

THE UNIVERSITY OF WINNIPEG

TRUSTEED PENSION PLAN

AMENDED AND RESTATED TO

MARCH, 2019

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ARTICLE 1 - DEFINITIONS AND SCHEDULES

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

- 1.1 "Academic Employee" means an Employee whose salary and benefits are administered according to, or consistent with, The University of Winnipeg Faculty Association Collective Agreement or The University of Winnipeg Faculty Association Collegiate Division Collective Agreement.
- 1.1.1 "Act" means The Pension Benefits Act, C.C.S.M. c. P32, as such Act may be amended, restated or replaced from time to time.
- 1.2 "Actuarial Equivalent" means having an equivalent value calculated on the actuarial basis recommended by the Actuary.
- 1.3 "Actuary" means a Fellow of the Canadian Institute of Actuaries or a firm employing one or more such persons, retained by the Board of Trustees to perform periodic valuations of the liabilities of the Plan and to provide such actuarial services as may from time to time be required.
- 1.4 "Additional Voluntary Contribution Account" means that account established and maintained for each Member who has made additional voluntary contributions.
- 1.5 "Anniversary Date" means December 31.
- 1.6 "Basic Salary" means
- (i) for an Academic Employee, the amount of regular annual salary paid by the University exclusive of any administrative stipends and of any additional payments other than those in respect of a retroactive salary increase. (Notwithstanding the foregoing, Basic Salary shall include administrative stipends for those Members who were receiving an administrative stipend, at December 31, 1984 and who made an election to continue to have such a stipend included in Basic Salary),
 - (ii) for a Non-Academic Employee, the total annual salary (except for overtime, and lump sum salary payments other than those in respect of a retroactive salary increase) paid to the Member by the University,
 - (iii) for a Member on leave of absence, the amount of annual salary on which that Member's contributions are based,
 - (iv) for a Member receiving benefits from the Long-Term Disability Plan, the

annual rate of salary paid to the Member immediately prior to the commencement of Long-Term Disability benefits,

- (v) for a Member who is employed on less than a full-time basis, including one on a Reduced Appointment, the total annual salary that would have been received had employment been on a full-time basis.

- 1.7 "Board of Trustees" means the board of original Trustees appointed under the terms of the Trust Agreement and appearing as signatories thereto, and any Trustees duly appointed pursuant to the terms of the Trust Agreement from time to time thereafter, to administer the Plan and to act as the Board of Trustees of the Fund.
- 1.8 "Canada Pension Plan Average Earnings" has the meaning ascribed thereto in Paragraph 7.1.
- 1.9 "Commutated Value" means the amount calculated on the date of termination of employment, death, retirement or at the late pension commencement date in accordance with Paragraph 6.3, whichever first occurs, which, on the advice of the Actuary, is required to provide an immediate or deferred pension whichever is applicable.
- 1.10 "Contribution Account" means any Defined Contribution Account or Defined Benefit Account and "Contribution Accounts" means, collectively, all Defined Contribution Accounts and all Defined Benefit Accounts.
- 1.11 "Conversion Amount" has the meaning ascribed thereto in Paragraph 18.6.
- 1.12 "Credited Service" means the period of Service during which the Member makes contributions to this Plan. In addition it shall include:
 - (i) Service prior to the inception of the Prior Plan except unpaid leaves of absence during this period.
 - (ii) Service during which contributions were made to the Prior Plan.
 - (iii) Service while the Member is receiving benefits under the Long-Term Disability Plan.
 - (iv) a period of Service prior to the Member joining the Plan, where the Member was an Employee and should have already joined the Plan but had not done so due to an administrative error by the University, and where contributions in respect of that period of Service plus interest are subsequently made in accordance with Paragraph 3.4,
 - (v) 50% of a period of Service where the Member was on a sabbatical leave with pay prior to 1984 and should have made contributions in accordance with

Paragraph 16.1, or its equivalent at the time, but did not do so.

Notwithstanding subparagraph (ii) above, Credited Service shall not include Service during which contributions were made to the Prior Plan if the Member did not agree to transfer the assets accumulated in respect of the Prior Plan membership to this Plan.

For a Member who is employed on a less than full-time basis, except for one on a Reduced Appointment, Service shall be Credited in the same proportion that the Member's actual hours for which contributions were made bear to those on which contributions would have been made had employment been on a full-time basis. A Member on a Reduced Appointment shall have Service Credited as if employment were on a full-time basis except that, for the calculation of pensionable service in Paragraph 7.4, service shall be credited in the same manner as for other members employed on a less than full-time basis.

- 1.13 “Current Service Shortfall” means the positive amount, if any, by which the cost of benefits for current service in a period exceeds the sum of Member Required Contributions in accordance with Paragraph 3.1 and University Regular Contributions in accordance with Paragraphs 4.1(a) and (b) for the same period.
- 1.14 “Custodian” means a corporate or personal custodian appointed from time to time by the Board of Trustees to take custody of all or any portion of the assets comprising the Fund.
- 1.15 “DB Manager(s)” means one or more Investment Manager(s) appointed by the Board of Trustees with respect to the Defined Benefit Account.
- 1.16 “DB Member” means a Member other than a DC Member.
- 1.17 “DC Member” means a Member who has elected to participate in or, by operation of the Plan, must participate in the Defined Contribution Option in accordance with Paragraph 2.7.
- 1.18 “DC Service Provider” means an insurance company or other service provider appointed by the Board of Trustees to provide and administer a number of alternative investment funds in which a DC Member can elect to invest his or her Individual Account.”
- 1.19 “Defined Benefit Account” means the assets in the Fund other than those assets contained in the Defined Contribution Account.
- 1.20 “Defined Benefit Option” means the arrangement in the Plan under which a Member’s benefits are determined based on the Member’s years of Credited Service and Final Average Earnings in accordance with Paragraph 7.1.
- 1.21 “Defined Contribution Account” means those assets in the Fund held in respect of the aggregate of the Individual Accounts of all the DC Members.

- 1.22 “Defined Contribution Option” means the arrangement in the Plan effective January 1, 2000 under which a Member’s benefits are determined solely based on the amount in his or her Individual Account at the date of termination of employment, retirement or death, in accordance with Article 19.
- 1.23 "Effective Date" means September 1, 1972.
- 1.24 "Eligible Spouse" means a Spouse other than one who
- (a) at January 1, 1984 was living separate and apart from the Member pursuant to a court order or written separation agreement, or
 - (b) after January 1, 1984 began living separate and apart from the Member and who has received or remains entitled to receive a payment in accordance with Paragraph 12.2, or
 - (c) has waived his or her entitlement to any pension hereunder in accordance with the Act and as contemplated under Paragraph 12.5 hereof, and the waiver has not been revoked under the said Act.
- 1.25 “Employee” means: (i) a salaried person in the service of the University; (ii) a salaried person employed by Menno Simons College, except that, with effect from January 1, 2003, any employee of Menno Simons College who, at that date, had less than 10 years of Service in this Plan, shall no longer be an Employee for the purposes of this Plan and no future employee of Menno Simons College shall become an Employee for the purposes of this Plan; (iii) a salaried person employed by The University of Winnipeg Faculty Association; (iv) a salaried person employed by Aurora Family Therapy Centre Inc.; and (v) a salaried person employed by The University of Winnipeg Community Renewal Corporation.”
- 1.25.1 “Excluded Member” means a Member participating in either the Defined Benefit Option or the Defined Contribution Option who is not included in any bargaining unit that is represented by any Stakeholder, as defined in the Amended and Restated Trust Agreement, that is a bargaining agent for Employees, and for greater certainty, an Excluded Member includes an Employee of Aurora or the University of Winnipeg Community Renewal Corporation who is participating in either the Defined Benefit Option or the Defined Contribution Option and otherwise meets the definition for Excluded Member.
- 1.26 “Final Average Earnings” has the meaning ascribed thereto in Paragraph 7.1.
- 1.27 “Full Surplus Share” means for a DC Member, or for a DB Member who terminated employment or retired in 2000 and who elected to transfer his or her entitlement out of the Plan, 24.42% of his or her Member Accumulation.

- 1.28 "Fund" means the trust fund established under the Trust Agreement for the purposes of funding the Plan.
- 1.29 "Initial Surplus Share" means for a DB Member, other than a Pensioner, 6.5% of his or her Member Accumulation, and for a Pensioner, the greater of 6.5% of his or her Pensioner Accumulation and two (2) times the monthly pension paid to him or her in the month of December, 1999.
- 1.30 "Insurer" means a life insurance company or any other entity licensed to transact life annuity business in Canada or in any of the provinces of Canada.
- 1.31 "Investment Manager" means one or more individuals and/or companies, appointed by the Board of Trustees for the purpose of managing all or a portion of the investments of the Fund.
- 1.32 "Locked-In" means that the deferred pension to which a Member or the surviving Eligible Spouse of a deceased Member is entitled on termination of employment or death of such Member may not be surrendered or commuted, in accordance with the restrictions in the Act, other than commutation permitted for small pensions in accordance with Paragraph 10.7, non-residents in accordance with Paragraph 13.6, Members with shortened life expectancy in accordance with Paragraph 13.7 and a one-time election for a DC Member to unlock 50% of his or her Individual Account in accordance with and subject to the requirements of Paragraph 19.4(iv).
- 1.33 "Locked-In Retirement Account" has the meaning ascribed thereto in Paragraph 10.8
- 1.34 "Long-Term Disability Plan" means the group disability plan from time to time maintained by the University for the benefit of eligible Employees.
- 1.35 "Member" means a person who has joined the Plan in accordance with Article 2 and who remains entitled to any benefit under the Plan.
- 1.36 "Member Accumulation" means the aggregate of all contributions made to the Plan by the Member in accordance with Paragraph 3.1 and, if applicable, Paragraph 3.4, with interest credited thereto in accordance with Article 5, all calculated as at December 31, 1999.
- 1.37 "Money Purchase Limit" means the amount defined as such for a year in Paragraph 147.1(1) of the Income Tax Act, as amended from time to time.
- 1.38 "Non-Academic Employee" means an Employee other than an Academic Employee.
- 1.39 "Normal Pension Commencement Date" has the meaning ascribed thereto in Paragraph 6.1.
- 1.39.1 "Outstanding Surplus Entitlements" means the entitlements of certain DB Members and

Pensioners (or beneficiaries thereof) to a monetary (cash) payment out of the Plan under the Superintendent's Order, or pursuant to Paragraph 18.1 or Paragraph 18.2 of the Plan in respect of the Initial Surplus Share, and which have not been paid out as of April 30, 2010.

- 1.40 "Pension Plan Transition Agreement" means that certain Agreement made effective as of March 25, 2008 between, among others, the University and the Board of Trustees pursuant to which the Board of Trustees assumed the responsibility as administrator of the Plan and became the successor trustees of the Fund.
- 1.41 "Pensioner" means a person receiving a pension from the Plan being a Member who has retired from the University or the surviving Spouse of such a Member who has since died or a beneficiary who is receiving continuing payments in accordance with Paragraph 9.8.
- 1.42 "Pensioner Accumulation" means the amount at December 31, 1999 determined by taking the aggregate of all contributions made to the Plan by the Pensioner while an Employee in accordance with Paragraph 3.1 and, if applicable, Paragraph 3.4, with interest credited thereto in accordance with Article 5, all calculated at his or her retirement date and, for each year from the retirement date to December 31, 1999, crediting interest for such year in accordance with Article 5 and debiting 50% of the pension and any other amounts paid to the Pensioner in such year.
- 1.43 "Permanent Employee" means an Employee other than a Term Employee.
- 1.44 "Plan" means this Plan as originally adopted by the University, as administrator of the Plan, in accordance with University By-Law #3, and subsequently transferred by the Pension Plan Transition Agreement, to the Board of Trustees, as administrator of the Plan and as successor trustees of the Fund, and as it may be amended from time to time, which Plan shall be named "The University of Winnipeg Trusteed Pension Plan."
- 1.45 "Prior Plan" means the plan described in Policy No. 7208GP issued to the University by the Great-West Life Assurance Company.
- 1.46 "Reduced Appointment" means an appointment in which a Member who has been employed by the University for at least 36 months carries a workload which is reduced by a mutually agreed factor and for a mutually agreed period as described in any collective agreement between the University and a group of its Employees subject to the limitations outlined in paragraph 8507 of the Income Tax Regulations.
- 1.47 "Required Contributions" has the meaning ascribed thereto in Paragraph 3.1.
- 1.47.1 "Schedule A" means the Schedule A - Contribution Rates attached to the Plan from time to time by the Board of Trustees, and the most current version of Schedule A as attached to the Plan shall be the one that governs hereunder.
- 1.48 "Service" means the length of time a Member has been employed by the University

including leaves of absence.

- 1.49 "Spouse" means a person who is married to the Member or, if the person is not married to the Member, a person who:
- (a) with the Member, registered a common-law relationship under section 13.1 of *The Vital Statistics Act*, or
 - (b) not being married to the Member, cohabitated with the Member in a conjugal relationship: (i) for a period of at least three years, if either of them is married, or (ii) for a period of at least one year, if neither of them is married.
- 1.49.1 "Stakeholder" has the meaning ascribed thereto in the Trust Agreement.
- 1.49.2 "Superintendent's Order" means the Order of the Superintendent of Pensions dated November 17, 2006, as amended by Amending Orders dated December 1, 2006, February 22, 2007, June 6, 2008, March 20, 2009, August 31, 2009 and January 27, 2010, which Order, as amended, required that benefits be provided to certain DB Members and Pensioners (or beneficiaries thereof) equal to a proportionate share of surplus measured as at December 31, 1999, and which benefits were resolved by the Board to be paid as a monetary (cash) payment to those DB Members and Pensioners (or beneficiaries thereof) entitled thereto.
- 1.50 "Term Employee" means an Employee who is employed on a term contract or sessional basis.
- 1.51 "Total Deferred Pension" means the annual amount of pension, commencing at the Normal Pension Commencement Date, to which a Member, whose employment with the University is terminated prior to retirement, is entitled, calculated on the basis of the Member's Credited Service, Basic Salary and Year's Maximum Pensionable Earnings up to the date of termination in accordance with Article 7. This Total Deferred Pension is comprised on the sum of:
- (a) "Pre-1976" Deferred Pension" which is the deferred pension calculated using the Credited Service in the period up to June 30, 1976,
 - (b) "1976/1984 Deferred Pension" which is the deferred pension calculated using the Credited Service in the period from July 1, 1976 to December 31, 1984, and
 - (c) "Post-1984 Deferred Pension" which is the deferred pension calculated using the Credited Service in the period from January 1, 1985.

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

- 1.52 "Total Required Contribution Account" means the account established and maintained for

each Member who is making or has made required contributions. This Total Required Contribution Account is comprised of the sum of:

- (a) "Pre-1976 Required Contribution Account" which is that part of the Total Required Contribution Account in respect of the Member's required contributions made up to June 30, 1976,
- (b) "1976/1984 Required Contribution Account" which is that part of the Total Required Contribution Account in respect of the Member's required contributions made in the period from July 1, 1976 to December 31, 1984, and
- (c) "Post-1984 Required Contribution Account" which is that part of the Total Required Contribution Account in respect of the Member's required contributions made in the period from January 1, 1985.

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

- 1.53 "Trust Agreement" means the amended and restated trust agreement dated March 25, 2008, by and amongst the University, the University of Winnipeg Faculty Association (including the Collegiate Division), the Association of Employees Supporting Education Services, the International Union of Operating Engineers, the University of Winnipeg Retirees Association Inc. (then known as the University of Winnipeg Retirement Association Inc.) and the Board of Trustees, pursuant to which the Board of Trustees holds legal title to the assets comprising the Fund and which Trust Agreement governs the operation of the Board of Trustees and its management and administration of the Fund, as such Trust Agreement may be amended, supplemented and restated from time to time.
- 1.54 "Trustee" means any person from time to time appointed or elected as a member of the Board of Trustees pursuant to the Trust Agreement.
- 1.55 "1.55 "University" means the University of Winnipeg or the Board of Regents thereof, as the context requires, and, for all provisions of the Plan (other than Paragraph 4.2(b) and any provisions of the Plan that deal with administration or governance of the Plan prior to the transfer by the University of Winnipeg of responsibility for administration and governance of the Plan to the Board of Trustees effective on July 7, 2008, in accordance with Article 17), shall also mean as the context requires: (i) Menno Simons College as a participating employer (in lieu of the University of Winnipeg) in respect only of any salaried persons employed by Menno Simons College who qualify as Employees hereunder; (ii) from January 10, 2009 The University of Winnipeg Faculty Association as a participating employer (in lieu of the University of Winnipeg) in respect only of any salaried persons employed by The University of Winnipeg Faculty Association who qualify as Employees hereunder; (iii) Aurora Family Therapy Centre Inc. as a participating employer (in lieu of the University of Winnipeg) in respect only of any salaried persons employed by Aurora Family Therapy Centre Inc. who qualify as Employees hereunder; and (iv) from January 1, 2013 The University of Winnipeg Community Renewal

Corporation as a participating employer (in lieu of the University of Winnipeg) in respect only of any salaried persons employed by The University of Winnipeg Community Renewal Corporation who qualify as Employees hereunder.”

- 1.55.1 “Voluntary Days Program” means the *Voluntary Days Without Pay Program* established by the University to enable Employees eligible under the said program to take short-term leaves of absence without pay at the request of the University upon and subject to the terms and conditions of the said program, as the said program is in effect and made available by the University from time to time, whether in its current form or as amended or expanded by the University.
- 1.56 “Year's Basic Exemption” means the amount from year to year as defined as such under the Canada Pension Plan.
- 1.57 “Year’s Maximum Contributory Earnings” means:
- (i) for calendar years 1997 to 2004 inclusive, \$95,000;
 - (ii) for calendar years 2005 to 2011 inclusive, the sum of:
 - (a) \$86,111; and
 - (b) 30% of the Year’s Maximum Pensionable Earnings for that year; and
 - (iii) for 2012 and each subsequent year, the amount as outlined in Schedule A.
- 1.58 “Year's Maximum Pensionable Earnings” means the amount from year to year as defined as such under the Canada Pension Plan.

Words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number. Reference to a Paragraph or Article means a Paragraph or Article in this instrument unless otherwise stated.

Schedule A is hereby annexed to the Plan and is incorporated as part of the Plan and forms an integral part hereof.

ARTICLE 2 - ELIGIBILITY AND MEMBERSHIP

2.1 Permanent Academic Employees

A Permanent Employee that is an Academic Employee, and a Term Employee that is an Academic Employee whose term of employment is for a minimum duration of two years, other than one who is a Member of the United Church of Canada Pension Plan, must join the Plan on the date employment commences. An Employee who is a member of the United Church of Canada Pension Plan is not eligible to join the Plan.

2.2 Permanent Non-Academic Employees

A Permanent Employee that is a Non-Academic Employee, and a Term Employee that is a Non-Academic Employee whose term of employment is for a minimum duration of two years, must join the Plan, on the date employment commences.

2.3 Term Employees

A Term Employee, whose term of employment is for a duration of less than two years, other than one who has no Basic Salary or one who is a full-time student, may elect to join the Plan on the second anniversary of the most recent date of employment with the University, or at any time thereafter. Such a Term Employee whose term of employment is for a duration of less than two years, whose most recent date of employment with the University is after December 31, 1983, and whose Basic Salary is greater than or equal to 25% of the Year's Maximum Pensionable Earnings in two consecutive numerical years, must join the Plan on the January 1 of the year following the second of these consecutive years.

2.4 Joining the Plan

To join the Plan, an Employee must complete and sign the form or forms prescribed for that purpose by the Board of Trustees and authorize deductions from the Employee's Basic Salary as required by the Plan.

2.5 Suspension of Membership

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

2.6 Eligibility Exceptions

- (a) A Member who has retired from the University and is in receipt of pension benefits from the Plan and has subsequently returned to work for the University is not eligible to join the Plan unless the Member agrees to the suspension of payment of pension benefits until subsequent termination of employment.
- (b) An Employee who is a qualifying teacher and has elected to continue participating in the Teachers' Retirement Allowances Fund as provided under *The Teachers' Pensions Act* is not eligible to join the Plan. For greater certainty, such Employee is not eligible to participate in the Plan for any period of time during which the Employee continues to participate in the Teachers' Retirement Allowance Fund.
- (c) A Member who has submitted a written notice to the Board of Trustees to have such Member's pension commuted in accordance with Paragraph 13.7 shall thereupon cease to be an active Member and no further contributions from such Member under Article 3 or from the University in respect of such Member under Article 4 shall be made thereafter

2.7 Eligibility for Defined Contribution Option

An Employee who

- (i) was a Member of the Plan on December 31, 2000 and, on December 31, 1999 was not eligible to retire in accordance with Article 6, may elect on or before January 10, 2001, to participate in the Defined Contribution Option with effect from January 1, 2000, or from the date that he or she joins the Plan if such date is later than January 1, 2000,
- (ii) was employed by the University on December 31, 2000 but was not a Member of the Plan at that date, may elect to participate in either the Defined Contribution Option or the Defined Benefit Option when he or she joins the Plan in accordance with this Article 2, or
- (iii) was hired by the University on or after January 1, 2001 (or is employed by The University of Winnipeg Faculty Association or The University of Winnipeg Community Renewal Corporation, whether such Employee was hired before, on or after January 1, 2001), shall not be eligible to participate in the Defined Benefit Option and shall participate in the Defined Contribution Option when he or she joins the Plan in accordance with this Article 2.

All benefits under the Defined Contribution Option shall be determined and provided in accordance with Article 19.

ARTICLE 3 - MEMBER CONTRIBUTIONS

3.1 Required Contributions

- (a) During membership in the Plan (subject to Article 16), each full-time Member, unless benefits from the Long-Term Disability Plan of the University are being received by such Member, shall make required contributions to the Fund each year, by means of consecutive payroll deductions, so that:
- (i) For contributions up to December 31, 2011, the contributions shall total:
 - a. six per cent (6%) of the Member's Basic Salary up to the Year's Basic Exemption and,
 - b. four and two-tenths per cent (4.2%) of the Member's Basic Salary between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings and,
 - c. six per cent (6%) of the Member's Basic Salary, if any, between the Year's Maximum Pensionable Earnings and the Year's Maximum Contributory Earnings.
 - (ii) For contributions from and after January 1, 2012, the contributions shall be determined by applying the contribution rates in Schedule A applicable to the Member to the Member's Basic Salary.
- (b) A Member employed on a less than full-time basis, other than one on a Reduced Appointment, shall make required contributions as in subparagraph (a) above but based on the actual salary rather than the Basic Salary. A Member on a Reduced Appointment shall make required contributions in accordance with subparagraph (a) as if employment were on a full-time basis.
- (c) A Member who is receiving benefits from the Long-Term Disability Plan shall not be required to contribute to the Plan.
- (d) Required contributions made by a DB Member in a year shall not exceed the maximum permitted under paragraph 8503(4)(a) of the Income Tax Regulations. Required contributions made by a DC Member in a year shall not exceed 50% of the Money Purchase Limit for that year.

3.2 Additional Voluntary Contributions

- (a) During membership in the Plan up to May 31, 1990, each Member shall have the right to make by means of regular payroll deductions, additional voluntary

contributions to the Fund which shall be credited to the Member's Additional Voluntary Contribution Account. Such voluntary contributions in a taxation year may be made in respect of:

- (i) the year in which the contribution is made under Section 8(l)(m)(i) of the Income Tax Act, or
- (ii) provided that the contributions were made prior to October 9, 1986, a year of past service with the University (or with a previous employer from whom both service and contributions were transferred under a reciprocal agreement) while the Member was
 - (a) not a contributor under the Plan, in accordance with Section 8(l)(m)(ii) of the Income Tax Act, or
 - (b) a contributor under the Plan, in accordance with Section 8(l)(m)(iii) of the Income Tax Act,

or any combination thereof, provided, however, that the amount of such voluntary contributions shall not exceed the maximum allowed by the Canada Revenue Agency as a deduction from taxable income as determined at the time such contributions are made.

- (b) With effect from June 1, 1990, no further additional voluntary contributions shall be made to the Fund other than a lump sum transfer in accordance with Paragraph 3.3.
- (c) A Member who has made additional voluntary contributions to the Fund may, at any time after June 1, 1990, direct the Board of Trustees to transfer the full value of the Additional Voluntary Contribution Account to a registered retirement savings plan but any part of that account which is in respect of restricted additional voluntary contributions in accordance with Paragraph 3.3 must be transferred to a Locked-In Retirement Account in accordance with Paragraph 10.8.
- (d) At or after the retirement of a Member who has made additional voluntary contributions, but who did not make a direction in accordance with Paragraph 3.2(c), the Additional Voluntary Contribution Account shall be applied to provide an additional retirement benefit to the Member, which shall be determined in accordance with Paragraph 15.1.
- (e) In the event of the death prior to retirement of a Member who has made additional voluntary contributions, but who did not make a direction in accordance with Paragraph 3.2(c), the death benefit with respect to such

additional voluntary contributions shall be in accordance with Paragraph 15.2.

- (f) In the event of the termination of employment of a Member (for reasons other than death or retirement) who has made additional voluntary contributions, but who did not make a direction in accordance with Paragraph 3.2(c), such Member shall be entitled to benefits with respect to such additional voluntary contributions in accordance with Paragraph 15.3.

3.3 **Lump Sum Transfers**

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

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

3.4 **Past Service Additional Contributions**

- (a) A Member who, because of an administrative error by the University, has a period of Service which, in accordance with the terms of the Plan at that time, should have been Credited Service but is not, may elect to buy-back this Credited Service, except that where the Credited Service is after January 1, 1990, the buy-back of Credited Service is subject to the prior certification by Canada Revenue Agency of the Past Service Pension Adjustment which the buy-back would generate.
- (b) The maximum amount of additional contribution shall be determined by:
 - (i) calculating the Required Contributions that the Member would have made to the Plan during each year of service during the period when the Member should have been in the Plan, based on the Basic Salary at that time, and
 - (ii) adding interest, for the period from the end of each year of such Service to the date of payment, at the same rates credited to Member's Required Contributions during the same period.

- (c) If the additional contributions are paid in full, the Member's Credited Service shall be increased by the total period of such Service.
- (d) If the additional contributions are not paid in full, the Member's Credited Service shall be increased by the same proportion of the total period of such Service as the partial payment bears to the full payment. In that event, the unpaid balance will continue to accrue Interest in accordance with Article 5 and a further contribution may be made at a subsequent date.
- (e) The Board of Trustees may make such administrative rules covering such buy-back of Credited Service as it deems appropriate. Without limiting the generality of the foregoing, such administrative rules shall cover:
 - (i) the time period for the election of the option
 - (ii) the time period for the buy-back once the option has been elected
 - (iii) the minimum amount of each payment.
- (f) Notwithstanding the foregoing, any such contributions shall not exceed the maximum allowed by the Income Tax Act from time to time.

3.5 **Return of Member Contributions**

Contributions made by a Member which, if they remained in the Plan, would cause the revocation of registration under the Income Tax Act, shall, with the approval of the Pension Commission of Manitoba, be refunded to the Member.

ARTICLE 4 - UNIVERSITY CONTRIBUTIONS

4.1 Regular Contributions

The University shall, subject to Paragraph 2.5 hereof, make on behalf of each Member, concurrent with the contributions made by the Member pursuant to Paragraph 3.1, regular contributions to the Fund in accordance with the following provisions:

(a) Basic Contributions

(i) For a DC Member, up to and including December 31, 2011, the contributions shall be determined as:

(a) six percent (6.0%) of the DC Member's Basic Salary up to the Year's Maximum Contributory Earnings, minus

(b) one and four-fifths percent (1.8%) of that part of the DC Member's Basic Salary which is in excess of the Year's Basic Exemption but no greater than the Year's Maximum Pensionable Earnings;

provided however, that the University shall not be required to make any such contributions to the Fund for the period commencing on April 1, 2000 and ending on March 31, 2002.

(ii) For a DC Member, from and after January 1, 2012, the contributions shall be determined by applying the contribution rates in Schedule A applicable to the DC Member to the DC Member's Basic Salary.

(iii) For a DB Member, up to and including March 31, 2003, the contributions shall be determined as:

(a) six percent (6.0%) of the DB Member's Basic Salary up to the Year's Maximum Contributory Earnings, minus

(b) one and four-fifths percent (1.8%) of that part of the DB Member's Basic Salary which is in excess of the Year's Basic Exemption but no greater than the Year's Maximum Pensionable Earnings;

provided however, that the University shall not be required to make any such contributions to the Fund for the period commencing on April 1, 2000 and ending on March 31, 2002.

(iv) For a DB Member, from April 1, 2003 up to and including March 31, 2004, the contributions shall be determined as:

- (a) six and one-half percent (6.5%) of the DB Member's Basic Salary up to the Year's Maximum Contributory Earnings, minus
 - (b) one and four-fifths percent (1.8%) of that part of the DB Member's Basic Salary which is in excess of the Year's Basic Exemption but no greater than the Year's Maximum Pensionable Earnings.
- (v) For a DB Member, from April 1, 2004 up to and including December 31, 2011, the contributions shall be determined as:
- (a) seven percent (7.0%) of the DB Member's Basic Salary up to the Year's Maximum Contributory Earnings, minus
 - (b) one and four-fifths percent (1.8%) of that part of the DB Member's Basic Salary which is in excess of the Year's Basic Exemption but no greater than the Year's Maximum Pensionable Earnings.
- (vi) For a DB Member, from and after January 1, 2012, the contributions shall be determined by applying the contribution rates in Schedule A applicable to the DB Member to the DB Member's Basic Salary.
- (vii) For any DC Member or DB Member who is employed on a less than full-time basis (other than one on a Reduced Appointment) in respect of which the University is to make regular contributions to the Fund under this paragraph 4.1(a), the University shall make the required contributions in accordance with sub-paragraphs (i), (ii), (iii), (iv), (v), and (vi) above, as applicable, based on the actual salary earned by such DC Member or DB Member, as the case may be, rather than based upon the Basic Salary.
- (viii) The University shall make the required contributions under this paragraph 4.1(a) for any DC Member or DB Member on a Reduced Appointment as if such DC Member or DB Member, as the case may be, was employed on a full-time basis.
- (b) Contributions for Disabled Members

With effect as of and from January 1, 2000 for any DC Member, and with effect as of and from April 1, 2003 for any DB Member, who is receiving benefits under the Long-Term Disability Plan, the University shall contribute to the Fund the amount that the Member would have contributed but for Paragraph 3.1(c) plus the University's regular contributions in respect of that Member in accordance with Paragraph 4.1(a), provided however, that the University shall not be required to make any contributions otherwise required under this paragraph (b) for the period

commencing on April 1, 2000 and ending on March 31, 2002.

- (c) For greater certainty, the University shall not, at any time, access or use any surplus in the Plan to offset its contribution obligations in accordance with this Paragraph 4.1 (i.e. to take a contribution holiday); provided, however, that nothing herein shall require the University to make any contributions to the Fund under this Paragraph 4.1 for the period commencing on April 1, 2000 and ending on March 31, 2002.
- (d) Notwithstanding any of the foregoing provisions, any contribution under this Paragraph 4.1 shall be made by the University only if it is an eligible contribution under the Income Tax Act and the regulations pursuant thereto.
- (e) For DB Members, all of the University's contributions to the Fund under this Paragraph 4.1 shall be made to the Defined Benefit Account. For DC Members, all of the University's contributions to the Fund under this Paragraph 4.1 shall be made to each DC Member's Individual Account in the Defined Contribution Account.

4.2 **Additional Contributions**

- (a) In the event that an actuarial valuation of the Defined Benefit Account by the Actuary determines that the Defined Benefit Account has an unfunded liability or solvency deficiency (as those terms are defined, and determined using the methods, under the Regulations pursuant to the Act, as amended) and the contributions specified in Paragraph 4.1 are insufficient to satisfy the funding requirements of such Regulations, the University shall make additional contributions to satisfy those requirements.

In the event that, after December 31, 2004, the Actuary determines that in the period from the most recent valuation date to the next valuation date, there is a Current Service Shortfall and, on a going-concern basis, the Plan either has an unfunded liability or the Current Service Shortfall during that period exceeds the amount of any surplus in the Plan at the most recent valuation date, the University shall make such additional contributions to the Plan to cover the amount of the Current Service Shortfall not covered by such surplus, if any, as may be required by the Act and the Regulations pursuant thereto.

- (b) The University shall make a one time additional contribution of \$600,000 to the Defined Benefit Account in respect of the Current Service Shortfall for the period from January 1, 2002 to March 31, 2004, on a date to be determined by the University but no later than April 30, 2004 unless regulatory approval or acceptance of this provision of the Plan has not then been received from the Pension Commission of Manitoba and the Canada Revenue Agency, in which case the one-time additional contribution shall be made by the University within seven (7) days of receipt by the University of notice of the acceptance or approval of this provision of the Plan by both the Pension Commission of Manitoba and the Canada Revenue Agency. If the acceptance or approval of this provision is denied by either the Pension Commission of Manitoba or the Canada Revenue Agency or if such

acceptance or approval is not received by June 23, 2005, no contribution shall be made in accordance with this provision of the Plan.

4.3 **Past Service Additional Contributions**

The University shall make the applicable Regular Contributions based on Section 4.1 in respect of all contributions made by the Member in accordance with Paragraph 3.4 at the rates applicable for each period of past service; provided however, that the University shall not be required to make any matching contributions for any contributions made by a Member in accordance with Paragraph 3.4 during the period commencing on April 1, 2000 and ending on March 31, 2002.

4.4 **Return of University Contributions**

Contributions made by the University which, if they remained in the Plan, would cause the revocation of registration under the Income Tax Act, shall, with the approval of the Pension Commission of Manitoba, be refunded to the University.

ARTICLE 5 - INTEREST

5.1 Interest Rate on Contribution Accounts

- (a) Where interest is to be credited to a Member's Total Required Contribution Account, the rate credited shall be the average of the CANSIM Series V 122515 rates published by the Bank of Canada for the months for which interest is to be credited.
- (b) Where interest is to be credited to a Member's Additional Voluntary Contribution Account, the rate credited shall be the investment return on the market value of the Fund net of all expenses, for the months for which interest is to be credited, as calculated by the Actuary.
- (c) Where interest is to be credited to a Member's excess contributions under the 50% Rule, the rate credited shall be the average of the CANSIM Series V 122515 rates published by the Bank of Canada for the months for which interest is to be credited.

5.2 Determination of Total Required Contribution Account

On each Anniversary Date, each Member's Total Required Contribution Account shall be increased from its value at the previous Anniversary Date by the sum of:

- (a) interest at the rate determined in accordance with Paragraph 5.1(a) on the Total Required Contribution Account for the 12 month period since the previous Anniversary Date, and
- (b) the Required Contributions made since the previous Anniversary Date, and
- (c) interest at five-twelfths (5/12) of the rate determined in accordance with Paragraph 5.1(a) for the 12 month period since the previous Anniversary Date on the Required Contributions made since the previous Anniversary Date.

If a determination of a Member's Total Required Contribution Account is to be made at other than an Anniversary Date, the Total Required Contribution Account shall be increased from its value at the previous Anniversary Date by the sum of:

- (a) interest at the rate determined in accordance with Paragraph 5.1(a) for the period since the previous Anniversary Date on the Total Required Contribution Account at the previous Anniversary Date, and
- (b) the Required Contributions made since the previous Anniversary Date.

5.3 Determination of Additional Voluntary Contribution Account

On each Anniversary Date, each Member's Additional Voluntary Contribution Account shall be increased or decreased, as applicable, from its value at the previous Anniversary Date by interest at the rate determined in accordance with Paragraph 5.1(b).

If a determination of the Additional Voluntary Contribution Account is to be made at a date other than an Anniversary Date, the Additional Voluntary Contribution Account shall be increased or decreased, as applicable, from its value at the previous Anniversary Date by interest at the rate in accordance with Paragraph 5.1(b) for the period of months since the previous Anniversary Date.

- 5.4 For the purpose of Section 12.4 Reinstatement of benefits, the interest rate applied shall be the investment return on the market value of the Fund net of all expenses, for the months, prorated for partial months, for which interest is to be credited, as calculated by the Actuary. Interest will accrue up to and including the end of the month preceding the date monies are assigned or transferred in.

ARTICLE 6 - PENSION COMMENCEMENT

6.1 Normal Pension Commencement Date

- (a) The Normal Pension Commencement Date of an Academic Employee attaining age 65 before May 31, 2010 shall be the September 1 coincident with or next following the Member's 65th birthday.
- (b) The Normal Pension Commencement Date for a Member who was an Academic Employee prior to termination of employment and whose employment with the University was terminated before May 31, 2010 and prior to such Member attaining age 65 shall, for the purposes of the Member's deferred pension, be the September 1 coincident with or next following the Member's 65th birthday.
- (c) Subject only to subsections (a) and (b), the Normal Pension Commencement Date of any Member (whether an Academic Employee or a Non-Academic Employee) shall be the first of the month coincident with or next following the Member's 65th birthday.

6.2 Early Pension Commencement Date

- (a) A Member may elect to retire and commence receiving pension on the first day of any month within the 10-year period preceding the Member's Normal Pension Commencement Date.
- (b) If the Member is age 61 or more and if the sum of the Member's age and Service is equal to 85 or more, the early commencement pension shall be calculated in accordance with Paragraph 7.1.
- (c) If the Member is less than age 61 or if the Member is age 61 or more and age plus Service is less than 85, the early commencement pension shall be calculated in accordance with Paragraph 7.1 but reduced by 0.25% for each month by which the actual pension commencement date precedes the date at which the Member would first have been eligible for an unreduced pension in accordance with Paragraph 6.2 (b) had employment continued with the University.
- (d) Notwithstanding Paragraph 6.2(c), the early commencement pension of a Member who
 - (i) is actively at work or on leave of absence with pay on May 31, 1998, and
 - (ii) on or prior to December 31, 1998 commits to retire on a date in the period June 1, 1998 to December 31, 2000 such that
 - (a) the retirement date is no earlier than one year following the

commitment date unless the University consents to a shorter notice period,

- (b) on the retirement date the Member is eligible to retire under Paragraph 6.2(a) and the sum of the Member's age and Service is 80 or more, and
- (c) on the retirement date, the Member is not eligible to retire under Paragraph 6.2(b),

shall be calculated in accordance with Paragraph 7.1.

6.3 **Late Pension Commencement Date**

A Member who continues in employment after the Normal Pension Commencement Date shall continue contributions to the Plan and defer receipt of the pension until the earlier of actual retirement date and the end of the calendar year in which the Member attains

- (a) 71, if the Member was born in 1926 or earlier,
- (b) 70, if the Member was born in 1927,
- (c) 69, if the Member was born after 1927 and before 1938,
- (d) 71, if the Member was born in 1938 or later.

The pension shall be calculated in accordance with Paragraph 7.1 including earnings and service after the Normal Pension Commencement Date.

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

- (a) The pension calculated in accordance with Paragraph 7.1 at the Member's actual retirement date, including earnings and service after the Member's Normal Pension Commencement Date; and
- (b) The actuarial equivalent of the pension calculated in accordance with Paragraph 7.1 that would have been payable if the Member had retired at his Normal Pension Commencement Date. For greater clarity, for the purpose of calculating the actuarial equivalent pension in this subsection (b):
 - (i) the Normal Pension Commencement Date of an Academic Employee that is a Member attaining age 65 before May 31, 2010 is September 1 coincident with or next following such Member's 65th birthday.
 - (ii) The Normal Pension Commencement Date of an Academic Employee that is a Member attaining age 65 on or after May 31, 2010 is the first of the month coincident with or next following such Member's 65th birthday, and
 - (iii) The Normal Pension Commencement Date of a Non-Academic Employee that is a Member is the first of the month coincident with or next following such Member's 65th birthday.

ARTICLE 7 - CALCULATION OF PENSION

7.1 Basic Pension

The annual pension payable to a Member at or after the Normal Pension Commencement Date shall be equal to:

- (a) 2% of the Member's Final Average Earnings multiplied by the years of Credited Service,
LESS
- (b) 0.6% of the Member's Canada Pension Plan Average Earnings multiplied by the years of Credited Service since January 1, 1988,
LESS
- (c) the annual amount, if any, of Canadian Government Annuity purchased in respect of the Member's service with the University prior to September 1, 1958.

For the purpose of this Paragraph

"Final Average Earnings" means the annual average of the Member's Basic Salary in the 60 months of Service when such Basic Salary was highest during the 15 years prior to the date of death, retirement or termination of employment.

"Canada Pension Plan Average Earnings" means the annual average of that part of the Member's Basic Salary in the same 60 months as were used to calculate "Final Average Earnings" which is less than the Year's Maximum Pensionable Earnings during those months. Where, in the calculation of the Final Average Earnings, the rate of Basic Salary has been at the same level for a period of longer than sixty (60) months, due to the Member receiving benefits under the Long-Term Disability Plan, the Year's Maximum Pensionable Earnings to be used in the calculation of the Canada Pension Plan Average Earnings shall be that for the sixty (60) months during which the Member first attained that level of salary.

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

If the Post-1984 Required Contribution Account is greater than 50% of the Commuted Value of the Basic Pension in respect of Credited Service for all periods in respect of which the Member made contributions to the Fund pursuant to Article 3 after January 1, 1985, the Member may on retirement elect to:

- (i) receive a refund of the excess, or
- (ii) apply the excess to increase the Basic Pension in respect of Credited Service after January 1, 1985.

7.3 Supplementary Pension

- (a) If, in 1988 or any subsequent calendar year, the net investment return of the Fund, as determined by the Actuary, exceeds 6.0% per annum, each Pensioner who was receiving a pension at the end of that year shall be entitled to receive an increase in such pension effective from July 1 in the following calendar year.
- (b) For a Pensioner who was receiving a pension at the start of the calendar year, the increase shall consist of a percentage increase in the pension, which percentage shall be equal to the lesser of
 - (i) the excess of the net investment return over 6.0% (the "excess interest" increase), and
 - (ii) the increase in the Consumer Price Index (Canada) over the 12 month period ending in December of the calendar year (the "CPI" increase).
- (c) For a Pensioner who commenced receiving the pension during the calendar year, the increase shall be the same proportion of the increase determined in accordance with (b) above, as the number of months during which the Pensioner received the pension in the calendar year bears to 12.
- (d) For a Pensioner who retired prior to January 1, 1992 no supplementary pension shall be paid prior to the July 1 following attainment of age 60. However the increase payable to a Pensioner from the July 1 following attainment of age 60 shall be determined by including all previous increases to which, but for the application of the limitation described in the first sentence of this paragraph, the Pensioner would have been entitled, except that the total pension payable from July 1 following age 60 shall not exceed the maximum pension provided in Paragraph 7.4.
- (e) If, in a calendar year, the "excess interest" increase is less than the "CPI" increase, and in a subsequent calendar year, the "excess interest" increase is limited by the "CPI" increase, the Board of Trustees may provide that the increase in the subsequent year to those affected by the limitation in the preceding year, be modified to include part or all of the shortfall in the preceding year's "excess interest" increase.
- (f) Notwithstanding the foregoing, for a Pensioner whose pension commenced prior to January 1, 1988, the increase effective July 1, 1989 shall be 6.0%.
- (g) Notwithstanding the foregoing, for a Pensioner whose pension commenced prior to January 1, 1998, the increase at any July 1 in the period 1998 to 2007 shall be enhanced, if necessary, so that the accumulated increase in this period is not less than 75% of the increase in the Consumer Price Index (Canada) over the period from December, 1996, or the month prior to retirement for a pension which

commenced in 1997, to the December of the year immediately prior to that July 1, but any such enhancement shall not cause the average annual pension increase in this period to exceed 4.5% per annum.

7.4 **Maximum Pension**

The maximum annual pension at retirement, termination of employment or termination of the Plan, including any retirement income payable under any other registered pension plan of the University and any retirement income payable to the Member's Spouse as a result of marriage break-up but excluding the portion of the annual retirement income derived from the Member's Voluntary Contributions shall not exceed the lesser of:

- (i) \$1,722.22 times the number of years of pensionable service, and
- (ii) an amount that is the product of 2% per year of pensionable service and the average of the best three consecutive years of remuneration paid to the Member by the University.

In the above calculations, pensionable service prior to December 31, 1991 shall be limited to 35 years.

Where a Member elects to buy-back Credited Service in accordance with Paragraph 3.4, where the Credited Service is prior to January 1, 1990 and where the election is made after June 7, 1990, the dollar limit applying to this period of Credited Service shall be \$1,150 rather than the \$1,722.22 specified in subparagraph (i) above.

7.5 **Bridge Benefit**

A Member who retires in accordance with Paragraph 6.2(d) shall also be entitled to a temporary pension equal to \$600 per month payable from retirement date for a maximum period of 60 months but ceasing no later than the earlier of the Member's death and the attainment of age 65. Notwithstanding the foregoing, such temporary pension may not exceed the maximum bridging benefit permitted by Regulations 8503(2)(b) and 8504(5) to the Income Tax Act.

7.6 **Retroactive Pension**

A Member who retired prior to September 1, 1998 and who has Credited Service in accordance with subparagraph 1.12(v) shall have his pension retroactively increased to his retirement date by including such period of Credited Service in the pension calculation. Such payment shall not be paid in a lump-sum without the approval of the Canada Revenue Agency.

ARTICLE 8 - FORM OF PENSION

8.1 Normal Form

The pension shall be payable commencing on the Member's retirement date and continuing on the first day of each month thereafter during the lifetime of the Member. If the Member dies after commencement of pension payments but before 60 monthly payments have been made, payments shall be continued until 60 monthly payments have been made.

8.2 Mandatory Survivor Pension

Notwithstanding Paragraph 8.1, a Member with an Eligible Spouse must elect to receive a pension which provides that at least 66 2/3% of the initial level of pension continues to the survivor after the death of either the Member or the Eligible Spouse. The amount of such pension shall be the Actuarial Equivalent of the pension in the normal form.

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

8.3 Alternate Form

Subject always to completion, where applicable, of the appropriate waiver form as described in Paragraph 8.2, a Member may elect to receive the pension in a form other than that described above. The amount of the pension in such alternate form shall be the Actuarial Equivalent of the pension in the normal form. The alternate forms are as follows:

- (a) A pension payable during the Member's lifetime without a guaranteed period or with a guaranteed period, other than 5 years, which may be any whole number of years to a maximum of 15.
- (b) For a Member with a Spouse - a pension payable during the Member's lifetime and, thereafter, to the Spouse, if living, at the rate of 50%, 66 2/3% or 100% of the initial level of pension with or without a guarantee period as described in (a).
- (c) For a Member who retires prior to the Normal Pension Commencement Date - a pension payable at a higher level until the Old Age Security and Canada Pension Plan commence and at a lower level thereafter so as to provide, as nearly as possible, a level income for the lifetime of the Member from the combined sources.

ARTICLE 9 - DEATH BENEFITS

9.1 Death Prior to Normal Pension Commencement Date

For a Member who dies prior to the Normal Pension Commencement Date and prior to the actual retirement date, the death benefit shall be payable in a lump sum equal to the sum of:

- (i) the Pre-1985 Required Contribution Account, and
- (ii) the Commuted Value of the Post-1984 Deferred Pension adjusted, if necessary, in accordance with Paragraph 10.6.

Notwithstanding the above, for a Member who ceases to be an active Member by reason of death on or after May 31, 2010 but prior to his Normal Pension Commencement Date, the death benefit for such deceased Member shall be calculated in accordance with Article 10 as if such deceased Member's employment had ceased immediately before his death.

9.2 Death before retirement but after Normal Pension Commencement Date

For a Member who dies after the Normal Pension Commencement Date but prior to the actual retirement date, the value of the benefit shall be calculated as if the Member retired on the date of death. If the Member has filed an option form with the Plan's administrator as to the form of pension selected, the determination of the value of the pension shall be in accordance with the selected form of pension. Otherwise, the pension shall be assumed to be in the normal form if there is no Eligible Spouse, or in the mandatory survivor form if there is an Eligible Spouse. Notwithstanding the foregoing, the value of this benefit shall not be less than the value of the benefit as calculated in Paragraph 9.1.

9.3 Death after retirement

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

9.4 To whom payable

Any benefits payable on or after the death of a Member shall be payable to the Eligible Spouse unless, at the time of death, the Member was living separate and apart from the Eligible Spouse by reason of a breakdown of their relationship. If there is no Eligible Spouse, or if the Member and Eligible Spouse were living separate and apart by reason of a breakdown of their relationship at the time of death, the benefits shall be payable to the deceased Member's designated beneficiary or, if there is no such designated beneficiary,

the deceased Member's estate. Notwithstanding the foregoing, where a Member is entitled to a benefit under paragraph 9.1(i) and has designated a beneficiary other than Eligible Spouse for this benefit, the benefit under paragraph 9.1(i) shall be paid to such designated beneficiary.

9.5 **Form of benefit to Eligible Spouse**

The benefits payable to the Member's Eligible Spouse, other than a survivor pension commencing on the death of the Member in accordance with Paragraph 9.3, shall be in the form of an immediate single annuity which shall be purchased from an Insurer using the lump sum benefit calculated in accordance with Paragraph 9.1. Such life annuity may be with or without a guaranteed period but any guaranteed period shall not exceed the lesser of 15 years and the period from the date of death of the Member to the day before the date on which the Spouse's 86th birthday would occur. Alternatively, the Spouse may elect to transfer the lump sum to a Locked-In Retirement Account, Life Income Fund . Notwithstanding the foregoing, a cash payment to the surviving Spouse is permitted, or may be required, in accordance with Paragraph 10.7

9.6 **Designation of beneficiary**

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

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

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

9.8 **Commutation of outstanding guarantee**

If, after the death of a Pensioner, a series of payments is payable to the Eligible Spouse for the balance of the guarantee period, the payments shall continue until the end of the guarantee period.

If, after the death of a Pensioner, a series of payments is payable to a beneficiary other than the Eligible Spouse, the beneficiary may elect to receive continuing payments until the end of the guarantee period or to have the Commuted Value of the outstanding payments paid in a lump sum.

If, after the death of a Pensioner, a series of payments is payable to the estate of the Pensioner, the Commuted Value of the outstanding payments shall be paid in a lump sum.

ARTICLE 10 - BENEFITS ON TERMINATION OF EMPLOYMENT

10.1 Immediate Vesting

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

10.2 Members with less than 2 years of Service

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

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

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

10.4 Members who are 45 and 10

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

10.5 Minimum deferred pension for Pre-1985 Service

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

10.6 Minimum deferred pension for Post-1984 Service (50% Rule)

If the Post-1984 Required Contribution Account is greater than 50% of the Commuted Value of the Post-1984 Deferred Pension, the Member may on termination of employment elect to:

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

10.7 **Commutation of Small Pension**

Subject always to compliance with the Act and the regulations pursuant thereto:

- (a) For a Member who terminated employment or died prior to January 1, 1998 and for whom a transfer was not made out of the Fund in accordance with Paragraph 10.8 or Paragraph 9.5, in full satisfaction of all the Member's entitlements under the Plan, and where the remaining Locked-In deferred pension is less than \$119.33 per month or where the Commuted Value of that deferred pension is less than \$1,432, the Commuted Value shall be paid to the Member, or in the case of death, the Spouse, beneficiary or estate, in cash. The Member, or in the case of death, the Spouse, may elect to transfer this entitlement to a Registered Retirement Savings Plan.
- (b) For a Member who terminates employment, dies, retires or reaches his or her Late Pension Commencement Date in accordance with Paragraph 6.3 and (i) such Member's annual Locked-in deferred pension is less than 4% of the Year's Maximum Pensionable Earnings, or (ii) the Commuted Value of such Member's annual Locked-in deferred pension is less than 20% of the Year's Maximum Pensionable Earnings, in the year in which the earliest of termination, death or retirement occurs, the Commuted Value shall be paid to the Member, or in the case of death, to the Eligible Spouse, designated beneficiary or estate of the deceased Member (based on the entitlement under Paragraph 9.4), in cash. Provided however, that in such circumstance, the Member, or in the case of death, the Eligible Spouse (if any), may elect to transfer the said entitlement to a Registered Retirement Savings Plan.

10.8 **Portability**

- (a) Termination prior to becoming eligible for immediate pension

Where a Member's employment with the University ceases, other than by death, and on the termination date the Member is not eligible for an immediate pension in accordance with Paragraph 6.2(a) and is not required to receive a cash payment in accordance with Paragraph 10.7, the Member may in lieu of the Total Deferred Pension elect to transfer the Commuted Value of that pension to

- (i) the pension plan of the Member's new employer, if that plan so permits, or
- (ii) to a Locked-In Retirement Account in accordance with the Act and as approved by the Pension Commission of Manitoba.

Such a transfer is subject to Section 147.3 of the Income Tax Act and, in the event that the Commuted Value of the Total Deferred Pension exceeds the maximum transfer amount permitted by Section 147.3(4), the excess shall be

paid to the Member in a lump sum.

(b) Termination after becoming eligible for immediate pension

Where a Member's employment with the University ceases, other than by death, and the termination date is after the date when the Member is first eligible for an immediate pension in accordance with Paragraph 6.2(a), or where the Member remains in employment and reaches his or her late pension commencement date in accordance with Paragraph 6.3, the Member may, in lieu of the immediate pension and prior to its commencement, elect to transfer the Commuted Value of the pension (in either case, a "Transfer Election"):

- (i) to the pension plan of the Member's new employer, if that plan so permits, or
- (ii) to a Locked-In Retirement Account or a Life Income Fund in accordance with the Act and as approved by the Pension Commission of Manitoba.

Such a transfer is subject to Section 147.3 of the Income Tax Act and any excess (the "Excess") of the Commuted Value of the immediate pension over the maximum transfer amount permitted by Section 147.3(4), shall be paid to the Member in a lump sum, or where the Member is less than age 65 and the annual amount of the basic pension is not less than 4% of the Year's Maximum Pensionable Earnings in the year of commencement, by means of a temporary level monthly pension (a "Temporary Pension") where each monthly payment of the Temporary Pension shall be in the same amount as the monthly payment under the basic pension determined in accordance with Sections 7.1 and 7.4 would have been but for the Member's Transfer Election and shall be payable in the normal form determined in accordance with Sections 8.1 and 18.1, but shall cease at the end of the Temporary Period, as hereinafter defined.

The Temporary Pension shall commence on the first day of the month coincident with or next following the termination date and shall end with a monthly payment on the first of the month that is the earlier to occur of: (a) the month in which the member would attain age 65; or (b) the month immediately preceding the month in which if a monthly payment for that month was made, the Commuted Value of the Temporary Pension would exceed the Excess (such period being the "Temporary Period"), provided however, that if the Member dies after commencement of pension payments under the Temporary Pension but before the end of the guarantee period applicable to such Member under Sections 8.1 and 18.1, the time and manner of payment of the Temporary Pension thereafter shall be determined in accordance with Sections 8.1 and 18.1 provided that the monthly payments of Temporary Pension shall not extend beyond the end of the Temporary Period. The Temporary Period, the amount of the monthly payment under the Temporary Pension and the Commuted Value thereof shall be determined at the time of termination.

The amount of any remaining Excess, after deducting the Commuted Value of the

Temporary Pension, shall be paid to the Member as a lump sum at the time of termination. For greater clarity, in the case of a Temporary Pension where the date of the last payment is prior to the first of the month in which the Member would attain age 65, the lump sum payment at the time of termination would be the Excess remaining as a consequence of the Temporary Pension being payable for complete months where each monthly payment is the same amount.

10.9 **Early Commencement of Deferred Pension**

Notwithstanding Paragraph 10.1 a Member who terminated prior to becoming entitled to an immediate pension in accordance with Paragraph 6.2, may elect to commence the pension at any time within the 10-year period preceding the Member's Normal Pension Commencement Date.

If the Member has less than 20 years of Service at termination, the amount of the immediate pension shall be the Actuarial Equivalent of the deferred pension payable from Normal Pension Commencement Date.

If the Member has 20 or more years of Service at termination, the Member may elect to start the pension on an unreduced basis at any time on or after the date the Member's age and Service at termination first total 85 but not earlier than the date the Member attains age 61. The Member may elect to start the pension earlier than this date but, in that circumstance, the immediate pension shall be the Actuarial Equivalent of the deferred pension payable from the date that it could first be paid on an unreduced basis.

10.10 **Employees of Menno Simons College**

All DB Members employed by Menno Simons College as at December 31, 2002 with less than 10 years of Service at that date shall cease accruing benefits under the Plan. An amount equal to the value of the accrued benefits of each such DB Member at that date (the "Transfer Value"), calculated using such methods and assumptions as shall be determined by the Actuary, shall subsequently be transferred to his or her credit in the registered pension plan of the Canadian Mennonite University; provided however, that: (a) if the Act or any regulatory authority having jurisdiction (including the Pension Commission of Manitoba and the Canada Revenue Agency) requires that different methods or assumptions be used, such methods or assumptions shall be used; and (b) the Transfer Value for any such DB Member shall not be less than the value of such DB Member's accrued benefits as determined in accordance with this Article 10 had such DB Member's employment been terminated at that date. The Actuary shall prepare a report to the University that shows the Transfer Value for each transferring DB Member and describes the methods and assumptions used in determining such Transfer Value. The said report, as approved by the University, shall be filed with the Pension Commission of Manitoba and the Canada Revenue Agency.

ARTICLE 11 - INVESTMENT OF FUNDS

11.1 Investment Management

The assets of the Fund shall be invested and re-invested by the Board of Trustees on the advice of the Investment Manager and only in securities which conform with the Regulations under the Act and the Income Tax Act.

11.2 Investment Custody

The assets of the Fund shall be held by the Board of Trustees, subject always to the power of the Board of Trustees to appoint one or more Custodians from time to time to take custody of all or any part of the assets of the Fund; provided however, that the Board of Trustees shall always retain legal title to the assets of the Fund notwithstanding the appointment of any such Custodian.

11.3 Payment of Contributions

The University shall pay into the Fund contributions deducted from Members' remuneration under Paragraph 3.1 within 30 days after the date such contributions were deducted. The University shall pay into the Fund its contributions under Paragraph 4.1 within 30 days after the last day of the month for which such contributions are payable. The University shall pay into the Fund any additional payment under Paragraph 4.2 within 30 days after the end of the fiscal year to which the payment relates.

ARTICLE 12 - ASSIGNMENT OF BENEFITS

12.1 Prohibition of Assignment

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

12.2 Exception for Marriage Break-up

Notwithstanding Paragraph 12.1, on marriage break-up, the Eligible Spouse's share of the value of the benefits as specified in the Regulations to the Act shall, subject to a decree, order or judgement of a competent tribunal, or a written separation agreement, be transferred out of the Fund to an alternative investment vehicle in accordance with such Regulations, unless the parties agree to waive the mandatory pension split as described in Paragraph 12.5.

12.3 Adjustment to benefits after Marriage Break-up

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

12.4 Reinstatement of benefits

A Member who wishes to reinstate, either partially or in full, any benefits lost by the adjustment in Paragraph 12.3 in respect of service prior to December 31, 1989, may assign monies from the Member's Additional Voluntary Contribution Account, if there is one, or may transfer monies into the Fund from a registered retirement savings plan. If the amount assigned or transferred in is equal to the amount transferred-out in accordance with Paragraph 12.2, with Interest from the date of transfer out to the date of assignment or transfer-in, the Member's Credited Service and Total Required Contribution Account shall be restored in full. If the amount assigned or transferred in is less than the amount transferred out, with Interest, the level of the adjustment in Paragraph 12.3 will be reduced in proportion.

Any assignment or transfer-in under this Paragraph must be made within 12 months of the date of the transfer-out except where there are not sufficient funds in the Member's Additional Voluntary Contribution Account or registered retirement savings plan in which case the Member may apply to the Board of Trustees to waive this requirement.

12.5 **Exception to Credit Splitting on Marriage Break-up**

Paragraph 12.2 does not apply where

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

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

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

Notwithstanding Paragraph 12.1, when, after December 31, 1995, the University is served with a garnishing order obtained under section 14.1 of the Garnishment Act (or any successor legislation) against a Member, the Member is entitled, for the purposes of satisfying the garnishing order and associated costs and taxes, to be credited with the lesser of:

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

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

ARTICLE 13 - MISCELLANEOUS

13.1 Booklet

On or before the date that an employee is eligible or required to become a Member of the Plan, the Board of Trustees shall furnish a booklet explaining the Member's status, rights and privileges under the Plan.

13.2 Annual Statement

Each Member shall be entitled to an annual statement in a form prescribed by the Board of Trustees and containing the information specified in the Regulations under the Act.

13.3 Legislative Requirements

This Plan shall be administered and construed in accordance with the laws of the Province of Manitoba and the Income Tax Act and Regulations.

13.4 Proof of Death

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

13.5 Primary Purpose

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

13.6 Unlocking for Non-residents

Notwithstanding anything in the Plan to the contrary, any person entitled to a benefit whose pension has not commenced to be paid as a monthly pension and who is or becomes a non-resident of Canada is permitted to make a lump sum withdrawal of the Commuted Value of such benefit entitlement subject to the provisions of the Act and the regulations pursuant thereto.

13.7 Shortened Life Expectancy

A Member with a terminal illness or disability resulting in a shortened life expectancy of less than two years (or such other period as is stipulated by the Act) shall have the right to elect, prior to pension commencement and after having been provided with the

information stipulated by the Act, to cease accruals in the Plan and receive such Member's entitlement under the Plan by way of a lump sum, subject to the requirements of the Act and the regulations pursuant thereto, including the requirements to provide, within the time and in the manner required by the Act and the regulations pursuant thereto:

- (a) a written statement from a physician licensed to practice medicine in Canada certifying that the Member has a shortened life expectancy; and
- (b) where the Member has an Eligible Spouse, the written consent and waiver of such Eligible Spouse in accordance with the Act.

In lieu of a lump sum cash payment, the amount of the Member's entitlement may be transferred to a registered retirement savings plan.

ARTICLE 14 - AMENDMENT AND TERMINATION OF THE PLAN

14.1 Amendment

The Board of Trustees may at any time supplement, modify or amend this Plan, provided that no such supplementation, modification or amendment of the Plan shall permit any part of the assets of the Fund to revert to or be recoverable by the University or be used or diverted to purposes other than for the exclusive benefit of Members, retired Members or their beneficiaries and joint annuitants under the Plan and provided further that no such amendment shall adversely affect the entitlement of any Member accrued prior to the effective date of such amendment other than an amendment which has been approved by the Pension Commission of Manitoba and which is for the sole purpose of avoiding revocation of registration under the Income Tax Act. The Board of Trustees shall amend this Plan in any other respect which may be required in order to meet the requirements of the Act and the Income Tax Act (Canada) in order to maintain the Plan as a registered pension plan under the provisions of such Acts or of any statute applicable to this Plan.

14.2 Termination

The Board of Trustees expects to continue the Plan indefinitely but, as future conditions cannot be foreseen, the Board of Trustees reserves the right to terminate the Plan at any time.

In the event of such termination, no part of the assets of the Fund shall revert to or be recoverable by the University or be used or diverted for purposes other than for the exclusive benefit of Members, retired Members or their beneficiaries and joint annuitants under the Plan.

14.3 Prohibition on Use of Surplus

The University does not have any right to access or use any surplus in the Plan for its own purposes, provided that, for greater certainty, the amount of surplus in the Plan at any valuation date shall only be determined after provision has been made for any Current Service Shortfall in the Plan for the period commencing on the valuation date and ending on the next valuation date for the purposes of calculating whether and to what extent the University has any obligation to make additional contributions to the Plan pursuant to Paragraph 4.2.

14.4 Compliance with Trust Agreement

The Board of Trustees shall comply in all respects with the terms of the Trust Agreement in its administration of this Plan, including in respect of any proposal to amend or terminate the Plan.

ARTICLE 15 - BENEFITS IN RESPECT OF VOLUNTARY CONTRIBUTIONS

15.1 Payable at Pension Commencement

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

- (a) in a lump-sum, or
- (b) as a pension in any of the forms indicated in Article 8 by the purchase of an annuity from an Insurer, or
- (c) any combination of (a) or (b).

Alternatively the Member may leave them in the Fund to be paid at a later date, in the form of either (a), (b) or (c) as indicated above which must be prior to the end of the calendar year in which the Member attains the age specified in Paragraph 6.3.

15.2 Payable on Death

On the death of a Member prior to the commencement of the pension, the Additional Voluntary Contribution Account shall be paid in a lump sum to the Spouse, beneficiary or estate, as designated by the Member.

15.3 Payable on Termination of Employment

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

ARTICLE 16 - LEAVES OF ABSENCE

16.1 With Pay

A Member on leave of absence with pay shall be required to continue to make contributions as required under Paragraph 3.1 based on the Basic Salary that would have been received were the Member not on such leave of absence.

16.2 Without Pay

A Member on leave of absence without pay may elect either

- (i) to suspend contributions, or
- (ii) for a Member who has been employed by the University for at least 36 months, to continue to make contributions in accordance with Paragraph 3.1 for a period of up to 3 years, but subject to the limitations outlined in paragraph 8507 of the Income Tax Regulations, based on Basic Salary immediately prior to the leave of absence but in that case the Member must also make the contributions on behalf of the University in accordance with Paragraph 4.1.

Any such contributions shall be in accordance with paragraph 8503(4)(ii) of the Income Tax Regulations.

16.3 Leave Without Pay Taken under the Voluntary Days Program

A Member who agrees to take a leave of absence without pay at the request of the University pursuant to the Voluntary Days Program shall be required to make contributions as required under Paragraph 3.1 based on such Member's Basic Salary immediately prior to the leave of absence, and the University shall make contributions in accordance with Paragraph 4.1, subject to the limitations outlined in paragraph 8507 of the Income Tax Regulations.

ARTICLE 17 - PENSION FUND

17.1 Establishment and Continuation

The University, as the sponsor and original administrator of the Plan, established the Fund into which contributions by Members and the University are made, and from which benefits in accordance with the provisions of the Plan are paid. Pursuant to the Pension Plan Transition Agreement, the Board of Trustees has taken over from the University as the administrator of the Plan and has also been constituted as the successor trustees of the Fund. Accordingly, the Board of Trustees shall:

- (a) manage and maintain the Fund in accordance with the Trust Agreement;
- (b) hold legal title to the assets of the Fund, and, subject to the appointment by the Board of Trustees from time to time of one or more Custodians for this purpose, to maintain custody of the assets of the Fund;
- (c) receive all contributions from the University and from Members into the Fund, and properly direct such contributions into the Defined Benefit Account or the Defined Contribution Account, as applicable, all in accordance with the provisions of the Plan;
- (d) keep proper records for the Defined Benefit Account and the Defined Contribution Account;
- (e) invest the assets of the Defined Benefit Account on the advice of the DB Manager(s);
- (f) invest the assets of the Defined Contribution Account in accordance with the directions of the DC Members and on the advice of the DC Service Provider;
- (g) pay out of the Fund all benefits and all such other entitlements as are required to be paid out in accordance with the provisions of the Plan;
- (g.1) pay out of the Fund any expenses related to the administration of the Plan, all in accordance with the Trust Agreement, which may include, without limitation, a reimbursement to the University out of the Fund for Plan administration expenses paid by the University from its own resources to any one or more other persons directly; and
- (h) perform all such other tasks and fulfill all such other responsibilities as are necessary or advisable in connection with the role as trustee of the Fund and administrator of the Plan.

ARTICLE 18 - BENEFIT IMPROVEMENTS AND CONVERSION

18.1 **Members, other than Pensioners, who remain participants in the Defined Benefit Option of the Plan**

A Member at December 31, 1999, other than a Pensioner, who elects or is required to participate in the Defined Benefit Option shall elect by January 10, 2001 to receive his or her Initial Surplus Share as follows;

- (a) as a lump sum payment equal to 6.5% of his or her Member Accumulation with no other change to that Member's benefits;
- (b) as a lump sum payment equal to 3.0% of his or her Member Accumulation and an improvement in the normal form of pension for that Member in respect of Credited Service to December 31, 1999 from life guaranteed 60 months to life guaranteed 120 months; or
- (c) with no lump sum payment and an improvement in the normal form of pension for that Member in respect of Credited Service to December 31, 1999 from life guaranteed 60 months to life guaranteed 156 months.

A Member who makes no election shall be deemed to have elected a lump sum payment of 6.5% of his or her Member Accumulation with no other change in his or her benefits.

18.2 **Pensioners**

A Pensioner at December 31, 1999, shall be entitled to a benefit improvement, the actuarial present value of which at January 1, 2001 shall be equal to his or her Initial Surplus Share.

The Pensioner may elect to receive this Initial Surplus Share, either

- (a) totally by a lump-sum payment; or
- (b) partially in a lump-sum payment equal to the greater of 3.0% of his or her Pensioner Accumulation, and 92.3% of his or her monthly pension payment with the balance by way of a pension increase as determined below; or
- (c) totally by a pension increase as determined below.

The benefit improvement in respect of the Pensioner's Initial Surplus Share shall be a recalculation of the pension that would have been payable at retirement on the basis that

- (i) the pension had been based on the pension formula in Paragraph 7.1 modified by providing that the offset in Paragraph 7.1(b) had been based on Credited Service since January 1, 1990 rather than January 1, 1988,
- (ii) the definition of Final Average Earnings in Paragraph 7.1 had been based on the

- (iii) best 36 months of earnings rather than the best 60 months, and the pension had been increased in each subsequent year based on the excess interest over 6.0% in accordance with Paragraph 7.3(b)(i) but that such increase had not been limited by the increase in the Consumer Price Index in accordance with Paragraph 7.3(b)(ii).

However, such increased pension shall not exceed the Maximum Pension at retirement determined in accordance with Paragraph 7.4 increased in each subsequent year by the increase in the Consumer Price Index in accordance with Paragraph 7.3(b)(ii).

If the Actuary determines that the actuarial present value of this improvement for a Pensioner is greater than his or her Initial Surplus Share reduced by any lump sum payment made to the Pensioner, the improvement shall be limited so that its actuarial present value is equal to the Initial Surplus Share reduced by any lump-sum payment.

If the Actuary determines that the actuarial present value of this improvement for a Pensioner is less than his or her Initial Surplus Share reduced by any lump sum payment made to the Pensioner, the difference shall be paid to the Pensioner in a lump sum.

18.3 **Members who retire in 2000 and elect to transfer all their benefits out of the Plan**

If a Member, whose employment with the University ceases in 2000, other than by death, whose termination date is on or after the date he or she is first eligible for an immediate pension in accordance with Paragraph 6.2(a) and he or she elects to transfer the value of his or her benefits out of the Plan in accordance with Paragraph 10.8(b) and the Member elects to receive any Excess, as defined in Paragraph 10.8(b), in a lump sum rather than in the form of a temporary pension,

- (a) where the transfer has occurred by December 31, 2000, the Member shall receive a lump sum payment equal to his or her Full Surplus Share, or
- (b) where the transfer occurs after December 31, 2000, the Member shall be entitled to a benefit improvement effective on December 31, 2000, the actuarial present value of which benefit improvement at that date shall be equal to his or her Full Surplus Share.

The benefit improvement in respect of the Member's Full Surplus Share shall be a recalculation of the pension that would have been payable from January 1, 2001 on the basis that

- (i) the pension had been based on the pension formula in Paragraph 7.1 modified by providing that the offset in Paragraph 7.1(b) had been based on Credited Service since January 1, 1990 rather than January 1, 1988,
- (ii) the definition of Final Average Earnings in Paragraph 7.1 had been based on the best 36 months of earnings rather than the best 60 months, and
- (iii) the post-retirement indexing is the maximum permitted under the Income Tax Act.

If the Actuary determines that the actuarial present value of this improvement for a Member is greater than his or her Full Surplus Share, the level of future indexing for such Member shall be reduced so that the actuarial present value of the improvement is equal to the Member's Full Surplus Share.

If the Actuary determines that the actuarial present value of this improvement for a Member is less than his or her Full Surplus Share, the difference shall be paid to the Member in a lump sum.

The transfer is subject to Paragraph 147.3(4) of the Income Tax Act and Paragraph 8517 of the Income Tax Regulations and in the event that the Commuted Value of the benefits, including the benefit improvement, exceeds the maximum transfer amount permitted by the Regulations, the balance shall be paid to the Member in a lump sum.

18.4 Members who terminate in 2000 and elect to transfer their benefits out of the Plan

If a Member, whose employment with the University ceases in 2000, other than by death, is not eligible on his or her termination date for an immediate pension in accordance with Paragraph 6(a) and he or she elects to transfer the value of his or her benefits out of the Plan in accordance with Paragraph 10.8(a), the Member shall receive a lump sum payment equal to his or her Full Surplus Share.

18.5 Members who elect to participate in the Defined Contribution Option

A Member of the Plan at December 31, 1999 who elects to participate in the Defined Contribution Option with effect from January 1, 2000 in accordance with Paragraph 2.7(i) shall be entitled to a benefit improvement effective on December 31, 1999, the actuarial present value of which benefit improvement shall be equal to his or her Full Surplus Share.

Alternatively, the Member may elect to receive a lump sum payment equal to 6.5% of his or her Member Accumulation, in which case the benefit improvement shall be limited to an actuarial present value of 17.92% of his or her Member Accumulation.

The benefit improvement in respect of the Full Surplus Share shall provide for the maximum post-retirement indexing permitted under the Income Tax Act of the Member's pension benefits accrued to December 31, 1999 and for retirement on an unreduced pension when the Member's age plus service equals 80.

If the actuarial present value of this improvement for a Member is greater than his or her Full Surplus Share reduced by any lump sum payment, the level of future indexing for such Member shall be reduced or the qualification date for an unreduced pension shall be increased, or both, so that the actuarial present value of the improvement is equal to the Member's Full Surplus Share reduced by any lump sum payment.

If the actuarial present value of this improvement for a Member is less than his or her Full Surplus Share reduced by any lump sum payment, the difference shall be paid to the

Member in a lump sum.

18.6 **Determination of Conversion Amount**

The Actuary shall determine the conversion value, as at January 1, 2000, of the benefits accrued up to December 31, 1999 for each Member who elects to participate in the Defined Contribution Option. Such conversion value shall be equal to the actuarial present value of the Member's benefit entitlement under the Plan, calculated using such methods and assumptions as shall be determined by the Actuary. The Actuary shall prepare a report to the University that describes these methods and assumptions and shows the conversion value for each Member who elects to participate in the Defined Contribution Option. This report shall be filed with the Pension Commission of Manitoba and the Canada Revenue Agency.

The conversion amount for each Member (the "Conversion Amount") is the lesser of:

- (i) the conversion value determined in accordance with the preceding paragraph, and
- (ii) the maximum amount for that Member that can be transferred at December 31, 1999 from a defined benefit pension plan to a defined contribution pension plan, determined in accordance with Paragraph 147.3(4) of the Income Tax Act and Paragraph 8517 of the Income Tax Regulations.

If the amount in (i) above exceeds the amount in (ii), the balance shall be paid to the Member in a lump sum.

18.7 **Interest on Outstanding Surplus Entitlements**

Substantially all of the pension benefit credits due to DB Members and Pensioners (or beneficiaries thereof) under the Superintendent's Order, and pursuant to Paragraphs 18.1 and 18.2 of the Plan in relation to the Initial Surplus Share, have been paid out to such DB Members and Pensioners (or beneficiaries thereof) entitled thereto as of April 30, 2010, being the date that the Superintendent confirmed compliance by the Board with the Superintendent's Order subject to ensuring that the Outstanding Surplus Entitlements continue to accrue interest from and after January 31, 2010 until paid out on the same basis as was accrued and paid out on the monetary (cash) payments made pursuant to the Superintendent's Order on or before April 30, 2010. Accordingly, this Paragraph 18.7 applies to any DB Member or Pensioner (or beneficiary thereof) who has not received the full payment before May 1, 2010 of a lump sum amount that he or she is entitled to receive under the Superintendent's Order or pursuant to Paragraph 18.1 or Paragraph 18.2 of the Plan. Any such Outstanding Surplus Entitlement paid out to a DB Member or Pensioner (or beneficiary thereof) after April 30, 2010 shall include interest for the period from January 31, 2010 determined as follows:

- (i) interest shall be credited to the Outstanding Surplus Entitlement no less frequently than once every 12 months;
- (ii) interest shall be credited to the Outstanding Surplus Entitlement to the end of the calendar month immediately preceding payment out to the DB Member or Pensioner (or beneficiary thereof) entitled thereto;

- (iii) interest shall be calculated based on the average of the yields of five (5) year personal fixed term chartered bank deposit rates, published as CANSIM Series V122515 over the most recent period for which rates are available, but with an averaging period which shall not exceed twelve (12) months; and
- (iv) where the average yield results in a rate that is expressed in otherwise than as a multiple of a full 1/10th of 1%, the rate will be rounded downward to the next full 1/10th of 1%.

ARTICLE 19 – DEFINED CONTRIBUTION BENEFITS

These provisions apply to all DC Members with effect from January 1, 2000. Where this Article is silent on any provision, the provisions contained in Articles 1 through 18 shall apply.

19.1 Individual Account

An account (the “Individual Account”) shall be established at January 1, 2000 for each Member who elects to participate in the Defined Contribution Option from that date. The Individual Account shall be credited at that date with the Conversion Amount. For a Member who elects to participate in the Defined Contribution Option after January 1, 2000, an Individual Account shall be established at the date of participation in the Defined Contribution Option. Subsequent Member and University contributions on behalf of the Member made in accordance with Paragraphs 3.1 and 4.1 shall be credited to the Member’s Individual Account.

For the period from April 1, 2000 to March 31, 2002, the Member’s Individual Account shall be credited with an amount equal to the amount that the University would have contributed in respect of the Member but for the provisions of Paragraphs 4.1 and 4.3 in respect of that period.

Until the date the funds are transferred to the DC Service Provider (the “Transfer Date”), the Individual Account shall be invested in the same manner as the Defined Benefit Account. Thereafter, the Member shall invest the Individual Account in one or more of those funds of the DC Service Provider that the Board of Trustees designates as being available for the investment of Individual Accounts (the “Eligible Funds”). The Board of Trustees shall designate one of the Eligible Funds as the default option (the “Default Option”), and in the event that a Member fails to make an election as to which of the Eligible Fund(s) his or her Individual Account is to be invested in, the Member’s Individual Account shall be invested in the Default Option. A Member may change his or her investment mix amongst the Eligible Funds as frequently as permitted by the Board of Trustees.

19.2 Interest Credits in 2000

For those Members whose effective date of joining the Defined Contribution Option is January 1, 2000, the Individual Account shall be credited with interest for the year 2000 as follows:

- (i) on the Conversion Amount, at the rate of return earned by the Fund in 2000, based on market values, net of expenses (the “2000 Return”), and
- (ii) on all contributions in 2000, a rate of return equal to one-half of the 2000 Return.

For those Members whose effective date of joining the Defined Contribution Option is after January 1, 2000, there is no Conversion Amount and the contributions to the Individual Account shall be credited with interest in 2000 at one-half of the proportionate part of the 2000 Return where the proportionate part is the number of completed months in 2000 during which the Employee was a Member of the Plan, divided by 12.

19.3 Interest Credits in Subsequent Years

For the period from January 1, 2001 to the Transfer Date (as defined in Paragraph 19.1), the Individual Account shall be credited with interest as follows:

- (a) on the opening balance at January 1, 2001, at the rate of return earned by the Defined Benefit Account in the period from January 1, 2001 to the Transfer Date, based on market values and net of expenses (the "Net Return"), and
- (b) on all contributions during that period, at one-half of the Net Return, except that for a Member who joins the Plan during that period, at one-half of the proportionate part of the Net Return where the proportionate part is the number of completed months in that period during which the Employee was a Member of the Plan divided by the number of complete months in the period.

After the Transfer Date, the value of an Individual Account shall at any time be equal to the aggregate of the value of the units in each Eligible Fund (as defined in Paragraph 19.1) held by that Individual Account, and the value of the units of each Eligible Fund held by that Individual Account is the product of the number of units held by the Individual Account in that Eligible Fund and the then current unit value of that Eligible Fund.

19.4 Options at Retirement

At the date of retirement, a Member may elect to have the balance in his or her Individual Account used in any one or more of the following manners

- (i) to purchase an annuity from a insurance company licensed to sell such annuities, in any of the forms described in Article 8 but which must be paid at least for the lifetime of the Member,
- (ii) to transfer to a Locked-In Retirement Account (LIRA),
- (iii) to transfer to a Life Income Fund (LIF),
- (iv) to unlock and make a one-time transfer of up to 50% of the Individual Account to a prescribed Registered Retirement Income Fund (RRIF) subject to the restrictions and requirements of the Act and regulations pursuant thereto and subject to the Member applying for such transfer and receiving the approval of the Superintendent of Pensions appointed under the Act.

19.5 **Pre-Retirement Death Benefit**

The amount of the death benefit for a DC Member who dies prior to retirement shall be the Member's Individual Account balance. The provisions of Paragraph 9.4 through 9.7 shall apply to this amount.

19.6 **Termination Benefit**

The amount of the termination benefit for a DC Member who terminates employment prior to retirement shall be the Individual Account balance. The provisions of Paragraph 10.7 and 10.8 shall apply to this amount.

19.7 **Employees of Menno Simons College**

All DC Members employed by Menno Simons College at December 31, 2002 with less than 10 years of Service at that date shall cease accruing benefits under the Plan. Each such DC Member's Individual Account balance shall subsequently be transferred to his or her credit in the registered pension plan of the Canadian Mennonite University.

This is Schedule A to the University of Winnipeg Trusteed Pension Plan to establish contribution rates by Members and by the University respectively for the purposes of paragraphs 3.1(a) and 4.1(a) of the Plan respectively.

SCHEDULE A – CONTRIBUTION RATES

Definitions

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan. The following capitalized terms used in this Schedule A shall have the following meanings:

“AESES Member” means a Member that is within the bargaining unit that is represented by The Association of Employees Supporting Education Services or any successor thereto that represents such bargaining unit as a certified collective bargaining agent in accordance with *The Labour Relations Act* (Manitoba), and **“AESES Group”** means all AESES Members;

“Excluded Members Group” means all Excluded Members, as defined in the Plan;

“IUOE Member” means a Member that is within the bargaining unit that is represented by The International Union of Operating Engineers or any successor thereto that represents such bargaining unit as a certified collective bargaining agent in accordance with *The Labour Relations Act* (Manitoba), and **“IUOE Group”** means all IUOE Members;

“Member Group” means each of the AESES Group, the Excluded Members Group, the IUOE Group, the UWFA(Collegiate) Group and the UWFA(Main) Group.

“UWFA(Collegiate) Member” means a Member that is employed by the University in its Collegiate Division that is within the bargaining unit that is represented by The University of Winnipeg Faculty Association or any successor thereto that represents such bargaining unit as a certified collective bargaining agent in accordance with *The Labour Relations Act* (Manitoba), and **“UWFA(Collegiate) Group”** means all UWFA(Collegiate) Members;

“UWFA(Main) Member” means a Member that is employed by the University other than in its Collegiate Division that is represented by The University of Winnipeg Faculty Association or any successor thereto that represents such bargaining unit as a certified collective bargaining agent in accordance with *The Labour Relations Act* (Manitoba), and also includes any employee of The University of Winnipeg Faculty Association or any successor thereto that is a Member of the Plan (who shall be deemed to be a UWFA(Main) Member and not an Excluded Member), and **“UWFA(Main) Group”** means all UWFA(Main) Members;

“YBE” means the Year’s Basic Exemption, as defined in the Plan;

“YMPE” means the Year’s Maximum Pensionable Earnings, as defined in the Plan;

“YMCE” means the Year’s Maximum Contributory Earnings, as defined in the Plan.

The following contribution rates for the Member and the University respectively apply based on the Member Group into which the Member falls, for bi-weekly pay periods ending in the period from January 1, 2017 to December 31, 2017, and based on whether the Member is a DC Member or a DB Member:

Contribution Rates from January 1, 2017 to December 31, 2017					
Member Group		Contribution rate on Basic Salary up to the YBE	Contribution rate on Basic Salary between the YBE and the YMPE	Contribution rate on Basic Salary between the YMPE and the YMCE	YMCE
In respect of each DB Member that is a(n):					
Excluded Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
UWFA(Main) Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
UWFA(Collegiate) Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
IUOE Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
AESES Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
In respect of each DC Member that is a(n):					
Excluded Member	Member	6.2%	6.2%	6.2%	\$110,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
UWFA(Main) Member	Member	6.2%	6.2%	6.2%	\$110,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
UWFA(Collegiate) Member	Member	6.2%	6.2%	6.2%	\$110,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
IUOE Member	Member	6.2%	6.2%	6.2%	\$110,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
AESES Member	Member	6.2%	6.2%	6.2%	\$110,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	

The following contribution rates for the Member and the University respectively apply based on the Member Group into which the Member falls, for bi-weekly pay periods ending in the period from and after January 1, 2018, and based on whether the Member is a DC Member or a DB Member:

Contribution Rates from and after January 1, 2018					
Member Group		Contribution rate on Basic Salary up to the YBE	Contribution rate on Basic Salary between the YBE and the YMPE	Contribution rate on Basic Salary between the YMPE and the YMCE	YMCE
In respect of each DB Member that is a(n):					
Excluded Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
UWFA(Main) Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
UWFA(Collegiate) Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
IUOE Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
AESES Member	Member	8.0%	6.2%	8.0%	\$86,111 plus 30% of the YMPE
	University	9.0%	7.2%	9.0%	
In respect of each DC Member that is a(n):					
Excluded Member	Member	6.2%	6.2%	6.2%	\$115,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
UWFA(Main) Member	Member	6.2%	6.2%	6.2%	\$115,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
UWFA(Collegiate) Member	Member	6.2%	6.2%	6.2%	\$115,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
IUOE Member	Member	6.2%	6.2%	6.2%	\$115,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	
AESES Member	Member	6.2%	6.2%	6.2%	\$115,111 plus 30% of the YMPE
	University	6.2%	6.2%	6.2%	