

DEFINED BENEFIT PENSION PLAN  
FOR EMPLOYEES OF  
ST. FRANCIS XAVIER UNIVERSITY

(Restated effective July 1, 2006)

Registration Number:  
Canada Revenue Agency: 0388728  
Nova Scotia: 0388728

August 24, 2006

## FOREWORD

- A. The Pension Plan for Employees of St. Francis Xavier University and Participating Employers (the “Plan”) was established by St. Francis Xavier University (the “University”) effective January 1, 1975.
- B. The Plan has been amended on several occasions since it was established. This restatement, effective July 1, 2006, overrides and supersedes the previous restatement as at January 1, 1999 and related amendments.
- C. Effective with the January 1, 1999 restatement of the Plan text, the name of the Plan was changed to the Defined Benefit Pension Plan for Employees of St. Francis Xavier University.
- D. Members of the Plan will have their benefits or the benefits of their beneficiaries determined under the terms and conditions of the Plan as it is constituted on their date of retirement, termination of employment or death, as applicable, subject to the administration of the Plan in accordance with income tax and pension benefits legislation in effect at such time.
- E. The Plan, as amended from time to time, will remain in effect, except as otherwise provided herein, subject to its continued registration with:
  - (1) the relevant tax authorities as is necessary to establish that the University is entitled to deduct the amount of its contributions as expenses before taxes under the provisions of the *Income Tax Act* (Canada) or any other applicable tax laws;
  - (2) the Nova Scotia Department of Finance, Pension Benefits Division, under the *Pension Benefits Act*.
- F. The primary purpose of the Plan is to provide periodic payments to members of the Plan after retirement and until death in respect of their service as employees.

**TABLE OF CONTENTS**

Section 1 - Definitions..... 1

Section 2 - Eligibility..... 7

Section 3 - Contributions..... 8

Section 4 - Retirement Dates..... 12

Section 5 - Amount of Pension ..... 13

Section 6 - Form of Pension..... 17

Section 7 - Termination Benefits ..... 19

Section 8 - Death Benefits..... 24

Section 9 - Payment of Benefits..... 26

Section 10 - Administration of the Plan and the Fund..... 28

Section 11 - Disclosure..... 30

Section 12 - Amendment to or Termination of the Plan ..... 31

## **Section 1 - Definitions**

Throughout this Plan, the following words and phrases have the respective meanings given below when capitalized, unless a different meaning is clearly required by the context.

Unless otherwise indicated, reference to a Section, subsection, paragraph or clause means a Section, subsection, paragraph or clause in this Plan. In addition, words importing the singular number include the plural and vice versa and words importing one gender include the other gender, unless the context requires otherwise.

Periodically throughout this Plan text, "*Notes*" appear in *italics* in order to assist the reader in understanding the tax-related terminology used in the Plan or the other circumstances in which the provision operates. For easier reading, these "*Notes*" are included directly in the Plan text rather than in a separate schedule. The "*Notes*" are not intended to be, and should not be, used in the interpretation of rights created under the Plan. For the exact meaning of the tax-related provisions of this Plan, reference should be made to the *Income Tax Act* (Canada), the regulations thereunder, and the official publications of the Departments of Finance and National Revenue, Taxation.

- 1.1 “Act” means the Nova Scotia *Pension Benefits Act*, R.S.N.S. 1989, c. 340, as amended from time to time, the Regulations issued under the Act and the administrative practices of the office of the Superintendent of Pensions.
- 1.2 “Actuarial Equivalent” means a benefit of equal value computed upon an actuarial basis recommended by the Actuary and approved by the University, which basis does not take into account the gender of the Member for benefits accrued after December 31, 1986.
- 1.3 “Actuary” means a person qualified as a Fellow of the Canadian Institute of Actuaries, or a firm employing such a person, appointed by the University as the Actuary to the Plan.
- 1.4 “Commuted Value” means, in relation to benefits that a person has a present or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits computed using rates of interest, the actuarial tables and other assumptions as may be adopted by the University on the recommendation of the Actuary, subject to the requirements of the Act and the Tax Act.

1.5 “Continuous Service” means continuous employment by the University on a regular basis without regard to periods of temporary suspension due to:

- (a) a period of layoff or a period of leave of absence granted in writing by the University, provided that neither period is in excess of 6 months and provided that employment with the University is resumed at the end of the period of layoff or the period of leave of absence; and
- (b) absence for any period during which full regular compensation is received, provided employment by the University is resumed forthwith at the end thereof.

1.6 “Credited Service” means the number of years and fractions thereof of Continuous Service rendered in Canada while a Member of the Plan and while contributing as required under the rules of the Plan and, for Members employed by the University before 1975, Credited Service includes the Member’s employment prior to 1975 that is in excess of 2 years. For further certainty Credited Service includes:

- (a) any period while a Member is Disabled and entitled to receive long term disability benefit payments from a plan sponsored by the University; and
- (b) any period of maternity or parental leave in accordance with applicable employment standards legislation; and
- (c) any other period of leave approved by the University, other than a Period of Disability or maternity or parental leave in accordance with applicable employment standards legislation;

provided that the following periods are expressly excluded:

- (d) any period of leave which would result in a Cumulative Additional Compensation Fraction in excess of 8 years; comprising no more than 5 years in respect of Eligible Periods of Reduced Pay and Eligible Periods of Temporary Absence, and no more than 3 years in respect of Periods of Parenting.

For an Employee employed on less than a full-time basis for a given period, Credited Service for such period means the amount determined by dividing the Member's hours worked during such year by the number of hours expected to be worked by a full-time Employee in a year. The ratio so determined shall not exceed one.

1.6A “Cumulative Additional Compensation Fraction” means the total of the Member’s Additional Compensation Fractions to date with the Employer.

*Note: Subsection 8507(2) of the Regulations to the Tax Act provides that a member may be regarded as having earned an additional 5 to 8 years (depending on periods of parenting) of total additional compensation during periods of reduced pay or temporary absence, without breaching the pension adjustment limits.*

1.7 “Disability” means a physical or mental impairment, certified in writing by a medical doctor licensed to practise in Canada, which prevents the Member from performing the duties of employment in which the Member was engaged before the commencement of impairment. A Member who suffers a Disability is “Disabled”. The period throughout which a Member is Disabled is the “Period of Disability”. A Member will cease to be Disabled at the earliest of the date that the Member:

- (a) recovers from the Disability;
- (b) commences to receive a pension from the Plan; or
- (c) dies.

1.8 “Early Retirement Date” means a Member’s early retirement date described in subsection 4.2.

1.9 “Earnings” means the amounts received in a year by the Member from the University in respect of his/her employment while a Member of the Plan, which shall normally be the Member’s basic remuneration, provided that Earnings shall only include amounts which qualify as compensation as that term is defined in the Tax Act.

For purposes of determining benefits in respect of a Member’s Period of Disability, Earnings are deemed to be the Earnings the Member was receiving immediately prior to becoming Disabled.

1.10 “Effective Date” means January 1, 1975.

1.10A “Eligible Period of Reduced Pay” has the meaning assigned in the Tax Act.

*Note: In summary, Section 8500 of the Regulations to the Tax Act provides that an eligible period of reduced pay is a period throughout which the earnings of the employee are less than it is reasonable to expect the earnings would have been if the employee had rendered services throughout the period on a regular basis for a rate of pay commensurate with his rate of pay before the period. An employee must have at least 36 months of employment with the employer in order for a period of reduced pay to qualify as an eligible period of reduced pay.*

1.10B “Eligible Period of Temporary Absence” has the meaning assigned in the Tax Act.

*Note: In summary, Section 8500 of the Regulations to the Tax Act provides that an eligible period of temporary absence means any period, other than a period of disability, throughout which the employee does not render services to the employer by reason of an approved leave of absence, temporary layoff, strike or other circumstance permitted under the Tax Act.*

1.11 “Employee” for purposes of this Plan, means a person who is employed by the University, other than a member of the faculty or the administrative staff.

1.12 “Former Employee” means a person who was previously employed by the University, who has terminated employment and who remains entitled to benefits from the Plan.

1.13 “Fund” means the means the assets and all earnings thereon of the pension fund established in accordance with the Trust Agreement and held by the Trustee, to which contributions are made by the University and by Members, and from which the pension and other benefits under the Plan, as well as any disbursements permitted under the Plan, are to be paid. The fiscal year of the Fund shall be the calendar year.

1.14 “Government Contributory Pension Plan” means the *Canada Pension Plan Act* or any similar plan instituted by the Government of Canada.

1.15 “Interest”, from January 1, 1987 to December 31, 1997, means the average of the yields on

five-year personal fixed term chartered bank deposit rates (CANSIM series B14045) over a reasonably recent period with the averaging period not exceeding 12 months. From January 1, 1998, Interest means such rate of return, as determined by the Actuary, as can reasonably be attributed to the operations of the Fund, net of investment expenses.

With respect to Member additional voluntary contributions made pursuant to subsection 3.2, Interest means such rate of return, as determined by the Actuary, as can reasonably be attributed to the operations of the Fund, net of investment expenses.

Contributions made in the current year will receive a pro-rata share of the annual rate according to the average number of months from the date the contributions were made to the date of determination. For any calculations involving a fraction of a year, interest will be credited for that period using the rate of return earned by the Fund from the previous year end to the previous month end, as determined by the Actuary.

- 1.16 “Member” means an Employee who is enrolled as a member of the Plan or, where the context requires, a Former Employee.
- 1.17 “Normal Retirement Date” means a Member’s normal retirement date described in subsection 4.1.
- 1.17A “Optional Retirement Date” means a Member’s Optional Retirement Date described in subsection 4.4.
- 1.17B “Period of Parenting” has the meaning assigned in the Tax Act.

*Note: Under subsection 8507(3)(b) of the Regulations to the Tax Act, a period is a period of parenting if it is all or part of a period that commences either at the time of the birth of a child of whom the individual is a natural parent or at the time at which the individual adopts a child and, in either case, ends when the individual returns to work but no later than 12 months after the commencement of the period.*

- 1.18 “Plan” means this Defined Benefit Pension Plan for Employees of St. Francis Xavier University and any amendments or supplements thereto.
- 1.19 “Postponed Retirement Date” means a Member’s postponed retirement date described in subsection 4.3.



- 1.20 “Spouse” means,
- (a) either of a man and a woman who are married to each other;
  - (b) either of a man and a woman who are married to each other by a marriage that is voidable, but which has not been annulled by a declaration of nullity;
  - (c) either of a man and a woman who have gone through a form of marriage with each other, in good faith, that is void and are cohabiting, or if they have ceased to cohabit, have cohabited in the twelve-month period immediately preceding the date of entitlement; or
  - (d) two people who, not being married to each other and neither being married to another person, have cohabited in a conjugal relationship for a period of at least two years.
- 1.21 “Tax Act” means the *Income Tax Act*, R.S.C. 1952, c.1, as amended from time to time, and the regulations thereunder, and where applicable includes the provisions of the Information Circular 72-13R8 issued by the Department of National Revenue.
- 1.22 “Termination of Service” means interruption of Continuous Service otherwise than by retirement or death.
- 1.23 “Trustee” means a corporate trust company or such other trustees as are designated under a Trust Agreement made between the University and such Trustee. The term Trustee shall include a life insurance company licensed to sell segregated funds or deposit administration contracts.
- 1.24 “Trust Agreement” means the agreement made between the University and the Trustee instituting and determining the administration of the Fund.
- 1.25 “University” means St. Francis Xavier University.
- 1.26 “YMPE” means the year’s maximum pensionable earnings as defined under the *Canada Pension Plan Act*.

## **Section 2 - Eligibility**

### 2.1 Full-time Employees

An Employee who is employed on a full-time basis must become a Member of the Plan after completing 2 years of Continuous Service.

### 2.2 Part-time Employees

An Employee who is employed on a part-time basis may become a Member of the Plan on the first day of any month following completion of 2 consecutive years of Continuous Service and the lesser of Earnings of not less than 35% of the YMPE or 700 hours of employment in each of 2 consecutive calendar years.

### 2.3 Enrolment Forms

An Employee will enrol as a Member by completing such forms as may be specified by the University.

### 2.4 No Withdrawal

No Member may withdraw from the Plan while employed by the University and while still eligible for Plan membership.

### 2.5 Re-Employment

For all purposes of this Plan, a Member whose service is terminated and who later re-enters the service of the University will thereafter be treated as a new Employee.

If a former Employee who has commenced to receive a pension from the Plan is re-employed by the University, the Employee shall continue to receive the pension and will not accrue further benefits during the period of re-employment.

## **Section 3 - Contributions**

### **3.1 Member Contributions**

Each Member shall contribute the following amount to the Fund by payroll deduction:

- (a) from October 1, 2001 to September 30, 2002, an amount equal to 4% of his/her Earnings up to the YMPE for the applicable year, and 5½% of any Earnings in excess thereof;
- (b) from October 1, 2002, an amount equal to 4½% of his/her Earnings up to the YMPE for the year, and 6% of any Earnings in excess thereof.

Such contributions shall not exceed the maximum amount deductible for income tax purposes, more particularly, no contributions shall be made which would exceed the lesser of:

- (c) 9% of the Member's compensation (as defined in the Tax Act) from the University for the year; and
- (d) \$1,000 plus 70% of the Member's total pension credits (as defined in the Tax Act) for the year,

or such other limit as prescribed by the Tax Act.

*Note: "Compensation" is defined in subsection 147.1(1) of the Tax Act as, generally speaking, income from employment that would be required to be included in an individual's taxable income, plus any prescribed amounts. Subsection 8301(6) of the Tax Act provides that the pension credit of an individual for a year in respect of an employer is equal to:*

*(9 x benefit entitlement) - \$600.*

*"Benefit entitlement" is calculated in accordance with the rules in Section 8302 of the Regulations to the Tax Act, and is an approximate measure of the amount of the pension benefits accrued to the individual in respect of a plan year.*

### 3.2 Additional Voluntary Contributions

A Member may also make additional voluntary contributions to the Fund, up to the maximum amount deductible for income tax purposes as it may be from time to time, in such manner as the Tax Act may prescribe.

Where a Member makes additional voluntary contributions to the Fund, a separate account will be maintained in respect of that Member which shall hold all additional voluntary contributions. Interest shall be allocated to Members' accounts no less frequently than annually.

### 3.3 Contributions During Disability

A Member who is Disabled and who is in receipt of long term disability benefits under a group contract arranged by the University ("LTD Plan") will continue to accrue benefits during the Period of Disability and during any elimination period under the LTD Plan as if the Member were continuing in employment and based on the Earnings the Member was receiving prior to the Period of Disability and the Member shall not be required to make the contributions normally required under subsection 3.1.

### 3.3A Contributions During Periods of Maternity or Parental Leave

A Member who is on maternity or parental leave in accordance with applicable employment standards legislation may continue contributing to the Plan and accruing benefits for the period of leave. Contributions will be based on Earnings immediately prior to the commencement of the leave.

### 3.4 Contributions During Other Periods of Leave

A Member who is on a period of leave approved by the University, other than a Period of Disability or maternity or parental leave in accordance with applicable employment standards legislation, may continue contributing to the Plan and accruing benefits for the period of leave. Contributions will be based on Earnings immediately prior to the commencement of the leave.

### 3.5 Transfers

A Member entitled to any lump sum cash amount from any registered pension plan of a previous employer, or a Member who wishes to transfer an amount held in a registered retirement savings plan of which the Member is the annuitant, may, by arrangement with the University, have all or part of such amount transferred to the Member's credit under subsection 3.2, provided that all such transfers will be in accordance with Section 147.3 of

the Tax Act.

### 3.6 University Contributions

The University will contribute to the Fund each year such amounts, if any, as the University determines at its sole discretion, provided that:

- (a) contributions in any month will not be less than the amount, if any, indicated by the Actuary as necessary to maintain registration of the Plan under the Act;
- (b) contributions in any month will not be more than the amount, if any, indicated by the Actuary as the maximum amount permissible in order to maintain registration of the Plan under the Tax Act; and
- (c) such contributions will be eligible contributions (as that term is defined in the Tax Act).

*Note: "Eligible contribution" is defined in subsection 147.2(2) of the Tax Act as a contribution that, among other things, is made pursuant to an actuary's recommendation, which is in turn based upon an actuarial valuation report that complies with various conditions listed therein.*

### 3.7 Contribution Holiday

Notwithstanding the requirement for the University to make contributions, where a surplus of Plan assets over Plan liabilities exists, it may be used, in whole or in part, at the University's discretion, to reduce the amount of University contributions required to service the normal cost of the Plan, provided that the requirements of the Act and the Tax Act are satisfied.

### 3.8 Remission of Member Contributions

All contributions made by Members under subsections 3.1 or 3.2 must be remitted to the Trustee within 30 days following the month in which they were made.

### 3.9 Remission of University Contributions

All contributions made by the University under subsection 3.6 must be remitted to the Trustee in monthly instalments within 90 days following the month to which they are attributable.

### 3.10 Pension Adjustment Limits

No contributions will be permitted to be made which would result in a pension adjustment in excess of the limit allowed by the Tax Act.

*Note: Subsection 248(1) of the Tax Act defines pension adjustment and Section 8301 of the Regulations to the Tax Act provides details of how it is calculated. The pension adjustment is an annual measure of the value of the benefits earned by the member under the plan, and is used to determine the extent to which the member's RRSP contribution limit is reduced.*

### 3.11 No Withdrawal

While a Member remains in the employment of the University and remains eligible for Plan membership, the Member may not withdraw any portion of the Member's contributions to the Plan nor may the Member discontinue or suspend the Member's required contributions under subsection 3.1, unless otherwise permitted by another term of this Plan.

### 3.12 Overpayment of Contributions

Contributions may be withdrawn from the Fund to avoid revocation of the registration of the Plan.

### 3.13 Permissible Contributions

No contribution shall be made to the Plan other than a contribution in accordance with this Section 3 and, for greater certainty, no contributions shall be made to purchase or credit previously non-pensionable past service.

## **Section 4 - Retirement Dates**

### 4.1 Normal Retirement Date

Each Member will normally retire on the Member's Normal Retirement Date, which is the last day of the month in which the Member's attains age 65.

### 4.2 Early Retirement Date

A Member who has reached age 55 may retire on the first day of any month prior to the Member's Normal Retirement Date, which date will be the Member's Early Retirement Date.

### 4.3 Postponed Retirement Date

If a Member continues in employment after the Normal Retirement Date and is not in receipt of a pension from the Plan, the Member may elect to continue to make contributions pursuant to subsection 3.1, and to accrue pension credits pursuant to subsection 5.1, until as late as December 31 of the year in which the Member attains age 69.

### 4.4 Optional Retirement Date

A Member may elect to retire from active employment on the first day of any month following the date the Member both reaches age 62 and completes 25 years of Continuous Service, which date will be the Member's Optional Retirement Date.

## **Section 5 - Amount of Pension**

### 5.1 Normal Retirement Benefit

Effective from January 1, 2000, each Member who is also an Employee and who retires on or after his or her Normal Retirement Date or his or her Optional Retirement Date, is entitled to (and must make an election prior to pension commencement) either:

- (a) an annual pension, payable from his or her actual retirement, equal in amount to the total of (i) and (ii) as follows:
  - (i) 1.4% of the Member's 1999 Earnings up to the YMPE for 1999 plus 2.0% of the Member's 1999 Earnings in excess of the YMPE for 1999, the total multiplied by the Member's Credited Service to December 31, 1999; plus
  - (ii) for each year beginning January 1, 2000, 1.4% of the Member's Earnings up to the YMPE and 2.0% of the Member's Earnings in excess of the YMPE, or
- (b) a transfer, on a locked-in basis, of the benefit to which the Member is entitled under subsection 7.3 under one of the options in paragraphs 7.8(a) or (b),

provided that a Member's benefits for Credited Service prior to January 1, 2000 shall not be less than the benefits to which the Member was entitled in respect of such Credited Service immediately prior to the date of this Amendment #1.

*Note: The YMPE for 1999 was \$37,400.*

### 5.2 Early Retirement Benefit

- (a) A Member who terminates employment on or after the Early Retirement Date in subsection 4.2 will be entitled to receive a deferred annual pension payable in monthly instalments, the amount of which will be determined in accordance with subsection 5.1, based on the Member's Credited Service accrued prior to the Early Retirement Date. The deferred annual pension is payable commencing on:
  - (i) the Normal Retirement Date, if the Member has not completed 25 years of



Continuous Service at the date of termination of employment; or

(ii) the Optional Retirement Date, if the Member has completed 25 years of Continuous Service at the date of termination of employment.

(b) In lieu of the deferred pension in paragraph (a), a Member who terminates employment on or after the Early Retirement Date in subsection 4.2 may elect to receive, as and from the actual retirement date, the annual pension accrued to the Member's retirement date, but reduced by 0.5% for each month that the pension commences prior to:

(i) the Normal Retirement Date, if the Member has not completed 25 years of Continuous Service at the date of termination of employment; or

(ii) the Optional Retirement Date, if the Member has completed 25 years of Continuous Service at the date of termination of employment.

### 5.3 Benefit from Additional Voluntary Contributions

Each Member who has made additional voluntary contributions pursuant to subsection 3.2 shall receive, commencing on the date the Member actually retires, such additional pension as may be purchased outside the Plan with such additional voluntary contributions with Interest to that date. Alternatively, the Member may elect at actual retirement date to transfer such contributions with Interest on a non-locked-in basis under one of the options in subsection 7.8 or to receive a cash refund of such contributions with Interest in a lump sum.

### 5.4 Minimum Benefits

#### (a) Service Prior to January 1, 1988

If the Commuted Value of the Member's pension for service prior to January 1, 1988 is less than the Member's contributions with Interest made under subsection 3.1 before such date, the pension for such service shall be increased until its Commuted Value is equal to the contributions for such service, with Interest.

#### (b) Service On and After January 1, 1988

No more than 50% of the Commuted Value of the pension provided for service on and after January 1, 1988 may be provided by the Member's contributions with

Interest made under subsection 3.1 on and after such date. Any contributions in excess of this minimum shall be refunded to the Member in a lump sum.

## 5.5 Maximum Pension

### (a) Maximum Pension on Normal Retirement

The annual lifetime pension payable to a Member under this Plan, including a pension payable to a Member's Spouse or former Spouse pursuant to subsection 9.7 determined at the time of pension commencement, shall not exceed the lesser of:

- (i) \$1,722.22; and
- (ii) 2% of the Member's highest average indexed compensation (as defined in the Tax Act),

multiplied by the Member's years of pensionable service (as defined in the Tax Act) provided that pensionable service is limited to 35 years in respect of benefits for service prior to January 1, 1992.

The maximum pension described in this paragraph applies in the year in which benefits commence to be paid. The maximum benefit permitted to be paid in subsequent years is adjusted to reflect the increase in the average Consumer Price Index from the year of commencement to the particular year.

### (b) Maximum Pension on Early Retirement

The maximum pension in paragraph (a) above is reduced by  $\frac{1}{4}$  of 1% for each month by which the pension commencement date precedes the earliest of:

- (i) the date the Member will attain age 60;
- (ii) the date the Member's age plus early retirement eligibility service (as defined in the Tax Act) would equal 80; or
- (iii) the date the Member would have completed 30 years of early retirement eligibility service (as defined in the Tax Act).

## 5.6 Pension Adjustment

In no event shall the benefit accrued by a Member in a calendar year under this Plan result in a pension adjustment (as defined in the Tax Act) in excess of the limits prescribed by the Tax Act.

*Note: The pension adjustment limit is outlined in subsection 147.1(8) of the Tax Act and is the lesser of:*

*(1) the money purchase limit for the plan year; or*

*(2) 18% of the member's compensation from the employer for the plan year.*

*“Money purchase limit” and “compensation” are defined in subsection 147.1(1) of the Tax Act.*

## 5.7 Post Retirement Increases

- (a) Effective November 1, 1997, pensions and survivor pensions in the course of payment were increased by 50% of the increase in the Consumer Price Index from the Member's date of retirement to October 1997.
- (b) Effective January 1, 2000, pensions and survivor pensions in the course of payment were increased by 60% of the increase in the Consumer Price Index from October 1997 or the Member's date of retirement, if later, to December 1999.

## **Section 6 - Form of Pension**

### 6.1 Normal Form of Pension

(a) Member Without a Spouse

The normal form of pension payable under the Plan to a Member who is also an Employee where the Member does not have a Spouse at the date of retirement is an annual pension, payable in equal monthly instalments for the Member's lifetime, but guaranteed for 60 months in any event.

(b) Member With a Spouse

Effective from November 1, 1997, the normal form of pension payable under the Plan to a Member who is also an Employee where the Member has a Spouse at the date of retirement is an annual pension, payable in equal monthly instalments for the Member's lifetime, guaranteed for 60 months in any event and with a 60% survivor pension payable to the Member's Spouse thereafter.

*Note: Prior to November 1, 1997, the normal form of benefits for all members was a lifetime pension with a 5 year guarantee period.*

### 6.2 Optional Forms of Pension

A Member may make an election in writing submitted to the University at any time before the Member's Normal Retirement Date, or the Member's actual retirement date if earlier, to convert the pension otherwise payable on his/her account into its Actuarial Equivalent as:

(a) for a Member with a Spouse, a pension payable to the Member throughout the Member's lifetime and after the Member's death continuing throughout the lifetime of the Member's Spouse in 60% or greater of the amount which was payable to the Member; or

(b) for a Member without a Spouse, a pension payable to the Member throughout the Member's lifetime and guaranteed for a period of more than 60 months,

provided always that any optional form offered under this subsection 6.2 will be in accordance with the Tax Act.

### 6.3 Death of Spouse

In the event that a Member has elected a form of pension with a survivor benefit payable to the Member's Spouse and the Spouse dies before the Member retires, the election of such form of benefit shall be deemed null and void and the Member may elect another form of pension. Once a pension has commenced, any form elected is irrevocable and the spousal benefit is not transferable.

## **Section 7 - Termination Benefits**

### 7.1 Vesting

A Member is vested with respect to his/her pension benefits earned to date on completing 2 years of Plan membership.

### 7.2 Locking-In

Where a Member is vested under subsection 7.1, the Member's vested benefits will be locked-in according to the following:

- (a) benefits in respect of service to December 31, 1987 are locked-in if the Member has both reached age 45 and either completed 10 years of Continuous Service or 10 years of Plan membership; and
- (b) benefits in respect of service on and after January 1, 1988 are locked-in if the Member has completed 2 years of Plan membership.

### 7.3 Minimum Termination Benefits

On the Termination of Service of a Member who has completed 5 years of Continuous Service, the Member is entitled to receive a minimum benefit equal to the following:

- (a) the Member's contributions made under subsection 3.1, with Interest in respect of service to December 31, 1985; plus
- (b) twice the Member's contributions made under subsection 3.1, with Interest, in respect of service on and after January 1, 1986, provided that the requirements of paragraph 8503(2)(h) of the Regulations to the Tax Act are satisfied in respect of service on and after January 1, 1992.

Payment of the minimum benefits under this subsection 7.3 is subject to the locking-in requirements of subsection 7.2.

*Note: Regulation 8503(2)(h) permits the payment of a termination benefit equal to twice a member's contributions, with interest, provided that the member's contributions in years from 1992 did not exceed the lesser of:*

- (1) *9% of the member's compensation from the University for each year; and*
- (2) *\$1,000 plus 50% of the member's pension credits for each year.*

#### 7.4 Non-Vested Termination Benefits

Upon the Termination of Service of a Member prior to vesting, the Member will receive a refund of his/her contributions made under subsection 3.1, with Interest.

#### 7.5 Vested Termination Benefits for Service to December 31, 1987

##### (a) Not-Locked-In Benefits

If, on a Member's Termination of Service, the Member is vested, but not locked-in with respect to his/her benefits for service to December 31, 1987, the Member must elect one of the following with respect to such benefits:

- (i) a deferred pension commencing at the Member's Normal Retirement Date and calculated in accordance with Section 5;
- (ii) a cash refund of the Commuted Value of the deferred pension in clause (i);  
or
- (iii) a cash refund of the minimum benefit to which the Member is entitled under subsection 7.3.

##### (b) Locked-In Benefits

If, on a Member's Termination of Service, the Member is vested and locked-in with respect to his/her benefits for service to December 31, 1987, the Member must elect one of the following with respect to the Member's benefits for service to December 31, 1987:

- (i) a deferred pension commencing at the Member's Normal Retirement Date and calculated in accordance with Section 5;
- (ii) a transfer of the Commuted Value of the deferred pension in clause (i) on a locked-in basis under one of the options outlined in subsection 7.8; or

- (iii) a transfer of the minimum benefit to which the Member is entitled under subsection 7.3 on a locked-in basis under one of the options in paragraphs 7.8(a) or (b).

Notwithstanding the above, a Member who elects a deferred pension under clause (i) or a transfer under clause (ii) may elect to receive a cash refund of the Member's contributions made prior to January 1, 1977, in which case the deferred pension or commuted value will be reduced accordingly, as applicable.

7.6 Vested and Locked-In Termination Benefit for Service On and After January 1, 1988

On a Member's Termination of Service after the Member is vested with respect to his/her benefits for service on and after January 1, 1988, the Member must elect one of the following with respect to the Member's benefits for service on and after January 1, 1988:

- (a) a deferred pension commencing on the Member's Normal Retirement Date, calculated in accordance with Section 5;
- (b) a transfer of the Commuted Value of the deferred pension in paragraph (a) on a locked-in basis under one of the options in subsection 7.8; or
- (c) a transfer of the minimum benefit to which the Member is entitled under subsection 7.3 on a locked-in basis under one of the options in paragraphs 7.8(a) or (b).

The Member will also be entitled to a refund of the Member's excess contributions arising from the application of the minimum benefit rule in paragraph 5.4(b).

7.7 Additional Voluntary Contributions

Upon the Termination of Service of a Member, the Member is entitled to a refund of all his/her additional voluntary contributions under subsection 3.2 with Interest, either as a non-locked-in transfer under one of the options in subsection 7.8 or as a lump sum cash payment.



## 7.8 Portability

Upon the Termination of Service of a Member who has not reached the Early Retirement Date, the Member may authorize the University, in writing, to transfer any refund to which the Member is entitled under subsections 7.4 or 7.5 or the Commuted Value of any deferred pension to which the Member is entitled under subsections 7.5 or 7.6 to:

- (a) the pension plan of the Member's new employer, provided the new employer will accept the transfer;
- (b) a retirement savings arrangement prescribed under the Act; or
- (c) a life insurance company for the purchase of a life annuity,

provided that where the benefits to be transferred are locked-in, any transfer under this subsection 7.8 will be on a locked-in basis and any annuity purchased under paragraph (c) will be a deferred life annuity, with payments commencing no sooner than age 55, provided that where the annuity payments commence earlier than age 60, the pension will be reduced as outlined in Regulations 8503(3)(c) of the Tax Act.

The University shall not permit a transfer or purchase under this subsection 7.8 unless the University is satisfied that the transfer or purchase is in accordance with the Act and the transfer or purchase complies with the requirements of the Tax Act.

A transfer under this subsection 7.8 will discharge all liability of the University and the Trustee in regard to the benefit of the Member under the Plan.

## 7.9 Early Commencement

A Member of the Plan who, following a termination of employment which does not constitute an Early Retirement pursuant to subsection 4.2 and who is entitled to receive a deferred pension commencing at the Normal Retirement Date in accordance with this Section 7, may elect instead to receive a reduced pension commencing at any time on or after the attainment of age 55, equal to the Actuarial Equivalent of the pension earned to the date of termination, provided however that the reduction shall not be less than 0.25% for each month that the Member's pension commences prior to age 60.

7.10 Maximum Transfer Amount

Amounts transferred in accordance with subsection 7.8 on and after January 1, 1989 shall not exceed the maximum amount prescribed under the Tax Act, and the excess of the Commuted Value, plus Interest, if any, over the amount transferred shall be paid to the Member directly in cash, provided that, where only a portion of the Member's pension is commuted and transferred under subsection 7.8, the remaining benefits shall be paid to the Member from the Plan, as permitted by the Act and the Tax Act.

## **Section 8 - Death Benefits**

### 8.1 Death Prior to Commencement of Pension

#### (a) Benefit Payable to Non-Spouse Beneficiary

Should a Member who vested under subsection 7.1 die before pension commencement, and the Member does not have a Spouse at the date of death, the Member's beneficiary will receive a lump sum payment of the Member's contributions made under subsection 3.1, with Interest, any additional voluntary contributions made by the Member under subsection 3.2, with Interest, and any additional benefits payable as a result of the application of the minimum benefit provisions of subsection 7.3.

#### (b) Benefit Payable Where Beneficiary is Spouse

Should a Member who is vested under subsection 7.1 die before pension commencement, and the Member has a Spouse at the date of death, the Spouse will receive the benefit under paragraph (a) above, and any additional benefit necessary to ensure that the benefit payable to the Spouse in respect of the Member's service on and after January 1, 1988 will be at least equal to 60% of the Commuted Value of the Member's benefits earned for such service.

### 8.2 Death After Commencement of Pension

Should a Member die after his/her pension has commenced, death benefits will be payable in accordance with the normal form of pension under subsection 6.1 or any optional form of pension elected by the Member under subsection 6.2.

### 8.3 Death on Postponed Retirement

Should a Member die after postponing retirement under subsection 4.3, but before his/her pension commences, it shall be presumed that the Member retired on the day before the Member's date of death.

### 8.4 Beneficiary is Estate

Where the Beneficiary entitled to receive the payment of pension benefits is an estate, the Commuted Value of the remainder of the guaranteed payments or the refund of contributions to the Plan with Interest will be paid to the estate in a lump sum.

8.5 Designation of Beneficiary

Where a Member has a Spouse, the Spouse shall be the Member's beneficiary for all purposes of the Plan. A Member who does not have a Spouse may, by written designation to the University during the Member's Continuous Service, designate a beneficiary to receive any benefits payable after the Member's death, and may, by written notice to the University, alter or revoke such designation from time to time, subject always to the provisions of any law governing the designation of beneficiaries which may apply. Should such designation be legally valid, such benefits shall be paid to the said beneficiary, except that the University reserves the right in its full discretion, to authorize such payments to be made to the estate of the Member. No nomination of beneficiary will be in force until accepted by the University in writing.

8.6 Payment of Lump Sums

Each lump sum amount payable under this Plan after the death of a Member will be paid as soon as is practicable after the death of the Member.

## **Section 9 - Payment of Benefits**

### 9.1 Monthly Payments

A Member, his/her Spouse or his/her dependant (as defined in the Tax Act), as the case may be, will receive his/her annual pension in 12 equal instalments.

### 9.2 Duration of Payments

Normally, the first instalment of a Member's annual pension will be payable on the first day of the month coincident with or immediately following the date of retirement of the Member, or his/her Normal Retirement Date in the case of a deferred pension under Section 7, and the last instalment on the first day of the month coincident with or immediately preceding the date of death, subject to the guarantee of 60 monthly instalments and payment of the survivor pension, where applicable.

### 9.3 Small Pensions

If the annual pension payable at the Normal Retirement Date is not more than 4% of the YMPE in the year that the Member terminated employment or if the commuted value of such benefit is less than 10% of the YMPE in the year that the Member terminated employment, or such other amount as may be prescribed by the Act from time to time, then such pension may be commuted.

### 9.4 Incapacity to Receive Benefit Payments

If the University receives evidence satisfactory to it that a person entitled to receive any benefit hereunder is physically or mentally incompetent to receive such a benefit and to give a valid release therefore, or is a minor, and that another person or an institution is then maintaining or has custody of such person and that no tutor, curator, guardian, committee or other representative of such person has been duly and legally appointed, the University may authorize payment of such benefit to such other person or institution, and the release of such other person or institution shall be a valid and complete discharge for the payment of such benefit.

### 9.5 Information to be Provided

Before becoming entitled to any pension benefits under this Plan, the Member or other recipient thereof shall furnish the University with such information, including but not limited to proof of age, relating to him/herself and any annuitant, as it shall require.

9.6 No Assignment

Except as otherwise required by law and permitted under the Act and the Tax Act, all pension and other benefits provided under the terms of the Plan are for the Member's own use and benefit, and may not be attached, anticipated, assigned, charged, alienated, surrendered or given as security and are exempt from execution, seizure, alienation and any transaction purporting to attach, anticipate, assign, alienate, surrender or give as security such money is void.

9.7 Breakdown of Spousal Relationship

Notwithstanding subsection 9.6, all or part of the pension or pension benefit credit may be assigned to the Spouse, pursuant to a court order or separation agreement, in the event of divorce, annulment or separation, provided the value of the pension or pension credit so assigned is no more than 50% of the value of the pension or the pension credit the Member would have received had employment terminated at the date of divorce, annulment or separation as applicable. All such assignments must be in accordance with the applicable provisions of the Act.

## **Section 10 - Administration of the Plan and the Fund**

### 10.1 Pension Fund

The Fund shall be established and maintained in accordance with the provisions of the Trust Agreement. All contributions of Members and of the University shall be paid into the Fund. The Fund shall be invested in accordance with the Act.

### 10.2 Canadian Currency

All contributions and benefit payments shall be expressed and made in Canadian currency.

### 10.3 Plan Administrator

The University shall administer the Plan, and shall have the powers necessary to enable it to carry out properly its duties, including, but not limited to the power:

- (a) to determine the nature and extent of the investments to be made by the Trustee;
- (b) to authorize all disbursements made by the Trustee;
- (c) to insure or reinsure any benefit;
- (d) to determine matters of fact and policy and questions involving the interpretation of the Plan.

### 10.4 Confirmation of Designations

Any designation or election in writing to the University should only be considered to be in force after due confirmation in writing from the University.

### 10.5 Limit of Liability

The University shall have no liability to make any payments to the Fund except as expressly provided in the Plan. Each Employee agrees, and may be required in writing to agree, as a condition precedent to enrolling in the Plan, for him/herself, his/her heirs, executors, administrators and legal representatives to be bound by all terms and conditions of the Plan and expressly to release the University and any officer thereof from any and all liability for any loss or damage whatsoever arising in connection with the administration and management of the Plan and the Fund, except that arising from their wilful misconduct.

10.6 Governing Law

This Plan shall be construed in accordance with the laws of the Province of Nova Scotia and any law of Canada.

10.7 Plan Expenses

Any expenses of the Plan incurred by third parties such as, but not limited to, accountants, actuaries, administrators, investment counsellors, Trustee or printers may, on direction of the University, be paid from the Fund. No part of any salary of any employees of the University may be paid from the Fund, but any expenses of employees of the University relating exclusively to the Plan may be paid from the Fund.

10.8 Severability

Any provision of the Trust Agreement that is inconsistent with the terms of the Plan shall, to the extent of the inconsistency, be of no force or effect.

10.9 No Right to Employment

The establishment of the Plan shall not be construed as conferring any legal rights upon any Employee or other person for a continuation of employment nor shall it interfere with the rights of the University to discharge any Employee and to treat the Employee without regard to the effect which such treatment might have upon him/her as a Member of the Plan.



## **Section 11 - Disclosure**

### 11.1 Plan Explanation

The University will provide each Employee with a written explanation of:

- (a) the terms and conditions of the Plan and amendments thereto that are applicable to the Employee;
- (b) the Employee's rights and duties with respect to the benefits available to the Employee in accordance with the terms of the Plan; and
- (c) any other information required to be provided by the Act.

### 11.2 Notice of Amendment

If required pursuant to the Act, the University will provide to each Member, within the time frame prescribed by the Act, a notice and written explanation of any amendment to the Plan.

### 11.3 Benefits Statement

On the termination of a Member's employment or active membership in the Plan, the University will provide the Member, or any other individual who becomes entitled to a benefit under the Plan, with a written statement of the benefits to which the Member or that other individual is entitled.

### 11.4 Annual Statement

The University will provide annually to each Member, where required by the Act, a written statement containing the information prescribed under the Act in respect of the Member's benefits under the Plan.

### 11.5 Disclosure

The University will ensure compliance with the Act and the Nova Scotia Trade Union Act by providing the executive of CAW Local 2107, upon written request, with copies of the documents that comprise the Plan and such other prescribed documents required to be filed pursuant to the Act.

## **Section 12 - Amendment to or Termination of Plan**

### 12.1 Amendment to the Plan

The provisions of the Plan may be amended at any time and from time to time by the University, and particularly in the event of any significant change in government pension legislation. Any such amendment or any other decision or action of or by the University hereunder shall be binding upon all parties having an interest in the Plan.

### 12.2 No Reduction in Accrued Benefits

No amendment to the Plan shall have the effect of diminishing benefits accrued to each Member at the time such amendment comes into effect.

### 12.3 Past Service Pension Adjustments

Where an amendment to the Plan in accordance with 12.1 results in a certifiable past service pension adjustment (as defined under the Tax Act) in respect of a Member, the amendment shall not apply to such Member prior to certification of the past service pension adjustment in accordance with the Tax Act.

### 12.4 Surplus While Plan is Ongoing

If at any time while the Plan continues in existence the Actuary certifies that the assets of the Fund exceed its liabilities (such excess referred to hereafter as the surplus) then all or part of such surplus may be refunded to the University subject to prior consent of the Nova Scotia Superintendent of Pensions and prior notification of the union.

### 12.5 Allocation of Assets on Termination

The Plan may be wound up in whole or in part at any time by the University. If the Plan is wound up in whole or in part, after provision for administration expenses, the assets of the Fund shall be allocated in accordance with the terms of the Plan, and in accordance with the provisions of the Act and the Tax Act. Once all liabilities under the Plan are fully discharged, any surplus then remaining may revert to the University.