

THE SASKATCHEWAN HEALTHCARE EMPLOYEES' PENSION PLAN

Income Tax Act and Pension Benefits Act Registration Number 0304667

Restated as at January 1, 2015



SHEPP

People. Pensions. Results.

CONSOLIDATION PREPARED BY LAWSON LUNDELL LLP ON APRIL 13, 2021,
INCORPORATING ALL AMENDMENTS EFFECTIVE AS OF JANUARY 1, 2022:

- PLAN AMENDMENT NO. 2016-1 DATED JULY 20, 2016
- PLAN AMENDMENT NO. 2020-1 ADOPTED DECEMBER 2, 2020 and effective July 1, 2021
- PLAN AMENDMENT NO. 2021-1 ADOPTED MARCH 17, 2021 and effective July 1, 2021
- PLAN AMENDMENT NO. 2021-2 ADOPTED MARCH 17, 2021 and effective January 1, 2022



CONTENTS

1.	INTRODUCTION	1
1.1	History.....	1
1.2	Application of This Plan Text.....	1
1.3	Definitions	1
1.4	Interpretation	6
2.	ELIGIBILITY AND MEMBERSHIP.....	6
2.1	Employer Eligibility	6
2.2	Eligibility for Membership.....	7
2.3	Initiation of Membership	8
2.4	Maintenance of Membership	9
2.5	Resumption of Employment by a Pensioner	9
2.6	Resumption of Employment by an Inactive Member	9
2.7	Resumption of Employment by a Non-Member	9
3.	CONTRIBUTIONS AND EARNINGS.....	10
3.1	Contributions by Members	10
3.2	Contributions by Participating Employers	10
3.3	Limits on Earnings Recognition	11
3.4	Maximum Member Contributions	11
3.5	Return of Excessive Contributions	11
3.6	Permissible Contributions.....	11
3.7	Purchase of Current Service (Unpaid Leaves of Absence).....	12
3.8	Purchase of Prior Service	12
4.	INTEREST	14
4.1	Rate of Credited Interest	14
5.	CONTINUOUS SERVICE AND CREDITED SERVICE.....	14
5.1	Continuous Service	14
5.2	Credited Service	15
5.3	Approved Absences with Pay.....	15
5.4	Approved Absence Due to Disability	15
5.5	Credited and Continuous Service Recognized in Years of Concurrent or Sequential Employment.....	16
6.	BENEFITS ON TERMINATION OF EMPLOYMENT	16
6.1	Application for and Commencement of Pension Benefits	16
6.2	Termination of Employment After Age 65.....	17
6.3	Termination of Employment Before Age 65 Having Satisfied Rule of 80.....	17
6.4	Termination of Employment After Age 55 With Ten Years of Continuous or Credited Service	17
6.5	Other Vested Termination of Employment After Age 55.....	18
6.6	Vested Termination of Employment Before Age 55	18
6.7	Commutation Option.....	18
6.8	Non-Vested Termination of Employment.....	19
6.9	Small Pensions.....	19
6.10	Maximum Transfer Value	19



6.11	Re-Employment of Inactive Member	20
6.12	Shortened Life Expectancy.....	20
7.	CALCULATION OF PENSION BENEFITS.....	20
7.1	Lifetime Pension	20
7.2	Bridge Pension.....	21
7.3	Income Tax Act Limits on Lifetime and Bridge Pensions	21
8.	PAYMENT OF PENSIONS: NORMAL AND OPTIONAL FORMS	23
8.1	Normal Form of Pension	23
8.2	Optional Forms of Pension.....	23
8.3	Special Rules Regarding Forms of Pension	24
9.	DEATH BENEFITS.....	24
9.1	Death Before Pension Commencement	24
9.2	Payment of Death Benefit.....	25
9.3	Spousal Waiver	25
10.	BENEFICIARY	26
10.1	Designation of Beneficiary	26
11.	MAXIMUM EMPLOYEE FUNDING: 50% RULE.....	26
11.1	Compliance with Section 31 of Pension Benefits Act.....	26
12.	NON-ASSIGNMENT AND NON-COMMUTATION OF BENEFITS	27
12.1	Statutory Protection	27
12.2	Enforcement of Maintenance Orders.....	27
13.	DIVISION OF BENEFITS ON SPOUSAL RELATIONSHIP BREAKDOWN	27
13.1	Compliance with Part VI of Pension Benefits Act	27
14.	MANAGEMENT AND ADMINISTRATION	30
14.1	Responsibility for Management and Administration	30
14.2	Explanation to Members	30
14.3	Fund and Fund Management.....	31
14.4	Application for Benefits – Onus of Proof on Applicant	31
14.5	Incorrect Age	32
14.6	Retention of Records	32
14.7	Plan Non-Protective.....	32
14.8	Canadian Currency	32
14.9	Payments to Minors, etc.	32
14.10	General Procedures	32
15.	AMENDMENT OR TERMINATION OF THE PLAN.....	33
15.1	Authority to Amend	33
15.2	Termination of the Plan	33
16.	TRANSFER OF PENSION ASSETS	35
16.1	Transfer From Prior Plans	35
16.2	Reciprocal Agreements.....	35



1. INTRODUCTION

1.1 History

- (1) The Saskatchewan Healthcare Employees' Pension Plan (SHEPP) was established by the Saskatchewan Hospital Association in 1962 to provide retirement benefits to eligible employees of participating hospitals and other Saskatchewan Hospital Association members. In 1976, the Saskatchewan Hospital Association became the Saskatchewan Health-Care Association, which in 1991 amalgamated with the Saskatchewan Association of Special Care Homes and the Saskatchewan Homecare Association to form the Saskatchewan Association of Health Organizations (SAHO). Effective April 17, 2012, Health Shared Services Saskatchewan (3sHealth) assumed SAHO's rights, duties and responsibilities in respect of SHEPP.
- (2) In 1998, SAHO and six major healthcare unions signed an agreement in principle to jointly trustee the Plan, which was followed by the signing of the Trust Agreement that caused SHEPP to become jointly trustee as of December 31, 2002. SHEPP is now governed by a board of trustees made up of an equal number of employer and employee appointees.

1.2 Application of This Plan Text

- (1) The Plan Text is restated as of January 1, 2015 to read as set out herein. Except as otherwise provided herein, or as is necessary to give effect to the terms of this Plan Text, this Plan Text applies to Members who Terminate Employment or die after 2014. The benefits of a Member who Terminated Employment or died prior to 2015 must, subject to the foregoing exceptions, be determined by the terms of the Plan Text in force on the date the Member Terminated Employment or died.
- (2) Except as otherwise provided herein, or as is necessary to give effect to the terms of an amendment to this Plan Text, the benefits of a Member who Terminates Employment or dies before the effective date of any amendment must be determined by the terms of the Plan Text in effect at the relevant date.

1.3 Definitions

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

"Active Member" means a Member that is not an Inactive Member or a Pensioner.

"Actuarial Equivalent" means of an equivalent value as determined using actuarial methods and assumptions adopted by the Board, on the advice of the Actuary, which comply with the Pension Benefits Act and the Income Tax Act.

"Actuary" means the person or firm appointed as such, from time to time, by the Board and who is, or one of whose employees is, a Fellow of the Canadian Institute of Actuaries.

"Age" means an individual's age expressed in years, with parts of a year taken to the nearest whole day.

"Association" means Health Shared Services Saskatchewan (3sHealth).



“Beneficiary” means, in respect of a Member, the person designated or deemed to be designated as the Member’s beneficiary in accordance with Article 10.

“Board” means the board of trustees of the Plan established under the Trust Agreement.

“Commutated Value” means, in relation to benefits that a person has a present or future entitlement to receive, the actuarial present value of those benefits as determined by the Actuary in accordance with the Pension Benefits Act.

“Continuous Service” means employment with one or more Participating Employer(s), as further defined in Section 5.1. Continuous Service is expressed in years, with parts of a year taken to the nearest completed whole day.

“Contributory Earnings” means, in respect of a Member and a calendar year,

- (a) if the Member was employed by a single Participating Employer during that calendar year, the Member’s Earnings for that calendar year in respect of which contributions were made pursuant to Sections 3.1 and 3.2;
- (b) if the Member was employed by more than one Participating Employer during the calendar year, the lesser of i) the Year’s Maximum Earnings for that calendar year, and ii) the amount if paid by a single Participating Employer during that calendar year would have resulted in contributions equal to the actual amount of contributions received in respect of the Member for the calendar year from all Participating Employers.

“Credited Interest” means the amount of interest determined in accordance with the Plan and which is credited to contributions made by a Member.

“Credited Service” means the portion of the period of Continuous Service of a Member that is credited for calculation of pension benefits, as further defined in Section 5.2. Credited Service is expressed in years with parts of a year taken to the next highest number of completed months.

“Current Service Purchase Agreement” means an agreement between the Board and a Member in Prescribed Form which provides for the purchase of a period of leave by making contributions concurrently with the period of leave, as further described in Section 3.7.

“Deemed Employer Contributions” means the portion of the contributions paid by a Member to the Board under a Current Service Purchase Agreement having regard to the Participating Employer contribution rate specified in Section 3.2.

“Earnings” means, subject to Section 3.3, a Member’s basic salary or wage, excluding pay for overtime and any other additional remuneration, but including payments of cumulative sick leave credits and may include prescribed compensation as described in the Income Tax Act. If a Member is receiving both workers’ compensation benefits and payments of cumulative sick leave credits, Earnings means the total of both items. If a Member is participating in a salary deferral leave plan, as defined in s. 8508 of the Income Tax Regulations, sponsored by the Member’s employing Participating Employer, Earnings means the Member’s basic salary or wage that would have been payable to the Member if the Member was not participating in that salary deferral leave plan, during both the period of salary deferral and the period of leave. It also includes such amounts received by a Member as recognized by the Board by resolution or policy and excluding any amounts expressly excluded by the Board by resolution or policy.



“Employee” means an individual employed by an Employer who is remunerated by a regular wage or salary.

“Employer” means:

- (a) a Regional Health Authority or health related organization in the Province of Saskatchewan that is a Governing Member, Affiliate Member, Allied Customer or Associate Customer (as such terms are defined in the bylaws of the Association) of the Association;
- (b) the Board; or
- (c) the Association.

“Family Property Act” means *The Family Property Act* (Saskatchewan) and the regulations issued thereunder.

“Fund” means the trust fund held under the Trust Agreement, the name of which is the “Saskatchewan Healthcare Employees’ Pension Plan Trust Fund”.

“Fund Custodian” means any person, firm or corporation as may from time to time be appointed by the Board for the purpose, among other things, of the holding for safekeeping and reporting of all assets and investment whatsoever made by and for the Fund.

“Highest Average Base Contributory Earnings” means, in respect of a Member, the average of all amounts each of which is the Member’s Contributory Earnings up to the YMPE in the Member’s five highest calendar years of Contributory Earnings, provided that if the Member has Contributory Earnings in less than five calendar years, Highest Average Base Contributory Earnings means the average of all amounts each of which is the Member’s Contributory Earnings up to YMPE in a calendar year.

“Highest Average Contributory Earnings” means, in respect of a Member, the lesser of A and B where

A = the average of the Member’s four highest calendar years of Contributory Earnings, provided that if a Member has Contributory Earnings in fewer than four calendar years, A means the Member’s average annual Contributory Earnings, and

B = the average of the Year’s Maximum Earnings of the calendar years of Contributory Earnings used to calculate item A.

“Highest Average Excess Contributory Earnings” means, in respect of a Member, the amount by which the Member’s Highest Average Contributory Earnings exceeds the Member’s Highest Average Base Contributory Earnings.

“Inactive Member” means a Member who has i) Terminated Employment, ii) not rejoined the Plan in accordance with Section 2.6(1), iii) not received a lump sum settlement of the Member’s Plan entitlements pursuant to Section 6.7, 6.8 or 6.9, and iv) not commenced to receive a pension under the Plan.

“Income Tax Act” means the *Income Tax Act* (Canada) and the regulations and administrative rules prescribed thereunder.



"Income Tax Regulations" means the regulations under the Income Tax Act.

"Insurer" means a company authorized to transact annuity business in Canada or in any of the Provinces of Canada.

"LIRA" means an RRSP that satisfies the requirements of section 29 of the regulations under the Pension Benefits Act.

"Locked-in Transfer" means, in respect of a lump sum transfer made in respect of an individual's entitlement under the Plan, a transfer of such lump sum to a LIRA, to another pension plan on a locked in basis or any other vehicle which satisfies the "locking-in" requirements of subsection 32(2) of the Pension Benefits Act.

"Member" means a person who has joined the Plan in accordance with the requirements of Article 2 and who remains entitled to any benefit under the Plan.

"Month" means a calendar month.

"Non Locked-in Transfer" means, in respect of a lump sum transfer made in respect of an individual's entitlement under the Plan, a transfer of such lump sum in the form of cash (net of statutory withholding) or to an RRSP in the individual's name.

"Participating Employer" means:

- (a) an Employer who is required to make contributions to the Fund in accordance with the terms of a participation agreement, or such other written agreement, arrangement or practice as may be acceptable to the Board;
- (b) the Board, or
- (c) any corporation controlled by the Board.

"Pension Benefits Act" means *The Pension Benefits Act, 1992* (Saskatchewan) and the regulations issued thereunder.

"Pension Commencement Date" means, in respect of a Member, the pension commencement date determined pursuant to Section 6.1.

"Pensioner" means a Member who has been granted a pension benefit pursuant to Section 6.1. A Member becomes a Pensioner on his or her Pension Commencement Date.

"Plan" means the Saskatchewan Healthcare Employees' Pension Plan, as constituted under the Trust Agreement and this Plan Text.

"Plan Text" means this document.

"Prescribed Form" means a form prescribed from time to time by the Board.

"Prior Plan" has the meaning set out in subsection 16.1(1)

"Prior Service Purchase Agreement" means an agreement between the Board and a Member in Prescribed Form which provides for the purchase of a period of past service (including a period



of past service recognized under another registered pension plan) as further described in Section 3.8.

“Required Contributions” means, in respect of a Member,

- (a) the contributions made by the Member in accordance with Section 3.1; and
- (b) any amounts recorded in the Board’s records as Required Contributions pursuant to subsection 16.2(1).

“RRIF” means a retirement income fund registered under the Income Tax Act.

“RRSP” means a retirement savings plan registered under the Income Tax Act.

“Spouse” means, in respect of a Member, a person who, as of the relevant date:

- (a) is married to a Member; or
- (b) if the Member is not married, a person with whom the Member is cohabiting as spouses at the relevant time and who has been cohabiting continuously with the Member as his or her spouse for at least one year prior to the relevant time,

provided that despite any other provision of this Plan Text if a spouse of a Member has no further claim or entitlement to any pension or benefit payable to the Member under the Plan pursuant to a court order or written interspousal contract made pursuant to the Family Property Act that spouse cannot be considered a Spouse for any purposes of the Plan. For greater certainty, a person who first becomes a Member’s spouse after the Member’s Pension Commencement Date is not and cannot be considered that Member’s Spouse for the purposes of this Plan.

“Terminate Employment” means, in respect of a Member, to terminate employment with a Participating Employer for any reason other than death, and **“Terminates Employment”**, **“Terminated Employment”**, **“Terminating Employment”** and **“Termination of Employment”** have corresponding meanings.

“Transaction Date” means the date as of which a Transaction Value is calculated, as specified by the Board.

“Transaction Value” means, in respect of benefits being purchased under a Prior Service Purchase Agreement, the full actuarial cost as of the Transaction Date of the increase in a Member’s benefits payable from the Plan as a consequence of the period of Eligible Prior Service being purchased, as determined by the Actuary.

“Trust Agreement” means the agreement made as of December 31, 2002 between the Saskatchewan Health-Care Association (conducting business under the name Saskatchewan Association of Health Organizations), the Canadian Union of Public Employees, the Health Sciences Association of Saskatchewan, the Retail, Wholesale and Department Store Union, the Saskatchewan Government and General Employees’ Union, the Saskatchewan Union of Nurses and the Service Employees’ International Union (now SEIU-West).



“Vested” means, in respect of a Member who has Terminated Employment, a Member who:

- (i) as of the date the Member Terminated Employment has two or more years of Credited Service or Continuous Service or has attained age 65; or
- (ii) Terminated Employment due to the employing Participating Employer ceasing to operate.

“Year’s Maximum Earnings” means, in respect of a calendar year, the sum of A + B, where:

A = 50 multiplied by the defined benefit limit, as defined in section 8500(1) of the Income Tax Regulations, for that calendar year,

and

B = 30% of the YMPE for that year;

provided that if the benefit accrual rates specified in paragraphs 7.1(1)(c) and (d) are changed, this formula must be modified to reflect those changes.

“YMPE” (year’s maximum pensionable earnings) means, in respect of a calendar year, the maximum earnings for which contributions can be made to the Canada Pension Plan during the year.

1.4 Interpretation

- (1) Words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.
- (2) References to an Article, Section, subsection, paragraph or subparagraph mean an Article, Section, subsection, paragraph or subparagraph in this Plan Text.
- (3) In the event of any inconsistency between the terms of the Trust Agreement and this Plan Text, the terms of the Trust Agreement prevail.
- (4) Any reference to a statute, a regulation, any other form of statutory instrument, the Trust Agreement, this Plan Text or any other document applicable to the Plan is deemed to read to refer to the statutory instrument or document as it is validly amended from time to time.

2. ELIGIBILITY AND MEMBERSHIP

2.1 Employer Eligibility

- (1) An employer that was a Participating Employer immediately prior to January 1, 2015 continues to be a Participating Employer on and after that date in accordance with the terms of this Plan Text.
- (2) In order to participate in the Plan, an Employer (other than the Board) must apply in Prescribed Form to the Board and enter into a participation agreement with the Board. Upon commencement of participation the Employer is known as a “Participating Employer”.



2.2 Eligibility for Membership

- (1) An individual who immediately prior to January 1, 2015 was a Member continues to be a Member on and after that date in accordance with the terms of this Plan Text.
- (2) An Employee of a Participating Employer who:
 - (a) commenced employment with a Participating Employer before the day on which the Participating Employer joins the Plan; and
 - (b) was not a member of the Participating Employer's Prior Plan;may, at the Employee's option, elect to join the Plan on the day on which the Participating Employer joins the Plan or on the first day of any month thereafter.
- (3) An Employee of a Participating Employer who:
 - (a) commenced employment with a Participating Employer before the day on which the Participating Employer joins the Plan; and
 - (b) was a member of the Participating Employer's Prior Plan;must join the Plan on the day on which the Participating Employer joins the Plan.
- (4) Subject to subsection (6), an Employee:
 - (a) who commences employment with a Participating Employer on or after the day on which the Participating Employer joined the Plan; and
 - (b) who is hired on a permanent full-time or permanent part-time basis;must join the Plan, as a condition of employment, on the first day of the month following the Employee's date of hire, provided that if on that date the Employee is on any form of unpaid leave of absence from the Participating Employer, the Employee cannot join the Plan until the date the Employee is not on any form of unpaid leave of absence from the Participating Employer.
- (5) An Employee:
 - (a) who commences employment with a Participating Employer on or after the day on which the Participating Employer joined the Plan; and
 - (b) who is hired on an other than a permanent full-time or permanent part-time basis;may, at the Employee's option, elect to join the Plan on the first day of any month in a calendar year if:
 - (c) in the immediately preceding calendar year the Employee completed a total of at least 780 hours of employment with one or more Participating Employers; or
 - (d) in each of the two immediately preceding calendar years, the Employee



completed a total of at least 700 hours of employment with one or more Participating Employers,

provided that on the day the Employee wishes to join the Plan:

- (e) the Employee is not on any form of unpaid leave of absence from the Participating Employer, and
 - (f) the Employee has been continuously employed with the Participating Employer since the Employee's date of hire.
- (6) Despite subsection (4), a Participating Employer may exclude the following Employees or class of Employees from joining the Plan:
- (a) chief executive officers;
 - (b) not more than 15 persons (six persons in the case of a Participating Employer other than a Regional Health Authority), or such greater number as may be consented to by the union signatories to the Trust Agreement from time to time, employed by the Participating Employer (or its affiliates) as a vice-president from time to time;
 - (c) management personnel excluded from Plan participation prior to September 30, 2002; and
 - (d) any class of employees excluded from Plan participation by the Participating Employer prior to September 30, 2002.

The Board, in its discretion, may agree with the Participating Employer on additional exclusions from Plan participation, and may adopt a policy on when and how such exclusions will be granted.

- (7) Despite any other provision of this Plan Text, an Employee otherwise eligible to join the Plan in accordance with subsections (2), (3), (4) or (5) or rejoin the Plan in accordance with subsections 2.6(1), 2.6(2) or 2.6(3) cannot join or rejoin the Plan if the Employee becomes eligible to join or rejoin the Plan on or after November 2nd of the year in which the Employee attains age 71.

2.3 Initiation of Membership

- (1) To join or rejoin the Plan an Employee described in subsection 2.2(2), 2.2(5) or 2.6(3) must complete and sign the Prescribed Form and authorize deductions as required under this Plan Text.
- (2) Where joining or rejoining the Plan is described in this Plan Text as a condition of employment, the Employee must join or rejoin the Plan (as the case may be), the Employer must make deductions as required under this Plan Text and the Employer must complete the Prescribed Form (or Forms) needed to enroll or re-enroll (as the case may be) the Employee in the Plan.



2.4 Maintenance of Membership

- (1) An Employee who becomes a Member must remain a Member while employed by a Participating Employer, and cannot withdraw contributions from the Plan, borrow against the contributions, or, except as provided in Section 5.4, discontinue making contributions under Section 3.1.

2.5 Resumption of Employment by a Pensioner

- (1) A Pensioner who is employed by a Participating Employer is ineligible to rejoin the Plan or accrue any further benefits under it.

2.6 Resumption of Employment by an Inactive Member

- (1) If an Inactive Member commences employment with a Participating Employer in any capacity within 30 days of becoming an Inactive Member, the Inactive Member must, as a condition of employment, rejoin the Plan and become an Active Member on the individual's date of hire by that Participating Employer.
- (2) If an Inactive Member commences employment with a Participating Employer on a permanent full-time or permanent part-time basis more than 30 days after becoming an Inactive Member, that individual must, as a condition of employment, rejoin the Plan and become an Active Member in the circumstances and on the basis described in subsection 2.2(4).
- (3) If an Inactive Member commences employment with a Participating Employer on an other than permanent full-time or permanent part-time basis more than 30 days after becoming an Inactive Member, that individual may, at the individual's option, and having regard solely to the individual's employment with Participating Employers after the date the Inactive Member commences such employment, elect to rejoin the Plan and become an Active Member in the circumstances and on the basis described in subsection 2.2(5).
- (4) If an Inactive Member commences employment with a Participating Employer and rejoins the Plan in accordance with any of subsections (1), (2) or (3), in determining the individual's Continuous Service, Credited Service and Contributory Earnings the Continuous Service, Credited Service and Contributory Earnings associated with the individual's prior period of employment will be combined with the Continuous Service, Credited Service and Contributory Earnings associated with the individual's current period of employment for the purposes of determining the benefits payable under the Plan.

2.7 Resumption of Employment by a Non-Member

- (1) If an individual who was previously employed by a Participating Employer and is not a Member commences employment with the same or another Participating Employer, that individual's prior period of employment with a Participating Employer, and any earnings derived from such employment, will be ignored for all purposes of the Plan.



3. CONTRIBUTIONS AND EARNINGS

3.1 Contributions by Members

- (1) In respect of time periods prior to January 1, 2015, each Active Member was required to make contributions to the Fund in the amounts and at the times specified in the Plan Text from time to time. In respect of time periods after December 31, 2014, each Active Member must contribute to the Fund the sum of the following amounts:
 - (a) 8.1% of the Member's Earnings up to the YMPE of the year in respect of which the Earnings are paid; and
 - (b) 10.7% of the Member's Earnings in excess of that YMPE which are less than the Year's Maximum Earnings;
- (2) The Member contributions specified in subsection (1) must be deducted from the Member's compensation by the employing Participating Employer and remitted to the Board in the form and within the time limits prescribed by the Board.
- (3) The Board must establish an administrative practice for associating compensation paid to a Member and calendar years for all purposes of this Plan, including the purposes of determining the amounts Members are required by subsection (1) to contribute to the Fund. In no event may compensation paid to a Member be associated with more than one calendar year.
- (4) The Board must adjust the contribution rate specified in subsection (1) as necessary to comply with Article XII of the Trust Agreement.¹

3.2 Contributions by Participating Employers

- (1) A Participating Employer must make contributions to the Fund at the rate of 1.12 times the contributions made by Members pursuant to subsection 3.1(1).

¹ The relevant portions of Article XII provide as follows:

12.02 *Unfunded Liability or Solvency Deficiency* – In the event that an actuarial valuation of the Plan that is filed with the Superintendent of Pensions, on a going-concern or solvency basis, or both, discloses an unfunded liability or a solvency deficiency, the Actuary shall advise the Trustees as to the adjustments to the Contributions of Members and Participating Employers that are necessary to fund any such unfunded liabilities or solvency deficiency. Such adjustments shall be determined on the basis that the unfunded liabilities or solvency deficiency are amortized within the period(s) required by the Act, and such that the Contributions of Participating Employers and Members are both increased in the ratio of 1.12 to 1 to fund the deficiency. The Trustees shall require the Participating Employers and the Members to make the additional payments required by this section, and shall adjust their Contribution rates (by Plan amendment or otherwise) accordingly.

12.03 *Shortfall in Current Service Cost* - In the event that an actuarial valuation of the Plan that is filed with the Superintendent of Pensions, on a going-concern basis, discloses that the combined Member/Employer contribution rate is less than the current service cost and that there is insufficient surplus to cover the shortfall for the subsequent three years, the Actuary shall advise the Trustees as to the adjustments to the Contributions of Members and Participating Employers that are necessary to make-up the shortfall. Such adjustments shall be determined on the basis that the Contributions of Members and Participating Employers are both increased in the ratio of 1 to 1.12 to make-up the shortfall. The Trustees shall require the Participating Employers and the Members to make the additional payments required by this section, and shall adjust their Contribution rates (by Plan amendment or otherwise) accordingly.



- (2) A Participating Employer is not required to make contributions on behalf of a Member who has entered into a Current Service Purchase Agreement during the period covered by the Current Service Purchase Agreement.
- (3) A Participating Employer must make deductions, remit and pay contributions pursuant to subsections 3.1(1) and 3.2(1) without regard to the Member's employment with other Participating Employer(s).
- (4) Each Participating Employer must remit to the Board by the 15th day of each month:
 - (a) all contributions made by or on behalf of Members for the previous month determined pursuant to subsection 3.1(1), retained or received by the Participating Employer; and
 - (b) the contributions of the Participating Employer for the previous month determined pursuant to subsection (1).

3.3 Limits on Earnings Recognition

- (1) Despite any other provision of this Plan Text, in no event can a Member's Earnings in respect of a time period exceed the amount the Board determines to be the maximum basic salary or wage that would be paid in that time period to a person employed on a full time basis in the Member's job category or classification.

3.4 Maximum Member Contributions

- (1) The aggregate amount of current service contributions, including contributions deemed to be current service contributions pursuant to subsection 8501(6.1) of the Income Tax Regulations, but excluding Deemed Employer Contributions, made by a Member in respect of a calendar year must not exceed the amount determined pursuant to subsections 8503(4) and (5) of the Income Tax Regulations.

3.5 Return of Excessive Contributions

- (1) Member or Participating Employer contributions must be returned to the contributor if:
 - (a) any limit on Earnings recognition or contribution maximum in this Plan Text has been exceeded; or
 - (b) any contribution maximum in the Income Tax Act has been exceeded and as a result the Plan's registration under the Income Tax Act could be revoked.
- (2) Such returns to the contributors must be taken in proportionate amounts from the contributions the Member and the Participating Employer made pursuant to Sections 3.1 and 3.2.

3.6 Permissible Contributions

- (1) No contribution or gift may be made to or under this Plan except as provided herein.



3.7 Purchase of Current Service (Unpaid Leaves of Absence)

- (1) In this Section, “Eligible Current Service” of the Member means a period of unpaid leave of absence from a Participating Employer commencing after March 31, 2009 and approved by the Participating Employer.
- (2) A Member may enter into a Current Service Purchase Agreement in respect of Eligible Current Service, the terms of which include the following:
 - (a) a Member can only enter into such an agreement prior to such date as the Board periodically specifies;
 - (b) the election must be made in Prescribed Form and within the time limits prescribed by the Board;
 - (c) during such absence the Member must remit to the Board in the form and within the time limits prescribed by the Board an amount equal to the Member and Participating Employer contributions which would have been made pursuant to Sections 3.1 and 3.2 had the Member remained employed in the same manner as he or she was employed immediately prior to the leave of absence;
 - (d) failure to remit contributions in accordance with paragraph (c), the withdrawal of the Participating Employer’s approval of the unpaid leave of absence, the cessation of the unpaid leave of absence or the receipt of contributions pursuant to Sections 3.1 and 3.2 in respect of the Member will cause the agreement to cease and no further service will be credited under such agreement;
 - (e) the contributions paid to the Board pursuant to paragraph (c) are deemed to be voluntary contributions under the Plan, and for the purposes of deductibility under the Income Tax Act, all amounts paid to the Board under the agreement will be treated as contributions made by the Member;
 - (f) Eligible Current Service must be converted to and be expressed in years and fractions of a year taken to the highest number of completed months and, upon payment of the amounts required by paragraph (c) to the Board, such service must be added to the Member’s Credited Service;
 - (g) the Eligible Current Service purchased in accordance with a Current Service Purchase Agreement must be added to the Member’s Credited Service on a monthly basis as it is accrued with the Participating Employer under the agreement, based on the rate of full-time equivalent service determined at the time of the commencement of the leave.
- (3) Despite subsections (1) and (2), and as more fully provided in section 8507 of the Income Tax Regulations, the maximum period of unpaid leave which can be credited as Credited Service under this Section 3.7 is five years plus an additional three years in respect of periods of parenting, as defined in subsection 8507(3) of the Income Tax Regulations.

3.8 Purchase of Prior Service

- (1) In this Section, “Eligible Prior Service” of a Member means:



- (a) prior Credited Service for which the Member received a lump sum refund of the Member's own contributions or a commuted value payout in full and final discharge of all further entitlement under the Plan following a prior termination of membership in the Plan;
 - (b) service with a Participating Employer during which time the Member was not a Member;
 - (c) service with a Participating Employer during which time the Member was on an unpaid leave of absence which was not purchased in accordance with a Current Service Purchase Agreement pursuant to Section 3.7;
 - (d) service recognized under another registered pension plan, providing no benefit is payable under that other plan or this Plan in respect of such service; or
 - (e) any other service which the Income Tax Act permits to be purchased, subject to approval by the Board.
- (2) A Member may enter into a Prior Service Purchase Agreement in respect of Eligible Prior Service, the terms of which include the following:
- (a) a Member may elect to enter into a Prior Service Purchase Agreement any time prior to becoming an Inactive Member or a Pensioner;
 - (b) the election must be made in Prescribed Form and within the time limits prescribed by the Board;
 - (c) the Member must pay the Transaction Value or have the Transaction Value paid to the Board on or before the Transaction Date specified in the Prior Service Purchase Agreement, failing which the Agreement is null and void;
 - (d) the Transaction Value paid to the Board under the Agreement is deemed to be a voluntary contribution under the Plan, and for the purpose of deductibility under the Income Tax Act the Transaction Value will be treated as contributions made by the Member;
 - (e) any portion of a Transaction Value paid to the Fund which is subject to the lock-in provisions of another pension plan must be administered on a locked-in basis;
 - (f) Eligible Prior Service must be converted to and be expressed in years and fractions of a year and, upon payment of the Transaction Value to the Board, such service must be added to the Member's Credited Service;
 - (g) any monthly pension payable under the Plan in respect of Eligible Prior Service purchased must be paid in the same form as the Member's basic monthly pension payable under the Plan.



4. INTEREST

4.1 Rate of Credited Interest

- (1) Interest must be credited from the January 1st next following the date on which such contributions were made to the Plan with respect to contributions made before 1982, and from the date such contributions were made to the Plan with respect to contributions made after 1981. Interest must be compounded annually on the January 1st of each year with proportionate interest up to the first day of the month in which the payment is made.
- (2) The rates of interest to be applied to amounts pursuant to the Plan Text are as follows:
 - (a) in respect of time periods prior to 1982, at the rates specified in the Plan Text in effect immediately prior to January 1, 2015;
 - (b) in respect of time periods after 1981, at the annual rate of interest determined from time to time by the Board, provided that in no event shall the rate of interest for a calendar year after 1981 be lower than the average of the yields on five year personal fixed term chartered bank deposit rates, determined by reference to the last weekly rate of each month as published by the Bank of Canada in CANSIM Series V80691336, and calculated in accordance with paragraph 27(3)(b) of the regulations under the Pension Benefits Act.

5. CONTINUOUS SERVICE AND CREDITED SERVICE

5.1 Continuous Service

- (1) Except as otherwise provided in this Section, a Member's Continuous Service is the most recent uninterrupted period of employment with one or more Participating Employers.
- (2) Continuous Service is not interrupted by, and continues to accrue during, the following:
 - (a) absence as a result of the Member being summoned for jury service or being required to serve on a jury pursuant to *The Jury Act, 1998* (Saskatchewan);
 - (b) authorized vacations and statutory holidays;
 - (c) reservist leave taken in accordance with Section 80.1 of the *Labour Standards Act* (Saskatchewan);
 - (d) absence which is authorized by the employing Participating Employer for reasons which are approved by the Board;
 - (e) disability, if:
 - (i) the Member is disabled within the meaning of the Income Tax Act;
 - (ii) the Member qualifies for benefits under the short-term or long-term disability program of the employing Participating Employer or, if the Member is not a participant of such program, the Member would have qualified for such benefits had the Member been a participant thereof; and



- (iii) the disability is certified, in writing, by a medical doctor licensed to practice under the laws of Saskatchewan.
- (3) Continuous Service is interrupted by, and ceases to accrue after, death or Termination of Employment.

5.2 Credited Service

- (1) Subject to subsection (2), a Member's Credited Service is the sum of:
 - (a) the portion of the Member's period of Continuous Service in respect of which contributions are made pursuant to Section 3.1;
 - (b) any periods of Eligible Current Service or Eligible Prior Service purchased under a Current Service Purchase Agreement or a Prior Service Purchase Agreement;
 - (c) any periods of time during which the Member qualified, or was deemed to have qualified, for disability benefits in accordance with paragraph 5.1(2)(e); and
 - (d) any period of time recorded in the Board's records pursuant to subsection 16.2(1) as a period of Credited Service.
- (2) Despite paragraph (1)(a), a Member must make contributions pursuant to Section 3.1 in respect of at least three hours of paid employment with a Participating Employer in a calendar month for that calendar month to be recognized as a period of Credited Service.

5.3 Approved Absences with Pay

- (1) During periods of absence with pay approved by the Member's Participating Employer:
 - (a) the Member must make contributions pursuant to Section 3.1 based on the actual Earnings received from the Participating Employer;
 - (b) Continuous Service continues to accrue in full for the period of leave; and
 - (c) Credited Service continues to accrue for the period of the leave in the proportion that the actual contributions made by the Member pursuant to Section 3.1 in respect of the period of leave are of the contributions that would have been made pursuant to Section 3.1 had the Member been employed during the period of leave on a full time basis in the Member's job category or classification in effect immediately prior to the absence.

5.4 Approved Absence Due to Disability

- (1) If a Member's absence is due to a disability as defined in paragraph 5.1(2)(e), except for periods when the Member receives payment of cumulative sick leave credits:
 - (a) no contributions pursuant to Sections 3.1 or 3.2 are payable in respect of the Member during the period of disability;



- (b) the Member is deemed to accrue full Credited Service during the period of disability;
- (c) the Member is deemed to have Contributory Earnings throughout the period of disability at the Member's annual rate of Contributory Earnings in effect immediately prior to becoming disabled; and
- (d) the YMPE throughout the period of disability is deemed to equal the YMPE in effect immediately prior to the Member becoming disabled.

5.5 Credited and Continuous Service Recognized in Years of Concurrent or Sequential Employment

- (1) If a Member is employed by two or more Participating Employers in a calendar year, the following rules apply:
 - (a) any period of time during which the Member is employed by two or more Participating Employers can only be recognized once as Continuous Service;
 - (b) the maximum Continuous Service that can be recognized in respect of a Member and a calendar year is 365 days (366 days in a leap year);
 - (c) the Member's Credited Service in respect of the calendar year cannot exceed the Member's Continuous Service recognized in respect of that calendar year.

6. BENEFITS ON TERMINATION OF EMPLOYMENT

6.1 Application for and Commencement of Pension Benefits

- (1) Within 90 days of a Member's Termination of Employment, the Board must provide the Member with a written statement showing the benefits to which the Member is entitled.
- (2) A Member qualified to receive a lifetime or bridge pension pursuant to any of Sections 6.2 through 6.6 must apply in Prescribed Form to the Board to receive it. In such application the Member must specify the Month in which the Member wishes payment of the pension to commence, which Month must be no earlier than the Month following i) the Month in which such application is made, ii) the Month in which the applicant Terminated Employment (or will Terminate Employment), and iii) if the applicant is not entitled to a lifetime and bridge pension pursuant to Section 6.3, the Month in which the applicant attains age 55, whichever is the last to occur. For greater certainty, unless the Board in its discretion otherwise determines, retroactive applications for the commencement of pension benefits under the Plan are not permitted.
- (3) If on November 30th of the year in which a Member attains age 71 he or she has not commenced the payment of his or her benefits under this Plan, he or she will for all purposes of the Plan be deemed to have Terminated Employment on that date (if he or she has not already done so) and applied on that date to the Board to commence the payment of such benefits in December of that year. A Member must commence to receive a pension under the Plan no later than the end of the calendar year in which he or she attains age 71.
- (4) If the Board accepts an application pursuant to subsection (2), or a deemed application pursuant to subsection (3), the Member's pension benefits will commence in the Month



specified by the Board. The first day of that Month is the Member's "pension commencement date".

- (5) Except where otherwise provided in this Plan Text, pensions are payable during the lifetime of the Member or the Spouse, as the case may be, by equal monthly installments. The first payment of a pension falls due on the last day of the Month in which the pension commences payment, and the last payment falls due on the last day of the month in which the Member, or if applicable, the Spouse, dies. Although pension payments fall due on the last day of the Month in which a pension commences, the first day of that Month is the Member's "pension commencement date".
- (6) Subject to Section 3.8, a Member cannot receive a pension or other benefit in respect of any period of Credited Service for which any form of lump sum settlement has been paid under the Plan.

6.2 Termination of Employment After Age 65

- (1) A Member who Terminates Employment on or after attaining age 65 is qualified to receive a lifetime pension determined in accordance with Section 7.1 commencing the Month following the Month in which the Member Terminates Employment.

6.3 Termination of Employment Before Age 65 Having Satisfied Rule of 80

- (1) A Member who Terminates Employment before attaining age 65 and whose age on the date the Member Terminates Employment when added to the Member's Credited Service on that date totals 80 or more years is qualified to receive a lifetime and bridge pension determined in accordance with Sections 7.1 and 7.2, each commencing the Month following the Month in which the Member Terminates Employment.
- (2) If a Member described in subsection (1) does not apply to commence the payment of benefits pursuant to subsection (1) prior to the Member's attainment of age 65, the Member's entitlement to a bridge pension determined in accordance with Section 7.2 lapses.

6.4 Termination of Employment After Age 55 With Ten Years of Continuous or Credited Service

- (1) A Member who i) Terminates Employment on or after attaining 55, ii) is not qualified to receive benefits pursuant to Section 6.2 or 6.3, and iii) has accrued ten or more years of Continuous Service or Credited Service, is qualified to receive a lifetime pension determined in accordance with Section 7.1 commencing the Month following the Month in which the Member Terminates Employment.
- (2) The annual amount of any lifetime pension payable pursuant to this Section 6.4 which commences before the Member's attainment of age 65 must be reduced by 3% multiplied by the least of:
 - (a) the number of years and portions thereof by which the date of the first pension payment precedes the first day of the month following the month in which the Member's 65th birthday occurs;
 - (b) the number of years and portions thereof by which the sum of the Member's age plus Credited Service on the date of the first pension payment is less than 80 years; and



- (c) the greater of:
 - (i) the number of years and portions thereof by which the date of the first pension payment precedes the first day of the month following the month in which the Member's 62nd birthday occurs; and
 - (ii) the number of years and portions thereof by which the Member's Credited Service on Termination of Employment is less than 20 years.

6.5 Other Vested Termination of Employment After Age 55

- (1) A Member who i) Terminates Employment on or after attaining age 55, ii) is not qualified to receive benefits pursuant to Section 6.2, 6.3 or 6.4, and iii) is Vested, is qualified to receive a lifetime pension determined in accordance with Section 7.1 commencing the Month following the Month in which the Member Terminates Employment.
- (2) Any lifetime pension to which a Member is entitled pursuant to this Section 6.5 which commences payment before the Member's attainment of age 65 must be reduced so that it is the Actuarial Equivalent in value of the lifetime pension which would commence payment the Month following the Month in which the Member attains age 65, which reduction must not be less than the reduction required by subsection 6.4(2) or the reduction required by paragraph 8503(3)(c) of the Income Tax Regulations, whichever requires the largest reduction.

6.6 Vested Termination of Employment Before Age 55

- (1) A Member who Terminates Employment before age 55 and is Vested is qualified to receive a lifetime pension calculated in accordance with Section 7.1 commencing no earlier than the Month following the Month in which the Member attains age 55.
- (2) Any lifetime pension to which a Member is entitled pursuant to this Section 6.6 which commences payment before the Member's attainment of age 65 must be reduced so that it is the Actuarial Equivalent in value of the lifetime pension which would commence payment the Month following the Month in which the Member attains age 65, which reduction must not be less than the reduction required by subsection 6.4(2) or the reduction required by paragraph 8503(3)(c) of the Income Tax Regulations, whichever requires the largest reduction.

6.7 Commutation Option

- (1) A Member entitled to a lifetime pension pursuant to Section 6.6 may, at any time prior to the date the Member attains age 55, elect in lieu of that lifetime pension to:
 - (a) make a Locked-In Transfer of the Commuted Value of the Member's lifetime pension payable in respect of the Member's Credited Service, excluding Eligible Prior Service purchased under a Prior Service Purchase Agreement; and
 - (b) receive a refund of the Transaction Value, with Credited Interest, paid by the Member under a Prior Service Purchase Agreement, subject to any locking in requirements specified under such agreement.



- (2) The payment(s) made pursuant to subsection (1) are in full and final discharge of the benefits payable under the Plan to the Member.
- (3) Despite paragraph (1)(a), if a Member described in subsection (1) does not have two years of Continuous Service, the Member may make a Non Locked-In Transfer of the Commuted Value payable pursuant to paragraph (1)(a).
- (4) Despite subsection 1.2(2), this Section 6.7 applies to all Members who Terminate Employment, including Members who Terminated Employment before 2022. Without limitation, and except as provided in Sections 6.8, 6.9, 6.12 and 11.1, after 2021 no Member who has attained age 55 may make a Locked-In Transfer or a Non Locked-In Transfer of any form of entitlement under the Plan.

6.8 Non-Vested Termination of Employment

- (1) If a Member Terminates Employment and is not Vested, the Member must make a Non Locked-In Transfer of the Member's contributions pursuant to Section 3.1 and all amounts paid to the Board under a Current Service Purchase Agreement or a Prior Service Purchase Agreement, each with Credited Interest thereon, subject to any locking in provisions specified under any such agreement.
- (2) If a Member described in subsection (1) fails to provide the Board with a written benefit election within such period of time as the Board by resolution or policy specifies, the Member is deemed to have elected a lump sum cash refund of the amount payable pursuant to subsection (1), subject to any applicable locking in restrictions.
- (3) The payment(s) made pursuant to subsection (1) are in full and final discharge of the benefits payable under the Plan to the Member.

6.9 Small Pensions

- (1) The Board may require a Member entitled to a benefit under any of Sections 6.2 through 6.6, or a Spouse entitled to a benefit under subsection 9.2(2), to make a Non Locked-in Transfer of the Commuted Value of the benefit if:
 - (a) the benefit has a Commuted Value that does not exceed 20% of the YMPE in effect in the year in which the payment occurs; or
 - (b) the benefit is an annual pension that does not exceed 4% of the YMPE in effect in the year in which the payment occurs.
- (2) The payment made pursuant to subsection (1) is in full and final discharge of the benefits payable under the Plan to the Member or Spouse, as the case may be.

6.10 Maximum Transfer Value

- (1) Despite any other provision of this Plan Text, wherever the Plan Text permits or requires the transfer of a lump sum in satisfaction of all or part of a Member's rights to and interest in benefits under the Plan or in lieu of such benefits and the full amount cannot be transferred because of the application of Section 8517 of the Income Tax Regulations, the recipient is entitled to a cash refund of the excess amount.



6.11 Re-Employment of Inactive Member

- (1) If an Inactive Member rejoins the Plan pursuant to Section 2.6 prior to any benefits being paid to or in respect of the Inactive Member pursuant to this Article 6, the Inactive Member ceases to be subject to this Article 6, and is not entitled to receive any benefit under the Plan until he or she again Terminates Employment.

6.12 Shortened Life Expectancy

- (1) If an Active Member or an Inactive Member has a condition that is likely to shorten considerably his or her life expectancy, such an individual (the "Applicant") may apply in Prescribed Form to the Board for a lump sum cash payment payable in accordance with this Section 6.12. If the Applicant has a Spouse at the date of such Application, the Applicant's application will not be considered unless the Applicant's Spouse has provided a spousal waiver in Prescribed Form to the Board.
- (2) The condition mentioned in subsection (1) must be certified by a statement from a duly qualified medical practitioner approved by the Board. If a statement tendered by an Applicant establishes to the Board's satisfaction that the condition described in the statement shortens considerably the life expectancy of the Applicant, a cash lump sum payment will be paid to the Applicant in accordance with this Section 6.12. If a statement tendered by an Applicant does not so satisfy the Board, or is otherwise unacceptable to the Board, no payment will be made to the Applicant pursuant to this Section 6.12.
- (3) If an Applicant's application is accepted, and the spousal waiver, if any, provided pursuant to subsection (1) remains in effect, he or she is entitled to a benefit in accordance with Section 6.7 or 6.8, whichever is applicable, provided that the amount payable pursuant to Section 6.7 will be determined having regard to the benefits payable to the Applicant pursuant to Section 6.2 through 6.6, whichever is applicable, and provided further that a Non Locked-In Transfer may be made in respect of any amount payable pursuant to paragraph 6.7(1)(a).
- (4) After a lump sum is paid pursuant to this section, the Member will continue to participate in the Plan until the earliest of the Member's death or Termination. Any subsequent payment made with respect to such Member will be actuarially reduced to reflect any payment made under this section.

7. CALCULATION OF PENSION BENEFITS

7.1 Lifetime Pension

- (1) The lifetime pension payable pursuant to this Plan is an annual pension payable in accordance with Section 8.1 commencing on a Member's Pension Commencement Date. Subject to Sections 6.4, 6.5 and 6.6, and any other provision of this Plan Text which requires a reduction in the lifetime pension payable pursuant to this Section 7.1, the annual amount of such lifetime pension equals the sum of:
 - (a) 2% of the Member's Highest Average Contributory Earnings multiplied by his or her Credited Service prior to 1990; plus



- (b) 1.65% of the Member's Highest Average Base Contributory Earnings multiplied by his or her Credited Service from January 1, 1990 to December 31, 2000; plus
- (c) 1.4% of the Member's Highest Average Base Contributory Earnings multiplied by his or her Credited Service after 2000; plus
- (d) 2% of the Member's Highest Average Excess Contributory Earnings multiplied by his or her Credited Service after 1989.

7.2 Bridge Pension

- (1) The bridge pension payable pursuant to this Plan is an annual pension commencing on a Member's Pension Commencement Date and continuing until the Month in which he or she attains age 65. The annual amount of such bridge pension equals 2% of the Member's Highest Average Contributory Earnings multiplied by his or her Credited Service minus the annual amount determined in respect of the Member pursuant to Section 7.1.

7.3 Income Tax Act Limits on Lifetime and Bridge Pensions

- (1) Subject to subsection (2), the annual amount of lifetime pension payable to a Member pursuant to Section 7.1, must not exceed the lesser of:
 - (a) the defined benefit limit permitted under the Income Tax Act in respect of the calendar year in which the Member's Termination of Employment or death occurred, multiplied by his or her years of Credited Service as a proportion of full time employment; and
 - (b) 2% of the average of the Member's highest three consecutive calendar years of annualized Earnings multiplied by his or her years of Credited Service as a proportion of full time employment.
- (2) For the purpose of applying the limit in subsection (1), if a Member is receiving a lifetime pension pursuant to Section 6.4, the limit determined pursuant to subsection (1) must first be reduced by the minimum reduction required by paragraph 8503(3)(c) of the Income Tax Regulations, calculated without applying any grow-in of service, and then be applied to the pension that has already been reduced in accordance with Section 6.4.
- (3) For the purpose of applying the limit in subsection (1), if a Member is receiving a lifetime pension pursuant to Section 6.5 or 6.6, the limit must be applied to the pension before it is reduced in accordance with Section 6.5 or 6.6.
- (4) The sum of the lifetime pension payable pursuant to Section 7.1 and the bridge pension payable pursuant to section 7.2 to a Member prior to age 65 must not exceed the sum of:
 - (a) the maximum annual lifetime pension determined pursuant to subsection (1); and
 - (b) an amount equal to:

$$1/35 \times .25 \times A \times B$$

where:



A is the average of the YMPE in each of the three calendar years ending with the year in which the Member's Termination of Employment or, if applicable, the Member's death, occurred; and

B is the Member's years of Credited Service as a proportion of full time employment.

- (5) The annual amount of a bridge pension payable pursuant to Section 7.2 must not exceed:
- (a) the sum of the Old Age Security pension and the maximum Canada Pension Plan retirement pension payable at the time of pension commencement as if the Member were age 65;
 - (b) if the Member has not attained age 60, then reduced by 0.25% for each month between the date the pension starts to be paid and the date the Member will attain age 60; and
 - (c) if the Member has not completed 10 years of Credited Service, then prorated in the same proportion as the Member's years of Credited Service bear to 10 years.
- (6) Despite subsection (1), the annual amount of lifetime pension that can be paid in respect of Eligible Prior Service purchased under a Prior Service Purchase Agreement for periods of pre-1990 service while the Member was not a contributor to a registered pension plan must not exceed the greater of:
- (a) \$1,150; and
 - (b) $\frac{2}{3}$ of the defined benefit limit permitted under the Income Tax Act in the year of the Member's Termination of Employment or death, as applicable, multiplied by his or her years of Credited Service as a proportion of full time employment;
- (7) The limits in subsections (1), (4), (5) and (6) must be applied:
- (a) to the annual amount of pension at the time it starts to be paid;
 - (b) to the annual amount of pension payable in the normal form before any reduction is applied to provide an optional form of pension pursuant to Section 8.2;
 - (c) to all pension benefits, including any distribution of surplus or amount paid out to a Member's spouse on the breakdown of a spousal relationship; and
 - (d) in the year of Termination of Employment or death, if earlier than the year of pension commencement, and:
 - (i) the pension is limited to the maximum pension in the year of Termination of Employment or death; and
 - (ii) any Commuted Value paid out of the Plan must be determined based on the limits in effect in the year of Termination of Employment or death.



8. PAYMENT OF PENSIONS: NORMAL AND OPTIONAL FORMS

8.1 Normal Form of Pension

- (1) Subject to subsection (2), the normal form of lifetime pension provided under the Plan is a pension payable for the lifetime of the Member with a 60 month guarantee, and the normal form of bridge pension payable under the Plan is a pension payable until the Member attains age 65 with up to a 60 month guarantee. If a Member dies before receiving 60 monthly lifetime pension payments, payments must continue to the Member's Beneficiary until 60 monthly lifetime payments have been made. If the Member's death occurs after 60 monthly payments of lifetime pension have been made, all payments cease with the payment due on the last day of the month of the Member's death. If a Member dies before receiving 60 monthly bridge pension payments, and the Member had not attained age 65, payments must continue to the Member's Beneficiary until the earlier of the date 60 monthly payments have been made and the date the Member would have attained age 65.
- (2) Despite subsection (1), if a Member has a Spouse on his or her Pension Commencement Date, the pension provided under the Plan must be a joint survivorship pension with 60% of the Member's lifetime and bridge pensions payable to the Spouse after the Member's death, if the Spouse survives the Member. The amount of lifetime and bridge pensions payable to the Member must be adjusted so that the joint survivorship pension payable in respect of the Member is the Actuarial Equivalent in value of the benefits which would have otherwise been paid in respect of the Member pursuant to subsection (1).
- (3) A Member who has a Spouse on his or her Pension Commencement Date may elect a form of pension which does not provide a benefit to a surviving Spouse if the Board receives a written waiver in Prescribed Form before the date that the Member's pension commences that has been signed by the Spouse in the presence of a witness and outside the presence of the Member not more than 90 days before the pension is to commence.

8.2 Optional Forms of Pension

- (1) A Member may elect in Prescribed Form an optional form of pension. A Member may change or revoke any such election any time prior to his or her Pension Commencement Date.
- (2) All options once elected are irrevocable once payment of pension has commenced.
- (3) If a Member has a Spouse on his or her Pension Commencement Date, any optional form elected must comply with subsection 8.1(2), subject to subsection 8.1(3).
- (4) The amount of pension payable under any of the options referred to herein must be the Actuarial Equivalent in value to the normal form of pension the Member would have qualified to receive under subsection 8.1(1).
- (5) The following optional forms of lifetime pension are available:
 - (a) Lifetime - Guaranteed 10 or 15 Years

If the Member is entitled to receive a lifetime pension in accordance with subsection 8.1(1), he or she may elect a guarantee period of 120 or 180 months.



(b) Joint Survivorship Pension

(i) A Member may elect a joint survivorship pension that:

- (A) is payable during the lives of the Member and his or her Spouse; and
- (B) after the death of the Member, continues to be payable to the Spouse for life at 60%, 75% or 100% of the Member's payment

(ii) Any of the optional forms in subparagraph (i)(B) may include a guarantee period for the benefits payable during the Member's lifetime of 0, 60, 120 or 180 monthly payments. If the Member dies within the guarantee period, no reduction must occur in the Spouse's pension until the expiry of the guarantee period. If the Member and the Spouse both die within the guarantee period, the Commuted Value of the remaining guaranteed payments must be paid to the Member's Beneficiary. No guarantee period can be attached to the lifetime survivor pension payable to the Spouse after the Member's death.

(c) Bridge Benefits

If a Member entitled to a bridge pension elects an optional form of lifetime pension, the bridge pension must be actuarially adjusted so that it is the Actuarial Equivalent in value of the bridge pension that would have been paid if the optional form of lifetime pension had not been elected.

(d) Others

Subject to the Income Tax Act and the Pension Benefits Act, a Member may elect any other form of pension payment acceptable to the Board.

8.3 Special Rules Regarding Forms of Pension

- (1) The payment of a joint survivorship pension is conditional upon the survival of the Spouse and the electing Member to the Member's Pension Commencement Date. If the electing Member or the Spouse dies before that date the election is void.
- (2) The gender of a recipient of any benefit payable under the Plan must not be taken into account in determining the amount of periodic benefits payable to such individual.
- (3) A pension being paid, or which is payable, to a surviving Spouse must continue unaltered subsequent to any remarriage by the Spouse.

9. DEATH BENEFITS

9.1 Death Before Pension Commencement

- (1) If an Active Member or Inactive Member dies prior to commencing a pension, there is payable a benefit equal to:



- (a) the Commuted Value of the deceased's lifetime pension in respect of the deceased's Credited Service, excluding Eligible Prior Service purchased under a Prior Service Purchase Agreement, calculated on the assumption that:
 - (i) if the deceased was an Active Member, the deceased would commence a lifetime pension on the earliest date he or she would have been eligible for an immediate pension in accordance with Section 6.2, 6.3 or 6.4 had he or she continued in employment after the date of death; and
 - (ii) if the deceased was an Inactive Member, the deceased would have commenced a lifetime pension at age 65; plus
 - (b) the Transaction Value paid to the Fund under a Prior Service Purchase Agreement by the deceased, with Credited Interest, subject to any locking in requirements specified under such agreement.
- (2) The payment(s) pursuant to subsection (1) are in full and final discharge of all benefits payable under the Plan in respect of the deceased Member.

9.2 Payment of Death Benefit

- (1) Subject to subsection (2), a benefit payable pursuant to Section 9.1 must be paid in cash to the deceased Member's Beneficiary.
- (2) Despite subsection (1), if a deceased Member is survived by a Spouse the benefit payable pursuant to subsection (1) must be paid to the Spouse, who must make a Locked-in Transfer or a Non Locked-in Transfer of the lump sum payable pursuant to Section 9.1. Alternatively, the Spouse may elect to receive a lifetime pension, the actuarial value of which is equal to the lump sum payable to the Spouse.
- (3) If a surviving Spouse does not elect an option within 180 days of being notified of the benefits and options, the surviving Spouse must receive the benefit in the form of a lump sum cash payment.

9.3 Spousal Waiver

- (1) At any time before the death of an Active Member or Inactive Member, his or her Spouse may:
 - (a) waive the Spouse's entitlement pursuant to this Article 9 by delivering a signed waiver in the form prescribed pursuant to the Pension Benefits Act to the Board; or
 - (b) revoke a waiver delivered pursuant to paragraph (a) by delivering a signed notice of revocation to the Board.
- (2) If a waiver pursuant to subsection (1) is in effect on the day of death, the benefits payable under the Plan as a consequence of the death must be paid as if the deceased Active Member or Inactive Member died leaving no surviving Spouse.



10. BENEFICIARY

10.1 Designation of Beneficiary

- (1) A Member's Beneficiary is:
 - (a) if he or she has a Spouse who has not waived his or her entitlement in accordance with the Pension Benefits Act, the Spouse;
 - (b) if he or she has no Spouse, or the Spouse has waived his or her entitlement in accordance with the Pension Benefits Act, the person(s) or organization(s) designated by the Member; or
 - (c) if he or she has no Spouse (or the Spouse has waived his or her entitlement in accordance with the Pension Benefits Act) and the Member not designated a beneficiary pursuant to paragraph (b), or no beneficiary designated pursuant to paragraph (b) survives the Member, the Member's estate.
- (2) A Beneficiary designation must be filed with the Board, in writing or electronically, in Prescribed Form.
- (3) A Member who has made a designation in accordance with subsection (1) may alter or revoke the designation by filing with the Board such alteration or revocation, in writing or electronically, in Prescribed Form.

11. MAXIMUM EMPLOYEE FUNDING: 50% RULE

11.1 Compliance with Section 31 of Pension Benefits Act

- (1) Subject to subsections (2) and (3), if i) a Member Terminates Employment, ii) a Member commences a pension, or iii) a Member dies before commencing a pension, the value of the Member's Required Contributions with Credited Interest that exceeds 50% of the Commuted Value of the pension earned by the Member with respect to all of the Member's Credited Service, must, at the option of the Member (or, if appropriate, his or her surviving Spouse or Beneficiary), be:
 - (a) returned to the Member (or Spouse or Beneficiary, if appropriate) in cash,
 - (b) transferred to an RRSP in the name of the Member or, if applicable, surviving Spouse, or
 - (c) transferred to any other vehicle permitted by the Pension Benefits Act.
- (2) For purposes of subsection (1), a Member's Credited Service does not include any Credited Service credited under a Current Service Purchase Agreement or a Prior Service Purchase Agreement, and a Member's Required Contributions do not include any amounts paid under a Current Service Purchase Agreement or a Prior Service Purchase Agreement.
- (3) If a Member receives a payment pursuant to subsection (1) as a consequence of his or her Termination of Employment, he or she has no further entitlement under this Article 11 on his or her subsequent death or pension commencement.



12. NON-ASSIGNMENT AND NON-COMMUTATION OF BENEFITS

12.1 Statutory Protection

- (1) Except as otherwise provided in the Plan Text, or as required by applicable law, the pension benefits payable under this Plan cannot be assigned, charged, anticipated, given as security or surrendered and are exempt from execution, seizure or attachment. Any transaction purporting to assign, charge, anticipate, give as security or surrender such monies is void.

12.2 Enforcement of Maintenance Orders

- (1) Despite any other provision of this Plan Text, pension benefits payable under this Plan, on a lump sum or periodic basis, are subject to garnishment pursuant to *The Enforcement of Maintenance Orders Act, 1997* (Saskatchewan) for the purposes of enforcing a maintenance order as defined in that statute.

13. DIVISION OF BENEFITS ON SPOUSAL RELATIONSHIP BREAKDOWN

13.1 Compliance with Part VI of Pension Benefits Act

- (1) Pension benefits payable under the Plan may be divided pursuant to a court order or written interspousal contract made under the Family Property Act.
- (2) A written interspousal contract or court order must comply with the Family Property Act.
- (3) The value of a pension to be divided under a written interspousal contract or court order must be calculated as follows:
 - (a) where an Active Member has not yet commenced receiving a pension, the value of the pension is to be calculated as the Commuted Value of the pension at the date mentioned in the order or agreement and calculated:
 - (i) as if the Active Member had terminated employment on the date mentioned in the order or agreement;
 - (ii) as if the pension is payable on the earliest date on which the Active Member may commence the pension without reduction pursuant to Section 6; and
 - (iii) having regard solely to the portion of the Active Member's pension accrued during the period of the spousal relationship;
 - (b) where an Inactive Member has not yet commenced receiving a pension, the value of the pension is to be calculated as the Commuted Value of the Inactive Member's deferred pension accrued during the period of the spousal relationship and valued at the date mentioned in the order or agreement;
 - (c) where a Pensioner has commenced receiving a pension, the value of the pension is to be calculated as the actuarial present value of the future pension being paid from the date mentioned in the order or agreement.



- (4) Despite any other provision of this Plan Text, a division of an Active Member's pension must not reduce his or her Commuted Value to less than 50% of the Active Member's Commuted Value prior to the division.
- (5) Where a former spouse of a Member is entitled to a division of the Commuted Value of a pension, the portion of the Commuted Value to which that former spouse is entitled may be transferred:
- (a) where the transfer occurs in or before the calendar year in which the former spouse attains age 71, or such other age as is prescribed under the Income Tax Act for the latest commencement of retirement benefits from a registered pension plan, to a LIRA; or
 - (b) where the transfer occurs after the calendar year in which the former spouse attains age 71, or such other age as is prescribed under the Income Tax Act for the latest commencement of retirement benefits from a registered pension plan, to a RRIF.
- (6) Where an amount is transferred pursuant to subsection (5), the entitlement of the person entitled to benefits from the Plan is to be calculated as follows:
- (a) where a Member is not a Pensioner, the entitlement of the Member is the amount Q calculated by:
 - (i) determining the matrimonial division offset which is the amount M calculated in accordance with the formula:

$$M = D \div E \times F$$

where:

D is the amount transferred to the spouse or former spouse;

E is the Commuted Value of the Member's pension at the date mentioned in the order or agreement prior to the division and calculated as if he or she had terminated employment on the date mentioned in the order or agreement (if he or she had not already done so); and

F is the amount of the pension accrued at the date mentioned in the order or agreement and calculated in accordance with Section 7.1; and
 - (ii) subtracting the amount M determined in (i) from the total pension to which the Member would have been entitled at his or her pension commencement date prior to the division and prior to any applicable early retirement reductions; and
 - (iii) applying any applicable early retirement reductions;
 - (b) where a Member is a Pensioner, the entitlement of the Member is the amount Q calculated by:
 - (i) determining the amount Q in accordance with the following formula:



$$Q = G - H$$

where:

G is the value of the pension determined in subsection (3); and

H is the amount transferred to a spouse or former spouse; and

- (ii) converting the amount Q on an actuarial equivalent basis back to a pension based on the Member's lifetime only and payable with the same guarantee period elected at the Member's date of pension commencement;
 - (c) For greater certainty, if pursuant to a court order or interspousal contract a Member's former spouse has no interest in the Member's pension, and no entitlement to a survivor pension payable from the Plan after the Member's death, amount H in subparagraph (b)(i) is deemed to be nil, and the Member may elect a lifetime pension payable in accordance with subsection (b)(ii) on that basis.
- (7) Where the former spouse of a Pensioner is entitled to a division of the pension-in-pay, the division of the pension-in-pay must be in accordance with the order or agreement, subject to the following:
 - (a) the form of payment of the total of the pensions payable to the Pensioner and the former spouse must be the same form of payment as was elected when the pension commenced payment; and
 - (b) if applicable, the former spouse retains any entitlement to a survivor pension.
- (8) Except where a court order or written contract has been filed with the Board by the Member and the former spouse jointly, the Board must give a notice, in writing, to the Member that a court order or written contract has been filed.
- (9) The Board must:
 - (a) proceed with the division of the pension if the Member does not file a notice of objection within 30 days of being provided with the notice described in subsection (8);
 - (b) apply to the court for directions if a notice of objection is received within 30 days of issuing the notice described in subsection (8).
- (10) When a benefit is to be divided pursuant to a court order or a written interspousal contract, the pertinent information must be provided, upon request, to the Member, the former spouse or the lawyer of any of them. The Member must be notified of the information provided to the former spouse or the former spouse's lawyer.



14. MANAGEMENT AND ADMINISTRATION

14.1 Responsibility for Management and Administration

- (1) The Board is responsible for all matters relating to the administration of the Plan and the Fund. The Board must ensure that the Plan and the Fund are administered in accordance with the Trust Agreement, the Pension Benefits Act and the Income Tax Act. The duties and responsibilities of the Board include, without limitation, the following:
 - (a) employing or retaining, from time to time, an official to administer the day-to-day functions and such staff and agents as it deems necessary and appropriate to carry out duties in connection with the administration of the Plan and Fund, at such rates of remuneration as it deems reasonable;
 - (b) maintaining and making available such records as are required by the Actuary for the purpose of making actuarial valuations and estimates of required contributions by the Members and Participating Employers and maintaining such records as are necessary to accurately determine the benefits due to Members in accordance with the terms of the Plan;
 - (c) at all times, keeping or causing to be kept adequate accounts of the Fund on a calendar year basis;
 - (d) notifying Participating Employers of amendments to the Plan and the operating procedures relating thereto;
 - (e) safekeeping the Plan Text and amendments thereto;
 - (f) making application for registration of the Plan;
 - (g) making application for acceptance of approved amendments to the Plan;
 - (h) ensuring that the Plan Text is administered in accordance with its terms as registered;
 - (i) filing annual information returns with the Superintendent of Pensions and the Minister of National Revenue; and
 - (j) preparing the information needed to report pension adjustments (PAs), past service pension adjustments (PSPAs) and pension adjustment reversals (PARs), as applicable.
- (2) For the purposes of the Plan, the Board is entitled to determine conclusively a Member's Earnings, Contributory Earnings, Continuous Service and Credited Service.

14.2 Explanation to Members

- (1) A Participating Employer must provide a written description of the Plan to each of its employees who is eligible to join the Plan on or before the date of first eligibility. Such description must explain the terms and conditions of the Plan and amendments thereto as applicable to the employee, and must outline the rights and duties of the employee with reference to the benefits available and the contributions payable under the Plan.



- (2) Within 90 days after any amendment to the Plan Text, the Board must provide an explanation or summary of the amendment to each Member affected by the amendment.
- (3) Within 180 days of the Plan year end, the Board must provide each Member with an annual statement containing such information as the Pension Benefits Act requires.
- (4) A copy of this Plan Text, any trust deed or agreement, insurance contract, bylaw, resolution, or investment contract relating to the Plan may be examined by a Member at any reasonable time at such offices as are designated by the Board.

14.3 Fund and Fund Management

- (1) The Fund must be held, invested and administered by the Board in accordance with the terms of the Plan Text, the Trust Agreement, the Pension Benefits Act and the Income Tax Act.
- (2) The Board may appoint a Fund Custodian for the purpose of the holding for safekeeping and reporting of all assets and investments whatsoever made by and for the Fund.
- (3) All pension benefits payable under this Plan Text must normally be provided directly from the Fund. However, the Board may, on the advice of the Actuary, direct that some or all of the pension benefits be provided by an annuity or annuities purchased with monies from the Fund from an Insurer or Insurers.
- (4) The Fund is chargeable with the fees of the Fund Custodian and of any investment manager, with any expenses reasonably and properly incurred by the Fund Custodian and any investment manager in respect of the Plan and the Fund and, subject to any applicable resolutions of the Board in effect from time to time, the Fund is chargeable with any expenses reasonably and properly incurred by the Board in the administration, operation and management of the Plan and the Fund.
- (5) The Fund has a fiscal year ending December 31st.

14.4 Application for Benefits – Onus of Proof on Applicant

- (1) A pension or other benefit payable under the Plan may be granted by the Board and payment thereof may be made only upon application therefor in Prescribed Form, and only after submission of satisfactory proof of Age and such other relevant supporting evidence as the Board in its discretion may require.
- (2) Any person receiving or claiming a pension or other benefit payable under the Plan must at any and all times, on demand of the Board, furnish to the Board satisfactory evidence of the continuing right thereto.
- (3) If there is any doubt as to the identity of any person entitled to benefits from the Plan or as to whether that person is the person legally entitled to receive any benefits hereunder, payments of any such benefit may be withheld for a reasonable time to permit investigation to be made, and any claimant must on demand furnish the Board with all information and produce such proof of identity and of right to such benefits as the Board requests.



14.5 Incorrect Age

- (1) If the Age of any person entitled to benefits under the Plan is found to have been incorrectly stated the Board may make, or cause to be made, such adjustments to the affected benefits as the Board deems equitable.
- (2) Age may be proven by official birth certificate issued by the appropriate public authority, or such other evidence of age as is satisfactory to the Board.

14.6 Retention of Records

- (1) All records and files pertaining to the operations of the Plan and Member's and Employer's accounts must be retained for three years, or such lengthier period as the Board decides from time to time, after:
 - (a) in the case of an agreement, the expiry of the agreement; and
 - (b) in the case of other records, the date of the last transaction to which the records relate.

14.7 Plan Non-Protective

- (1) The Plan does not give a Member any right to be retained in the service of a Participating Employer, prevent a Participating Employer from discharging a Member at any time, or give rise to any claim by anyone against a Participating Employer for damages for any cause whatsoever.

14.8 Canadian Currency

- (1) All contributions to the Plan and all benefits under the Plan are payable in the lawful currency of Canada, provided that in case of any Member being paid compensation in some other currency, the Board may from time to time, at its discretion, fix the rate of exchange to be used for the purposes of the Plan in converting to Canadian currency the Member's compensation and contributions to the Plan.

14.9 Payments to Minors, etc.

- (1) If a person entitled to receive a benefit under the Plan is a minor, or is physically, mentally or legally incompetent to receive such benefit or to give a valid release therefor, the Board may pay the benefit to the person's legal guardian or other responsible individual identified as such by the Board, for the account of the person entitled to the benefit. Any such payment operates as a complete discharge of liability therefor under the Plan.

14.10 General Procedures

- (1) Each amount determined in connection with the operations and administration of the Plan must be determined, where the amount is based on assumptions, using reasonable assumptions, and, where actuarial principles are applicable to the determination, in accordance with generally accepted actuarial principles.



15. AMENDMENT OR TERMINATION OF THE PLAN

15.1 Authority to Amend

- (1) The Board hopes and expects that the Plan will continue indefinitely but, subject to subsection (2) and subject always to the Trust Agreement, the Pension Benefits Act and the Income Tax Act, has the right to amend the Plan Text from time to time. Such amendments may be made at any time and from time to time by the Board and all such amendments are binding on the Participating Employers and on every Member.
- (2) The Board must not make any change that is a Fundamental Change, as defined in the Trust Agreement, except as permitted by the Trust Agreement.
- (3) The Employer Partner Committee and the Union Partner Committee, as defined in the Trust Agreement, may amend the Plan Text in accordance with Section 4.03 of the Trust Agreement.
- (4) If the amendment directly or indirectly affects the benefits due to the Members, notice thereof must be given to the Members in accordance with subsection 14.2(2).
- (5) Despite any other provision of this Plan Text, but subject to subsection (1), the Board may amend the Plan Text at any time to reduce the benefits to be provided so as to avoid revocation of the Plan's registration under the Income Tax Act.
- (6) Despite any other provision of this Plan Text, the Board may amend the Plan Text at any time to comply with applicable legislation.
- (7) No amendment can adversely affect the right of a Pensioner to continue to receive pension under the Plan or adversely affect any vested right as the same exists under the Plan at the date of such amendment or reduce the benefits which any Member had accrued by reason of Credited Service to the date of the amendment.
- (8) All amendments must comply with the Pension Benefits Act and the Income Tax Act.

15.2 Termination of the Plan

- (1) Subject to subsection (2), if the Plan is terminated, all funds then held in trust for the benefit of the Members must be used, after providing for expenses of the Plan, to the extent sufficient to provide benefits in order of priority by classes as follows:
 - (a) first, in respect of each Member concerned, an amount equal to the Required Contributions of such Member, and all amounts paid by the Member under a Current Service Purchase Agreement or a Prior Service Purchase Agreement, together with Credited Interest calculated to the date of termination of the Plan, the date of retirement if the Member has retired, or the date of death if the Member has died, whichever is the earliest, less all amounts previously charged to the Fund to provide benefits derived from said contributions for or in respect of such Member;
 - (b) second, in respect of each Member who has attained age 65, an amount which when added to the allocations in paragraph (a) will be sufficient to fully fund the pension due to such Member in accordance with the terms and



conditions of the Plan assuming that such Member retired on the earlier of the following dates:

- (i) the Member's actual date of retirement; or
 - (ii) the date of the Plan termination;
 - (c) third, in respect of each Member who is not included in paragraph (b) but who otherwise would have qualified for early retirement an amount which when added to the allocation in paragraph (a) will be sufficient to fully fund the early retirement pension due to such Member in accordance with the terms and conditions of the Plan assuming that such Member retired on the earlier of the following dates:
 - (i) the Member's actual date of retirement; or
 - (ii) the date of the Plan termination;
 - (d) fourth, in respect of each Member who has completed 10 years of Continuous Service but who is not included in paragraphs (b) and (c), an amount which when added to the allocation in paragraph (a) will be sufficient to fully fund the deferred pension due to such Member the amount of the deferred pension must be calculated in accordance with Section 7.1;
 - (e) fifth, in respect of each Member who is not included in paragraphs (b), (c) or (d), an amount which when added to the allocation in paragraph (a) will be sufficient to fully fund the Member's accrued pension calculated in accordance with Section 7.1; and
 - (f) sixth, all funds remaining after having made the allocations in paragraphs (a), (b), (c), (d) and (e) must be allocated to all Members in an equitable manner which is adopted by the Board on the advice of the Actuary; such allocation must not result in any Member's pension exceeding the maximum pension permitted under the Income Tax Act.
- (2) Upon termination of the Plan, the plan surplus, if any, must be allocated to all Members in an equitable manner which is adopted by the Board on the advice of the Actuary, and in accordance with the terms and conditions of the Trust Agreement, except that any such allocation must not result in any Member's pension exceeding the maximum pension permitted under the Income Tax Act. No surplus may be withdrawn from the Plan for the benefit of the Participating Employers while the Plan is continuing but any part of the surplus may be used to cover any portion of the current service cost of benefit improvements as approved by the Board.
- (3) If the Plan is terminated in accordance with subsection (1), the methods of allocating and distributing assets of the Plan must meet the following conditions:
- (a) assets must be allocated first to provide for benefits equal to the value of contributions, with interest, made by and transferred from another Plan with respect to Members and former Members;
 - (b) assets not allocated pursuant to clause (a) must be allocated to provide for accrued benefits with respect to which:



- (i) no unfunded liability was established; or
 - (ii) where an unfunded liability was established, the liability has been amortized at the date of the termination of the Plan; and
 - (c) assets not allocated pursuant to clauses (a) and (b) must be allocated to provide for accrued benefits with respect to which unfunded liabilities have not been amortized at the date of the termination of the Plan.
- (4) An unfunded liability that has not been amortized at the date of the termination has the effect of reducing the benefits for employment that led to the establishment of the unfunded liability, proportionate to the extent to which those benefits remain unfunded.
 - (5) Each unfunded liability is to be dealt with separately and applied only to the benefits with respect to which it was established.
 - (6) If the funds remaining for any class are not sufficient to provide full benefits under the Plan, the funds available for such class must be allocated to each Member in such class in the same proportion that the actuarial value of the full benefit for each Member bears to the total actuarial value of full benefits for all Members within such class.
 - (7) The pensions referred to in this Section must be payable in such optional form as the Member may have elected prior to the date of termination of the Plan or, failing such election, in the normal form prescribed by the Plan.
 - (8) Despite the aforesaid, the Plan will be terminated in accordance with the requirements of the Pension Benefits Act and the legislation and requirements of any other competent jurisdiction.

16. TRANSFER OF PENSION ASSETS

16.1 Transfer From Prior Plans

- (1) A Participating Employer which immediately prior to its becoming a Participating Employer had in effect a registered pension plan in which its employees participated (a “**Prior Plan**”) whose assets are available for transfer to the Fund, may arrange for such assets to be transferred to the Fund, subject to such terms and conditions as are determined by the Board on the advice of the Actuary, and subject to any applicable federal or provincial legislation.
- (2) If the Prior Plan’s assets are deemed by the Board, on the advice of the Actuary, to be insufficient to provide the full benefits accrued under the terms of the Prior Plan in respect of the service of the members of the Prior Plan up to the date on which the sponsoring institution becomes a Participating Employer, the Board must either establish an additional contribution or contributions to be paid by the Participating Employer, or adjust the benefits payable under the Plan in respect of such service to be equal in value, as determined by the Actuary, to the value of the Prior Plan’s assets transferred to the Fund.

16.2 Reciprocal Agreements

- (1) Prior to January 1, 2015 the Board entered into reciprocal agreements with the sponsors of other registered pension plans. Under those agreements, assets were transferred into the Fund in respect of certain Members, each of whom was credited with certain periods of



Credited Service as a result of such transfers. A portion of the assets transferred in respect of each Member has been treated as Required Contributions by that individual. The remainder of the assets transferred in respect of a Member has been treated as employer contributions on his or her behalf. As of January 1, 2015, all reciprocal agreements have been terminated. However, all rights accrued by Members under the Plan in respect of such agreements and such asset transfers remain in full force and effect.

