



# **SPECIAL FORCES PENSION PLAN**

**Amended and Restated Effective September 1, 2019**

**Contents**

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Section 1 – Establishment of the Plan.....1

Section 2 – Definitions.....3

Section 3 – Plan Governance .....20

Section 4 – Plan Participation .....22

Section 5 – Service.....25

Section 6 – Contributions.....29

Section 7 – Pension Commencement Dates.....36

Section 8 – Retirement Benefits .....38

Section 9 – Forms of Pension Payment .....43

Section 10 – Benefits on Termination .....48

Section 11 – Pre-Pension Commencement Death Benefits .....53

Section 12 – Beneficiary Designation.....61

Section 13 – Disability.....62

Section 14 – Transfer Agreements.....65

Section 15 – Payment of Benefits.....67

Section 16 – Funding and Investment of the Plan .....70

Section 17 – Administration of the Plan.....71

Section 18 – General Provisions .....74

Section 19 – Provision for Employer Withdrawal.....78

Section 20 – Future of the Plan.....79

## Section 1 – Establishment of the Plan

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### 1.01 History of the Plan

The Special Forces Pension Plan was established in 1979 by the *Special Forces Pension Act*, S.A. 1978, c. 72 as a defined benefit pension plan for police officers, including those on contract (such as police chiefs and deputy police chiefs), employed by local authorities in Alberta. Prior to 1979, police officers participated in the Local Authorities Pension Plan.

In 1985, the Alberta Legislature continued the Plan under the *Special Forces Pension Plan Act*, S.A. 1985, cS-21.1.

In 1993, the Alberta Legislature continued the Plan under Schedule 4 of the PSPPA.

### 1.02 Continuation under the Joint Governance Act

Effective March 1, 2019, the Alberta Legislature continued the Plan under the Joint Governance Act:

- (a) deeming registration of the Plan under the EPPA, as of that date, subject to the Exemption Regulation;
- (b) establishing a joint governance structure for the Plan; and
- (c) transferring trusteeship of the Plan Fund from the Government of Alberta to the SFPP Corporation.

### 1.03 Amendment and Restatement

Effective September 1, 2019, the Plan is amended and restated to:

- (a) permit the participation of part-time employees in the Plan; and
- (b) incorporate housekeeping amendments for the purpose of compliance with Applicable Pension Laws.

## **Section 1 – Establishment of the Plan**

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### **1.04 Recognition of Benefits**

The Plan, as amended and restated herein, shall apply with respect to the determination of Benefits payable in the event of the retirements, deaths or terminations of employment of Members occurring on or after September 1, 2019, except where specifically noted otherwise. It is understood that benefits payable under the Plan in respect of retirements, deaths or terminations of employment of Members occurring prior to September 1, 2019 will be paid, and will continue to be paid in accordance with the terms of the Plan as constituted prior to that date.

Benefits payable after September 1, 2019 in accordance with termination events occurring prior to that date will be determined using the actuarial assumptions and methods of the Plan, and subject to Applicable Pension Laws, in effect at the time of payment.

### **1.05 Amendment Conditional on Registration**

Any amendment to the Plan is conditional upon acceptance for registration under the Income Tax Act and Applicable Pension Laws and may be modified or withdrawn by the Sponsor Board in its sole and absolute discretion if the amendment is not accepted for registration under either the Income Tax Act or Applicable Pension Laws.

## Section 2 – Definitions

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The following words and phrases, when used in this Plan, unless the context clearly indicates otherwise, shall have the following meanings:

2.01 **Active Member** means a person who is an Employee who meets the membership criteria of Section 4.01. For greater clarity,

- (1) For the purposes of the Plan, an individual who would have been an Employee who meets the criteria of Section 4.01 and who commences to receive benefits under a Disability Plan remains, while receiving those benefits, an Active Member.
- (2) For the purposes of the Plan, an individual who is an Employee who meets the criteria of Section 4.01 and who goes on Leave of Absence without Salary remains, while on that leave, an Active Member.
- (3) For the purposes of the Plan, to the extent that an individual who would have been an Employee who meets the criteria of Section 4.01 and is employed by a commission as defined in the *Police Act*, that individual is deemed to be an Employee of the Participating Employer that established the commission and an Active Member.
- (4) For purposes of clarity, Active Members shall exclude:
  - (a) Members who are re-employed under Section 4.03 but are not yet eligible to participate in the Plan;
  - (b) Members who are re-employed but who cannot accrue further benefits in accordance with Subsection 4.03(2); and
  - (c) Employees who are exempt from participation under Section 4.02.

2.02 **Actuarial Equivalent** means a pension of an equivalent value computed on the basis of the actuarial methods and assumptions last adopted by the Administrator at the relevant time for the purposes of the Plan, subject to any requirements of the Income Tax Act and the EPPA. If the Administrator has not yet adopted such methods and assumptions, the methods and assumptions shall be those last approved for the purposes of the Plan.

## Section 2 – Definitions

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- 2.03 **Actuarial Reserve** means, in relation to a Member, the present value of pension and ancillary benefits payable in the future in respect of a period of Eligible Service, including the portion of those benefits relating to expected future salary and CPI increases, computed on the basis of the actuarial methods and assumptions last adopted by the Administrator at the date of computation, subject to any requirements of the Income Tax Act and the EPPA. If the Administrator has not yet adopted such methods and assumptions, the methods and assumptions shall be those last approved for the purposes of the Plan.
- 2.04 **Actuary** means the actuary or firm of actuaries retained by the Administrator who is, or in the case of a firm of actuaries at least one (1) member of which is, a Fellow of the Canadian Institute of Actuaries.
- 2.05 **Additional Contributions** means contributions required under Section 6.03 to eliminate the Plan's Unfunded Liability in respect of Pensionable Service, and the benefits that were in place, as at December 31, 1991, and includes all contributions recognized prior to March 1, 2019 as additional contributions under the PSPPA.
- 2.06 **Administrator** means the SFPP Corporation.
- 2.07 **Applicable Pension Laws** means, collectively, the:
- (a) Joint Governance Act;
  - (b) EPPA, subject to the Exemption Regulation; and
  - (c) EPPR, subject to the Exemption Regulation.
- 2.08 **Average YMPE for Post-1991 Pensionable Service Benefits** means the average of the YMPE during the same period or periods as is used in the determination of the Member's Highest Average Capped Salary. Where there are two (2) or more periods producing the same Highest Average Capped Salary, the YMPes are to be averaged over the period that produces the highest possible pension.
- 2.09 **Average YMPE for Pre-1992 Pensionable Service Benefits** means the average of the YMPE during the same period or periods as is used in the determination of the Member's Highest Average

## Section 2 – Definitions

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Salary. Where there are two (2) or more periods producing the same Highest Average Salary, the YMPEs are to be averaged over the period that produces the highest possible pension.

- 2.10 **Beneficiary** means the person or persons last designated by a Member pursuant to Section 12, who may be entitled to a benefit payable upon the death of the Member pursuant to the Plan, or, in the absence of a valid designation by a Member or if such person or persons have pre-deceased the Member, then the estate of the Member.
- 2.11 **Benefit** means all pension and related amounts payable under the Plan in the event of Retirement, Disability, death or Termination, as applicable, to a Member, a Member's Pension Partner, Beneficiary or Dependent Minor Child, as the case may be.
- 2.12 **CANSIM Rate** means the rate of interest that is calculated on and after the first day of the Fiscal Year on the basis of the average of the yields of 5-year personal fixed term chartered bank deposit rates, determined by reference to the Canadian Socio-Economic Information Management System (CANSIM) Series V 122515 compiled by Statistics Canada, over the most recent 12-month period for which the rates are available and, where the rate results in a fraction of 1% that is expressed otherwise than as a multiple of a full 1/10 of 1% rounded downwards to the next full 1/10 of 1%.
- 2.13 **Capped Pensionable Salary** means the Member's Pensionable Salary, provided that for calculating a Member's Highest Average Capped Salary or for determining certain contributions in accordance with Section 6, Pensionable Salary shall be limited as is necessary to ensure that the benefit accrued in respect of that period of Pensionable Service does not exceed the maximum defined benefit limit defined in the Income Tax Act. In particular, Capped Pensionable Salary shall be the lesser of:
- (1) the Member's Pensionable Salary for that Plan Year; and
  - (2) under the terms of the Plan,
    - (a) for any Plan Year before 1992, \$86,111.11 plus 30% of the YMPE for that Plan Year; and

## Section 2 – Definitions

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- (b) for any Plan Year after 1991, the sum of:
  - (i) 50 multiplied by the *defined benefit limit*, as that term is defined in Subsection 8500(1) of the regulations under the *Income Tax Act* for the Plan Year; and
  - (ii) 30% of the YMPE for the Plan Year.

2.14 ***Commuted Value*** means a lump-sum amount which is the actuarial present value of the Member's pension and ancillary benefits, computed in accordance with the standards of practice issued by the Canadian Institute of Actuaries, as amended from time to time. Subject to the terms of the Plan, the Commuted Value shall exclude the value of any conditional benefits such as, but not limited to, cost-of-living indexation under Section 8.03, granted in respect of Pensionable Service after December 31, 2000, and all periods of service associated with Refundable Contributions.

2.15 ***CPI*** means the Consumer Price Index for Alberta as published by Statistics Canada.

2.16 ***Credited Interest*** means:

- (1) interest applied to contribution balances, compounded annually and calculated:
  - (a) on the first day of each Fiscal Year, on the balance of the contributions and accumulated interest at the end of the Fiscal Year immediately preceding the most recently completed Fiscal Year, at the CANSIM Rate;
  - (b) on the first day of each Fiscal Year, on each of the contributions made during the most recently completed Fiscal Year, at the CANSIM Rate pro-rated in accordance with the policy prescribed by the Administrator;
  - (c) on the date that a Member's Benefit other than a pension payment becomes payable under the Plan (other than at the end of a Fiscal Year), on the balance of the contributions and accumulated interest at the beginning of the Fiscal Year, prorating the CANSIM Rate by dividing 365 into the product of the number of days in the uncompleted Fiscal Year; and



## Section 2 – Definitions

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- (d) on the date that a Member's Benefit other than a pension payment becomes payable under the Plan (other than at the end of a Fiscal Year), on each of the contributions made during the Fiscal Year, at the CANSIM Rate pro-rated in accordance with the policy prescribed by the Administrator; and
  - (2) interest on lump-sum payments out of the Plan Fund compounded annually and calculated from the date at which determination is required to the date of payment, at a rate as follows:
    - (a) if the payment is a refund of contributions with interest, at the CANSIM Rate; and
    - (b) if the payment is a payment of Commuted Value, at the non-indexed rate of interest used for determining the Commuted Value.
- 2.17 ***Current Service*** means, in relation to a Member, service determined in accordance with Subsection 5.01(1).
- 2.18 ***Date of Determination*** means the date as of which a Benefit is to be calculated under the Plan, as specified in each relevant Section contained herein, and being one of:
- (a) a Member's Retirement Date;
  - (b) a Member's date of termination of employment;
  - (c) a Member's date of death; or
  - (d) the date of amendment, modification or discontinuance of the Plan or the date of transfer to another plan.
- 2.19 ***Dependent Minor Child*** means, in relation to a deceased Member, a minor child who is a dependant of the Member, as defined in the Income Tax Act, and who was not married as at the date of the Member's Date of Determination.

## Section 2 – Definitions

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- 2.20 **Disabled or Disability** means the disability of an Active Member, as determined under the terms of the Disability Plan.
- 2.21 **Disability Plan** means a long-term disability income continuance plan or program that:
- (1) prior to March 1, 2019, satisfied the criteria established under the terms of the *Special Forces Pension Plan*, Alberta Regulation 369/93; or
  - (2) on or after March 1, 2019, is filed with the Administrator and satisfies the following criteria:
    - (a) all Members employed by a Participating Employer in a group specified by the Administrator in relation to the Participating Employer, except for those ineligible for coverage by reason of not meeting the medical requirements, must be covered by the disability plan; and
    - (b) a Member must not be required to apply for a pension as long as the Member qualifies for benefits under the disability plan; or
  - (3) consists of compensation for temporary total disability or temporary partial disability as outlined under Subsection 56(12) of the *Workers' Compensation Act* (Alberta).
- 2.22 **Eligible Service** means, in relation to a Member, service determined in accordance with Subsection 5.01(2).
- 2.23 **Employee** means a Police Officer employed by a Participating Employer. For the purposes of clarity, "Employee" excludes any person employed on a casual basis or through a contract for service except those persons with the rank of Chief or Deputy Chief.
- 2.24 **EPPA** means the *Employment Pension Plans Act*, R.S.A. 2012, c. E-8.1, as amended from time to time.

## Section 2 – Definitions

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- 2.25 **EPPR** means the *Employment Pension Plans Regulation*, Alberta Regulation 154/2014.
- 2.26 **Excess Employee Contributions** means, where the Date of Determination is:
- (1) prior to the Member's Vesting Date, in relation to a Benefit, nil;
  - (2) on or after the Member's Vesting Date, in relation to a transfer to another registered pension plan if permitted under a Transfer Agreement and that transfer is calculated on a basis other than described under Subsection 10.06(2), nil; and
  - (3) on or after the Member's Vesting Date in relation to a Benefit other than described in Subsection (2) above, the amount, if any, by which the sum of all contributions made on service accrued after 1991 by such Member, less Additional Contributions and Refundable Contributions, together with Credited Interest thereon, exceeds 50% of the Commuted Value of the Member's accrued pension benefit.
- 2.27 **Exemption Regulation** means the *Exemption (Public Sector Pension Plans) Regulation*, Alberta Regulation 3/2019.
- 2.28 **Financing Rate** means, in relation to interest on a Member's contributions on an instalment basis pursuant to Section 6.06 or 6.07, the annual nominal interest rate set by the Administrator used in the calculation of Actuarial Reserve amounts.
- 2.29 **Fiscal Year** means a calendar year commencing on January 1 and ending on December 31.
- 2.30 **Full-Time Basis** means, in relation to employment with a Participating Employer, a basis that the Participating Employer treats as being full-time, provided that the regularly scheduled hours of work in the employment are not fewer than 30 hours per week and the hours are worked on a regular and continuous basis.
- 2.31 **Funding Excess** means, at any particular point in time, the excess of Plan assets over Plan liabilities, as determined by the Actuary. The assets and liabilities shall be as contained in the most recent going-concern valuation report with respect to the determination of Funding Excess on a going-concern basis or the Plan solvency valuation report with respect to the determination of

## Section 2 – Definitions

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Funding Excess on a wind-up basis, as applicable and as filed with the appropriate regulatory authorities.

2.32 ***Highest Average Capped Salary*** means, in relation to a Member, the average of the Member's Capped Pensionable Salary over the consecutive 5-year period of service that produces the highest average.

For the purpose of this Section:

- (1) Subject to Subsection (2), the consecutive 5-year period of service may only comprise Current Service, service that would have been Current Service if not for the 35-year aggregate limit on Pensionable Service referred to in Section 5.02, and Transfer Agreement Service.
- (2) Where the Member has not accumulated five (5) consecutive years under Subsection (1), the 5-year period of service will include Prior Service and Shortfall Service, excluding salary growth assumptions for Prior Service and Shortfall Service established as Pensionable Service under this Plan.
- (3) The Highest Average Capped Salary of a Member who has less than five (5) years of service shall be the average of the Member's Capped Pensionable Salary during the Member's actual period of service.
- (4) Periods during which the Member's Capped Pensionable Salary was zero or breaks in Pensionable Service (other than breaks as a result of the attainment of the 35-year aggregate limit on Pensionable Service referred to in Section 5.02) or periods of Prior Service and Shortfall Service that are not used in the calculation shall be excluded from the averaging calculation, and service before and after such periods shall be considered consecutive for the purposes of determining such Member's Highest Average Capped Salary. For greater certainty, for a Member working less than a Full-Time Basis, the difference between the hours of the Full-Time Basis and the Member's Part-Time Basis is not to be considered a break in Pensionable Service.
- (5) In the calculation of a Member's Commuted Value, the Highest Average Capped Salary shall exclude Pensionable Salary associated with Refundable Contributions.

## Section 2 – Definitions

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- (6) For Active Members working on a Part-Time Basis, Pensionable Salary for Members shall be annualized in accordance with the administrative policy established by the Administrator. Where a Member's Prior Service, Shortfall Service or Transfer Agreement Service includes service performed on a Part-Time Basis, the applicable service shall also be annualized in accordance with the administrative policy established by the Administrator.

2.33 ***Highest Average Salary*** means, in relation to a Member, the average of the Member's Pensionable Salary over the consecutive 5-year period of service that produces the highest average.

For the purpose of this Section:

- (1) Subject to Subsection (2), the consecutive 5-year period of service may only comprise Current Service, service that would have been Current Service if not for the 35-year aggregate limit on Pensionable Service referred to in Section 5.02, and Transfer Agreement Service.
- (2) Where the Member has not accumulated five (5) such consecutive years under Subsection (1), the 5-year period of service will include Prior Service and Shortfall Service, excluding salary growth assumptions for Prior Service and Shortfall Service established as Pensionable Service under this Plan.
- (3) The Highest Average Salary of a Member who has less than five (5) years of service shall be the average of the Member's Pensionable Salary during the Member's actual period of service.
- (4) Periods during which the Member's Pensionable Salary was zero or breaks in Pensionable Service (other than breaks as a result of the attainment of the 35-year aggregate limit on Pensionable Service referred to in Section 5.02) or periods of Prior Service and Shortfall Service that are not used in the calculation shall be excluded from the averaging calculation, and service before and after such periods shall be considered consecutive for the purposes of determining such Member's Highest Average Salary. For greater certainty, for a Member working less than a Full-Time Basis, the difference between the hours of the Full-Time Basis and the Member's Part-Time Basis is not to be considered a break in Pensionable Service.

## Section 2 – Definitions

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- (5) In the calculation of a Member's Commuted Value, the Highest Average Salary shall exclude Pensionable Salary associated with Refundable Contributions.
- (6) For Active Members working on a Part-Time Basis, Pensionable Salary for Members shall be annualized in accordance the administrative policy established by the Administrator. Where a Member's Prior Service, Shortfall Service or Transfer Agreement Service includes service performed on a Part-Time Basis, the applicable service shall also be annualized in accordance with the administrative policy established by the Administrator.
- 2.34 ***Income Tax Act*** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), as amended from time to time, and the regulations thereunder.
- 2.35 ***Investment Manager*** means any person, firm or corporation as may, from time to time, be appointed by the Administrator, to act in the capacity of advisor or manager regarding the investment and management of the assets of the Plan Fund.
- 2.36 ***Job-Sharing Arrangement*** means, in relation to an Employee, an arrangement, approved by a Participating Employer, in which the Police Officers in the arrangement are employed on a basis that, taken together, constitutes a Full-Time Basis.
- 2.37 ***Joint Governance Act*** means the provisions of the *Joint Governance of Public Sector Pension Plans Act*, SA 2018, c. J-0.5 as they apply to the Plan.
- 2.38 ***Latest Pension Commencement Date*** means the commencement of Benefit payments no later than December 31 in the year in which the Member or Pension Partner, as applicable, attains age 71 or such other age as may be permitted under the Income Tax Act.
- 2.39 ***Leave of Absence with Partial Salary*** means, subject to any limitations under the Income Tax Act, a period during which an Active Member is on leave from all or a portion of the regular duties of employment and is receiving remuneration that is less than regular salary from the Participating Employer, but does not include a period during which the Active Member is in receipt of benefits under a Disability Plan.
- 2.40 ***Leave of Absence without Salary*** means, subject to any limitations under the Income Tax Act, a period during which an Active Member is, with the permission of the Active Member's

## Section 2 – Definitions

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Participating Employer, on leave from the regular duties of employment and is receiving no remuneration from the Participating Employer, but does not include a period during which the Active Member is in receipt of benefits under a Disability Plan.

2.41 **Member Contributions** means those contributions remitted to the Plan by an Active Member in respect of Pensionable Service. For greater certainty, Member Contributions does not include Refundable Contributions, Additional Contributions or Excess Employee Contributions.

2.42 **MPO/A** means a matrimonial property order or written agreement that provides for the division and distribution of a Benefit upon the breakdown of a spousal relationship, and that meets the requirements of the *Matrimonial Property Act*, R.S.A. 2000 c. M-8, as amended from time to time, and the regulations thereunder.

2.43 **Member** means:

(1) an Active Member; or

(2) a former Employee who has Retired or otherwise Terminated with a Participating Employer but who retains a right to Benefits under the Plan.

2.44 **Partially Disabled or Partial Disability** means the mental or physical impairment of an Active Member, provided that a qualified medical practitioner certifies in writing that the Active Member is incapable of effectively performing the regular duties of the Active Member's employment in which the Active Member was engaged immediately before the impairment, but who is not Totally Disabled.

2.45 **Participating Employer** means:

(1) an employer organization as defined in the Joint Governance Act;

(2) a Successor Employer; or

(3) an employer that has entered into a participation agreement, as defined in the EPPA, with the Administrator.

## Section 2 – Definitions

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2.46 ***Part-Time Basis*** means, in relation to employment with a Participating Employer, any basis which is less than a Full-Time Basis.

2.47 ***Pension Commencement Date*** means:

- (1) in relation to a Member, the date that the Member elects to commence pension payments or is deemed to have elected to commence pension payments, as determined in accordance with the provisions of Section 7, Section 10 or Section 13; or
- (2) for the purposes of Section 11, in relation to a surviving Pension Partner, means the day immediately following date of the Member's death.

For purposes of greater certainty, Pension Commencement Date shall be no later than the Active Member's or Pension Partner's, as applicable, Latest Pension Commencement Date.

2.48 ***Pension Partner*** means, in respect of a Member, the person who, at the relevant date:

- (1) was married to the Member and had not been living separate and apart from the Member for the preceding three (3) year period; or
- (2) if Subsection (1) does not apply, was living with the Member in a marriage-like relationship:
  - (a) continuously, for the immediately preceding three (3) years; or
  - (b) of some permanence if there is a child of the relationship by birth or adoption,

where the relevant date means the date of an event giving rise to an entitlement to benefits under the Plan.

2.49 ***Pensionable Salary*** means:

- (1) an Active Member's gross basic pay for the performance of the Employee's regular duties of employment with a Participating Employer; and



## Section 2 – Definitions

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- (2) acting pay (that is, pay at a higher level or extra pay for the performance on a temporary basis of duties at a higher level than the regular duties referred to in Subsection (1)) which the Participating Employer treats as pensionable salary under the Participating Employer's established salary policy for pension purposes; and
  - (3) shall not include any expense allowance, overtime payments, special remuneration, or similar compensation that is not referred to in Subsection 2.499(2); and
  - (4) in the case of an Active Member who is receiving benefits under a Disability Plan or who is on a Leave of Absence without Salary or on a Leave of Absence with Partial Salary, Pensionable Salary is deemed to be received at the rate of Pensionable Salary the Active Member was receiving immediately preceding the period of Disability or leave, adjusted in accordance with any subsequent general adjustments in respect of the period in question that are applicable to the class of employees that the Active Member was then in. However, such deemed Pensionable Salary shall not exceed the amount of compensation that may be prescribed for this purpose under the Income Tax Act; and
  - (5) the salary recognized for periods of Pensionable Service acquired in accordance with Section 6.06 or 6.07.
- 2.50 **Plan** means the terms of the Special Forces Pension Plan as set forth herein, as amended from time to time.
- 2.51 **Plan Fund** has the meaning set out in the Joint Governance Act, held and invested by the SFPP Corporation in its capacity as Plan trustee, including, but not limited to:
- (1) all funds and assets received from time to time by way of Member Contributions;
  - (2) Refundable Contributions;
  - (3) all payments from the Province of Alberta relating to its portion of the Pre-1992 Unfunded Liability; and
  - (4) all interest, increments, earnings and profits accruing from the administration of the Plan Fund.

## Section 2 – Definitions

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- 2.52 **Plan Year** means a calendar year commencing on January 1 and ending on December 31.
- 2.53 **Police Officer** means a peace officer, employed by a Participating Employer, with authority to enforce federal and provincial statutes in force in Alberta generally, excluding a person acting solely as a special constable.
- 2.54 **Prior Service** means, in relation to a Member, service described in Subsection 5.01(4).
- 2.55 **PSPPA** means the provisions of the *Public Sector Pension Plans Act* R.S.A. 2000, c. P-41, as they applied to the Plan, immediately prior to March 1, 2019, and the regulations thereunder.
- 2.56 **Refundable Contributions** means the sum of:
- (1) the contributions remitted to the Plan by the Member to purchase Prior Service on an Actuarial Reserve basis;
  - (2) the contributions remitted to the Plan by the Member to purchase Leave of Absence without Salary Pensionable Service where the Member has paid both the Employee and Participating Employer share of required contributions; and
  - (3) the amount transferred into the Plan to acquire Transfer Agreement Service,
- together with Credited Interest thereon.
- 2.57 **Retirement (or Retire)** means a Member who Terminates on or after the Member's Vesting Date where, at the date of Termination, the Member:
- (1) has attained at least 25 years of Pensionable Service; or
  - (2) has attained at least age 55.
- 2.58 **Salary Period** means, in relation to an Active Member, the recurring earnings payment cycle for which an Employee normally receives a payment of Pensionable Salary.
- 2.59 **SFPP Corporation** means the SFPP Corporation established under the Joint Governance Act.

## Section 2 – Definitions

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- 2.60 **Shortfall Service** means, in relation to a Member, service described in Subsection 5.01(5).
- 2.61 **Sponsor Board** means the SFPP Sponsor Board established under the Joint Governance Act.
- 2.62 **Successor Employer** has the meaning set out in paragraph 28(1)(a) of the Joint Governance Act.
- 2.63 **Superintendent** means the Superintendent of Pensions for the Province of Alberta, appointed pursuant to the EPPA.
- 2.64 **Termination (or Terminate)** means an Employee who ceases to be an Active Member, under any circumstances other than death, and who is not eligible to Retire on the Member's Termination date. The Termination date shall be no later than the day immediately prior to the Active Member's Latest Pension Commencement Date.
- 2.65 **Totally Disabled or Total Disability** means the mental or physical impairment of an Active Member, provided that a qualified medical practitioner certifies in writing that the Member is suffering from a mental or physical impairment that can reasonably be expected to last for the remainder of the Active Member's lifetime and that prevents such Active Member from engaging in any gainful occupation.
- 2.66 **Transfer Agreement** means a reciprocal or any other portability agreement entered into by the Administrator for the purposes of transferring service to or from the Plan with another registered pension plan.
- 2.67 **Transfer Agreement Service** means, in relation to a Member, service determined in accordance with Subsection 5.01(6).
- 2.68 **Unfunded Liability** means, at any particular point in time, the excess of Plan liabilities over Plan assets, as determined by the Actuary. The assets and liabilities shall be as contained in the most recent going-concern valuation report, filed with and approved by the appropriate regulatory authorities.
- 2.69 **Valid Pension Partner Waiver** means a waiver that has been filed, and not rescinded, with the Administrator in the form and manner prescribed:

## Section 2 – Definitions

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- (1) prior to March 1, 2019, under the PSPPA; or
- (2) on or after March 1, 2019, under Applicable Pension Laws,

waiving the Pension Partner's entitlement to the Benefits payable from the Plan upon the death of the Member.

2.70 ***Vested Benefit*** in relation to a Member where the Date of Determination is:

- (1) prior to the Member's Vesting Date, means nil; and
- (2) on or after the Member's Vesting Date, means, subject to the limitations of Section 8.04, the amount of pension calculated in accordance with Sections 8.01, 8.02 and 8.03. In the calculation of a Member's Commuted Value, the Vested Benefit shall exclude from the determination of Pensionable Service all periods of service purchased with Refundable Contributions. If the Member elects to receive a pension payable from the Plan, the Vested Benefit shall include all periods of Pensionable Service.

2.71 ***Vesting Date*** means, in relation to a Member, the earliest of:

- (1) the date the Member has accumulated five (5) years of Pensionable Service; and
- (2) the date the Active Member attains the age of 65 years or the date the Active Member joins the Plan if older than age 65 at the time participation in the Plan commences.

When determining a Member's Benefit under Section 10.02 or 10.06, Pensionable Service considered for the Vesting Date shall exclude all periods of service purchased with Refundable Contributions.

2.72 ***YMPE*** means the Year's Maximum Pensionable Earnings within the meaning of the *Canada Pension Plan* (Canada).

2.73 **Construction and Interpretation**

- (1) In the Plan, references to the masculine include the feminine and *vice versa*; references to the singular shall include the plural and *vice versa*, as the context shall require, and

## Section 2 – Definitions

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references to a subparagraph, paragraph, Subsection, Section, or Article, mean a subparagraph, paragraph, Subsection, Section, or Article, in the Plan.

- (2) The Plan shall be governed and administered in accordance with the Income Tax Act and Applicable Pension Laws and shall be construed and interpreted in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable within the Province of Alberta.
- (3) All amounts payable under the Plan are expressed in the lawful currency of Canada.
- (4) If any provision of the Plan or part thereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- (5) Headings wherever used herein are for reference purposes only, and do not limit or extend the meaning of any of the Plan's provisions.

## Section 3 – Plan Governance

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### 3.01 Application of Joint Governance Act

The Plan and the Plan Fund shall be administered by the SFPP Corporation in accordance with the Applicable Pension Laws for the purpose of providing benefits in accordance with the terms of this Plan.

### 3.02 Plan Registration

In accordance with the Joint Governance Act, the Plan is:

- (1) a jointly sponsored plan;
- (2) not a publicly funded plan; and
- (3) a non-collectively bargained multi-employer pension plan,

as those terms are defined under the EPPA. The Joint Governance Act and the Exemption Regulation exempts the Plan from certain provisions of the EPPA and EPPR.

### 3.03 Contribution Requirements

Based on the advice of the Actuary, and in accordance with the Income Tax Act and Applicable Pension Laws, the Sponsor Board shall establish the contribution rates for Participating Employers and Active Members. Such contribution rates shall recognize:

- (1) the ongoing current service cost requirements of the Plan;
- (2) the level of special payments required to eliminate the Plan's Unfunded Liability, if any, under the terms of the EPPA; and
- (3) the utilization of Funding Excess in accordance with the provisions of the Income Tax Act and Applicable Pension Laws.

### 3.04 Plan Amendments and Administrative Policies

- (1) The Sponsor Board shall be responsible for determining the provisions of the Plan, subject to the Income Tax Act and Applicable Pension Laws.

**Section 3 – Plan Governance**

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- (2) The Administrator may delegate administrative duties in accordance with the Joint Governance Act and may establish and approve administrative policies for the Plan.

## Section 4 – Plan Participation

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### 4.01 Eligibility to Join the Plan

- (1) Employees hired on a Full-Time Basis are required to commence participation in the Plan on the Employee's date of hire.
- (2) As of September 1, 2019, an Employee employed on a basis other than a Full-Time Basis shall become a Member on the earlier of:
  - (a) the date specified in the established participation policy of a Participating Employer where terms of that Employee's employment satisfies the Participating Employer's participation policy; or
  - (b) the date the Employee has:
    - (i) completed two (2) years of employment with a Participating Employer, including any temporary absences from that employment in that period, and has not, during that 2-year period ceased to be employed on a regular and continuous basis by the Participating Employer; and
    - (ii) the Employee has earned from that employment, in each of two (2) consecutive calendar years, not less than 35% of the Year's Maximum Pensionable Earnings.
- (3) A Member who has joined the Plan in accordance with Subsection 4.01(1), and whose terms of employment change prior to September 1, 2019 from a Full-Time Basis to a Job-Sharing Arrangement shall remain a Member of the Plan without interruption provided such Member remains an Employee.
- (4) A Member who has joined the Plan in accordance with Subsection 4.01(1), and whose terms of employment change on or after September 1, 2019 from a Full-Time Basis to a Part-Time Basis shall remain a Member of the Plan without interruption provided such Member remains an Employee.



## Section 4 – Plan Participation

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### 4.02 Exceptions to Participation

Section 4.01 does not apply to an Employee where the Employee:

- (1) does not meet the applicable eligibility criteria;
- (2) was exempted from participation in the Plan prior to March 1, 2019; or
- (3) has already achieved the Employee's Latest Pension Commencement Date.

### 4.03 Rehired Members

#### (1) Non-Pensioners

- (a) If a former Employee who is no longer a Member is again employed as a Police Officer by any Participating Employer, the individual shall be treated as a new Employee for purposes of the Plan and shall participate in the Plan, if eligible, in accordance with the provisions of Section 4.01.
- (b) If a former Employee who remains a Member and who has:
  - (i) yet to commence receipt of a pension; or
  - (ii) commenced receipt of a pension under Section 13.02 that was eliminated under Subsection 13.02(7),

is again employed as a Police Officer, the Employee shall join the Plan on the Employee's most recent date of employment with the Participating Employer, subject to any conditions imposed by the Income Tax Act.

#### (2) Pensioners

If a Retired Member who has commenced to receive a pension from the Plan, other than a pension that was eliminated under Subsection 13.02(7), is re-employed by a Participating Employer, the Member shall continue to receive the Member's pension and shall not be eligible to accrue further benefits during the period of re-employment.

## **Section 4 – Plan Participation**

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### **4.04 Obligations Relating to Member Enrolment**

On or after the date the Employee becomes an Active Member, a notice of enrolment must be completed and submitted to the Administrator in the form and manner prescribed by the Administrator.

### **4.05 Suspension of Membership**

A Member may not terminate or suspend membership in the Plan while an Employee.

## Section 5 – Service

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### 5.01 Service Definitions

In addition to the definitions listed in Section 2, the following words and phrases, when used in this Plan, unless the context clearly indicates otherwise, shall have the following meanings:

- (1) ***Current Service*** means, in relation to a Member, service for which Member Contributions were determined on a current service basis pursuant to Subsection 6.02(1), including Eligible Service purchased pursuant to Section 6.06.
- (2) ***Eligible Service*** means any period recognized as eligible service under the Income Tax Act, and includes, but is not limited to, a period where the Active Member was:
  - (a) in receipt of benefits under a Disability Plan;
  - (b) on Leave of Absence without Salary; or
  - (c) on Leave of Absence with Partial Salary,but shall exclude:
  - (d) any such period of service performed outside of Canada that is not a period of employment with a Participating Employer.
- (3) ***Pensionable Service*** means, in relation to a Member, the total pensionable service calculated in accordance with Section 5.02. For purposes of clarity:
  - (a) ***Pre-1992 Pensionable Service*** means pensionable service accrued on or before December 31, 1991.
  - (b) ***Post-1991 Pensionable Service*** means pensionable service accrued on or after January 1, 1992.
- (4) ***Prior Service*** means, in relation to a Member, service that a Member acquired as prior service in accordance with Section 6.07.
- (5) ***Shortfall Service*** means, in relation to a Member who had Pensionable Service transferred to the Plan on or after May 30, 2016 pursuant to the terms of a Transfer Agreement, in

## Section 5 – Service

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cases where the assets transferred by the exporting plan to the Plan were less than the amount determined by the Plan as being necessary to credit the Member with the full amount of service eligible for transfer from the exporting plan, any service that was purchased by the Member in accordance with Subsection 14.03(3), but only to the extent such service is not otherwise recognized as a Transfer Agreement Service.

- (6) ***Transfer Agreement Service*** means, in relation to a Member:
- (a) service that was transferred to the Plan pursuant to a Transfer Agreement as defined in Section 6.08; and
  - (b) service that would otherwise have been Shortfall Service but for the fact that it was purchased by the Member before May 30, 2016,
- but excludes any Shortfall Service that was purchased by the Member in relation to a transfer made on or after May 30, 2016.
- (7) All references to service within the Plan are to be measured in terms of years of service, unless the context requires otherwise, with service being represented by the number of complete and fractional years of service determined to four (4) decimal places.

### 5.02 Computation of Pensionable Service

- (1) In computing the length of Pensionable Service that a Member has accumulated, the following periods of service, not exceeding 35 years in aggregate, are the periods to be taken into account:
- (a) Current Service with a Participating Employer in respect of which Member Contributions or contributions in respect of Subsections 6.06(1) and (2), as applicable, have been made by or on behalf of a Member; and
  - (b) Eligible Service that is not recognized under paragraph 5.02(1)(a) where payment has been made for such service, and the conditions have been met, under Sections 6.07 and 6.08.

## Section 5 – Service

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- (2) In computing the length of Pensionable Service that a Member has accumulated under the Plan, the following periods of service may not be taken into account:
  - (a) Eligible Service with respect to which Member Contributions have not been made, Member Contributions have been returned or paid to a person, or Member Contributions or pension entitlements have been transferred out of the Plan on a person's behalf;
  - (b) Eligible Service for which a Member was making contributions under Section 6.06 or 6.07 prior to Termination where those contributions have not been paid in full within the administrative policy timelines prescribed by the Administrator. In such case, the Pensionable Service credited to the Member shall be pro-rated in accordance with the policy prescribed by the Administrator for the portion of the contributions the Member had made at the Date of Determination; or
  - (c) Pensionable Service which exceeds one (1) year in respect of service performed in a Plan Year, regardless of the nature and extent of the service so performed.
- (3) Where service is performed on a Part-Time Basis, the pro-ration applied to the Active Member's Pensionable Service shall be determined based on the policies of the Administrator.
- (4) In no event can a Member's credited Pensionable Service for any Plan Year exceed one (1).
- (5) Notwithstanding any other provisions of this Plan text, Pensionable Service and each of its components shall only be considered to the extent the contributions in respect of the service in question, including any Credited Interest thereon, has been received by the Plan.

### 5.03 Rehired Members

Subject to any conditions imposed under the Income Tax Act and Applicable Pension Laws, if a former Employee is re-employed by a Participating Employer and is eligible to again participate in the Plan under Section 4.03, an individual participating in the Plan pursuant to paragraph 4.03(1)(b) shall have the previous period of Pensionable Service joined with the most recent period of Pensionable Service for the purpose of calculating the Member's Pensionable

**Section 5 – Service**

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Service, Highest Average Capped Salary and Highest Average Salary, and eligibility for Benefits in respect of the previous period of Pensionable Service.

## Section 6 – Contributions

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### 6.01 Joint Funding Model

- (1) The total contribution rates set out in Section 6.02, expressed as a percentage of Capped Pensionable Salary, are subject to change from time to time.
- (2) The Sponsor Board shall determine the contribution rates required, in aggregate for the Plan as a whole, based on the recommendation of the Actuary, both in accordance with the Income Tax Act and Applicable Pension Laws, after considering all relevant factors.
- (3) The contribution rates established for Active Members and Participating Employers under Section 6.02 shall:
  - (a) in their totality, be sufficient to meet all applicable prescribed funding requirements under Applicable Pension Laws, including but not limited to the requirements noted in Section 3.03, subject to any adjustments duly authorized by the Superintendent; and
  - (b) comply with the funding limitations prescribed under the Income Tax Act, both as a whole and in respect of individual contribution limits, subject to any adjustments duly authorized by the Canada Revenue Agency.
- (4) To the extent required under paragraph 6.01(3)(a) and in accordance with paragraph 6.01(3)(b), in setting the contribution rates established in Section 6.02, the Sponsor Board shall set the rates so that the contribution rate for Participating Employers exceeds the contribution rate for Active Members by 1.10% of the Active Member's Capped Pensionable Salary.

### 6.02 Contribution Rates

Subject to Sections 6.04 and 6.05,

- (1) each Active Member, except Active Members on Leave of Absence without Salary, shall contribute 12.70% of the Active Member's Capped Pensionable Salary, or such other amount as may be determined by the Sponsor Board, until the earlier of the Active

## Section 6 – Contributions

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Member's Termination, Retirement or death, or the withdrawal of the Participating Employer pursuant to Section 19, for any Salary Period; and

- (2) each Participating Employer shall contribute 13.80% of the Active Member's Capped Pensionable Salary, or such other amount as may be determined by the Sponsor Board, in respect of each Active Member contributing pursuant to Subsection 6.02(1) for any Salary Period.

### 6.03 Pre-1992 Unfunded Liability Contributions

Subject to the Joint Governance Act:

- (1) Additional Contributions shall continue to be made to the Plan until the earlier of December 31, 2036 or the date on which the Unfunded Liability applicable to Pre-1992 Pensionable Service has been eliminated;
- (2) In respect of each Active Member, the Additional Contributions noted in Subsection 6.03(1) shall be:
  - (a) 0.75% of the Active Member's Capped Pensionable Salary from Active Members;
  - (b) 0.75% of the Active Member's Capped Pensionable Salary from Participating Employers; and
  - (c) 1.25% of the Active Member's Capped Pensionable Salary from the Government of Alberta; and
- (3) In the event the Plan continues to have an Unfunded Liability on December 31, 2036 in respect of Pre-1992 Pensionable Service and the Benefits that were in place as at December 31, 1991, the Government of Alberta will remain responsible for the payment of the Benefits related to such Pensionable Service.

### 6.04 Pensionable Service Greater than 35 Years

Contributions made by or in respect of an Active Member under Section 6.02 shall cease once the Active Member has accumulated 35 years of Pensionable Service.



## Section 6 – Contributions

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### 6.05 Treatment of Funding Excess

- (1) If at any time the Actuary certifies that a Funding Excess exists, the Sponsor Board may, in accordance with the established funding policy, direct that such Funding Excess, or any portion thereof, be used to reduce or eliminate the contribution obligations of Active Members and Participating Employers under Section 6.02.

Where the Funding Excess is to be used to reduce, but not eliminate, the contribution obligations of the Active Members and Participating Employers under Section 6.02, then the contribution rates noted in Section 6.02 shall be reduced equally by the same nominal percentage for both Active Members and Participating Employers.

Where the Funding Excess is to be used to eliminate the contribution obligations of the Active Members and Participating Employers under Section 6.02, then the Sponsor Board shall establish the period(s) over which the Participating Employers and the Active Members (or both) shall make no contributions under Section 6.02.

- (2) Should the Funding Excess referred to in Subsection 6.05(1) exceed the maximum amount permitted under the Income Tax Act, the Sponsor Board:
  - (a) may direct that such portion of the Funding Excess as is required by the Income Tax Act be used to make the Active Member and Participating Employer contribution obligations in the manner described in Subsection 6.05(1); or
  - (b) alternatively, or in combination with Subsection 6.05(1) and paragraph 6.05 (2)(a), apply the Funding Excess towards improving Benefits subject to any conditions under the Income Tax Act or Applicable Pension Laws.

### 6.06 Contributions in Respect of Leave Periods

- (1) An Active Member who is on a Leave of Absence with Partial Salary must continue to make Member Contributions on the paid and unpaid portions of the Leave of Absence with Partial Salary in order for the Active Member to accrue Pensionable Service for the paid and unpaid portions of that Leave of Absence with Partial Salary.

## Section 6 – Contributions

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- (2) An Active Member who is on a Leave of Absence without Salary may make Member Contributions with respect to that leave in order to have that period of leave recognized as Pensionable Service.
- (3) An Active Member who was on a Leave of Absence without Salary and who does not make Member Contributions may elect to have that service taken into account as Pensionable Service, and if the Active Member wishes to do so, the Active Member must:
  - (a) apply to the Administrator before the date established by the Administrator to have all or part of the Leave of Absence without Salary recognized as Pensionable Service; and
  - (b) make Member Contributions in respect of that period, together with Credited Interest, in accordance with Subsection 6.02(1) as it read during the applicable Plan Year.
- (4) If the Member makes contributions in accordance with Subsections 6.06(2) or (3), the Participating Employer of the Active Member must make the Participating Employer's share of the contributions, together with Credited Interest, unless the aggregate of all acquired periods of Leave of Absence without Salary in respect of the Member exceeds one (1) year.
- (5) If the aggregate of all periods of Leave of Absence without Salary, other than Leaves of Absence with Partial Salary, in a Plan Year in respect of the Active Member exceeds one (1) year, the Active Member shall be responsible for the Participating Employer's share of the contributions required under Subsection 6.02(2), together with Credited Interest, as those contributions apply to the period in excess of one (1) year, subject to the limits imposed by the Income Tax Act.
- (6) If the Active Member does not return to employment at the end of the leave period or returns to employment but then Terminates before the dates established by the Administrator for the purposes of Section 6.06, the Member may apply to the Administrator before the date established by the Administrator to have all or part of the leave period recognized as Pensionable Service. The Member must then pay the entire

## Section 6 – Contributions

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payment required by this Section 6.06, with Credited Interest, by the date established by the Administrator.

- (7) If a Member to whom Subsections 6.06(3) or (6) applies ceases to make the required payment under the arrangements referred to in that Section, the Pensionable Service credited to such Member shall be pro-rated in accordance with the method prescribed by the Administrator for the portion of the contributions the Member had made at the point the payments ceased. If the Member is subsequently outside of any timeframes prescribed by the Administrator under this Section, the Member is only entitled to purchase the remainder of the service not credited pursuant to Subsection 6.07(1).
- (8) Notwithstanding any other provision of this Section 6.06, in no event shall the sum of:
  - (a) all Leaves of Absence without Salary, in respect of a Member, exceed the sum of five (5) years; and
  - (b) all periods of parenting, as defined in the Income Tax Act and occurring after June 30, 2002, shall be subject to a total maximum of 36 months and a maximum of 12 months for any one period of parenting. For greater certainty, periods of parenting are calculated in accordance with the terms of the PSPPA, and Applicable Pension Laws, as applicable, on and after June 30, 2002.

### 6.07 Prior Service Contributions

- (1) With respect to any period of Eligible Service which is not yet recognized as Pensionable Service under the Plan, a Member may elect to have that period of Eligible Service recognized as Pensionable Service. In order to do so, the Member must make an application, while an Active Member, to the Administrator in the form and manner prescribed by the Administrator, and must make payment of a sum equal to the Actuarial Reserve in accordance with administrative policies established by the Administrator and, if applicable, in the instalment amounts in accordance with Section 6.09.
- (2) If a Member to whom Subsection 6.07(1) applies ceases to make the required payment under the arrangements referred to in that Section, the Pensionable Service credited to such Member shall be pro-rated in accordance with the method prescribed by the Administrator

## Section 6 – Contributions

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for the portion of the contributions the Member had made at the point the payments ceased. Thereafter the Active Member is only entitled to apply to purchase the remainder of the service not credited pursuant to Subsection 6.07(1).

- (3) If the Active Member Terminates while making payments under Section 6.07, the Member may apply to the Administrator before the date established by the Administrator to have all or part of the Eligible Service recognized as Pensionable Service. The Member must then pay the entire payment required by this Section 6.07, by the date established by the Administrator.
- (4) Contributions referred to in this Section 6.07 are subject to any limitation imposed under the Income Tax Act.

### 6.08 Contributions Pursuant to a Transfer Agreement

Notwithstanding anything in this Plan, the contributions required and the Pensionable Service credited pursuant to a Transfer Agreement shall be determined in accordance with the provisions of Section 14.03. Any contributions credited to an Active Member under a Transfer Agreement shall be so recognized under the Plan, together with Credited Interest thereon.

### 6.09 Payment Provisions

The Administrator shall establish timeframes and payment options, including the method and amount of instalment payments, available to Members for the purchase of service under Sections 6.06 and 6.07.

### 6.10 Remittance of Contributions

- (1) All contributions and payments, unless otherwise noted in this Section 6, shall be deposited into the Plan Fund within the timeframe established by the Administrator pursuant to the EPPA. Overdue contributions shall accumulate interest in accordance with the administrative policy established by the Administrator.
- (2) Where contributions that were liable to be remitted by a Participating Employer in Section 6.02 or Subsection 6.06(1) are in arrears, the Administrator may enter into an

## Section 6 – Contributions

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arrangement with a Member or the Participating Employer pursuant to Section 6.09, as if the contributions were prior service contributions payable by an Active Member, credited in respect of the amount owing.

### 6.11 Contributions Transferable from Other Registered Vehicles

Where a Member is required to make contributions to the Plan pursuant to Section 6.06 or 6.07, the Member may, at the Member's option but in accordance with any requirements and limitations under the Income Tax Act, fulfil all or a portion of their contribution requirement by transferring monies directly from any other registered vehicle that is designed to assist with retirement savings and where such transfer is permitted under the Income Tax Act.

### 6.12 Return of Contributions to Avoid Revocation

Any contributions made to the Plan Fund may be refunded at any time to the contributing party where the Administrator determines that such action is required to avoid revocation of registration of the Plan under the Income Tax Act, subject to the prior written approval of the Superintendent.

## **Section 7 – Pension Commencement Dates**

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### **7.01 Termination of Employment Required**

Subject to Section 7.05, an Active Member who is an Employee may not commence receipt of a Retirement Benefit until such time as Termination with all Participating Employers occurs.

### **7.02 Normal Retirement Pension Commencement**

A Member with a Vested Benefit who Retires on or after age 55 may elect to commence the Member's pension on the day after the Member's Retirement date.

### **7.03 Early Retirement Pension Commencement**

A Member with a Vested Benefit who Retires prior to age 55 but who has attained at least 25 years of Pensionable Service at the Date of Determination may elect to commence the Member's pension on the day after the Member's Retirement date.

### **7.04 Postponed Retirement Pension Commencement**

A Member described in Section 7.02 or Section 7.03 may postpone commencement of the Benefit payment after the Member's Retirement date, whether or not the Member has taken any active steps to postpone the Benefit. In these circumstances, the Member's Pension Commencement Date can be no later than the Member's Latest Pension Commencement Date.

### **7.05 Latest Pension Commencement Date**

Regardless of a Member's employment status, for reasons of compliance with the Income Tax Act, a Member's Pension Commencement Date cannot be later than the Member's Latest Pension Commencement Date. For greater certainty, if a Member has not commenced receipt of a Benefit by such Member's Latest Pension Commencement Date, the Member's Latest Pension Commencement Date shall be deemed to be the Member's Retirement date.

### **7.06 Termination or Disability Prior to Retirement Eligibility**

If Termination of a Member occurs prior to the Member's Retirement date, the Member is only eligible for Benefits under Section 10 or 13.02, as applicable.

## **Section 7 – Pension Commencement Dates**

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### **7.07 Receipt of Pension Commencement Application**

The Pension Commencement Date shall not be before the day the Administrator receives the Member's application and shall be not before the date the Member Terminates and no later than the Member's Latest Pension Commencement Date.

## Section 8 – Retirement Benefits

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### 8.01 Early and Normal Retirement Pension

- (1) Each Member who commences receipt of a Benefit pursuant to Section 7.02 or Section 7.03 shall be entitled to receive an annual pension commencing on the Member's Pension Commencement Date equal to the sum of:
  - (a) 2.0% of the Member's Highest Average Salary multiplied by the Member's Pensionable Service prior to January 1, 1966; plus
  - (b) 1.4% of the lesser of the Member's Highest Average Salary and the Member's Average YMPE for Pre-1992 Pensionable Service Benefits, multiplied by the Member's Pensionable Service after December 31, 1965 but prior to January 1, 1992; plus
  - (c) 1.4% of the lesser of the Member's Highest Average Capped Salary and the Member's Average YMPE for Post-1991 Pensionable Service Benefits, multiplied by the Member's Pensionable Service after December 31, 1991; plus
  - (d) 2.0% of the Member's Highest Average Salary above the Member's Average YMPE for Pre-1992 Pensionable Service Benefits multiplied by the Member's Pensionable Service after December 31, 1965 but prior to January 1, 1992; plus
  - (e) 2.0% of the Member's Highest Average Capped Salary above the Member's Average YMPE for Post-1991 Pensionable Service Benefits multiplied by the Member's Pensionable Service after December 31, 1991.
- (2) In addition to the Benefit payable under Subsection (1), if the Member's Pension Commencement Date is before the date the Member attains age 65, a Member is entitled to receive an annual pension, payable until the first day of the month following the date the Member attains (or if the Member had died, would have attained) age 65, that is equal to:
  - (a) 0.6% of the lesser of the Member's Highest Average Salary and the Member's Average YMPE for Pre-1992 Pensionable Service Benefits, multiplied by the Member's Pensionable Service after December 31, 1965 but prior to January 1, 1992; plus



## Section 8 – Retirement Benefits

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- (b) 0.6% of the lesser of the Member's Highest Average Capped Salary and the Member's Average YMPE for Post-1991 Pensionable Service Benefits, multiplied by the Member's Pensionable Service after December 31, 1991.

### 8.02 Postponed Retirement Pension

A Member to whom Section 7.04 applies shall be entitled to receive an annual pension commencing on the Member's Pension Commencement Date, determined in accordance with Section 8.01, and actuarially adjusted in accordance with Subsections 8.05(3) and (4).

### 8.03 Cost-of-Living Increases

- (1) On January 1st of each year, Benefits payable in accordance with the provisions of the Plan are increased for cost-of-living increases, as herein described:
  - (a) The increase applies to:
    - (i) pensions in payment;
    - (ii) pensions delayed in accordance with the provisions of Section 8.05; and
    - (iii) deferred pensions determined in accordance with the provisions of Section 10.04 or 10.05.
  - (b) In respect of Pensionable Service earned prior to January 1, 2001, the cost-of-living increase is equal to 60% of the average of the increases in the CPI in the 12-month period ending on October 31<sup>st</sup> in the Plan Year previous to the current Plan Year. If the result is negative, no cost-of-living increase shall be applied.
  - (c) In respect of Pensionable Service earned after December 31, 2000, the cost-of-living increases are conditional based on the guidelines developed by the Sponsor Board, and shall, if granted, be a percentage, set by the Administrator and ratified by the Sponsor Board, of the average of the increases in the CPI in the 12-month period ending on October 31<sup>st</sup> in the Plan Year previous to the current Plan Year. If the result is negative, no cost-of-living increase shall be applied.

## Section 8 – Retirement Benefits

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- (d) The amount of the cost-of-living increase for the first year the pension benefit becomes effective shall be prorated for the number of complete months in the Plan Year from the Pension Commencement Date to December 31<sup>st</sup> of that year.
- (2) The Administrator may, following guidelines developed by the Sponsor Board, establish a higher rate of cost-of-living increase in respect of any single Plan Year on an *ad hoc* basis, and that higher rate must be ratified by the Sponsor Board, subject to the maximum levels permitted under the Income Tax Act.

### 8.04 Maximum Pension Benefits

#### (1) Maximum Lifetime Benefit for Post-December 31, 1991 Pensionable Service

Notwithstanding any provision of this Plan to the contrary, with respect to Pensionable Service accrued after December 31, 1991, the annual lifetime pension payable to a Member and any portion of pension payable to a Member's Pension Partner or former Pension Partner pursuant to Section 18.07 that relates to Pensionable Service after December 31, 1991, determined at the time of pension commencement, shall not exceed the result of the Member's Pensionable Service on and after January 1, 1992 multiplied by the lesser of:

- (a) 2% of the highest average of the Member's indexed compensation (as defined in the Income Tax Act) in any three (3) non-overlapping periods of 12 consecutive months; and
- (b) the defined benefit limit as permitted under the Income Tax Act,

reduced, if the Member's Pension Commencement Date precedes the earliest of the date on which:

- (c) the Member will attain age 55;
- (d) the Member's age plus Pensionable Service (as defined in the Income Tax Act) would have equalled 75 had the Member continued in employment;
- (e) the Member would have completed 25 years of Pensionable Service (as defined in the Income Tax Act) had the Member continued in employment; and

## Section 8 – Retirement Benefits

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- (f) the Member becomes totally and permanently disabled (as defined in the Income Tax Act), by 0.25% for each month by which the Pension Commencement Date precedes that date.

This Subsection 8.04(1) shall not apply to Benefits payable as a result of any Actuarial Equivalent increase due to deferral of pension commencement pursuant to Section 8.05 or benefits payable in respect of a Member's Excess Employee Contributions.

### (2) **Maximum Cost-of-Living Increases**

In the case of benefits payable in respect of increases in the cost-of-living since the time at which the Member's Benefit under the Plan was determined, a Member's cost-of-living increases shall not exceed:

- (a) the growth in the wage measure (as defined in the Income Tax Act) after the Member's cessation of employment and prior to retirement; and
- (b) the growth in the consumer price index (as defined in the Income Tax Act) after the Member's Pension Commencement Date.

### (3) **Restrictions on Pre-1990 Service**

If, after June 6, 1990, a Member has entered into an agreement to make Prior Service contributions in order to have a period of pre-January 1, 1990 Eligible Service recognized under the Plan, and the Member does not fulfil the terms and conditions set out in Subsection 8504(7) of the regulations under the Income Tax Act, then the Member's annual lifetime pension under this Plan for that same period of pre-January 1, 1990 service will be restricted in accordance with Subsection 8504(6) of the regulations under the Income Tax Act.

## 8.05 **Deferment of Pension Commencement**

- (1) A Member who is entitled to receive a Benefit under Section 8.01, 8.02 or 10.04 may postpone commencement of that Member's pension up to any date, but in no event later than the Member's Latest Pension Commencement Date.

## Section 8 – Retirement Benefits

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- (2) Whether or not the Member has taken any active steps to postpone commencement of that Member's pension, the pension becomes postponed when, and only when, it transpires that pension commencement has not occurred at the date when, given the circumstances described in Subsection (1), it would have occurred.
- (3) With respect to Pensionable Service before January 1, 1992, if a Member elects or is deemed to elect a Pension Commencement Date for the Member's pension which occurs after the Member's Retirement date, the Member's pension for that Pensionable Service shall be increased so that it is an amount that is the Actuarial Equivalent of the pension that the Member would have been entitled to receive on the Member's Retirement date.
- (4) With respect to Pensionable Service after December 31, 1991, if a Member elects or is deemed to elect a Pension Commencement Date for the Member's pension which occurs after the Member has attained age 65, the Member's pension for such Pensionable Service shall be increased so that it is an amount that is the Actuarial Equivalent of the pension that the Member would have been entitled to receive on the later of the Member's Retirement date and the date the Member attained age 65.

### 8.06 Excess Employee Contributions

The Excess Employee Contributions of a Member who commences the Member's pension pursuant to this Section 8 shall be determined on the Member's Pension Commencement Date and paid to the Member as a transfer from the Plan, a cash refund, together with Credited Interest thereon, less applicable withholding tax, or a transfer to a non-locked in registered retirement savings plan, held in the name of the recipient, and subject to the requirements of the Income Tax Act. Such transfer or payment shall not reduce the benefit entitlement under this Section 8.

### 8.07 Pension Adjustment

Notwithstanding anything in this Plan, in no event shall the Benefit accrued by a Member in a Plan Year under Section 8.01 be such as to result in a pension adjustment (as defined in the Income Tax Act) in excess of the limits for the year prescribed by the Income Tax Act.

## Section 9 – Forms of Pension Payment

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### 9.01 Pension Calculation According to Normal Form

- (1) The amount of pension provided under Section 8 is payable in the form specified in Section 9.02 which is the normal form of pension under the Plan.
- (2) A Member's pension is payable on a monthly basis equal to 1/12 of the annual amount of pension. If the Member's Pension Commencement Date is not the first day of the month, the initial amount payable in the month of the Member's Pension Commencement Date is equal to the Member's annual pension multiplied by the number of days remaining in the month divided by 365. Except as otherwise provided in this Section 9, where the Member, or Pension Partner as applicable, dies, the pension is payable for the full month in which the death occurs.
- (3) The pension is payable on the day of the month as scheduled in accordance with the administrative policy established by the Administrator.

### 9.02 Normal Form of Payment

- (1) If the Member does not have a Pension Partner at the Pension Commencement Date or there is a Valid Pension Partner Waiver, the normal form of pension is one which is payable for the lifetime of the Member in monthly instalments commencing on the Member's Pension Commencement Date. If the Member dies within 60 months of the Pension Commencement Date, the payments shall continue to be paid to the Member's Beneficiary for the remainder of the 60-month period.
- (2) If the Member has a Pension Partner at the Pension Commencement Date and there is no Valid Pension Partner Waiver, the normal form of pension is one which is payable for the lifetime of the Member in monthly instalments commencing on the Member's Pension Commencement Date. If the Member pre-deceases the Pension Partner determined at the Member's Pension Commencement Date, the pension is payable to the Member's surviving Pension Partner in an amount equal to:
  - (a) 100% of the pension in pay for the remainder of the 60-month period, if any; and then,

## Section 9 – Forms of Pension Payment

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- (b) 65% of the pension in pay immediately prior to the Member's death for the remainder of the Pension Partner's life.

If the Member and Pension Partner both die within 60 months of the Member's Pension Commencement Date, the payments shall continue to be paid to the Member's Beneficiary or Pension Partner's beneficiary, as applicable, in an amount equal to 65% of the Member's pension in pay for the remainder of the 60-month period.

### 9.03 Optional Forms of Payment

In lieu of the normal form of pension described in Section 9.02 above, a Member may elect, within 90 days after the request for Benefit commencement is sent by the Administrator, and in the form and manner prescribed by the Administrator, one of the optional forms of pension described in this Section 9.03.

If the Member has a Pension Partner at Pension Commencement Date, and if a Valid Pension Partner Waiver is required pursuant to Applicable Pension Laws in order that the Member may receive an optional form of pension under Subsections 9.03(1) to (3), the Pension Partner must submit a Valid Pension Partner Waiver, in the form and matter prescribed by the Administrator, not more than 90 days prior to the Member's Pension Commencement Date.

The Member's nominee referred to in Subsections 9.03(4) and (5) must be eligible for life-time post-retirement survivor benefits pursuant to the Income Tax Act.

The pension payable in any of the optional forms of payment described in this Section 9.03 shall be adjusted so that it is the Actuarial Equivalent of the pension payable in the normal form of pension described in Subsection 9.02(1) or, if the Member elects the option described in Subsection 9.03(4) or (5) and the Member's nominee is the Member's Pension Partner, the Actuarial Equivalent of the pension payable in the normal form of pension described in Subsection 9.02(2), as is applicable.

#### (1) Life Only Pension

A life only pension, where the Member shall receive a monthly pension of equal amounts payable for life with the last payment due in the month in which the death of the Member occurs.

## Section 9 – Forms of Pension Payment

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(2) **Life Pension with a Guaranteed Period of 120 Months**

A life only pension with a guarantee period, where the Member shall receive a monthly pension of equal amounts payable for life with the guarantee that, if the Member dies before receiving 120 months of guarantee payments, the monthly payments will continue to the Member's Beneficiary until 120 payments have been made in total.

(3) **Life Pension with a Guaranteed Period of 180 Months**

A life only pension with a guarantee period, where the Member shall receive a monthly pension of equal amounts payable for life with the guarantee that, if the Member dies before receiving 180 months of guarantee payments, the monthly payments will continue to the Member's Beneficiary until 180 payments have been made in total.

(4) **Joint and 100% Survivorship Pension with Guaranteed Period of 60 Months**

A pension payable in equal monthly instalments during the joint lifetime of the Member and the Member's nominee determined at the Member's Pension Commencement Date which provides that after the death of either the Member or the Member's nominee, 100% of the amount payable during the joint lifetime shall be paid to the survivor for life. If the Member and nominee both die within 60 months of the Member's Pension Commencement Date, the payments shall continue to be paid to the Member's Beneficiary or nominee's beneficiary, as applicable, for the remainder of the 60-month period.

(5) **Joint and 2/3 Survivorship Pension with Guaranteed Period of 60 Months**

A pension payable in equal monthly instalments during the joint lifetime of the Member and the Member's nominee determined at the Member's Pension Commencement Date and which provides that after the death of either the Member or the Member's nominee, 2/3 of the amount payable during the joint lifetime shall be paid to the survivor for life. If the Member and nominee both die within 60 months of the Member's Pension Commencement Date, the payments shall continue to be paid to the Member's Beneficiary or nominee's beneficiary, as applicable, for the remainder of the 60-month period.

## **Section 9 – Forms of Pension Payment**

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### **9.04 Form of Pension in the Event of a Member's Death without Choice Made**

If a Member dies after Termination, had become entitled to a pension or had become so entitled but only for postponing it, and the Member had not elected an optional form of pension, the Member shall be considered to have made an election immediately prior to death in one of the following forms:

- (1) if the Member did not have a Pension Partner at the date of death, or had a Pension Partner but there is a Valid Pension Partner Waiver, in the form of pension described in Subsection 9.03(2); or
- (2) if the Member had a Pension Partner at the date of death and there is no Valid Pension Partner Waiver, in the form of pension described in Subsection 9.02(2).

### **9.05 Application of Maximum Pension**

With respect to a Member's Pensionable Service accrued on or after January 1, 1992, in no event shall any actuarial increase due to the election of an optional form of pension cause the annual amount of the Member's Benefit to exceed the maximum pension provided for in Section 8.04.

### **9.06 Commencement of Guarantee Period**

The guarantee period of a pension with a guarantee period is taken as commencing on the Member's Pension Commencement Date.

### **9.07 Death after Commencement of Pension Benefits**

Where a Member has chosen:

- (1) a pension under Subsections 9.02(1), 9.03(2) or 9.03(3) and the Member dies before the expiry of the guarantee period; or
- (2) a pension under Subsections 9.02(2), 9.03(4) or 9.03(5) and the Member and Pension Partner or nominee, as appropriate, have both died before the expiry of the guarantee period,



## Section 9 – Forms of Pension Payment

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the person entitled to the pension payments for the remainder of the guarantee period can elect, in the form and manner prescribed by the Administrator, to have those payments converted to a lump-sum payment equal to the value of the remaining pension payments payable in a single cash amount, less applicable withholding tax, or transferred to a non-locked in registered retirement savings plan held in the name of the recipient and subject to the requirements of the Income Tax Act. Where there are monthly pension payments outstanding after the date of death and before the payment of the lump-sum value under this Section 9.07, those outstanding monthly payments are to be made first and the remaining payments are to be converted to a lump sum.

### 9.08 **Limitation on Election**

Notwithstanding any provision to the contrary in this Section 9, where more than one form of Benefit payment is available to a Member in respect of Pensionable Service after December 31, 1991 and Pensionable Service before January 1, 1992, the Member must select the same form of payment for all Benefits payable from the same Pension Commencement Date.

## **Section 10 – Benefits on Termination**

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### **10.01 Refundable Contributions**

Except where a deferred pension is to be paid under Section 10.04, where a Benefit payable upon Termination includes Refundable Contributions, the Refundable Contributions shall be:

- (1) paid to the Member in a single lump sum, less applicable withholding tax;
- (2) transferred to a registered retirement savings plan belonging to the Member; or
- (3) transferred from the Plan to a registered pension plan if permitted under a Transfer Agreement.

### **10.02 Non-Vested Entitlement**

- (1) A Member whose employment with a Participating Employer Terminates prior to the Member's Vesting Date is entitled to receive a refund of all of the Member Contributions and Refundable Contributions made to the Plan, together with Credited Interest thereon.
- (2) The Benefit payable under Subsection 10.02(1) shall be retained in the Plan until the Member elects a payment option in accordance with Subsection 10.03(1).
- (3) If the Member has attained the Latest Pension Commencement Date, the payment will be made to the Member in accordance with paragraph 10.03(1)(a).

### **10.03 Non-Vested Entitlement Refund Options**

- (1) A Member who is entitled to a payment from the Plan under Section 10.02 shall have the option of receiving the payment as:
  - (a) subject to Section 10.01, a cash refund equal to all of the Member Contributions and Refundable Contributions, together with Credited Interest thereon, less applicable withholding tax;
  - (b) a transfer of the amount in paragraph (a) to the Member's registered retirement savings plan, subject to the requirements under the Income Tax Act; or

## Section 10 – Benefits on Termination

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- (c) a transfer of the Member’s pension entitlement, calculated in accordance with Section 14 and the Transfer Agreement, to another registered pension plan if permitted under a Transfer Agreement.

Upon such refund or transfer, the person will cease to be a Member and will have no further entitlement under the Plan.

- (2) Subject to Subsection 10.02(3), if the Member does not make an election under Subsection 10.03(1), the lump-sum entitlement under Section 10.02 shall remain in the Plan and receive Credited Interest thereon until a payment is made pursuant to the terms of the Plan.

### 10.04 Deferred Pension

A Member who Terminates on or after the Member’s Vesting Date and before Retirement, shall be entitled to receive a deferred pension determined under Sections 8.01, 8.03 and 8.05, but subject to the limitations of Section 8.04.

### 10.05 Early Commencement of Deferred Pension

Subject to Section 7.07, a Member who is entitled to receive a deferred pension under Section 10.04 may elect to commence receiving the Member’s pension as early as the date on which the Member attains age 55, and that date shall be the Member’s Pension Commencement Date. For greater certainty, the Member is not entitled to commence the deferred pension under Section 10.04 prior to attaining age 55.

### 10.06 Transfer of Deferred Pension Value

- (1) Subject to Subsection 10.06(7), a Member who is entitled to receive a deferred pension under Section 10.04 or 10.05 may elect to receive a transfer from the Plan in lieu of the deferred pension in Section 10.04 or 10.05.
- (2) At the option of the Member, the transfer described in Subsection 10.06(1) shall be made, subject to the election of the Member, to one of the following:
  - (a) another registered pension plan if permitted under a Transfer Agreement; or

## Section 10 – Benefits on Termination

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- (b) a locked-in retirement account, as described in the EPPA.
- (3) The amount of the transfer under paragraph 10.06(2)(a) shall be the pension entitlement calculated in accordance with Section 14 and the Transfer Agreement.
- (4) The amount of the transfer under paragraph 10.06(2)(b) shall be calculated as the sum of:
  - (a) the Member's accumulated contributions with Credited Interest in respect of Pensionable Service prior to January 1, 1992;
  - (b) the Member's Refundable Contributions; and
  - (c) the Commuted Value of the Member's Vested Benefit in respect of Pensionable Service after December 31, 1991.
- (5) Notwithstanding any provision in this Section 10.06 to the contrary, a Member may elect to receive the amount described in paragraph 10.06(4)(a) as a cash lump sum, less applicable withholding tax.
- (6) Any transfer made pursuant to this Section 10.06, and Section 14.02 if applicable, shall be in full and final satisfaction of the Member's rights under the Plan.
- (7) The Administrator shall not permit a transfer under this Section unless the Administrator is satisfied that the transfer is in accordance with the EPPA.

### 10.07 Maximum Transfer Amount

Notwithstanding anything herein, amounts transferred in accordance with paragraph 10.06(2)(b) shall not exceed the maximum amount prescribed under the Income Tax Act.

### 10.08 Change of Election

- (1) If at Termination, the Member was under age 55 and the Member elected a deferred pension under Section 10.04 or made no election under the Plan, the Member may subsequently elect a transfer pursuant to Section 10.06. The Commuted Value and any Excess Employee

## Section 10 – Benefits on Termination

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Contributions referred to in paragraph 10.06(4)(c) will be recalculated in accordance with Section 15.05.

- (2) The Administrator may prescribe a time limit for a change of election and prohibit transfers under Section 10 in respect of Members who do not make their election within the prescribed time limits.

### 10.09 Excess Employee Contributions

- (1) If a Member elects a deferred pension under Section 10.04 or 10.05, the Member's Excess Employee Contributions together with Credited Interest shall be determined at the Member's Pension Commencement Date and paid as a cash refund, less applicable withholding tax, or transferred to any other retirement savings vehicles prescribed under the EPPA.
- (2) If a Member elects a transfer of deferred pension value under Subsection 10.06(2) or that same transfer through a change of election under Section 10.08, the Member's Excess Employee Contributions with Credited Interest shall be determined at the date of Termination or at the date determined in Section 15.05 if applicable, and, at the option of the Member, shall be:
  - (a) paid to the Member as a cash refund, less applicable withholding tax; or
  - (b) transferred to the Member's registered retirement savings plan, as defined under the Income Tax Act, or any other retirement savings vehicles prescribed under the EPPA.

### 10.10 Locking-In of Transferred-In Amounts

Notwithstanding any other provision of this Section and subject to Section 10.07, where any amount that would otherwise be payable to a Member or transferable on a non-locked-in basis represents money that has been received on a locked-in basis, that money must nevertheless be transferred from the Plan on a locked-in basis. Locking-in shall be determined pursuant to the requirements of Applicable Pension Laws.

## **Section 10 – Benefits on Termination**

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### **10.11 Advice and Payment of Benefits under Plan**

Within 90 days of the date of Termination of a Member (or other timelines as permitted under the EPPA), the Administrator will advise the Member of the Member's Benefits under the Plan and, if the Member elects to receive a refund or transfer, within 60 days (or other timelines as permitted under the EPPA) of the Administrator having received the Member's election, the refund will be paid or the transfer made, accordingly.

## **Section 11 – Pre-Pension Commencement Death Benefits**

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### **11.01 Provision of Evidence**

No payment pursuant to this Section 11 shall be made until evidence of the Member's death satisfactory to the Administrator has been provided.

### **11.02 Non-Vested Death Benefits before Pension Commencement**

#### **(1) Death with No Pension Partner**

If a Member dies before the Member's Vesting Date and, at the date of death, the deceased Member either had:

- (a) no Pension Partner; or
- (b) a Pension Partner but there is a Valid Pension Partner Waiver,

then the Beneficiary shall receive a lump-sum payment, less applicable withholding tax, equal to the sum of (c) plus (d) plus (e) where:

- (c) equals, in respect of Pensionable Service after December 31, 1991, Member Contributions;
- (d) equals, in respect of Pensionable Service before January 1, 1992:
  - (i) if the Member died while an Employee, two times Member Contributions; or
  - (ii) if otherwise, Member Contributions; and
- (e) equals, the deceased Member's Refundable Contributions, if any.

#### **(2) Death with a Pension Partner**

- (a) Where a Member dies before the Member's Vesting Date, and the Member had a Pension Partner at the date of death, provided there is no Valid Pension Partner

## Section 11 – Pre-Pension Commencement Death Benefits

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Waiver, the Member's Pension Partner shall receive a lump sum payment, less applicable withholding tax, equal to (i) plus (ii) plus (iii) where:

- (i) equals, in respect of Pensionable Service after December 31, 1991, the Member Contributions;
  - (ii) equals, in respect of Pensionable Service before January 1, 1992:
    - (A) if the Member died while an Employee, two times the Member Contributions; or
    - (B) if otherwise, the Member Contributions; and
  - (iii) equals, the deceased Member's Refundable Contributions, if any.
- (b) The Member's Pension Partner can transfer the lump-sum payment from the Plan.

### 11.03 Vested Death Benefits before Pension Commencement

#### (1) Death with No Pension Partner

If a Member dies after the Member's Vesting Date and before the Member's Pension Commencement Date, and, at the date of death, the deceased Member had either:

- (a) no Pension Partner; or
- (b) a Pension Partner but there is a Valid Pension Partner Waiver,

then the Member's Beneficiary shall receive a lump-sum payment, less applicable withholding tax, equal to the sum of (c) plus (d) plus (e) where:

- (c) equals, in respect of Pensionable Service after December 31, 1991:
  - (i) the Commuted Value of the deceased Member's Vested Benefit calculated in accordance with Section 10.04; and
  - (ii) the deceased Member's Excess Employee Contributions;



## Section 11 – Pre-Pension Commencement Death Benefits

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- (d) equals, in respect of Pensionable Service before January 1, 1992, two times the Member Contributions; and
- (e) equals, the deceased Member's Refundable Contributions, if any.

### (2) **Death with a Pension Partner**

- (a) If a Member dies after the Member's Vesting Date and before the Member's Pension Commencement Date, and the deceased Member had a Pension Partner at the date of death, and there is no Valid Pension Partner Waiver, then the Pension Partner shall be entitled to elect an annual lifetime pension equal to:
  - (i) in respect of Pensionable Service after December 31, 1991, the pension the deceased Member would have received had the deceased Member Terminated immediately prior to death, as it incorporates Subsection 13.02(1) (disregarding age) and had exercised the joint life option under Subsection 9.03(4) (disregarding the guarantee period). This pension would be payable in equal monthly instalments during the Pension Partner's lifetime with the guaranteed period elected by the Pension Partner being:
    - (A) single life only;
    - (B) a guaranteed period of 60 months;
    - (C) a guaranteed period of 120 months; or
    - (D) a guaranteed period of 180 months.

The resulting pension will be the Actuarial Equivalent of the pension payable as outlined in Subsection 11.03(2)(a)(i)(A). The last payment will occur in the later of the month in which the death of the Pension Partner occurs or the end of the selected guarantee period, if any. If the Pension Partner has chosen a guaranteed period of pension payments and dies before the selected guaranteed period has expired, any remaining payments shall continue to be paid to the Pension Partner's beneficiary; and

## Section 11 – Pre-Pension Commencement Death Benefits

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- (ii) in respect of Pensionable Service before January 1, 1992, the pension that would be payable to the Pension Partner as outlined in Subsection 9.02(2). The amount of this pension will be paid in the same form as elected by the Pension Partner under Subsection 11.03(2)(a)(i) and will be the Actuarial Equivalent of the pension that would be payable to the Pension Partner as outlined in Subsection 9.02(2).
- (b) The Pension Partner shall also be entitled to a refund of the deceased Member's Excess Employee Contributions in respect of Pensionable Service after December 31, 1991.
- (3) In lieu of the monthly pension under paragraph 11.03(2)(a), the surviving Pension Partner may elect an amount equal to (a) plus (b) plus (c) where:
  - (a) equals, in respect of Pensionable Service after December 31, 1991, a Commuted Value transferred from the Plan to a locked-in retirement account, as defined under the EPPA, and the Excess Employee Contributions;
  - (b) equals, in respect of Pensionable Service before January 1, 1992, two times the Member Contributions; and
  - (c) equals, the deceased Member's Refundable Contributions, if any.

### 11.04 Death with Dependent Minor Children – Pre-1992 Pensionable Service

#### (1) Death with No Pension Partner, But Dependent Minor Children

- (a) Notwithstanding Subsections 11.02(1) and 11.03(1), if, at the date of death, the Member did not have a Pension Partner, or there is a Valid Pension Partner Waiver, but has Dependent Minor Children and the Member:
  - (i) had attained the Member's Vesting Date; or
  - (ii) died while an Employee but had not reached the applicable Vesting Date,

## Section 11 – Pre-Pension Commencement Death Benefits

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subject to the election of the legal guardian of the Dependent Minor Children, in lieu of the Benefit provided in Subsections 11.02(1) or 11.03(1) in respect of Pensionable Service before January 1, 1992, as applicable, the Benefit can be paid as a pension.

- (b) The optional pension outlined in paragraph (a) above shall be 15% of the pension that the deceased Member would have received had the Member commenced to receive a pension immediately before the Member's death for the benefit of each Dependent Minor Child, payable in respect of no more than four (4) Dependent Minor Children.
- (c) The pension payment to each Dependent Minor Child will cease at the end of the month in which the Dependent Minor Child dies or attains the age of 18 years, whichever event first occurs.
- (d) Where there are two (2) or more Dependent Minor Children, the Benefit outlined in paragraph 11.04(1)(b) shall be shared equally among the Dependent Minor Children.
- (e) If, at the date of death, a Member dies with no Pension Partner, or there is a Valid Pension Partner Waiver, but the criteria set out in paragraph 11.04(1)(a) do not apply, then the Member's Dependent Minor Children are entitled to receive an amount equal to two times the Member Contributions in respect of Pensionable Service before January 1, 1992.

### (2) **Death with Pension Partner and Dependent Minor Children**

- (a) Notwithstanding Subsection 11.03(2), if, at the date of death, the Member had a Pension Partner, and there is no Valid Pension Partner Waiver, but has Dependent Minor Children and the Member reached the Member's Vesting Date, the surviving Pension Partner may elect, in respect of Pensionable Service prior to January 1, 1992, the pension that would be payable to the Pension Partner as outlined in Subsection 11.03(2)(ii) and an additional amount of 10% of the pension the deceased Member would have received had the Member commenced to receive a pension immediately before the Member's death for the benefit of each Dependent

## Section 11 – Pre-Pension Commencement Death Benefits

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Minor Child, payable in respect of no more than three (3) Dependent Minor Children.

- (b) The pension payment to each Dependent Minor Child will cease at the end of the month in which the Dependent Minor Child dies or attains the age of 18 years, whichever occurs first.
- (c) Where there are two (2) or more Dependent Minor Children, the Benefit outlined in paragraph 11.04(2)(a) shall be shared equally among them even if there are more than three (3) Dependent Minor Children.

### 11.05 Death after Commencement of Pension Benefits

If a Member dies after the Member's Pension Commencement Date, any Benefits payable as a result of the Member's death will be determined in accordance with the form of pension elected or deemed to have been elected by the Member under Section 9.

### 11.06 Restrictions for Transfer

Notwithstanding anything herein, the Administrator shall not permit a transfer under this Section 11 unless the Administrator is satisfied that the transfer is in accordance with the EPPA.

### 11.07 Election

Notwithstanding any provision to the contrary in this Section 11, where more than one form of Benefit payment is available in respect of Pensionable Service after December 31, 1991 and Pensionable Service before January 1, 1992:

- (1) to a Pension Partner, the Pension Partner must select the same form of payment for all Benefits payable from the same Pension Commencement Date; and
- (2) to Dependent Minor Children, the Dependent Minor Children may, subject to the election of the legal guardian, elect to receive:
  - (a) a pension payable pursuant to Section 11.04, as applicable in respect of the Pensionable Service before January 1, 1992; and

## **Section 11 – Pre-Pension Commencement Death Benefits**

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- (b) a lump sum, less applicable withholding tax, in respect of Pensionable Service after December 31, 1991.

### **11.08 Failure to Make Election**

If the Pension Partner or the legal guardian of the Dependant Minor Child fails to make an election within 90 days of being advised of the entitlement under this Section, the payment shall be made in accordance with the administrative policy established by the Administrator.

### **11.09 Excess Employee Contributions**

The Excess Employee Contributions relating to any Benefit under this Section 11 shall be determined on the Member's Date of Determination and paid to the Pension Partner, Dependent Minor Children or Beneficiary, as applicable, as a cash refund, together with Credited Interest thereon, less applicable withholding tax or transferred to the a non-locked in registered retirement savings vehicle held in the name of the recipient and subject to the requirements of the Income Tax Act.

### **11.10 Death Benefit to Pension Partner's Beneficiary**

- (1) If a death Benefit under Section 11 is payable and the Member had a Pension Partner at the date of death and there is no Valid Pension Partner Waiver, and the Pension Partner dies without having elected an option under this Section and prior to the Pension Commencement Date, the lump-sum death Benefit under this Section 11 shall be payable to the Pension Partner's beneficiary or, if there is no such person living, the Pension Partner's estate, in the form of a lump-sum payment, less applicable withholding tax.
- (2) If a death Benefit under Section 11 is payable and there is no Pension Partner or there is a Valid Pension Partner Waiver, and the Beneficiary dies without having elected an option under this Section and prior to the payment of a Benefit, the lump-sum death Benefit under this Section 11 shall be payable to the Beneficiary's estate in the form of a lump-sum payment, less applicable withholding tax.

## **Section 11 – Pre-Pension Commencement Death Benefits**

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### **11.11 Payment of Benefits**

Where a Benefit is payable pursuant to this Section 11, the Benefits will be paid or the transfer made, accordingly, within 60 days following the completion and filing of all documents prescribed by the Administrator to effect such a payment.

Any transfer or payment made pursuant to this Section 11 shall be in full and final satisfaction of the Pension Partner's or Beneficiary's rights under the Plan.

## **Section 12 – Beneficiary Designation**

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### **12.01 Beneficiary Designation**

- (1) Subject to Section 12.04, a Member may, by written notice delivered to the Administrator, designate a Beneficiary to receive the Benefits payable under the Plan upon the death of the Member.
- (2) The written designation shall be in such form and executed in such manner as the Administrator may determine. The Member may alter or revoke any such designation in the same manner at any time, subject to any applicable law governing the designation of Beneficiaries and delivered to the Administrator.

### **12.02 No Beneficiary**

- (1) If a Member fails to validly designate a Beneficiary, any Benefits that would have been payable to the Member's Beneficiary shall be paid as a lump-sum payment to the estate of the Member, less applicable withholding tax.
- (2) If the Beneficiary predeceases the Member, any Benefits that would have been payable to the Member's Beneficiary shall be reallocated in accordance with the written notice under Section 12.01 or, if no such direction was given in the written notice, as a lump-sum payment to the estate of the Member, less applicable withholding tax.

### **12.03 Death of Beneficiary**

If a Beneficiary, as a result of a Member's death, is entitled to payments under the Plan and if the Beneficiary dies before receiving any or all of the payments due, the remainder of the payments will be paid as a lump-sum payment to the estate of the Beneficiary, less applicable withholding tax.

### **12.04 Member with a Pension Partner**

Notwithstanding any provision to the contrary in this Section 12, unless there is a Valid Pension Partner Waiver, if the Member has a Pension Partner at the date of the Member's death, the Member's Pension Partner is deemed to be the Member's Beneficiary for the purposes of the Plan.

## Section 13 – Disability

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### 13.01 Member in Receipt of Benefit from Disability Plan

If an Active Member who is Disabled is receiving benefits under a Disability Plan, then, for the purposes of the Plan, the Active Member shall continue to accrue Pensionable Service while in receipt of such payments, and both the Active Member and Participating Employer continue to make contributions by or on behalf of the Disabled Active Member pursuant to Section 6.02, for those periods. Such a Member's entitlement to Benefits shall otherwise be determined in accordance with the terms of the Plan.

### 13.02 Member Not in Receipt of Benefit from Disability Plan

(1) If a Member who:

- (a) is not receiving any benefits under a Disability Plan;
- (b) was a participating Member before July 1, 2007 and has attained their Vesting Date;
- (c) is Totally Disabled; and
- (d) has Terminated,

then, for the purposes of the Plan, the Member shall be entitled to receive an annual pension calculated in accordance with Section 8.01. If the Member elects to receive a Benefit under this Section 13.02, the Member's Pension Commencement Date shall be the later of the Member's date of Termination, the date indicated in the application for the pension, or the day of receipt of the application by the Administrator.

(2) If a Member who:

- (a) is not receiving any benefits under a Disability Plan;
- (b) was a participating Member before July 1, 2007 and has attained their Vesting Date;
- (c) is Partially Disabled; and
- (d) has Terminated,



## Section 13 – Disability

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then, for the purposes of the Plan, the Member shall be entitled to receive an annual pension calculated in accordance with Section 8.01, reduced by 3% for each complete year (with a proration for a partial year) by which the Member's Pension Commencement Date precedes the Member's 55<sup>th</sup> birthday. If the Member elects to receive a Benefit under this Section 13.02, the Member's Pension Commencement Date shall be the later of the Member's date of Termination, the date indicated in the application for the pension, or the day of receipt of the application by the Administrator.

- (3) A Disabled Member is entitled to elect a form of pension under Subsections 13.02(1) or 13.02(2), in the form and manner prescribed by the Administrator, described in Section 9.
- (4) If a Disabled Member is entitled to elect a form of pension under Subsection 13.02(1) or 13.02(2) and is requested by the Administrator to make an election to select the form of pension and fails to do so within 90 days after the request is sent is deemed for the purposes of the Plan to have chosen a pension in the normal form described in Section 9.02.
- (5) The pension under this Section 13.02 will be subject to submitting satisfactory evidence of Disability as may be required by the Administrator pursuant to Section 15.03.
- (6) Where a Disabled Member who has not yet attained age 55 years of age is in receipt of a pension under Subsection 13.02(1), and the Administrator is no longer satisfied that the Member meets the conditions for Total Disability but is satisfied that the Member meets the conditions for Partial Disability, the Administrator may have the Member's pension reduced to the amount provided for by Subsection 13.02(2).
- (7) Where a Disabled Member who has not yet attained age 55 years of age is in receipt of a pension under Subsections 13.02(1), (2) or 13.02(6), and the Administrator is no longer satisfied that the Disabled Member meets the definition of Total Disability or Partial Disability, the Administrator may eliminate payment of that disability pension pursuant to the established policy of the Administrator for such purpose.
- (8) Where a Disabled Member who has not yet attained the age of 55 years and is in receipt of a pension under Subsection 13.02(2) satisfies the Administrator that the person is Totally Disabled, the Administrator may upgrade the person's pension to a pension in the amount

**Section 13 – Disability**

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provided under Subsection 13.02(1) with effect from the date of the person's application for upgrading, pursuant to the established policy of the Administrator for such purpose.

## Section 14 – Transfer Agreements

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### 14.01 Authority for Entering into Transfer Agreements

Subject to this Section 14 and any rules made by the Sponsor Board under paragraph 7(2)(d) of the Joint Governance Act, the Administrator may enter into a Transfer Agreement with any body for the purposes of enabling the transfer of pension entitlements between the Plan and any registered pension plan of such body.

### 14.02 Transfers from the Plan

A Transfer Agreement entered into, made or amended must be consistent with the terms of the Plan and any rules made by the Sponsor Board under paragraph 7(2)(d) of the Joint Governance Act and provide that:

- (1) for pension entitlements under the Plan, based on all service, to be the amount transferred from the Plan on a locked-in basis only in an amount that is not greater than the greater of:
  - (a) the Commuted Value, calculated in accordance with the Transfer Agreement and the administrative policy established by the Administrator, determined as of the date when the application for the transfer is received by the Administrator; or
  - (b) the benefit that would be payable under Section 10.02 or Subsection 10.06(4), as applicable;
- (2) the service recognized under the transferee plan shall comply with the requirements of the Income Tax Act and Applicable Pension Laws; and
- (3) where the sum of money transferred from the Plan under a Transfer Agreement is less than the amount in Section 14.02, the excess is to be paid to the Member.

## Section 14 – Transfer Agreements

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### 14.03 Transfers into the Plan

A Transfer Agreement entered into, made or amended must be consistent with the terms of the Plan and any rules made by the Sponsor Board under paragraph 7(2)(d) of the Joint Governance Act and provide that:

- (1) service that is eligible to be recognized as Pensionable Service shall be credited only on an Actuarial Reserve basis;
- (2) where the amount transferred into the Plan is less than the amount required by applying the provisions of Subsection 14.033(1), the Member's Pensionable Service shall be pro-rated in accordance with the method prescribed by the Transfer Agreement and the administrative policy established by the Administrator;
- (3) where Subsection 14.033(2) applies, the Member shall be entitled to have the Eligible Service not recognized under Subsection 14.033(2) recognized as Shortfall Service by making contributions under Section 6.07 equal to the amount by which the Actuarial Reserve cost, together with interest, exceeds the transferred amount, provided that the election and payment are made in accordance to Section 6.09; and
- (4) the amount transferred into the Plan and the service recognized under the Plan shall comply with the requirements of the Income Tax Act and Applicable Pension Laws.

### 14.04 Locking-In

Locking-in of transfer amounts into the Plan under this Section 14 shall be determined in accordance with Applicable Pension Laws.

## Section 15 – Payment of Benefits

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### 15.01 Application for Benefits

A Benefit under the Plan shall be payable to the Member, Pension Partner, Dependent Minor Child or Beneficiary, as applicable, only upon application in the form and manner prescribed by the Administrator, and upon submission of such relevant information and supporting documentation as the Administrator in its discretion may request.

### 15.02 Proof of Information

- (1) Each Member shall file with the Administrator any and all pertinent information and satisfactory evidence as the Administrator may reasonably require, and no person with an entitlement under the Plan shall have any rights or be entitled to any Benefit unless this information is filed by, or with respect to, the Member.
- (2) Without limiting the generality of Section 15.01, each person shall be required to provide the Administrator (or, if in accordance with the policy established by the Administrator, the Participating Employer in the form and manner prescribed by the Administrator) with satisfactory proof of the Member's age and marital status and the age of the Member's Pension Partner, Dependent Minor Child or Beneficiary and any other information required by the Administrator.
- (3) The Administrator shall establish an administrative policy regarding the commencement of a pension where there are any delays in receipt of information needed to determine the pension Benefits, subject to any limitations under the Income Tax Act and Applicable Pension Laws.

### 15.03 Proof of Disability

Where a person:

- (1) applies for a pension under Subsections 13.02(1) or (2); or
- (2) is in receipt of a pension under Subsections 13.02(1), (2) or (6) and the Administrator is reviewing that pension under Subsections 13.02(6), (7) or (8),

## Section 15 – Payment of Benefits

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notwithstanding any provision to the contrary, there must be provided to the Administrator the results of any medical examination requested by the Administrator, and any documents evidencing the Total Disability or Partial Disability of the Disabled Member that the Administrator specifies.

### 15.04 Payments to Minors and Represented Adults

The Administrator may authorize payment of a Benefit to be made to a person on behalf of, or in trust for a Member, the Member's Pension Partner or Beneficiary if the Administrator receives satisfactory evidence that such Member, Member's Pension Partner or Beneficiary is:

- (1) physically or mentally incapacitated and unable to receive such payment or make such election and to give valid receipt therefore; or
- (2) is a minor.

Subject to applicable laws, such payment may be made to another person or institution that is a legal guardian, committee, trustee, attorney, or other representative of the Member, Pension Partner or Beneficiary who has been duly and legally appointed provided that satisfactory evidence is provided to the Administrator of the person's or institution's authority to make elections, receive or manage payment.

The payment to such other person or institution and the release given by the other person or institution shall be a valid and complete discharge of any and all of the liabilities of the Plan.

### 15.05 Payment of Commuted Values and Excess Employee Contributions

- (1) The Commuted Value or Excess Employee Contributions, or both as appropriate, will be recalculated if the transfer or payment occurs more than 365 days after the original Date of Determination and shall be re-determined at a date that is not more than 30 days before the date of the payment or transfer of that Benefit.
- (2) Where the Commuted Value is transferable or payable, Credited Interest is to be added for the period between the Date of Determination and the date when the Commuted Value is transferred or paid.

## Section 15 – Payment of Benefits

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- (3) Where an Excess Employee Contribution is transferable or payable, Credited Interest is to be added for the period between the Date of Determination and the date when that excess is paid or transferred.

### 15.06 Evidence of Survival

The Administrator shall have the right to require satisfactory evidence that a Member, Pension Partner, Dependent Minor Child or Beneficiary under the Plan is living on any date a Benefit is due. In the absence of such evidence when required by the Administrator, the Benefit otherwise due shall not be paid until the evidence, satisfactory to the Administrator, has been received.

### 15.07 Miscalculation of Pension Benefits

If any person, either knowingly or unknowingly, has submitted any information to the Administrator relevant to the amount of Benefit a person is to receive from the Plan which is incorrect or the Administrator determines that an error has been made in the calculation of the person's Benefit, the amount of Benefit payable from the Plan shall be adjusted as determined by the policy prescribed by the Administrator. Adjustments shall be made, in the case of underpayment, by making additional payments from the Plan or, in the case of overpayments, subject to the discretion of the Administrator, by requiring repayment from the Member, Pension Partner, trustee for the Dependent Minor Child, or Beneficiary, as applicable, including any interest approved by the Administrator, whichever is appropriate in the circumstances.

## **Section 16 – Funding and Investment of the Plan**

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### **16.01 Appointment of Investment Manager**

The Administrator shall appoint from time to time one or more Investment Managers in accordance with the provisions of Applicable Pension Laws.

### **16.02 Administration of Plan Fund**

The Plan Fund shall be administered by the Administrator and invested by the Investment Managers subject to the terms of the Plan, the Income Tax Act, Applicable Pension Laws and any other applicable legislation governing the administration, investment or maintenance of the Plan Fund.

### **16.03 Rights to Fund Assets**

No person shall have any interest in or rights in, or to, or under the Plan Fund or any part of the assets thereof, except as and to the extent expressly provided in the Plan.

### **16.04 Expenses**

All normal and reasonable fees and expenses incurred in the administration, management, operation, and investment of the Plan and Plan Fund shall be paid from the Plan Fund as set forth in the Sponsor Board's rules respecting the costs, charges and expenses that may be charged to the Fund, in accordance with Applicable Pension Laws.

### **16.05 Investments**

All investments and reinvestments of the Plan Fund shall conform to the investment requirements of the Income Tax Act and the EPPA. The Administrator shall be responsible for determining that all investments and reinvestments of the Plan Fund so conform.



## **Section 17 – Administration of the Plan**

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### **17.01 Administrator**

- (1) The Administrator shall ensure that the Plan and the Plan Fund are administered in accordance with the Income Tax Act and Applicable Pension Laws. The Administrator may authorize a person to exercise any of the powers conferred hereunder on the Administrator.
- (2) With respect to information, whether written or unwritten, to be provided to Employees and Members pursuant to this Section 17, the information shall be provided to the Employee or Member, through the Employee's or Member's Participating Employer, or otherwise in a manner established by the Administrator for such purposes.

### **17.02 Rules for Administration**

The Administrator may enact rules, policies and guidelines relating to the administration of the Plan subject to Applicable Pension Laws.

### **17.03 Plan Summary**

The Administrator shall provide each Member with an explanation of the terms and conditions of the Plan and amendments thereto applicable to the Member, together with an explanation of the rights and duties of the Member with reference to the Benefits available to the Member under the terms of the Plan. Such material shall be provided to Members in accordance with the timelines, form and manner prescribed under the EPPA.

### **17.04 Notice of Amendment**

The Administrator shall provide a notice and written explanation of an amendment to the Plan to each Member, or other person entitled to a Benefit from the Plan who is affected by the amendment, within the time period prescribed under Applicable Pension Laws.

### **17.05 Annual Statement**

The Administrator shall provide annually, within the time periods prescribed under the EPPA, to each Member and each person in receipt of a monthly pension, a written statement containing the information prescribed under Applicable Pension Laws.

## Section 17 – Administration of the Plan

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### 17.06 Statement on Termination of Employment or Membership

When a Member of the Plan Terminates or otherwise ceases to be an Active Member, the Administrator shall give to the Member, or to any other person who as a result becomes entitled to a Benefit, a written statement setting out the information prescribed under Applicable Pension Laws in respect of the Benefits, rights and obligations of the Member or such other person.

### 17.07 Disclosure of Records and Information

The Administrator shall provide to all Members all information required as prescribed under Applicable Pension Laws.

### 17.08 Inspection of Documents

The Administrator shall make available, for inspection, the documents and information concerning the Plan and the Plan Fund as prescribed under the Applicable Pension Laws.

### 17.09 Participating Employer's Periodic Reporting

- (1) A Participating Employer shall, at least once every three (3) years or more frequently if so required by the Administrator and before the end of the triennium or the date specified by the Administrator as the case may be, provide to the Administrator a report that has been prepared by an independent accountant or another person acceptable to the Administrator, with respect to the Participating Employer's compliance with its obligations under the Plan during the relevant period and on such matters as the Administrator has specified by written notice to Participating Employers generally.
- (2) Where a report complying with subsection (1) is not received before the end of the triennium or the date specified by the Administrator as the case may be, the Administrator may order that a report that does so comply be conducted at the Participating Employer's expense.
- (3) In Subsection (1), "accountant" means a person who is permitted under the laws of Alberta to engage, on a fee for service basis and not under anyone's supervision, in public accounting practice, within the meaning of the *Chartered Professional Accountants Act*,

**Section 17 – Administration of the Plan**

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S.A. 2014, c. C-10.2, as amended from time to time, in respect of work that is intended to be relied on by a third party.

## Section 18 – General Provisions

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### 18.01 Non-Alienation

Except as specified in Sections 18.02 and 18.07, the payment of Benefits are subject to the following restrictions as specified in the Income Tax Act:

(1) **Non-Enforceable Transactions**

Any transaction that purports to assign, charge, anticipate, surrender or give as security any right of a person under the Plan or Benefits payable under the Plan shall not be enforceable against the Plan subject to Section 18.07; and

(2) **Exemption from Seizure**

Benefits payable under the Plan are exempt from execution, seizure or attachment.

### 18.02 Non-Commutation of Pensions

Except as otherwise noted in this Plan, a pension or deferred pension payable under this Plan shall not be capable of being commuted except in respect of:

(1) **Small-Benefit Commutation**

If the Commuted Value of:

- (a) a Member's Benefit calculated in accordance with paragraph 10.06(4)(c) for the purposes of a transfer under Section 10.06; or
- (b) the survivor pension payable to a Pension Partner in accordance with clause 11.03(2)(a)(i),

is less than 4% of the YMPE in the calendar year the Commuted Value was determined, the Member or Pension Partner, as applicable, may elect to receive the Commuted Value of the pension, less any applicable withholding tax, in a single lump-sum cash payment. In lieu of a lump-sum cash payment, the Member or Pension Partner, as applicable, may elect to transfer the Commuted Value to a registered retirement savings plan, but only to the extent such transfer is permissible under the Income Tax Act.

## Section 18 – General Provisions

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### (2) Non-Residency Unlocking

Where a Terminated Member has an entitlement to a Benefit from the Plan and:

- (a) has not reached the Member's Pension Commencement Date; and
- (b) written evidence is provided that the Canada Revenue Agency has confirmed the Member to be a non-resident for the purposes of the Income Tax Act; and
- (c) any applicable and necessary waivers for the unlocking of locked-in funds, as prescribed by the EPPA, have been duly completed and filed with the Administrator,

the Member may elect to receive:

- (i) prior to the Member's Vesting Date, a single lump-sum cash payment, less any applicable withholding tax equal to all of the Member Contributions and Refundable Contributions made to the Plan, together with Credited Interest thereon; or
- (ii) from the Member's Vesting Date, a single lump-sum cash payment, less any applicable withholding tax equal to the sum of:
  - (1) the Member's Excess Employee Contributions;
  - (2) the Member's Refundable Contributions;
  - (3) the Member Contributions in respect of other Pensionable Service prior to January 1, 1992; and
  - (4) the Commuted Value of the Member's Vested Benefit in respect of Pensionable Service after December 31, 1991.

In the case of a death Benefit payable to a Pension Partner, where the required written evidence of non-residency of the Pension Partner is provided to the Administrator, the

## Section 18 – General Provisions

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death Benefits, to the extent they would have been locked-in, can be paid to the Pension Partner as a single lump-sum cash payment, less any applicable withholding tax.

(3) **(Intentionally blank)**

(4) **Maintenance Enforcement Order or Requirement to Pay**

A Member's entitlement can be seized or attached, in whole or in part, in accordance with the provisions of the *Maintenance Enforcement Act*, a requirement to pay from the Canada Revenue Agency, or as otherwise provided in this Plan.

(5) Any transfer made pursuant to Subsections 18.02(1) and (2) shall be in full and final satisfaction of the Member's or Pension Partner's rights under the Plan, as applicable.

### 18.03 No Right to Employment

The Plan shall not be construed to create or enlarge any right of any person to remain in the employment of a Participating Employer, nor shall it interfere in any manner with the right of a Participating Employer to terminate the employment of any person.

### 18.04 Notices and Elections

(1) Any person entitled to any Benefits under the Plan shall be responsible for notifying the Administrator in writing of the person's mailing address and relationship status and any subsequent change of either.

(2) Except as otherwise stated, all notices, requests, demands, or other communications to be given, made or communicated to or for any purpose of the Plan to any Employee, Member, Beneficiary, Pension Partner, or other person or to the Administrator shall be effectively given:

(a) to any person entitled to a Benefit from the Plan if delivered or mailed by prepaid post to the last known address of such individual as appears on the Plan records from time to time; or

(b) to the Administrator if delivered or mailed to the Administrator.

## Section 18 – General Provisions

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- (3) Such notices, requests, demands and other communications shall be in such form(s) as specified from time to time by the Administrator.
- (4) Any choice made by the person regarding Benefit payments from the Plan must be made in the form and manner prescribed by the Administrator and in accordance with the policies established by the Administrator, subject to the requirements of Applicable Pension Laws.
- (5) Any Benefit choice made, including a choice deemed to be made, in relation to a Benefit is irrevocable when, and is not irrevocable until, the Benefit is received or commences to be paid from the Plan.

### 18.05 Administration Records

Notwithstanding anything herein, wherever the records of the Administrator are used for the purposes of the Plan, such records shall be accepted as proof of the facts with which they are concerned, unless and until they are proven to be in error.

### 18.06 No Duplication of Benefits

There shall be no duplication of Benefits under any one section of this Plan and the Benefits under any other section of the Plan, and this Plan shall be interpreted in such manner as is necessary to prevent such duplication of Benefits.

### 18.07 Division of Pension Benefits on Marriage Breakdown

Subject to Applicable Pension Laws, the entitlement of a Member to receive a Benefit under this Plan is subject to entitlements arising under a MPO/A. If an assignment to a Pension Partner on divorce or separation is made pursuant to a MPO/A, the Pension Partner shall be entitled, in respect of the assigned portion of the Benefit, to a payment from the Plan in accordance with the MPO/A so far as is permissible under Applicable Pension Laws, and the Member's Benefit shall be adjusted accordingly. The aggregate of payments made from the Plan to a Member and the Member's Pension Partner or former Pension Partner pursuant to such MPO/A shall not exceed the amount that would have been payable under the Plan to the Member in the absence thereof.

## **Section 19 – Provision for Employer Withdrawal**

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### **19.01 Withdrawal Moratorium**

No Participating Employer that was participating in the Plan as March 1, 2019 may withdraw from the Plan for a period of five (5) years after that date unless the withdrawal is specifically authorized by the Sponsor Board.

### **19.02 Withdrawal after Moratorium Ends**

After the 5-year period referred to in Section 19.01, a Participating Employer may not withdraw from the Plan except in accordance with any rules made by the Sponsor Board or provisions of this Plan, or both, governing the withdrawal of a Participating Employer from the Plan.

### **19.03 Successor Employers**

Where a Participating Employer merges with another legal entity, continues as another legal entity, or transfers or assigns all or part of the Participating Employer's activities or undertakings to the other legal entity, the participation of the Successor Employer shall be determined in accordance with Section 28 of the Joint Governance Act.



## **Section 20 – Future of the Plan**

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### **20.01 Termination of the Plan**

This Plan is intended to remain in force indefinitely; nevertheless the Sponsor Board reserves the right to terminate the Plan in accordance with Applicable Pension Laws.

### **20.02 Amendment to the Plan**

- (1) Subject to Subsection 20.02(3), no amendment shall operate to reduce a Member's Benefits in respect of Pensionable Service based on the Member's Highest Average Salary and the Member's Highest Average Capped Salary, earned up to the Date of Determination.
- (2) Where an amendment results in a certifiable past service pension adjustment, as defined in the Income Tax Act, in respect of a Member, the amendment shall not apply to such Member prior to receipt of the certification of the past service pension adjustment in accordance with the Income Tax Act.
- (3) The Plan may be amended at any time to reduce the accrued benefits provided hereunder, but only if and to the extent that such an amendment is necessary to avoid the revocation of the Plan's registration under the Income Tax Act.

### **20.03 Information and Disclosure in the Event of Plan Termination**

In the event of Plan termination pursuant to Section 20.01, the Sponsor Board and the Administrator shall:

- (1) establish the date the Plan termination is to occur;
- (2) subject to Section 20.04, within a sufficient period of time, as determined by the Administrator, of the intended date of Plan termination, establish even-handed rules and procedures for terminating the Plan, including formulas for allocating assets;
- (3) provide written notice to all Participating Employers, Members and other persons entitled to a Benefit, of the intent to terminate the Plan within a sufficient period of time, as determined by the Administrator, in advance of the intended date of Plan termination;

## Section 20 – Future of the Plan

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- (4) provide written notice to the Superintendent of the intent to terminate the Plan within a sufficient period of time, as determined by the Administrator, in advance of the intended date of Plan termination; and
- (5) include in the written notice in Subsections 20.03(3) and (4) a schedule describing the method for allocating assets, and the payment options that will be available to Members and others entitled to a Benefit.

### 20.04 Allocation of the Plan Fund in the Event of Plan Termination

In the event of Plan termination pursuant to Section 20.01 and Section 20.03, the Administrator shall allocate the assets of the Plan Fund in accordance with the following:

#### (1) Calculation of Liabilities on Plan Termination

For the purpose of calculating the Plan termination actuarial liabilities, each Member's wind-up liability shall be calculated as the greater of the Member's ongoing funding liability, determined on the basis of the ongoing funding actuarial methods and assumptions last adopted by the Administrator coincident with or immediately preceding the time of Plan termination, and the Commuted Value of the Member's Benefits under the Plan, each determined at the time of Plan termination.

#### (2) Allocation of Assets on Plan Termination

Each Member shall be allocated a pro-rata share of the market value of the assets in the Plan Fund, less any and all expenses relating to the Plan termination, determined by prorating the market value of assets (net of such expenses) at the Plan termination date by the ratio of the Member's wind-up liability on the Plan termination date over the total of all liabilities for all Member's, where the liabilities are calculated in accordance with Subsection 20.04(1).

#### (3) Payment of Benefits

Subject to any provisions of the Income Tax Act or Applicable Pension Laws, on Plan termination, the Sponsor Board shall have the authority to reduce or increase accrued

## Section 20 – Future of the Plan

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Benefits under the Plan for each Member and to determine the manner and form of payment, in accordance with the pro-ratio of entitlements under Subsection 20.04(2).

(4) **Market Interest Adjustments**

Payments under Subsection 20.04(3) shall be adjusted for interest from the date of Plan termination to the date of payment at the rate of interest actually earned by the Plan's assets over that period, net of all expenses, such that the payment to all Members is equal to the final market value of the Plan Fund at the date of final payment.