising from the application of the current best average salary formula to past service is extinguished for all Members who were active members of the Prior Plan at Conversion Date. These future adjustments are replaced by contingent indexing under the Plan as allowed under the Funding Policy.

### Base COLA

10.02 Base COLA may be granted by the Board of Trustees in accordance with the Funding Policy. The total amount of eligible Base COLA permitted under the Funding Policy in respect of a given Plan Year shall be comprised of the eligible Base CPI COLA described in Section 10.03 and the eligible Base Pension COLA described in Section 10.04 in respect of that Plan Year and any prior Plan Years for which such Base COLA was missed or only partially granted.

10.03 Eligible Base CPI COLA in respect of a given Plan Year for each Member who has not retired, terminated employment or died at the relevant date shall be equal to 100% of the percentage increase in CPI for that year, in respect of:

- (a) the Member's Indexed Best Average Pensionable Salary at Conversion, excluding any Indexed PTR Adjustments;
- (b) the Member's Indexed Pensionable Salary in respect of each year since the Conversion Date, excluding any Indexed PTR Adjustments;
- (c) the Indexed Average YMPE at Conversion;
- (d) the Indexed YMPE in respect of each year since the Conversion Date;
- (e) the Indexed PTR Adjustment in effect at the beginning of the year;
- (f) the Indexed Professor Salary Ceiling in effect at the beginning of the year.

10.04 Eligible Base Pension COLA in respect of a given year, for members who retired, surviving Spouses or beneficiaries in receipt of a pension and Members with a deferred pension entitlement at the relevant date shall be equal to 100% of:

- (a) for the portion of the pension in respect of Pensionable Service prior to July 1, 2003, the percentage increase in CPI, subject to a maximum increase of 6% and a minimum increase of 0%;
- (b) for the portion of the pension in respect of Pensionable Service from to July 1, 2003 to June 30, 2004, the percentage increase in CPI, subject to a maximum increase of 4.5% and a minimum increase of 0%; and

- (c) for the portion of the pension in respect of Pensionable Service on or after July 1, 2004, the sum of:
  - (i) the percentage increase in CPI, subject to a maximum increase of 0.5% and a minimum increase of 0%; plus
  - (ii) the lesser of:
    - (A) the excess, if any of the Average Investment Return over 7.75%; and
    - (B) the excess, if any, of the 3 year average percentage increase in CPI over the increase in (i) above.

10.05 Base COLA will be determined at the beginning of each Plan Year and amounts granted will be applied to benefits effective from the following January 1, in respect of future payments only.

10.06 Base COLA must apply to all Members in equal proportion of their respective eligible COLA regardless of status at the date the Base COLA is granted.

10.07 Notwithstanding any other provision of this Plan, in no circumstances shall the amount of Base COLA granted to any Member exceed the maximum increase permitted under the Income Tax Act.

10.08 Base COLA granted under the Plan on and after the Conversion Date shall be documented in Appendix B.

### **PTR Recapture**

10.09 PTR Recapture may be granted by the Board of Trustees in accordance with the Funding Policy. The amount of eligible PTR Recapture permitted under the Funding Policy for a given year is equal to the amount required to increase the Indexed PTR Adjustment and the Indexed Professor Salary Ceiling to the actual PTR Adjustment and salary ceiling of the rank of Professor, respectively in accordance with the Collective Agreement in effect on the relevant date.

10.10 PTR Recapture will be determined at the beginning of each Plan Year and will be applied to benefits effective from the following January 1, in respect of future payments only.

10.11 Notwithstanding any other provision of this Plan, in no circumstances shall the PTR Recapture granted to any Member exceed the maximum increase permitted under the Income Tax Act.

10.12 PTR Recapture granted under the Plan on and after the Conversion Date shall be documented in Appendix B.

## Section 11: Form of Pension Benefits

### Normal Form of Pension

11.01 The normal form of payment of Base Benefits payable to a Member upon Early Retirement Date, Normal Retirement Date or Postponed Retirement Date and bridge benefits payable to a Member upon Early Retirement, if any, shall be:

- (a) a pension payable in equal monthly instalments commencing on the Member's Normal Retirement Date, Early Retirement Date or Postponed Retirement Date, as applicable and payable for the lifetime of the Member; and
- (b) in addition, for a Member who has a Spouse on the Member's date of death, a survivor pension payable in accordance with Sections 11.02 and 11.03 upon the Member's death to the Member's surviving Spouse or, if such Member does not have a surviving Spouse, a children's or dependent pension payable in accordance with Sections 11.04, 11.05, 11.06 and 11.07. Such pension shall be payable in equal monthly installments and shall be equal to sixty percent (60%) of the pension amount that was being paid to the Member at death, (including Base Pension COLA granted under Section 10 and any adjustments required according to Appendix C); and
- (c) if there are no persons to whom a surviving Spouse's pension or a children's pension are payable, a lump sum death benefit to the Member's beneficiary or estate equal to the amount, if any, by which the Member's own contributions to the Plan and Prior Plan plus Credited Interest thereon exceeds the total pension payments made to the Member.

### Survivor Spouse's Pension

11.02 The survivor Spouse pension shall be payable to the surviving Spouse who:

- (a) was the Spouse of the Member at the effective date of commencement of the Member's pension, or
- (b) if such Spouse had subsequently died, or the Member had no eligible spouse at the effective date of commencement of pension, was the Spouse of the Member at the date of the Member's death.

The survivor Spouse's pension shall commence on the first day of the month following the Member's death and shall be payable during the remaining lifetime of the Spouse.

11.03 Where a survivor Spouse pension becomes payable under the provisions of Sections 11.01 and 11.02 to a Spouse who had been the Spouse of the Member for less than one year at the date of the Member's death, a survivor Spouse's pension shall not be payable unless the Board of Trustees is satisfied that the Member's life expectancy was greater than one year at the time the Spouse first became the Spouse of the Member.



## **Children's and Dependant's Pensions**

- 11.04 Where a Member dies without leaving an eligible Spouse or where a survivor Spouse's pension ceases to be payable in accordance with Section 11.02, a children's pension equal to the survivor Spouse's pension shall be paid in equal shares to the children of the Member who are under 18 years of age and who were dependent on the Member at the time of the Member's death. Such pension shall commence on the first day of the month following the death of the Member or Spouse, as the case may be, and shall be payable for the lifetime of each child up to the child's 18th birthday.
- 11.05 Notwithstanding Section 11.04, the Board of Trustees may grant a children's pension to or on behalf of a child of the Member who has attained age 18 and was dependent on the Member at the time of the Member's death by reason of mental or physical infirmity.
- 11.06 A children's pension shall be paid to the person having custody and control of the child and, where there is no such person, it shall be paid to the child or to such other person as the Board of Trustees directs.
- 11.07 Where a Member dies without leaving a surviving Spouse or children or where a survivor Spouse's pension or children's pension ceases to be payable, the Board of Trustees may grant a dependent's pension to a person of the Member's family who was dependent on the Member at the time of the Member's death and is eligible to receive such a pension under Applicable Legislation. The amount of such dependent's pension shall not exceed the amount of the survivor Spouse's pension that was or would have been paid in accordance with Section 11.01.

## **Minimum Payments**

- 11.08 Where a survivor Spouse's pension or a children's pension ceases to be payable in accordance with Section 11.02 or 11.04 respectively and no person remains to whom a pension is subsequently payable, a lump sum benefit will be payable to the Member's beneficiary or estate equal to the amount, if any, by which the Member's own contributions to the Plan and Prior Plan plus Credited Interest thereon exceeds the total of all pension payments made in respect of the Member.

## Section 12: Pre-retirement Death Benefits

### Less than 2 Years of Plan Membership

12.01 With respect to benefits for periods of Pensionable Service accrued prior to the Conversion Date, in the event of the death of a Member before commencing receipt of a retirement pension and before completing 2 years of Plan Membership, a lump sum death benefit shall be payable to the Member's Spouse, or if there is no Spouse to the Member's beneficiary or estate, equal to the Member's own contributions to the Plan and Prior Plan plus Credited Interest thereon.

### More than 2 Years of Plan Membership

12.02 With respect to benefits for periods of Pensionable Service accrued prior to the Conversion Date, in the event of the death of a Member before commencing receipt of a retirement pension and after completing 2 years of Plan Membership, there shall be payable either:

- (a) a surviving Spouse's pension in accordance with Sections 12.04 and 12.05;
- (b) a children's or dependant's pension in accordance with Sections, 12.06, 12.07, 12.08 and 12.09; or
- (c) if there are no persons to whom a surviving Spouse's pension or a children's pension are payable, a lump sum death benefit to the Member's beneficiary or estate equal to the greater of the Member's own contributions to the Plan and Prior Plan plus Credited Interest thereon, or 100% of the Termination Value of the deferred pension to which the Member was entitled or would have been entitled under Section 13.03 if the Member had terminated employment with the University immediately prior to the Member's death;

12.03 With respect to benefits for periods of Pensionable Service accrued on or after the Conversion Date, in the event of the death of a Member before pension commencement, there shall be payable to the Member's surviving Spouse or, if there is no Spouse, the Member's beneficiary, a lump sum payment equal to the greater of the Termination Value of the pension that the Member had accrued to the date of the Member's death, calculated in accordance with Section 13 as if the Member had terminated employment on the date of death, and the Member's contributions with Credited Interest.

### Surviving Spouse's Pension

12.04 The surviving Spouse's pension payable under the provisions of Section 12.02(a) shall be an amount (payable monthly) determined as 60% of the pension that the Member had accrued to the date of death in accordance with Section 5.03 or 60% of the deferred pension to which the Member was entitled in accordance with Section 13.03.

The surviving Spouse's pension shall commence on the first day of the month following the Member's death and shall be payable during the remaining lifetime of the Spouse.

12.05 Where a surviving Spouse pension becomes payable under the provisions of Sections 12.02 and 12.03 to a Spouse who had been the Spouse of the Member for less than one year at the date of the Member's death, a surviving Spouse's pension shall not be payable unless the Board of Trustees is satisfied that the Member's life expectancy was greater than one year at the time the Spouse first became the Spouse of the Member.

### **Children's and Dependant's Pensions**

12.06 Where a Member dies without leaving an eligible Spouse or where a surviving Spouse's pension ceases to be payable in accordance with Section 12.04, a children's pension equal to the surviving Spouse's pension shall be paid in equal shares to the children of the Member who are under 18 years of age and who were dependent on the Member at the time of the Member's death. Such pension shall commence on the first day of the month following the death of the Member or Spouse, as the case may be, and shall be payable for the lifetime of each child up to the child's 18th birthday.

12.07 Notwithstanding Section 12.06, the Board of Trustees may grant a children's pension to or on behalf of a child of the Member who has attained age 18 and was dependent on the Member at the time of the Member's death by reason of mental or physical infirmity.

12.08 A children's pension shall be paid to the person having custody and control of the child and, where there is no such person, it shall be paid to the child or to such other person as the Board of Trustees directs.

12.09 Where a Member dies without leaving a surviving Spouse or children or where a surviving Spouse's pension or children's pension ceases to be payable, the Board of Trustees may grant a dependent's pension to a person of the Member's family who was dependent on the Member at the time of the Member's death and is eligible to receive such a pension under Applicable Legislation. The amount of such dependent's pension shall not exceed the amount of the surviving Spouse's pension that was or would have been paid in accordance with Section 12.04.

### **Minimum Payments**

12.10 Where a surviving Spouse's pension and/or a children's pension is payable in accordance with this Section 12 in respect of a Member who was not in receipt of a retirement pension, a lump sum death benefit shall be payable to the Member's Spouse, or if there is no Spouse to the Member's beneficiary or estate, equal to the amount, if any, by which:

(a) 100% of the Termination Value of the deferred pension to which the Member was entitled or would have been entitled under Section 13.03 if the Member had terminated employment with the University immediately prior to the Member's death;

exceeds

(b) the Termination Value of the surviving Spouse's pension and children's pension.

12.11 Where a surviving Spouse's pension or a children's pension cease to be payable in accordance with Sections 12.04 or 12.06 respectively and no person remains to whom a pension is subsequently payable, a lump sum benefit will be payable to the Member's beneficiary or estate equal to the amount, if any, by which the Member's own contributions to the Plan and Prior Plan

plus Credited Interest thereon exceeds the total of all pension payments made in respect of the Member.

## Section 13: Benefits on Termination of Employment

### **Less than 2 Years of Plan Membership**

13.01 If a Member terminates employment with the University other than by death or retirement and before completing 2 years of Plan Membership, the Member shall be entitled to a lump sum refund of the Members' own contributions to the Plan and Prior Plan plus Credited Interest thereon.

### **More than 2 Years of Plan Membership**

13.02 If a Member terminates employment with the University other than by death or retirement and after completing at least 2 years of Plan Membership, the Member shall be entitled to receive a deferred pension payable in accordance with Section 13.03.

### **Deferred Pension**

13.03 The deferred pension under Section 13.02 shall be an annual amount (payable monthly) equal to the pension that the Member accrued to the date of termination of employment determined in accordance with Section 5.03. Such pension shall be subject to all future Base Pension COLAs as may be granted by the Board of Trustees on deferred pensions from time to time. Such pension shall commence on the Member's Normal Retirement Date and shall be payable during the lifetime of the Member, continuing thereafter in accordance with the provisions of Section 11.

### **Early Commencement of Deferred Pension**

13.04 A Member who is entitled to a deferred pension under Section 13.02 may elect to have such pension commence on the first day of any month within 10 years immediately preceding the Member's Normal Retirement Date. In that case, the amount of the deferred pension shall be the amount described in Section 13.03 less an early retirement reduction determined in accordance with Section 8.02(c).

## Portability of Deferred Pension

13.05 A Member who is entitled to a deferred pension under Section 13.02 and who is not entitled to an immediate retirement pension in accordance with Section 7 may elect, in full settlement of such entitlement, that such benefit be commuted and the Termination Value thereof transferred:

- (a) to the registered pension plan of the Member's new employer, if such plan meets the requirements prescribed under Applicable Legislation and the terms of such plan provide for the receipt of such amount, or
- (b) into a registered retirement savings arrangement, or any other registered arrangement allowable under Applicable Legislation, designated by the Member, provided such arrangement includes any locking-in restrictions or other provisions required by Applicable Legislation, or
- (c) for the purchase from an insurance company of a life annuity that will commence not earlier than 10 years prior to the Member's Normal Retirement Date, if the contract for such annuity includes a specific provision that the transfer will be administered so as to provide a pension benefit in accordance with Applicable Legislation.

In the event that the above Termination Value is less than 10% of the Y.M.P.E. in the year in which the Member terminated employment, such Member may be required to make such an election at the plan administrator's discretion.

The transfer of a Member's benefits is subject to the conditions set out in the Applicable Legislation.

## Minimum Payments

13.06 Where a Member elects that such benefit be commuted in accordance with Section 13.05, an additional lump sum benefit shall be payable to the Member, equal to the amount, if any, by which:

- (a) The Member's own contributions to the Plan and the Prior Plan plus Credited Interest thereon;  
  
exceeds
- (b) the Termination Value of the deferred pension paid to the Member under Section 13.05.

## Section 14: Board of Trustees

### Composition of Board of Trustees

14.01 The Plan will be administered by a Board of Trustees, which shall consist of 10 trustees appointed as follows:

- (a) five persons appointed by the University; and
- (b) five persons appointed by the Association.

Until the Board of Trustees is established, the member of the pension board under the Prior Plan shall assume the responsibilities of the Board of Trustees.

14.02 All of the trustees described at Section 14.01 shall be voting members. A quorum shall be six of the above including three members appointed by the University and three members appointed by the Association. If, at any meeting, the number of members appointed by the University and by the Association is not equal, the excess members on any side shall have no vote.

14.03

- (a) All actions of the Board of Trustees shall be by majority decision of those members voting;
- (b) In the event of a tie vote relating to a matter of administration or interpretation of the Plan, the Board of Trustees shall hold a second meeting within two months in order to vote on the issue again and, if that meeting also produces a tie vote, the Board of Trustees shall appoint an independent arbitrator whose decision shall be final and conclusive. The arbitrator shall not have any powers to revise or amend the Plan;
- (c) Prior to the second meeting referred to in paragraph (a) above, the joint chairpersons designated in application of Section 14.04 shall prepare a list of at least two mutually acceptable independent arbitrators, In the event the meeting produces a second tie vote, the Board shall, at that same meeting, appoint an independent arbitrator from the list prepared by the joint chairpersons;
- (d) In the event that the joint chairpersons are able to agree on only one independent arbitrator for inclusion on the list, they may submit the name of that arbitrator to the Board and the Board may appoint that arbitrator to arbitrate the matter; and
- (e) In the event that the joint chairpersons are unable to agree on an independent arbitrator, or are able to agree on only one and that one is not acceptable to the Board, then an independent arbitrator may be appointed in accordance with the provisions of the *Arbitration Act*.

14.04 The Board of Trustees shall appoint joint chairpersons, one of whom shall be chosen from among the trustees appointed by the University and the other chosen from trustees appointed by the Association.

- 14.05 The University, with the approval of the Board of Trustees, shall appoint a person to act as secretary of the Board of Trustees who shall not be a member of the Board of Trustees.
- 14.06 The Board of Trustees holds meetings as frequently and on such notice as its members may determine, provided that the Board of Trustees shall meet at least twice in each year.
- 14.07
- (a) Each Trustee shall continue to serve until his resignation, incapacity, death or removal as hereinafter provided;
  - (b) A trustee may at any time for any reason be removed by the entity that appointed him or her. Upon such removal, notice thereof shall be given to the remaining Trustees. A trustee shall cease to hold office as a member of the Board of Trustees and to exercise any power as a trustee effective as of the date the entity provides notice of such removal; and
  - (c) A trustee may be removed by the Superintendent of Pensions in accordance with the Pension Benefits Act. In these circumstances, the entity that appointed the removed trustee shall appoint a replacement trustee within sixty (60) days failing which a replacement trustee may be appointed by the Superintendent of Pensions in accordance with the Pension Benefits Act.



## Reciprocal Agreements

- 14.08 The Board of Trustees may enter into a reciprocal agreement with any approved employer which operates a registered pension plan for its employees. Any such reciprocal agreement shall provide that:
- (a) the approved employer shall pay into the Fund an amount determined in accordance with the provisions of the Plan and the agreement in respect of any employee of that approved employer who becomes eligible as a Member of the Plan; and
  - (b) the Board of Trustees shall arrange to be paid from the Fund to the pension fund of that approved employer, an amount similarly determined in accordance with the provisions of the Plan and the reciprocal agreement in respect of any Member of the Plan who ceases to be employed by the University to become employed by the approved employer.

## Administration

- 14.09 The Board of Trustees shall have full power to administer the Plan, such power to include, but not to be limited to, the following:
- (a) To make and enforce such rules and regulations as it shall deem necessary or proper for the efficient administration of the Plan;
  - (b) To interpret the Plan;
  - (c) To supervise the calculation of benefits or other payments which shall be payable to any Member, Spouse or other beneficiary, in accordance with the provisions of the Plan;
  - (d) To authorize all benefit payments in accordance with these provisions;
  - (e) To authorize the payment of all expenses and fees related to the management and administration of the Plan or Fund;
  - (f) To arrange for the audit of such records and accounts by independent auditors and to receive the report of the auditors;
  - (g) To appoint an Actuary, whose duties shall include conducting regular actuarial valuations and stochastic modelling of the assets and liabilities of the Plan;
  - (h) To appoint a legal counsel, investment counsel or other advisors and to commission such studies as may be required for effective administration of the Plan;
  - (i) To initiate such legal actions as may be considered necessary to protect the interests of the Plan, the Members, Spouses and other beneficiaries;
  - (j) To provide to each Member a periodic statement of benefits, a written explanation of the terms and conditions of the Plan and amendments thereto applicable to the Member, an explanation of the rights and duties of the Member with reference to the benefits available under the Plan and any other information prescribed by Applicable Legislation;

- (k) To make available for examination to any Member, or any other person prescribed by Applicable Legislation, all the documents and any other information prescribed by Applicable Legislation;
  - (l) To establish and maintain, in accordance with Applicable Legislation, a written Investment Policy, subject to annual review, for the purpose of ensuring that the desired security for both the Base Benefits and the Ancillary Benefits are expected to be achieved;
  - (m) To recommend such changes in the Plan as it shall deem necessary or appropriate, including those required in accordance with Sections 3 and 16;
  - (n) To administer the Plan in accordance with the Funding Policy and, for greater clarity, including the power to increase or decrease contributions and benefits in accordance with the Funding Policy.
  - (o) To purchase reasonable errors and omissions insurance coverage to indemnify them for personal liability and pay the cost of such insurance from the Fund.
- 14.10 The sole obligation and fiduciary duty of the trustees is to carry out the purposes of the Plan.
- 14.11 The trustees shall manage the risks in accordance with the Funding Policy, the written statement of investment policies and procedures and the risk management procedures.
- 14.12 The day to day operation of the Plan will be a function of the Benefits Department of the University, subject to any delegation by the Board of Trustees to an outside administrator of all or any part of such operation, with operating decisions based on policies as established from time to time by the Board of Trustees. The Benefits Department shall prepare accounts and records showing the detailed operation of the Plan.
- 14.13 Members of the Board of Trustees may participate in the benefits under the Plan provided they are otherwise eligible to do so. Members of the Board of Trustees shall not receive any compensation from the Plan for his or her services as such. No bond or other security shall be required of any member of the Board of Trustees in such capacity in any jurisdiction, except as expressly provided by law.
- 14.14 Neither the University nor the Association nor a Trustee's employer shall in any way be liable with respect to any of the acts, omissions or obligations of the Trustees, individually or collectively.

## Section 15: Pension Fund

### **Fund not Part of Assets of University**

15.01 The Fund and any revenues earned thereon shall not form part of assets or revenues of the University.

### **Source of Funds**

15.02 The source of funds of the Fund shall include but not be limited to the following:

- (a) All contributions made by Members of the Plan,
- (b) All contributions made by the University pursuant to the Plan,
- (c) All income of any kind or description arising from the investments of money or assets included in the Fund,
- (d) All transfers to the Fund from any corporation or person of money or assets from any other pension trust fund or any other pension vehicle.

## Section 16: Amendments or Termination of Plan

### Rights of the Board of Trustees

- 16.01 The Board of Trustees, subject to the agreement of the University and the Association, and in accordance with the Trust Agreement may at any time;
- (a) revise the Plan in whole or in part;
  - (b) merge or consolidate all or part of the Plan and Fund with compatible plans and trust funds of other employee groups;
  - (c) divide the Plan and/or the Fund into two or more separate pension or similar plans and related funds, or
  - (d) terminate the Plan in whole or in part.
- 16.02 Notwithstanding Section 16.01, the Board of Trustees may amend the Plan in any respect which may be required in order to meet the requirements of Applicable Legislation and to maintain the Plan as a registered pension plan under the provisions of such Applicable Legislation.

### Merger or Consolidation

- 16.03 No merger or consolidation of the Plan with another pension plan shall:
- (a) effect a reduction in the Termination Value of benefits earned to the date of merger or consolidation, based on the Member's Pensionable Service and the Member's Pensionable Salary as of that date;
  - (b) be effected unless the Board of Trustees has received a report from the Actuary to the effect that the degree of funding of the Plan is not adversely affected by merger or consolidation.

### Division

- 16.04 No division of the Plan shall:
- (a) effect a reduction in the Termination Value of the benefits earned to the date of division based on the Member's Pensionable Service and the Member's Pensionable Salary as of that date, nor
  - (b) be effected unless the Board of Trustees has received a report from the Actuary to the effect that in his opinion the division of the Fund to be made in connection with the division of the Plan is fair and equitable to all Members of the Plan immediately prior to the division.

## **Powers of the Board of Trustees and the University**

16.05 In connection with any merger, consolidation or division as described in this Section 16, the Board of Trustees and the University may enter into such agreements and may make such revisions to the Plan and execute such transfers and generally take such steps and execute such documents as are considered necessary or advisable for the purpose of such merger, consolidation or division.

## **Rights of Members**

16.06 No merger, consolidation or division pursuant to this Section 16 shall constitute a termination of the Plan pursuant to this Section 16 or give any Member any right to a payment of any benefit under or pursuant to the Plan save as expressly provided in the instrument affecting such merger, consolidation or division.

## **Termination of the Plan**

16.07 Subject to the provisions of Applicable Legislation related to plan terminations that occur within five years after the Conversion Date, in the event of the termination of the Plan, the assets comprising the Fund shall be used and applied towards (a) the payment of all expenses, claims and obligations up to the date of termination including the expenses incidental to such termination; and (b) the provision of pensions and other benefits of Members, Spouses and other beneficiaries accrued in accordance with these provisions with respect to Pensionable Service up to the date of such termination in an equitable manner determined by the Board of Trustees, based on the advice and recommendation of the Actuary. If, upon the termination of the Plan, in whole or in part, there are not sufficient assets in the Fund to pay all such benefits, such benefits shall be reduced pro rata or as otherwise determined by the Board of Trustees in an equitable manner, so that there is no liability on the University to contribute to the Plan greater than the obligation of the University under Section 3.

16.08 If after the satisfaction of all liabilities of the Plan pursuant to Section 16.07 above, there should remain surplus in the Fund, 50% of such surplus shall revert to the University and the remaining 50% shall be utilized by amending the Plan to increase the pensions and other benefits of Members, Spouses and other beneficiaries accrued in accordance with these provisions with respect to Pensionable Service up to the date of such termination in an equitable manner, based on the advice and recommendation of the Actuary.

The foregoing shall have no force and effect after June 30, 2018 and, for greater certainty, the foregoing shall not have any application in the management, operation, or administration of the Plan after that date.

16.09 In the event of termination of the Plan, all distributions shall be made in accordance with the appropriate provisions of Applicable Legislation.

## Section 17: General Provisions

### Certain Rights and Obligations

- 17.01 No Academic Employee or former Academic Employee of the University shall have any right to benefits from the Plan or the Fund except to the extent provided herein and no such Academic Employee or former Academic Employee shall have the option to receive any part of the monies contributed by the University instead of the benefits provided by the Plan.

### Non-Alienation of Benefits

- 17.02 All benefits provided by the Plan are for the Members' own use and benefit and, except as otherwise provided herein, are not capable of being commuted, alienated, assigned, charged, anticipated, given as security or surrendered and do not confer upon any Employee, personal representative or dependent, or any other person, any right or interest in any benefit capable of being commuted, alienated, assigned, charged, anticipated, given as security or surrendered. Except as provided under Applicable Legislation, none of the pension, refund or other benefits to which a Member or any person is or may become entitled under the Plan are subject to attachment, garnishment or seizure by the Member's creditors or any other person.

Subject to Applicable Legislation and pursuant to a written agreement, decree, order or judgment of a competent tribunal, a benefit payable under the Plan may be subject to execution, seizure or attachment in satisfaction of an order for support or maintenance or may be assigned, pledged, charged, encumbered or alienated to satisfy a division of matrimonial property. The determination of the benefit payable to a person under this paragraph shall be subject to Applicable Legislation. The Member's benefit entitlements shall be reduced to account for the value of any settlement made under this paragraph. Such reduction shall be determined in accordance with Applicable Pension Laws and Revenue Rules.

### Construction

- 17.03 The provisions of the Plan shall be construed and enforced according to the laws of the Province of New Brunswick and all of the provisions of the Plan shall be administered in accordance with the laws of said Province.
- 17.04 In the event of conflict between the provisions of the Plan and the Trust Agreement or if there is any ambiguity or uncertainty in reconciling the provisions of the Plan and the Trust Agreement the provisions of the Trust Agreement shall, subject to Applicable Legislation, take priority and prevail.
- 17.05 In the event of conflict between the provisions of the Plan and the Funding Policy or if there is any ambiguity or uncertainty in reconciling the provisions of the Plan and the Funding Policy the provisions of the Plan shall, subject to Applicable Legislation, take priority and prevail.
- 17.06 Unless another date is specified as an effective date, any revision of the Plan pursuant to the provisions of the Plan shall take effect as at and from the Conversion Date but no such revision shall in any way compromise or prejudice the validity, enforceability or effect of any act

or thing done by any person or persons pursuant to the provisions of the Plan that were in force at the time such act or thing was done and in particular but not so as to limit the generality of the foregoing any act or thing done by the Board of Trustees and the Members thereof shall take effect in accordance with its tenor as if done by the Board of Trustees.

- 17.06 All contributions to and benefits paid from the Fund shall be made in the lawful currency of Canada. All benefits paid from the Fund shall be subject to tax withholdings, as required by Applicable Legislation.

**APPENDIX A CONTRIBUTION RATE ADJUSTMENTS**



Revised –  
July 2016

**APPENDIX B PTR ADJUSTMENTS & COLA GRANTED**

**Base COLA Granted**

Effective date	New eligible Base CPI COLA in accordance with 10.03	New eligible Base Pension COLA in accordance with 10.04			% of eligible Base COLA granted
		(a)	(b)	(c)	
7/1/2014	1.43%	1.43%	1.43%	1.34%	100%
7/1/2015	1.49%	1.49%	1.49%	1.29%	100%

**PTR Adjustments**

Effective Date	Indexed PTR Adjustment	Indexed Professor Salary Ceiling
7/1/2013	\$2,784	\$150,510
7/1/2014	\$2,784	\$152,662
7/1/2015	\$2,784	\$159,450

**APPENDIX C BENEFIT REDUCTIONS**