

## **SPECIAL FORCES PENSION PLAN**

### **AMENDMENT NO. 3**

1. The Plan is amended, effective January 1, 2025, as follows:

(a) Subsection 2.31(1) is deleted and replaced with the following:

“(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, Reciprocal Transfer Agreement Service and Portability Transfer Agreement Service.”

(b) Subsection 2.31(6) is deleted and replaced with the following:

“(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, Reciprocal Transfer Agreement Service, or Portability 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.”

(c) Subsection 2.32(1) is deleted and replaced with the following:

“(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, Reciprocal Transfer Agreement Service and Portability Transfer Agreement Service.”

(d) Subsection 2.32(6) is deleted and replaced with the following:

“(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, Reciprocal Transfer Agreement Service or Portability 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.”

(e) The following Sections 2.52.1 and 2.52.2 are added after Section 2.52:

“2.52.1 **Portability Transfer Agreement** means a Transfer Agreement entered into on or after January 1, 2025 that provides for the transfer of pension entitlements between the Plan and another registered pension plan as described in Section 14.02.2.

2.52.2 **Portability Transfer Agreement Service** means, in relation to a Member, service determined in accordance with Subsection 5.01(4.1).”

(f) The following Sections 2.54.1 and 2.54.2 are added after Section 2.54:

“2.54.1 **Reciprocal Transfer Agreement** means a Transfer Agreement that provides for the transfer of pension entitlements between the Plan and another registered pension plan as described in Section 14.02.1.

2.54.2 **Reciprocal Transfer Agreement Service** means, in relation to a Member, service determined in accordance with Subsection 5.01(6).”

(g) Subsection 2.55(3) is deleted and replaced with the following:

“(3) the amount transferred into the Plan to acquire Reciprocal Transfer Agreement Service, together with Credited Interest thereon.”

(h) Section 2.65 is deleted and replaced with the following:

“2.65 Intentionally deleted”

(i) The following Subsection 5.01(4.1) is added after Subsection 5.01(4):

“(4.1) **Portability Transfer Agreement Service** means, in relation to a Member, service that was transferred to the Plan pursuant to a Portability Transfer Agreement described in Subsection 14.02.2(2) and was acquired in accordance with Section 6.08, but excludes any Shortfall Service that was purchased by the Member.”

(j) Subsection 5.01(5) is deleted and replaced with the following:

“(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 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 Reciprocal Transfer Agreement Service or Portability Transfer Agreement Service.”

(k) Subsection 5.01(6) is deleted and replaced with the following:

“(6) ***Reciprocal Transfer Agreement Service*** means, in relation to a Member:

- (a) service that was transferred to the Plan pursuant to a Reciprocal Transfer Agreement as described in Subsection 14.02.1(2) and acquired in accordance with 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.”

(l) Section 6.08 is deleted and replaced with the following:

**“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 Subsections 14.02.1(2) and 14.02.2(2). Any contributions credited to an Active Member under a Transfer Agreement shall be so recognized under the Plan, together with Credited Interest thereon.”

(m) Section 14 is deleted and replaced with the following: “14.01

**Authority for Entering into Transfer Agreements**

Subject to this Section 14 and any rules made by the Sponsor Board in accordance with the applicable provisions 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.

**14.02.1 Reciprocal Transfer Agreements**

A Reciprocal Transfer Agreement means a Transfer Agreement which provides that:

- (1) Where the Plan is the exporting pension plan, the amount available to be transferred from the Plan is to be calculated on all Pensionable Service and be 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) and Subsection 10.09(2), as applicable, determined as of the date when the application for the transfer is received by the Administrator.
- (2) Where the Plan is the importing pension plan:
  - (a) the cost of the service eligible to be transferred into the Plan under the Transfer Agreement shall be the actuarial present value calculated on an Actuarial Reserve basis and 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; and
  - (b) service that is eligible to be recognized as Pensionable Service in the Plan as a result of a transfer under a Reciprocal Transfer Agreement shall be credited as Reciprocal Transfer Agreement Service.
- (3) The service recognized under the importing pension plan shall comply with the requirements of the Income Tax Act and Applicable Pension Laws.
- (4) Any amount transferred under a Reciprocal Transfer Agreement is to be transferred on a locked-in basis only, subject to Section 14.04.
- (5) For clarity, the amount determined in Subsection (4) includes interest determined in accordance with the Transfer Agreement.

#### **14.02.2 Portability Transfer Agreements**

A Portability Transfer Agreement means a Transfer Agreement entered into, made or amended on or after January 1, 2025 which provides that:

- (1) Where the Plan is the exporting pension plan, the amount available to be transferred from the Plan is to be calculated on all Pensionable Service and be in an amount that is not greater than the greater of:
  - (a) the actuarial present value amount, calculated on an Actuarial Reserve basis and 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) and Subsection 10.09(2), as applicable, determined as of the date when the application for the transfer is received by the Administrator.
- (2) Where the Plan is the importing pension plan,
  - (a) the cost of the service eligible to be transferred into the Plan under the Transfer Agreement shall be calculated on an Actuarial Reserve basis, and 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; and
  - (b) service that is to be recognized as Pensionable Service in the Plan as a result of a transfer under a Portability Transfer Agreement shall be credited as Portability Transfer Agreement Service.
- (3) The service recognized under the importing pension plan shall comply with the requirements of the Income Tax Act and Applicable Pension Laws.
- (4) Any amount transferred under a Portability Transfer Agreement is to be transferred on a locked-in basis only, subject to Section 14.04.
- (5) For clarity, the amount determined in Subsection (4) includes interest determined in accordance with the Transfer Agreement.

#### **14.02.3 Transfer Excess**

Where the sum of money transferred from the Plan under a Reciprocal Transfer Agreement or Portability Transfer Agreement is less than the amount determined as of the date when the application for the transfer is received by the Administrator that would otherwise be payable under Section 10.02 or Subsection 10.06(4) and Subsection 10.09(2), as applicable, the excess is to be paid to the Member, together with interest accordance with the Transfer Agreement, in a single lump sum less applicable withholding tax.

#### **14.03 Transfer Shortfall**

Where the amount transferred into the Plan is less than the amount required by applying the provisions of paragraphs 14.02.1(2)(a) and 14.02.2(2)(a):

- (1) the Member's Pensionable Service shall be pro-rated in accordance with the administrative policy established by the Administrator;
- (2) the Member shall be entitled to have the Eligible Service not recognized under paragraphs 14.02.1(2)(b) or 14.02.2(2)(b), as applicable, 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

- (3) the service recognized under the Plan as Shortfall Service 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. Locking-in of transfer amounts out of the Plan under this Section 14 shall be determined in accordance with the applicable locking-in provisions of the importing pension plan.”