

**RESOLUTION OF THE BOARD OF GOVERNORS OF
McMASTER UNIVERSITY**

WHEREAS McMaster University (“University”) established and maintains the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000 as amended and restated effective January 1, 2019 (“Plan 2000”);

AND WHEREAS pursuant to Section 15.01 of Plan 2000, the University may, by resolution of the Board of Governors, modify Plan 2000 at any time;

AND WHEREAS the University wishes to amend Plan 2000 effective January 1, 2019 to reflect changes for compliance with the *Income Tax Act* (Canada);

AND WHEREAS the University wishes to amend Plan 2000 effective January 1, 2021 to set out the resulting treatment where, subsequent to a Member commencing receipt of a joint and survivor pension, the person who was the Member’s Spouse at pension commencement ceases to have that status, and, in that connection, the former Spouse waives his or her entitlement to the survivor pension, as permitted under the *Pension Benefits Act* (Ontario);

AND WHEREAS the University wishes to amend Plan 2000 effective May 2, 2021 to reflect the addition of a new “Short Term Employee” classification and changes to the “Limited Term Employee” classification that have been negotiated under a collective bargaining agreement between the University and Unifor and its Local Union No. 5555;

NOW THEREFORE the text of Plan 2000 (as amended and restated effective January 1, 2019 and incorporating the amendment approved on April 18, 2019) is amended effective January 1, 2019 as follows:

1. Section 6.02 is deleted in its entirety and replaced with the following:

“6.02 Normal Form of Benefit - Member with a Spouse

Subject to Section 6.03, a Member who has a Spouse at the time pension payments begin shall receive a monthly retirement pension in the form of a joint and survivor pension payable from the Member's retirement date to the first day of the month in which the Member dies, with X% (as described below in this Section 6.02) of such monthly amount continuing to be paid thereafter to the Spouse of the Member ceasing on the first day of the month in which the Spouse dies, with the guarantee that if the Member dies before sixty (60) monthly payments are made to the Member,

- (a) the Member’s pension shall continue to be paid to the Spouse until the end of the sixty (60) month guarantee period, and following the end of the guarantee period, the Spouse shall receive a monthly pension payable for the life of the Spouse equal to X% (as described below in this Section 6.02) of the pension paid to the Member;

- (b) where the Spouse predeceases the Member, the Commuted Value of the sixty (60) monthly payments remaining unpaid shall be paid to the estate of the Member in a lump sum; and
- (c) where the Spouse survives the Member but dies before the sixty (60) monthly payments remaining unpaid are made to the Spouse, the Commuted Value of the unpaid portion of the sixty (60) monthly payments guaranteed to be paid shall be paid to the estate of the Spouse in a lump sum;

where "X" equals the lesser of:

- (d) $66 \frac{2}{3}$, and
- (e) the figure that produces a pension that is of Actuarial Equivalent value to the form of pension that would be described in this Section 6.02 if "X" were equal to 50 and the guarantee of sixty (60) monthly payments were changed to a guarantee of eighty-four (84) monthly payments."

2. Paragraphs (c) and (d) of Section 6.04 are deleted in their entirety and replaced with the following:

“(c) Joint and Survivor – Seven (7) Years Guaranteed

A monthly pension payable for the life of the Member and continued after the Member's death to a Spouse in such percentage of the Member's pension as elected by the Member and that is permitted by the University, the *Pension Benefits Act* and the *Income Tax Act*, which shall not be less than 50% of the pension paid to the Member (such percentage is referred to as "X%" in this Section 6.04(c)), with the guarantee that if the Member dies before eighty-four (84) monthly payments are made to the Member,

- (i) the Member's pension shall continue to be paid to the Spouse until the end of the eighty-four (84) month guarantee period, and following the end of the guarantee period, the Spouse shall receive a monthly pension payable for the life of the Spouse equal to X% of the pension paid to the Member;
- (ii) where the Spouse predeceases the Member, the Commuted Value of the eighty-four (84) monthly payments remaining unpaid shall be paid to the estate of the Member in a lump sum; and
- (iii) where the Spouse survives the Member but dies before the eighty-four (84) monthly payments remaining unpaid are made to the Spouse, the Commuted Value of the unpaid portion of the eighty-four (84) monthly payments guaranteed to be paid shall be paid to the estate of the Spouse in a lump sum.

(d) Joint and Survivor Reducing on First Death – Seven (7) Years Guaranteed

A monthly pension payable until the earlier of the death of the Member or the death of the Member's Spouse, and continuing to be paid thereafter for the life of the survivor in such percentage of the Member's pension as elected by the Member and that is permitted by the University, the *Pension Benefits Act* and the *Income Tax Act*, which shall not be less than 50% of the pension paid to the Member (such percentage is referred to as "X%" in this Section 6.04(d)), with the guarantee that if less than eighty-four (84) monthly payments are made,

- (i) the Member's pension shall continue to be paid to the survivor until the end of the eighty-four (84) month guarantee period, and following the end of the guarantee period, the survivor shall receive a monthly pension payable for the life of the survivor equal to X% of the pension paid to the Member; and
- (ii) where the survivor dies before the eighty-four (84) monthly payments remaining unpaid are made to the survivor, the Commuted Value of the unpaid portion of the eighty-four (84) monthly payments guaranteed to be paid shall be paid to the estate of the survivor in a lump sum."

3. Section 10.03 is deleted in its entirety and replaced with the following:

"10.03 Settlement for Spouse

A Spouse is entitled to elect, in lieu of the lump sum payments under Sections 10.01 and, if applicable, 10.02, to receive an immediate or deferred pension payable for the Spouse's lifetime which has a Commuted Value equal to such lump sum payments, or, subject to the maximum transfer limit prescribed under the *Income Tax Act*, to transfer the Commuted Value of the death benefit payable under this Section 10 to such other pension plan or retirement savings arrangement that may permit such transfers to be made, provided the transfer is made in the form and manner prescribed under the *Pension Benefits Act* and the *Income Tax Act*. If the Spouse elects to receive a deferred pension, such pension must begin not later than the later of the day that is one year after the day of death of the Member and the end of the calendar year in which the Spouse attains 71 years of age."

AND BE IT FURTHER RESOLVED THAT the text of Plan 2000 is amended effective January 1, 2021 as follows:

4. Section 6.05 is deleted in its entirety and replaced with the following:

“6.05 Post-Retirement Changes to Spousal Status

(a) Acquiring a Spouse After Retirement

A Member who is receiving from the Fund a form of pension for a Member without a Spouse and who acquires a Spouse subsequent to pension commencement may elect no later than sixty (60) days following the date of acquiring a Spouse to have the pension benefit recalculated and paid in the form of a joint and survivor pension. Such pension shall be the Actuarial Equivalent value of the pension in pay and, subject to any reconciliation of benefits paid to the Member between the date on which the Member acquired a Spouse and the date on which the recalculated pension benefit amount commences, will commence to be paid from the first day of the month coincident with or next following the date upon which the Member acquired a Spouse. For greater certainty, the election contemplated in this Section 6.05 is available both to Members who did not have a Spouse on their pension commencement date under the Plan, and to Members who did have a Spouse on their pension commencement date under the Plan but in respect of whom a joint waiver was provided to the Administrator in accordance with Section 6.03(c) and the Member acquired a different Spouse after their pension commencement date.

(b) Waiver of Joint and Survivor Pension After Retirement Pursuant to a Court Order, Domestic Contract or Family Arbitration Award

If, subsequent to the Member commencing his or her pension under this Plan, the person who was the Member’s Spouse at pension commencement ceases to have that status, and, in that connection, the former Spouse waives his or her entitlement to a survivor pension under this Plan in accordance with the requirements of the *Pension Benefits Act*, the Member’s pension benefit under this Plan may, upon request of the Member (or his or her legal representative), be recalculated and paid in a form payable for the life of the Member only. Such recalculated pension shall be the Actuarial Equivalent of the payments remaining under the joint and survivor pension in pay to the Member, and shall be payable effective as of the first day of a month following receipt by the Administrator of all information and documents reasonably required to administer such request, as determined by the Administrator in its sole discretion.”

AND BE IT FURTHER RESOLVED THAT the text of Plan 2000 is amended effective May 2, 2021 as follows:

5. Section 2.12(e) is deleted in its entirety and replaced with the following:

“(e) is employed in conformity with Section 2.12(a) or 2.12(d) on a non-continuing basis or, in conformity with Section 2.12(c), for a specified period that is greater than one (1) year;”

6. Section 2.12(f) is deleted in its entirety and replaced with the following:

“(f) is employed in a position in accordance with Section 2.12 (a) or (d) on a non-continuing basis, or in accordance with Section 2.12(c), for a specified period that is less than or equal to one (1) year and whose specified period of appointment in that same position is extended or renewed such that the cumulative period of employment extends beyond one (1) year, provided that such extension or renewal begins within one (1) year from the date the previous appointment ended and provided that:

- (i) if the individual is not represented by Unifor Local 5555, the individual elects to join the Plan within three (3) months of the effective date of such extension renewal; or
- (ii) if the individual is represented by Unifor Local 5555, the individual elects to join the Plan within three (3) months from the date that the cumulative period of employment is equal to one (1) year and one (day); or

7. Section 3.01(b) is deleted in its entirety and replaced with the following:

“(b) An individual who becomes an Employee by virtue of:

- (i) Section 2.12(f)(i) on or after the Approval Date and who was not eligible to be a party to the Surplus Agreement may elect to join the Plan at the beginning of the contract which will extend the period of Continuous Service beyond one (1) year. If the election is made at that time, the individual may join the Plan with effect from the date of the first appointment provided that the Member agrees to make contributions in respect of eligible past service with the University in accordance with the contribution formula described in Section 7.01(a). The individual shall join the Plan no later than the first day of the Plan Year which follows the date on which Continuous Service exceeds one (1) year;
- (ii) Section 2.12(f)(ii) may elect to join the Plan on the date that the individual’s period of Continuous Service is equal to one (1) year and one (1) day. The individual shall join the Plan no later than the first day of the

Plan Year which follows the date on which Continuous Service exceeds
one (1) year.”

CERTIFIED to be a true and correct copy of a Resolution of the Board of Governors of
McMaster University passed at a meeting held on the 10th day of June, 2021.

McMASTER UNIVERSITY



University Secretary