

**CONTRIBUTORY PENSION PLAN FOR
SALARIED EMPLOYEES OF MCMASTER
UNIVERSITY INCLUDING MCMASTER
DIVINITY COLLEGE 2000**

**(Amended and restated effective July 1, 2022)
Registration Number: 1079920**

**CERTIFIED to be a true and complete copy of the
text of the Contributory Pension Plan for Salaried
Employees of McMaster University Including
McMaster Divinity College 2000 (As Amended and
Restated Effective July 1, 2022)**



University Secretary

June 9, 2022

Date

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SECTION 1 - INTRODUCTION

1.01 The Original Plan

The Prior Plan was established by the University on September 1, 1947. Members of the Prior Plan and the University contributed towards the purchase of guaranteed annuities provided through the Canadian Government Annuities Branch and the Manufacturers Life Insurance Company up until June 30, 1966.

Effective July 1, 1966, the Prior Plan was revised and restated, with the most important change being that, instead of purchasing benefits under an insurance contract, benefits were to be funded through and provided from a trust fund or an investment contract issued by an insurance company.

In connection with the changeover, arrangements were made for “cashing out” of benefits under the former contract with the funds being deposited in the fund under the Prior Plan for provision of benefits at retirement. Similar arrangements could not be made with the Canadian Government Annuities Branch contract and these benefits remain payable to members of the Prior Plan as a portion of their retirement benefit.

Effective July 1, 1969, the Prior Plan was redesigned and restated as the Original Plan. The text of the Original Plan has been revised and restated from time to time by amendments approved by the Board of Governors.

1.02 Surplus Agreement

According to the actuarial valuation report on the Original Plan prepared by the Actuary, as at July 1, 2000, the assets of the Original Plan exceeded the going concern and solvency liabilities of the Original Plan by over \$320 million. The University entered into the Surplus Agreement as of May 31, 2001 with the McMaster University Faculty Association, the McMaster University Staff Association, the McMaster Clinical Faculty Association, the McMaster University Retirees Association, the individuals comprising the Committee (as defined in the Surplus Agreement) and Koskie Minsky (on behalf of all persons entitled to benefits under the Plan at any time between July 1, 2000 and December 31, 2000, inclusive who retained Koskie Minsky to execute the Surplus Agreement on their behalf), which provided for the distribution of a portion of the surplus under the Original Plan to certain members, former members and other beneficiaries under the Original Plan and the University.

1.03 Establishment of the Plan

Pursuant to the Surplus Agreement, the University agreed to adopt a new registered pension plan (the “Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000”), effective July 1, 2000, subject to receipt of applicable regulatory approvals, to receive a transfer of assets, including a portion of the surplus, and liabilities from the Original Plan in order to facilitate the distribution of surplus

in accordance with the Surplus Agreement and such court orders and regulatory approvals as the University deemed necessary or desirable to permit such distribution of surplus.

1.04 Restatement of the Plan

Effective July 1, 2008, the Plan was restated to consolidate all amendments since the inception of the Plan and amended to make changes to the Plan to reflect administrative practice and otherwise of a housekeeping nature.

Effective January 1, 2014, the Plan was restated to consolidate all amendments since the last restatement of the Plan, and amended to make further changes to reflect administrative practices, legislative changes, and otherwise of a housekeeping nature.

Effective January 1, 2019, the Plan was restated to consolidate all amendments since the last restatement of the Plan, and amended to make further changes to reflect administrative practices, legislative changes, and otherwise of a housekeeping nature.

Effective June 1, 2022 the Plan was restated to consolidate all amendments since the January 1, 2019 restatement of the Plan, and amended to make further changes to reflect administrative practices and otherwise of a housekeeping nature.

Effective July 1, 2022 the Plan is again restated to consolidate an amendment since the June 1, 2022 restatement of the Plan.

This restatement shall not operate in any way to reduce or otherwise adversely affect a Member's entitlements accrued under the Plan up to and including June 30, 2022, including any entitlements arising pursuant to amendments to the Plan which may be retroactive to that date or earlier.

This restatement of the Plan effective July 1, 2022 shall not operate in any way to enlarge upon the rights and entitlements for individuals who terminated participation in the Plan prior to July 1, 2022, and such individuals shall be governed by the terms of the Plan in effect at the time of their termination participation in the Plan, except as may be required by the *Pension Benefits Act* or the *Income Tax Act*.

SECTION 2 - DEFINITIONS

- 2.01 **“Actuarial Equivalent”** means a pension of an equal present value computed using actuarial tables and such other methods and assumptions adopted for the purposes of the Plan, subject to any requirements of the *Pension Benefits Act* and the *Income Tax Act*.
- 2.02 **“Actuary”** means a person or firm, who is, or one of whose Members is, a Fellow of the Canadian Institute of Actuaries, and who is appointed by the Administrator for purposes of the Plan; for the avoidance of doubt, the Actuary may be a person or firm engaged by the University in another capacity, including as advisor to the University in its capacity as Plan sponsor.
- 2.03 **“Administrator”** means the administrator of the Plan as defined in Section 13.01.
- 2.04 **“Approval Date”** means January 14, 2003, the date on which the Superintendent of Financial Services of Ontario (or any successor thereto) consented to the distribution of the Surplus in accordance with the Surplus Agreement.
- 2.05 **“Average YMPE”** is computed by summing the YMPE in effect in each of the months of the Member’s Pensionable Service to a maximum of forty-eight (48) months and dividing the resulting number by the Member’s number of months of Pensionable Service to a maximum of forty-eight (48) months. For this purpose, the YMPE in effect for each month in a Plan Year shall be the YMPE in effect on July 1 of such Plan Year. Where the Member’s Pensionable Service exceeds forty-eight (48) months, the computation shall utilize the same months of Pensionable Service used for the calculation of the Best Average Salary provided that, where the “Best Average Salary” computation in Section 2.07 yields the same amount in respect of two or more forty-eight (48) month periods of Pensionable Service, the Member’s Average YMPE shall be determined based on the most recent of such forty-eight (48) month periods.

Notwithstanding the foregoing, for Members who are newly hired by the University on or after May 1, 2010 and in respect of service as a Unifor Local 5555 Member only, “Average YMPE” is computed by summing the YMPE in effect in each of the months of the Member’s Pensionable Service to a maximum of sixty (60) months and dividing the resulting number by the Member’s number of months of Pensionable Service to a maximum of sixty (60) months. For this purpose, the YMPE in effect for each month of a Plan Year shall be the YMPE in effect on July 1 of such Plan Year. Where the Member’s Pensionable Service exceeds sixty (60) months, the computation shall utilize the same months of Pensionable Service used for the calculation of the Best Average Salary, provided that, where the “Best Average Salary” computation in Section 2.07 yields the same amount in respect of two or more sixty (60) month periods of Pensionable Service, the Member’s Average YMPE shall be determined based on the most recent of such sixty (60) month periods.

- 2.06 **“Beneficiary”** means a beneficiary designated by a Member in accordance with Section 10.06.

2.07 **“Best Average Salary”** is computed by summing the Regular Annual Salary in effect in each of the months of the Member’s Pensionable Service to a maximum of forty-eight (48) months and dividing the resulting number by the Member’s number of months of Pensionable Service to a maximum of forty-eight (48) months. Where the Member’s Pensionable Service exceeds forty-eight (48) months, the computation shall utilize the months of Pensionable Service in which the Regular Annual Salary was the highest, which months need not be consecutive.

Notwithstanding the foregoing, for Members who are newly hired by the University on or after May 1, 2010 and in respect of service as a Unifor Local 5555 Member only, **“Best Average Salary”** is computed by summing the Regular Annual Salary in effect in each of the months of the Member’s Pensionable Service to a maximum of sixty (60) months and dividing the resulting number by the Member’s number of months of Pensionable Service to a maximum of sixty (60) months. Where the Member’s Pensionable service exceeds sixty (60) months, the computation shall utilize the months of Pensionable Service in which the Regular Annual Salary was the highest, which months need not be consecutive.

2.08 **“Commuted Value”** means, in relation to benefits that a person has a current or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits, computed at the rate of interest and using the actuarial tables and such other methods and assumptions adopted for the purposes of the Plan, subject to any requirements of the *Pension Benefits Act* and the *Income Tax Act*.

2.09 **“Consumer Price Index”** means the seasonally adjusted Canada All-items Consumer Price Index as published by Statistics Canada under the authority of the *Statistics Act* (Canada).

2.10 **“Continuous Service”** means an Employee’s uninterrupted period of employment with the University since their last date of hire by the University, including any period of lay-off and any other period of temporary suspension of active employment.

2.11 **“Early Retirement Date”** has the meaning set out in Section 4.03.

2.12 **“Employee”** means, an individual who,

- (a) is employed by the University on a continuing full-time basis and who:
 - (i) is represented by Unifor Local 5555, Unit 1 (“Unifor Local 5555”); or
 - (ii) is a member of the McMaster University Faculty Association (“MUFA”), and who is subject to the terms of any remuneration settlement between MUFA and the University; or
 - (iii) is subject to the terms of any remuneration settlement between the Professional Librarian Group which is represented by MUFA and the University; or
 - (iv) is a clinical faculty member of the Faculty of Health Sciences who must maintain membership in the Regional Medical Associates, and whose

employment with the University began before July 1, 1991 or, whose employment with the University began on or after July 1, 1991 but who elected, or was deemed to have elected, to participate in the Plan prior to July 1, 1995; or

- (v) is a member of The Management Group of the University and was hired or re-hired as a TMG Employee before June 16, 2009; or
 - (vi) is an SAAO Employee or a SAL Employee, who in either case was hired or re-hired as an SAAO Employee before June 16, 2009; or
 - (vii) is represented by The McMaster University Academic Librarians' Association ("MUALA") and was hired or re-hired before March 16, 2010 and is a member of MUALA;
 - (viii) is a Research Associate (Academic) and was hired or re-hired as a Research Associate (Academic) before July 1, 2013;
- (b) is employed by any of the following entities on a continuing basis:
- (i) McMaster Association of Part Time Students ("MAPS") and was hired or re-hired as a MAPS employee before December 1, 2006; or
 - (ii) McMaster Children's Centre Inc. and was hired or re-hired as a McMaster Children's Centre Inc. employee before December 1, 2006; or
 - (iii) McMaster University Faculty Association and was hired or re-hired as a McMaster University Faculty Association employee before January 31, 2007; or
 - (iv) Divinity College and was hired or re-hired as a Divinity College employee before January 31, 2007; or
 - (v) Regional Medical Associates ("RMA") and was a non-unionized employee of the RMA hired or re-hired before January 31, 2007; or
 - (vi) RMA and was a unionized employee of the RMA hired or re-hired before July 1, 2007;
- (c) on July 1, 2013, is not employed in any of the capacities described in (a) and (b) above, but met the definition of "Employee" as it read on June 30, 2013;
- (d) is employed on a continuing part-time basis in any of the capacities described in (a) above on at least a half-time (1/2) basis as specified in the individual's letter of appointment;
- (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;

- (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
 - (g) is employed on a continuing part-time basis in any of the capacities described in (a) above and in each of two previous consecutive calendar years of employment has either earned at least 35% of the YMPE or has worked at least seven hundred (700) hours.
- 2.13 **“Faculty Member”** means a Member of the Plan who is a member of MUFA, and who is subject to the terms of any remuneration settlement between MUFA and the University, but does not include, for purposes of the Plan, a Member who:
- (a) is a full-time clinical faculty member of the Faculty of Health Sciences who must maintain membership in the Regional Medical Associates; or
 - (b) is a Librarian as defined under Section 2.19; or
 - (c) is an SAAO Employee as defined under Section 2.35; or
 - (d) is a SAL Employee as defined under Section 2.37.
- 2.14 **“Financial Carrier”** means the trust company or insurance company appointed from time to time to receive and to hold, administer and invest monies pursuant to the Plan. Subject to the terms of this Plan, the Financial Carrier shall operate according to a trust agreement or an insurance contract, whichever is appropriate, between itself and the Administrator.
- 2.15 **“Former Member”** has the meaning ascribed in Section 9.
- 2.16 **“Fund”** means the funds, securities and other assets held by the Financial Carrier in respect of the Plan.
- 2.17 **“Hourly Plan”** means the Contributory Pension Plan for Hourly-Rated Employees of McMaster University Including McMaster Divinity College.
- 2.18 **“Income Tax Act”** means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.), and the *Income Tax Regulations*, C.R.C., c. 945, each as amended or replaced from time to time.

- 2.19 **“Librarian”** means a Member of the Plan who is subject to the terms of any remuneration settlement between the Professional Librarian group and the University.
- 2.20 **“Maximum Annual Salary”** means, for a calendar year, the amount of salary which produces an annual pension amount under Section 5.01 which is equal to the maximum annual pension applicable for that calendar year under Section 5.06(a)(i). For this purpose, the YMPE for the calendar year and one (1) year of Pensionable Service will be used for the calculation under Section 5.01.
- 2.21 **“Member”** means an Employee who has elected to join the Plan in accordance with Section 3, and who continues to be entitled to benefits under the Plan.
- 2.22 **“MUALA Member”** means a Member of the Plan who is represented by The McMaster University Academic Librarians’ Association.
- 2.23 **“Net Interest on the Fund”** means interest on required and voluntary contributions from the date the contribution is made by the Employee to the last day of the month in which payment is made or deemed to be made from the Fund. Such interest is credited at the end of each Plan Year and at termination based on the Average Annual Rate of Return determined by the following formula:

Average Annual Rate of Return = (Sum of the Annual Rates of Return for each of the current and previous 4 Plan Years) ÷ 5

where,

$$\text{Annual Rate of Return} = \frac{\text{Net Income}}{\frac{1}{2} (\text{Market Value of Fund at beginning of Plan Year plus Market Value at end of Plan Year less Net Income})}$$

and,

“Net Income” equals the sum of interest, dividends, net realized gains and net unrealized gains during the Plan Year less the sum of actuarial, investment, investment counsellor, trustee, audit and other administrative expenses applicable to the Plan or Fund.

In respect of required contributions, such interest credited pursuant to this Section 2.23 shall be the greater of 0% and the Average Annual Rate of Return.

- 2.24 **“Normal Retirement Date”** has the meaning set out in Section 4.01.
- 2.25 **“Original Plan”** means the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College in effect after June 30, 1969, as amended and restated from time to time.
- 2.26 **“Pension Benefits Act”** means the *Pension Benefits Act*, R.S.O. 1990, c. P.8, and the regulations thereunder, as amended or replaced from time to time.

- 2.27 **“Pensionable Past Service”** has the meaning set out in Section 8.01(b).
- 2.28 **“Pensionable Service”** means, subject to Section 11 (Leave of Absence and Disability) and the Surplus Agreement, the applicable period below during which the Member is making contributions to the Plan in accordance with Section 7:
- (a) for full-time Employees engaged prior to July 1, 1966, the total of the years and partial years of Continuous Service;
 - (b) for full-time Employees engaged on or after July 1, 1966, except as to Members of the Regional Medical Associates, the total of the years and partial years of Continuous Service while a Member of the Plan from the date of joining the Plan;
 - (c) for full-time Employees who were Members of the Regional Medical Associates as of July 1, 1973, the total of the years and partial years of Continuous Service while a Member of the Regional Medical Associates;
 - (d) for full-time Employees who become Members of the Regional Medical Associates subsequent to July 1, 1973, the total of the years and partial years of Continuous Service while a Member of the Plan from the date of joining the Plan;
 - (e) for part-time Employees, except for the purpose described in Section 2.28(j) below, that proportion of the total years and partial years of Continuous Service while a Member of the Plan after July 1, 1978 that is equal to the proportion that hours worked as a part-time Employee after July 1, 1978 bears to the full-time workload after July 1, 1978;
 - (f) for full-time Employees who become Members of the University’s programmes entitled “Pre-Retirement Reduced Workload Policy” and the “Faculty Reduced Workload Policy - Phase-in to Retirement” subsequent to January 1, 1980, the period of Continuous Service while a Member of the Plan from the date of joining the Plan;
 - (g) for individuals who become Members by virtue of Section 2.12(g), that proportion of the total years and partial years of Continuous Service while a Member of the Plan that is equal to the proportion that hours required to be worked bears to the full-time workload in the same period;
 - (h) for a former Employee who is re-employed as an Employee by the University and who is entitled to receive benefits under the Plan and in respect of whom a payment pursuant to Section 9 has not been paid, the total of the individual’s Pensionable Service under the Plan prior to the break in service, plus the period of the Employee’s Continuous Service while a Member of the Plan after the date of re-employment by the University;
 - (i) any Pensionable Past Service granted pursuant to Section 8.01, or any additional Pensionable Service granted pursuant to Section 8.02 or Section 8.04, provided that

such service shall not be granted in a manner that results in the Member receiving more than 12 months of Pensionable Service in a calendar year;

- (j) notwithstanding Section 2.28(e) above, for the sole purpose of determining a Member's Special Retirement Date under Section 4.02, the Pensionable Service of a Member while the Member is a part-time Employee shall be the amount determined under Section 2.28(e) without proration based on hours worked; and
- (k) notwithstanding paragraphs (a) through (j), for the sole purpose of determining a Member's Special Retirement Date under Section 4.02, the Pensionable Service of a Member while the Member is a seasonal Employee shall include the Member's periods of Continuous Service during which the Member is not making contributions to the Plan in accordance with Section 7, except for a period during which the Member is on a statutory leave of absence without pay and is not making contributions to the Plan, all as determined by the Administrator in its sole discretion.

For greater certainty, where assets and liabilities in respect of an individual were transferred from the Original Plan to the Plan pursuant to the Surplus Agreement or pursuant to the transfer effective July 1, 2003, the Pensionable Service of the individual for the purposes of the Plan shall include the total of the years of such individual's Pensionable Service as determined under the Original Plan.

- 2.29 **"Pensioner"** means a Member who has commenced monthly pension payments from the Fund in accordance with Section 5.13.
- 2.30 **"Plan"** means this "Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000", including any Appendices hereto, all as amended from time to time.
- 2.31 **"Plan Year"** means the twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.32 **"Postponed Retirement Date"** has the meaning set out in Section 4.04.
- 2.33 **"Prior Plan"** means the Group Pension Plan of McMaster University and McMaster Divinity College, which provided for the accrual of benefits between September 1, 1947 and June 30, 1966, and the Contributory Pension Plan for Salaried Employees of McMaster University, including McMaster Divinity College, which provided for the accrual of benefits between July 1, 1966 and June 30, 1969.
- 2.34 **"Regular Annual Salary"** means the Employee's regular rate of earnings effective at the beginning of each Plan Year, but with respect to a part-time Employee or an individual who becomes a Member by virtue of Section 2.12(g), the regular rate of earnings effective at the beginning of each Plan Year will be adjusted to the equivalent full-time salary rate. Regular Annual Salary:

- (a) from July 1, 1973, shall exclude the following amounts in excess of the regular annual rate of earnings,
 - (i) special supplementary stipends paid to the Chair, Associate Chair or Assistant Chair of an Academic Department; and
 - (ii) such items as: other forms of special payment, living allowances, professional earnings, payments from research grants in aid, remuneration for extension teaching, payments for overtime and all other similar types of payment.
- (b) from July 1, 1973, shall include,
 - (i) professional earnings of the Regional Medical Associates up to the established ceiling for Members of that group; and
 - (ii) Deans and other comparable administrative stipends.
- (c) from July 1, 1992, shall exclude Deans' and other comparable administrative stipends.
- (d) from January 1, 2007, shall exclude professional earnings of Regional Medical Associates.

For a Member who was a participant in the University's programme entitled "Pre-Retirement Reduced Workload Policy" and the "Faculty Reduced Workload Policy - Phase-in to Retirement" during any period of Plan participation, the Member's Regular Annual Salary shall be that which is either agreed to between the Member and the University or is deemed to be their actual regular rate of earnings multiplied by a fraction, the numerator of which shall be the normal full-time hours of work for the Member and the denominator of which shall be the Member's usual hours of work as a participant in the Pre-Retirement Reduced Workload Policy or the Faculty Reduced Workload Policy - Phase-in to Retirement programme. The deemed regular rate of earnings shall not exceed the compensation prescribed by the *Income Tax Act*.

For an individual in receipt of income from the University sponsored Long Term Disability plan who was a Member immediately prior to becoming disabled, Regular Annual Salary shall be equal to the Regular Annual Salary in effect on the date immediately prior to the individual becoming disabled, increased each July 1 by the percentage increase calculated for pensions in pay in Section 5.08(a) (and, where applicable, Section 5.09), starting with the later of July 1, 1990 or the July 1 following commencement of receipt of income from the University sponsored Long Term Disability Plan.

The increases to the Regular Annual Salary of a disabled individual as described in the paragraph above shall not exceed the cumulative increase in the Consumer Price Index, in accordance with the requirements of the *Income Tax Act*.

With respect to other periods of Pensionable Service during which the Member's pay from the University is reduced, or the Member does not receive any pay from the University, the Member's Regular Annual Salary will be deemed to be the rate of earnings the Member was receiving immediately preceding that period. However, a Member's Regular Annual Salary during the Member's participation in the Plan (including as determined in accordance with this paragraph) shall not exceed the amount permitted for this purpose by the *Income Tax Act*.

2.35 **"SAAO Employee"** means an individual who qualifies as a Senior Academic/Administrative Officer under the University's compensation arrangements and is employed by the University in any of the following capacities:

- President and Vice-Chancellor; or
- Vice-President; or
- Associate/Assistant Vice-President (with staff appointment) provided that, upon the later of October 3, 2018 and the coming into force of terms and conditions of employment pursuant to which the individual qualifies as a Senior Administrative Leader under the University's compensation arrangements, the individual shall cease to be an "SAAO Employee" and shall become a "SAL Employee" for the purposes of the Plan.

For purposes of clarity, an SAAO Employee does not include:

- an Associate Vice-President (with academic appointment) or Associate Vice-Provost (with academic appointment); or
- an individual employed with the University in a position which uses any of the above titles but who does not qualify as a Senior Academic/Administrative Officer under the University's compensation arrangements; or
- effective January 1, 2015, an individual who qualifies as a Senior Academic/Administrative Officer under the University's compensation arrangements and who has a concurrent academic appointment and, who would otherwise qualify as a Faculty Member for purposes of Section 2.13.

2.36 **"SAAO Member"** means a Member who is an SAAO Employee, provided the individual was a Member of the Plan prior to June 16, 2009.

2.37 **"SAL Employee"** means an individual who qualifies as a Senior Administrative Leader under the University's compensation arrangements and is employed by the University in the capacity of an Associate/Assistant Vice-President (with staff appointment).

For purposes of clarity, a SAL Employee does not include:

- an Associate/Assistant Vice-President (with staff appointment) who on October 3, 2018 qualified as a Senior Academic/Administrative Officer under the University's

compensation arrangements, until such time as the individual is subject to terms and conditions of employment pursuant to which the individual qualifies as a Senior Administrative Leader under the University's compensation arrangements; or

- an Associate Vice-President (with academic appointment) or Associate Vice-Provost (with academic appointment); or
- an individual employed with the University in a position which uses any of the above titles but who does not qualify as a Senior Administrative Leader under the University's compensation arrangements.

2.38 **"SAL Member"** means a Member who is a SAL Employee, provided the individual was a Member of the Plan prior to June 16, 2009.

2.39 **"Special Retirement Date"** has the meaning set out in Section 4.02.

2.40 **"Spouse"** means in relation to an individual, a person who, at the time a determination of spousal status is required,

- (a) is legally married to the individual, provided that the individual is not living separate and apart from that person; or
- (b) not being legally married to the individual has cohabited with the individual in a conjugal relationship,
 - (i) continuously throughout the immediately preceding one (1) year period; or
 - (ii) in a relationship of some permanence, if they are the parents of a child as set out in Section 4 of the *Children's Law Reform Act*, R.S.O. 1990, c. C.12.

Notwithstanding the foregoing, an individual, for the purposes of the Plan, is considered to have only one Spouse on the date any benefit entitlement is determined.

2.41 **"Surplus Agreement"** means the agreement made as of May 31, 2001 among the University, the McMaster University Faculty Association, the McMaster University Staff Association, the McMaster Clinical Faculty Association, the McMaster University Retirees Association, the individuals comprising the Committee (as defined in the Surplus Agreement), Koskie Minsky (on behalf of all persons entitled to benefits under the Plan at any time between July 1, 2000 and December 31, 2000, inclusive who retained Koskie Minsky to execute the Surplus Agreement on their behalf) with respect to the distribution of a portion of the actuarial surplus under the Original Plan as at July 1, 2000, determined immediately prior to any transfer of assets or liabilities to the Plan.

2.42 **"Suspended Member"** means a Member in respect of whom settlement of the Member's accrued benefit entitlement under the Plan is suspended pending termination of the Member's employment with the University, in accordance with Section 3.04.

- 2.43 **“terminate”**, **“terminate employment”**, **“termination of employment”** and similar phrases, where used in the Plan, mean termination of employment with the University.
- 2.44 **“TMG Employee”** means an individual who is employed by the University and is a member of The Management Group of the University.
- 2.45 **“TMG Member”** means a TMG Employee, provided the individual is a Member of the Plan prior to June 16, 2009.
- 2.46 **“Unifor Local 5555 Member”** means a Member of the Plan who is represented by Unifor Local 5555, Unit 1.
- 2.47 **“University”** means McMaster University, including McMaster Divinity College, and such affiliated or associated corporations as may be designated by McMaster University from time to time.
- 2.48 **“YMPE”** means the Year’s Maximum Pensionable Earnings as defined in the Canada Pension Plan.

Unless the context requires otherwise, a word importing the singular includes the plural and vice versa. Where any reference is made in the Plan to Section(s), it shall mean sections and subsections of the Plan unless specifically stated otherwise.

SECTION 3 - ELIGIBILITY

3.01 Participation in the Plan

- (a) Subject to paragraphs (b) through (f) below, an individual may elect to join the Plan immediately upon becoming an Employee on or after the Approval Date. An eligible Employee who does not elect to join the Plan immediately upon becoming an Employee may, in the form and manner prescribed by the Administrator, elect to join the Plan with effect from a date no earlier than the date of election.
- (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.
- (c) An individual who is an Employee by virtue of Section 2.12(a), (d), or (e) and is not otherwise a Member or a member of the Original Plan on the Approval Date, shall join the Plan no later than the first day of the Plan Year following the completion of a six (6) month period as an Employee.
- (d) Each individual who is an Employee by virtue of Section 2.12(g) and who is not otherwise a Member or a member of the Original Plan on the Approval Date may elect, in the form and manner prescribed by the Administrator, to join the Plan with effect from the date of election.
- (e) Where assets and liabilities were transferred from the Original Plan to the Plan in accordance with the Surplus Agreement in respect of an individual who was a member of the Original Plan at any time during the period July 1, 2000 to December 31, 2000 inclusive, such individual shall become a Member effective on the later of July 1, 2000 and the date the individual became a member of the Original Plan.
- (f) Where assets and liabilities were transferred from the Original Plan to the Plan in respect of an individual who became a member of the Original Plan on or after January 1, 2001 and prior to the Approval Date who was an Employee on the

Approval Date, such individual shall become a Member effective on the later of January 1, 2001 and the date the individual became a member of the Original Plan.

3.02 Enrolment

Each Employee who becomes a Member otherwise than pursuant to Section 3.01(e) or (f) shall deliver to the Administrator a completed and signed application or enrolment document in the form and manner prescribed by the Administrator.

3.03 Non-Participation

Subject to Section 3.01(b), (e) and (f) and Section 8 and the Surplus Agreement, no Employee may elect to or shall otherwise participate in the Plan for a period of service prior to the date of joining the Plan or a period of service during which such Employee is a member of the Original Plan (as determined thereunder).

3.04 Continued Participation

Each other Employee (who is an Employee by virtue of Sections 2.12(a) to 2.12(f)) who becomes a Member shall remain a Member of the Plan as long as the individual is employed by the University and meets one of the criteria specified in the definition of Employee with the following exception. Each individual who is an Employee by virtue of Section 2.12(g) and who has elected to join the Plan as per Section 3.01(d) may remain a Member of the Plan as long as the individual is employed by the University, even if the individual subsequently earns less than 35% of the YMPE or works less than seven hundred (700) hours in a calendar year. Notwithstanding the foregoing, where a Member transfers from a class of employment that qualifies the Member as an Employee under Section 2.12 (in this Section 3.04, "Plan-Eligible Employment") to a class of employment with the University or another participating employer that is not Plan-Eligible Employment, such Member shall cease to accrue benefits under the Plan but settlement of such Member's accrued benefit entitlement under the Plan shall be suspended pending termination of the Member's employment with the University or other participating employer, as applicable.

3.05 Re-Employment of Pensioners

If a Pensioner is re-hired by the University and meets one of the criteria specified in the definition of Employee before the first day of December of the year the Pensioner attains age seventy-one (71), the Pensioner may elect either:

- (a) to join the Plan immediately upon re-hire, in which case:
 - (i) their pension ceases immediately;
 - (ii) the amount of accrued pension in respect of their prior period of Pensionable Service will recommence on their subsequent termination of Pensionable Service, subject to an actuarial increase, or, in the case of death, the usual survivor benefit is payable; and

- (iii) any benefit earned after the date of re-employment is calculated based on Pensionable Service after that date and is paid in addition to the payment in (ii) above, or
- (b) to continue to receive their pension and not accrue further benefits during any period of re-employment.

3.06 Re-Employment of Former Members

If a Former Member is re-hired by the University, the individual shall be treated as a new hire such that the terms of the individual's employment upon re-hire shall be the basis for determining whether the individual qualifies as an "Employee" under Section 2.12 and the individual's eligibility to join the Plan in accordance with Section 3.01.

Where a Former Member is re-hired by the University and, in accordance with Section 3.01, joins the Plan after such re-hire date, the Member's pension benefit shall be determined as follows:

- (a) For the purposes of determining the Member's annual pension under Section 5.01(a) the Member's Best Average Salary and Pensionable Service shall include both the Member's Regular Annual Salary and Pensionable Service under the Plan prior to the date of re-hire, and the Member's Regular Annual Salary and Pensionable Service in the Plan after the date of re-hire. For the purpose of determining the Member's eligibility to commence a pension on a Special Retirement Date in respect of the Member's pension determined above, the Member's Pensionable Service shall include their Pensionable Service during both before and after their date of re-hire.
- (b) Notwithstanding Section 3.06(a), where an individual who was a Member of the Plan prior to May 1, 2010 including as a Unifor Local 5555 Member ("Initial Period of Membership") terminates employment with the University (whether before or after May 1, 2010), is re-hired by the University on or after May 1, 2010 and becomes a Unifor Local 5555 Member ("Subsequent Period of Membership"), the Member shall receive a separate pension benefit in respect of each period of Plan membership, as follows:
 - (i) in respect of the Initial Period of Membership, the Member shall receive an annual pension determined under Section 5.01(a) based on the Member's Best Average Salary and Pensionable Service as at the Member's termination of Continuous Service for the Initial Period of Membership;
 - (ii) in respect of the Subsequent Period of Membership, the Member shall receive an annual pension determined under Section 5.01(b) based on the Member's Best Average Salary and Pensionable Service during the Subsequent Period of Membership; and
 - (iii) for the sole purpose of determining the Member's eligibility to commence a pension on a Special Retirement Date in respect of the Member's pension determined under paragraphs (i) and (ii) above, the Member's Pensionable

Service shall include their Pensionable Service during both the Initial Period of Membership and the Subsequent Period of Membership.

- (c) Notwithstanding Section 3.06(a), where an individual is hired by the University on or after May 1, 2010 joins the Plan as a Unifor Local 5555 Member (“Initial Period of Membership”), terminates employment with the University, and is re-hired by the University after May 1, 2010 (“Subsequent Period of Membership”) and does not become a Unifor Local 5555 Member upon joining the Plan after their re-hire, the Member shall receive a separate pension benefit in respect of each period of Plan membership as follows:
- (i) in respect of the Initial Period of Membership, the Member shall receive an annual pension determined under Section 5.01(b) based on the Member’s Best Average Salary and Pensionable Service as at the Member’s termination of Continuous Service for the Initial Period of Membership;
 - (ii) in respect of the Subsequent Period of Membership, the Member shall receive an annual pension determined under Section 5.01(a) based on the Member’s Best Average Salary and Pensionable Service during the Subsequent Period of Membership; and
 - (iii) for the sole purpose of determining the Member’s eligibility to commence a pension on a Special Retirement Date in respect of the Member’s pension determined under paragraphs (i) and (ii) above, the Member’s Pensionable Service shall include their Pensionable Service during both the Initial Period of Membership and the Subsequent Period of Membership.

3.07 Re-Engagement of Suspended Members

If a Suspended Member is re-engaged by the University in a Plan-eligible position, the individual shall be treated as a new hire such that the terms of the individual’s employment upon such re-engagement shall be the basis for determining the individual’s eligibility to join the Plan in accordance with Section 3.01.

Where a Suspended Member is re-engaged by the University and, in accordance with Section 3.01, joins the Plan after such re-engagement date, the Member’s pension benefit shall be determined as follows. For the purposes of determining the Member’s annual pension under Section 5.01, the Member’s Best Average Salary and Pensionable Service shall include both the Member’s Regular Annual Salary and Pensionable Service under the Plan prior to the date of re-engagement in a Plan-eligible position, and the Member’s Regular Annual Salary and Pensionable Service in the Plan after the date of re-engagement in a Plan-eligible position.

SECTION 4 - RETIREMENT DATES

4.01 Normal Retirement Date

Normal Retirement Date is the first day of the month in which the Member attains age sixty-five (65).

4.02 Special Retirement Date

Class A	Special Retirement Date														
SAAO Members, SAL Members and TMG Members who are Employees on June 30, 2006 and who terminate employment on or after July 1, 2006	<p>Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least the following, for terminations during the following corresponding periods:</p> <table> <thead> <tr> <th><u>Date of Termination of Employment from</u></th> <th><u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u></th> </tr> </thead> <tbody> <tr> <td>July 1, 2006 to December 31, 2011</td> <td>80</td> </tr> <tr> <td>January 1, 2012 to December 31, 2012</td> <td>81</td> </tr> <tr> <td>January 1, 2013 to December 31, 2013</td> <td>82</td> </tr> <tr> <td>January 1, 2014 to December 31, 2014</td> <td>83</td> </tr> <tr> <td>January 1, 2015 to December 31, 2015</td> <td>84</td> </tr> <tr> <td>January 1, 2016 forward</td> <td>85</td> </tr> </tbody> </table>	<u>Date of Termination of Employment from</u>	<u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u>	July 1, 2006 to December 31, 2011	80	January 1, 2012 to December 31, 2012	81	January 1, 2013 to December 31, 2013	82	January 1, 2014 to December 31, 2014	83	January 1, 2015 to December 31, 2015	84	January 1, 2016 forward	85
<u>Date of Termination of Employment from</u>	<u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u>														
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January 1, 2013 to December 31, 2013	82														
January 1, 2014 to December 31, 2014	83														
January 1, 2015 to December 31, 2015	84														
January 1, 2016 forward	85														
MUALA Members who are Employees on March 15, 2010 and who terminate employment on or after March 16, 2010	<p>Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least the following, for terminations during the following corresponding periods:</p> <table> <thead> <tr> <th><u>Date of Termination of Employment from</u></th> <th><u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u></th> </tr> </thead> <tbody> <tr> <td>April 1, 2010 to December 31, 2011</td> <td>80</td> </tr> <tr> <td>January 1, 2012 to December 31, 2012</td> <td>81</td> </tr> <tr> <td>January 1, 2013 to December 31, 2013</td> <td>82</td> </tr> <tr> <td>January 1, 2014 to December 31, 2014</td> <td>83</td> </tr> <tr> <td>January 1, 2015 to December 31, 2015</td> <td>84</td> </tr> <tr> <td>January 1, 2016 forward</td> <td>85</td> </tr> </tbody> </table>	<u>Date of Termination of Employment from</u>	<u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u>	April 1, 2010 to December 31, 2011	80	January 1, 2012 to December 31, 2012	81	January 1, 2013 to December 31, 2013	82	January 1, 2014 to December 31, 2014	83	January 1, 2015 to December 31, 2015	84	January 1, 2016 forward	85
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January 1, 2016 forward	85														

Class A (continued)	Special Retirement Date																								
Faculty Members who are Employees on June 30, 2006 and who terminate employment on or after July 1, 2006	Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least the following, for terminations during the following corresponding periods:																								
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January 1, 2022 to December 31, 2022	89																								
January 1, 2023 forward	90																								

Class B	Special Retirement Date														
SAAO Members, SAL Members and TMG Members who become Employees on or after July 1, 2006	Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least 85 (eighty-five).														
Faculty Members who become Employees on or after July 1, 2006	Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least the following, for terminations during the following corresponding periods:														
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January 1, 2023 forward	90														

Class C	Special Retirement Date														
<p>Members who are employees of:</p> <ul style="list-style-type: none"> • McMaster Association of Part Time Students • McMaster Children’s Centre Inc. • McMaster University Faculty Association • Divinity College <p>Members who are non-union employees of Regional Medical Associates</p>	<p>Special Retirement Date is the first day of any month coincident with or next following the date of a Member’s termination of employment if the sum of the Member’s age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least the following, for terminations during the following corresponding periods:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Date of Termination of Employment from</u></th> <th style="text-align: left;"><u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u></th> </tr> </thead> <tbody> <tr> <td>July 1, 2006 to December 31, 2011</td> <td>80</td> </tr> <tr> <td>January 1, 2012 to December 31, 2012</td> <td>81</td> </tr> <tr> <td>January 1, 2013 to December 31, 2013</td> <td>82</td> </tr> <tr> <td>January 1, 2014 to December 31, 2014</td> <td>83</td> </tr> <tr> <td>January 1, 2015 to December 31, 2015</td> <td>84</td> </tr> <tr> <td>January 1, 2016 forward</td> <td>85</td> </tr> </tbody> </table>	<u>Date of Termination of Employment from</u>	<u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u>	July 1, 2006 to December 31, 2011	80	January 1, 2012 to December 31, 2012	81	January 1, 2013 to December 31, 2013	82	January 1, 2014 to December 31, 2014	83	January 1, 2015 to December 31, 2015	84	January 1, 2016 forward	85
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Class D	Special Retirement Date
<p>Unifor Local 5555 Members</p> <p>Members who are union employees of Regional Medical Associates</p>	<p>Special Retirement Date is the first day of any month coincident with or next following the date of a Member’s termination of employment if the sum of the Member’s age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least 80 (eighty).</p> <p>Notwithstanding the foregoing, for Members who are newly hired by the University on or after May 1, 2010, the Special Retirement Date is the first day of any month coincident with or next following the date of a Member’s termination of employment if the Member has (1) attained age 60, and (2) the sum of the Member’s age and years of Pensionable Service in the Plan, as at their date of termination of employment equals at least 80 (eighty).</p>

Class E	Special Retirement Date														
Full-time clinical faculty members of the Faculty of Health Sciences who must maintain membership in the Regional Medical Associates	<p>Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least the following, for terminations during the following corresponding periods:</p> <table border="0"> <thead> <tr> <th><u>Date of Termination of Employment from</u></th> <th><u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u></th> </tr> </thead> <tbody> <tr> <td>Prior to February 1, 2014</td> <td>80</td> </tr> <tr> <td>February 1, 2014 to December 31, 2014</td> <td>81</td> </tr> <tr> <td>January 1, 2015 to December 31, 2015</td> <td>82</td> </tr> <tr> <td>January 1, 2016 to December 31, 2016</td> <td>83</td> </tr> <tr> <td>January 1, 2017 to December 31, 2017</td> <td>84</td> </tr> <tr> <td>January 1, 2018 forward</td> <td>85</td> </tr> </tbody> </table>	<u>Date of Termination of Employment from</u>	<u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u>	Prior to February 1, 2014	80	February 1, 2014 to December 31, 2014	81	January 1, 2015 to December 31, 2015	82	January 1, 2016 to December 31, 2016	83	January 1, 2017 to December 31, 2017	84	January 1, 2018 forward	85
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Class F	Special Retirement Date														
Other Members (not included above) who are Employees on June 30, 2007 and who terminate employment on or after July 1, 2007	<p>Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least the following, for terminations during the following corresponding periods:</p> <table border="0"> <thead> <tr> <th><u>Date of Termination of Employment from</u></th> <th><u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u></th> </tr> </thead> <tbody> <tr> <td>July 1, 2006 to December 31, 2011</td> <td>80</td> </tr> <tr> <td>January 1, 2012 to December 31, 2012</td> <td>81</td> </tr> <tr> <td>January 1, 2013 to December 31, 2013</td> <td>82</td> </tr> <tr> <td>January 1, 2014 to December 31, 2014</td> <td>83</td> </tr> <tr> <td>January 1, 2015 to December 31, 2015</td> <td>84</td> </tr> <tr> <td>January 1, 2016 forward</td> <td>85</td> </tr> </tbody> </table>	<u>Date of Termination of Employment from</u>	<u>Age + Pensionable Service as at Date of Termination of Employment Equals At Least</u>	July 1, 2006 to December 31, 2011	80	January 1, 2012 to December 31, 2012	81	January 1, 2013 to December 31, 2013	82	January 1, 2014 to December 31, 2014	83	January 1, 2015 to December 31, 2015	84	January 1, 2016 forward	85
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Class G	Special Retirement Date
Other Members (not included above) who become Employees on or after July 1, 2007	Special Retirement Date is the first day of any month coincident with or next following the date of a Member's termination of employment if the sum of the Member's age and years of Pensionable Service in the Plan as at their date of termination of employment equals at least 85 (eighty-five).

Where a Former Member is re-hired by the University and, in accordance with Section 3.01, joins the Plan after such re-hire date, for the purpose of determining the Member's eligibility to commence a pension on a Special Retirement Date, such eligibility shall be based on the Special Retirement Date rule in this Section 4.02 for the class of employment in which the Member was employed as at the Member's termination of Continuous Service after being re-hired. Notwithstanding the foregoing, where such a Member had, as at the Member's termination of Continuous Service for their initial period of Plan membership, attained a Special Retirement Date in respect of the pension benefit the Member accrued in respect of that period of Plan membership, application of this paragraph shall not disentitle the Member to such Special Retirement Date in respect of the pension benefit accrued in respect of that prior period of Plan membership.

4.03 Early Retirement Date

Early Retirement Date is the first day of any month during the ten (10) year period preceding the Normal Retirement Date.

4.04 Postponed Retirement Date

A Member who continues employment with the University beyond the Member's Normal Retirement Date shall be deemed to have elected to receive their benefits on the Member's Postponed Retirement Date as defined below. During the period of postponement, the Member shall continue to contribute and pension benefits shall continue to accrue under the Plan until the Member's Postponed Retirement Date.

Postponed Retirement Date, for purposes of the Plan, is the earlier of:

- (a) the first day of the month following the date the Member terminates employment with the University after the Member's Normal Retirement Date; and
- (b) with effect from January 1, 2007, the first day of December of the year the Member attains age seventy-one (71) or such other date as may be prescribed for this purpose by the *Income Tax Act*.

A Member whose Postponed Retirement Date is that described in (b) above shall cease to contribute and to earn pension benefits under the Plan and monthly pension payments shall commence as of that date, notwithstanding that the Member continues to earn employment income from the University beyond their Postponed Retirement Date.

SECTION 5 - AMOUNT OF PENSION

5.01 Normal, Special and Postponed Retirement Benefit

- (a) The amount of annual pension payable to a Member from the Normal Retirement Date, Special Retirement Date or Postponed Retirement Date shall be the sum of:
- (i) 1.4% of the Member's Best Average Salary up to the Average YMPE, multiplied by Pensionable Service; plus
 - (ii) 2.0% of the Member's Best Average Salary in excess of the Average YMPE multiplied by Pensionable Service.

The amount calculated above shall include any pension previously purchased from the Canadian Government Annuities Branch in accordance with the Prior Plan.

- (b) Notwithstanding the foregoing, the amount of annual pension payable to a Member who is newly hired by the University on or after May 1, 2010 and in respect of service as a Unifor Local 5555 Member only, from the Normal Retirement Date, Special Retirement Date or Postponed Retirement Date shall be the sum of:
- (i) 1.0% of the Member's Best Average Salary up to the Average YMPE, multiplied by Pensionable Service; plus
 - (ii) 1.6% of the Member's Best Average Salary in excess of the Average YMPE multiplied by Pensionable Service.

5.02 Minimum Retirement Benefit

In no case will a Member's total annual pension payable from the Plan on normal or postponed retirement be less than the annual pension payable from the Prior Plan plus 40% of total required contributions made after June 30, 1969.

5.03 Early Retirement Benefit

- (a) Each Member who elects to commence their pension on their Early Retirement Date may commence to receive a monthly pension benefit on the first day of any month after the month up to and including the Member's Normal Retirement Date, in an amount equal to the amount determined under Section 5.01, less 0.5% of the benefit determined under Section 5.01 for each month that the pension commencement date precedes the Normal Retirement Date.
- (b) The early retirement benefit shall not be less than the Actuarial Equivalent of the deferred pension that would be payable at the Normal Retirement Date except in such instances and to such extent that further reduction is required under Regulation 8503(3)(c) of the *Income Tax Act*.

- (c) A Member to whom Section 5.03(a) applies cannot elect to commence receiving a monthly pension benefit prior to the date the application is received by the Administrator.

5.04 Excess Employee Contributions

- (a) A Member who has elected to receive a pension upon termination of employment shall receive a lump sum cash payment of that amount of the Member's required contributions accumulated with Net Interest on the Fund which exceeds 50% of the Commuted Value of any pension entitlement of the Member under the Plan.
- (b) Alternatively, such a Member may elect to transfer the excess in respect of Pensionable Service prior to January 1, 1991 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*, and the excess in respect of Pensionable Service on and after January 1, 1991 shall be paid to the Member in a lump sum cash payment.

5.05 Benefit From Additional Voluntary Contributions

In addition to any other retirement benefits payable under this Section 5, a Member is entitled to receive either:

- (a) a refund of their additional voluntary contributions, if any, accumulated with Net Interest on the Fund; or
- (b) an annuity purchased from a provider licensed to transact business in Canada with the amount described in (a) above.

5.06 Maximum Benefits

(a) Maximum Annual Pension

Notwithstanding any other provision of the Plan to the contrary, the maximum annual pension payable to a Member under the Plan determined at the time of pension commencement, in the form of pension to be paid to the Member, including any portion of the Member's pension payable to a Member's Spouse or former Spouse as a result of the breakdown of spousal relationship, shall not exceed the years of Pensionable Service of the Member multiplied by the lesser of:

- (i) \$3,420.00 for the year 2022 or such greater amount prescribed for this purpose by the *Income Tax Act*; and
- (ii) 2% of the average of the Member's best three consecutive years' Regular Annual Salary,

reduced, if the pension commencement date precedes the earliest of the days on which:

- (A) the Member will attain age sixty (60); or
- (B) the Member's age plus Pensionable Service or Continuous Service would have equalled eighty (80); or
- (C) the Member would have completed thirty (30) years of Pensionable Service,

by 0.25% for each month by which the pension commencement date precedes that day, provided that no reduction applies in the case of a pension payable as a result of total and permanent disability.

This Section 5.06(a) does not apply to additional benefits payable as a result of any Actuarial Equivalent increase owing to deferral of pension commencement after age sixty-five (65) nor does it apply to that portion, if any, of the pension derived from a Member's excess contributions or additional voluntary contributions.

For purposes of this Section 5.06(a) a Member's Pensionable Service before January 1, 1992 is limited to thirty-five (35) years.

(b) Post-1991 Service Combined Bridge and Pension Maximum Benefit

The annual benefits payable under Section 5.10, in combination with the annual lifetime pension payable under Section 5.01, 5.02 or 5.03, all provided in respect of periods after December 31, 1991, shall not exceed (i) plus (ii) as follows:

- (i) \$3,420.00 for the year 2022 or such greater amount as may be prescribed for this purpose by the *Income Tax Act*, multiplied by the Pensionable Service of the Member after December 31, 1991; plus
- (ii) 1/35th of 25% of the average of the YMPE for the calendar year in which benefits commence to be paid under the Plan and for each of the two (2) immediately preceding years, multiplied by the Pensionable Service of the Member after December 31, 1991, not exceeding thirty-five (35) years.

(c) Maximum Bridge Benefit

The annual bridge benefit payable under Section 5.10 shall not exceed the sum of the maximum benefits payable to the Member under the Canada Pension Plan and the maximum Old Age Security benefit payable to individuals aged sixty-five (65) as at the Member's pension commencement date, reduced proportionately in the case of a Member who has completed less than ten (10) years of Pensionable Service as at that date. The maximum bridge benefit so determined shall be further reduced by 0.25% for each month by which the Member's pension commencement date precedes their attainment of age sixty (60).

5.07 Pension Adjustment

In no event shall the benefit accrued in a calendar year by a Member under Section 5.01, plus the additional voluntary contributions made that year under Section 7.01(b), result in a pension adjustment for the Member as defined by the *Income Tax Act* in excess of the limits for the year prescribed by the *Income Tax Act*.

5.08 Annual Pension Increase

- (a) On January 1 of each year, pensions in pay from the Plan are increased utilizing the pensioner reserve method as described below:

The percentage of increase shall be the lesser of:

- (i) the percentage by which the Average Annual Rate of Return determined by the following formula exceeds 4.5%,

Average Annual Rate of Return = (Sum of the Annual Rates of Return for each of the previous 5 Plan Years) ÷ 5

where,

$$\text{Annual Rate of Return} = \frac{\text{Net Income}}{\frac{1}{2} (\text{Market Value of Fund at beginning of Plan Year plus Market Value at end of Plan Year less Net Income})}$$

and,

“Net Income” equals the sum of interest, dividends, net realized gains and net unrealized gains during the Plan Year less the sum of actuarial, investment, investment counsellor, trustee, audit and other administrative expenses applicable to the Plan or Fund.

- (ii) the percentage annual increase in the average Consumer Price Index during the twelve (12) month period that ended on the immediately preceding June 30.

Notwithstanding the foregoing, for Members who are newly hired by the University on or after May 1, 2010 and in respect of service as a Unifor Local 5555 Member only, the pensioner reserve method utilized shall be as described below:

The percentage of increase shall be the lesser of:

- (iii) the percentage by which the Average Annual Rate of Return determined by the following formula exceeds 5%,

Average Annual Rate of Return = (Sum of the Annual Rates of Return for each of the previous 5 Plan Years) ÷ 5

where,

$$\text{Annual Rate of Return} = \frac{\text{Net Income}}{\frac{1}{2} (\text{Market Value of Fund at beginning of Plan Year plus Market Value at end of Plan Year less Net Income})}$$

and,

“Net Income” equals the sum of interest, dividends, net realized gains and net unrealized gains during the Plan Year less the sum of actuarial, investment, investment counsellor, trustee, audit and other administrative expenses applicable to the Plan or Fund.

- (iv) the percentage annual increase in the average Consumer Price Index during the twelve (12) month period that ended on the immediately preceding June 30.
- (b) Pensions in pay on January 1 of each year shall be increased by the percentage determined in Section 5.08(a) multiplied by a fraction, the numerator of which is the number of months (maximum twelve (12)) the pension was in pay during the previous Plan Year and the denominator of which is twelve (12).
- (c) Notwithstanding the provisions of Sections 5.08(a) and 5.08(b), the increase to pensions in pay effective January 1, 2003 will be calculated using the same method but using 50% of the percentage determined in Section 5.08(a)(i) and using the percentage increase in the average Consumer Price Index between the periods:
 - (i) January 1, 2001 to December 31, 2001; and
 - (ii) July 1, 2001 to June 30, 2002.

5.09 Supplementary Pension Increase

- (a) If in any year after 1996 the percentage calculated in Section 5.08(a)(i) (the “Excess Interest Formula”) exceeds the percentage calculated in Section 5.08(a)(ii) (the “CPI Formula”), such excess will be used to provide a supplementary increase to the annual amount of those pensions in pay from the Plan which had their annual pension increase (as calculated in Section 5.08) in any of the three (3) previous years based on the Excess Interest Formula. The supplementary increase will be applied after the annual pension increase as provided in Section 5.08.
- (b) The supplementary increase shall be the lesser of:
 - (i) the percentage increase described in Section 5.09(a) by dividing (1 + the Excess Interest Formula) by (1 + the CPI Formula); and
 - (ii) the increase necessary to produce an annual pension that would result from granting increases based on the CPI Formula in each of the three (3)

previous years (starting with the year three (3) years previous) in which a lower increase (including any previous supplementary increases) has been provided.

5.10 Early Retirement Bridge Benefit

A Member who commences to receive a pension pursuant to Section 4.02 on or after July 1, 1997, shall receive an additional benefit, payable monthly commencing on the later of:

- (a) the Member's pension commencement date; and
- (b) the first day of the month following the date on which the Member attains age sixty (60),

and ending with the final payment on the earlier of:

- (c) the first day of the month of the Member's death; and
- (d) the first day of the month in which the Member attains age sixty-five (65),

in an amount equal to \$19 per month for each year of Pensionable Service rendered by the Member prior to June 30, 1996, to a maximum of twenty (20) years of such service.

5.11 Transfer of Refund to Registered Retirement Savings Arrangement

A Member who is entitled to receive a refund of contributions under the Plan, including a refund of excess Employee contributions pursuant to Section 5.04, may elect to have the amount transferred directly on their behalf to such other pension plan or retirement savings arrangement that may permit such transfers to be made, provided the transfer is made in accordance with the *Pension Benefits Act* and the *Income Tax Act*, and provided the Member elects to transfer their pension entitlement under the Plan. It is further provided that the aggregate amounts transferred under the Plan shall not exceed the maximum transfer amount prescribed under the *Income Tax Act*; the excess over the prescribed maximum transfer amount shall be payable in cash. However, this maximum transfer limit shall not apply to refund of contributions in respect of Pensionable Service accrued prior to 1991.

5.12 Alternative Benefits

A Member who is eligible for pension benefits in accordance with the terms of this Section 5 may, in lieu thereof, elect to receive their pension benefits in accordance with the terms of Section 9.

5.13 Commencement and Duration of Pensions

Except as otherwise provided in the Plan, the payment of pension benefits to a Member shall commence on the applicable commencement date specified in the Plan and shall be payable on the first day of each month thereafter during the remaining lifetime of the Member, with the last payment to the Member being made on the first day of the month in

which the Member dies, subject to the terms of the normal form or any optional form of pension applicable to the Member pursuant to Section 6.

SECTION 6 - FORM OF PAYMENT OF PENSION BENEFITS

6.01 Normal Form of Benefit - Single Member

A Member who does not have a Spouse at the time pension payments begin shall receive a retirement pension in the form of an annuity payable for the life of the Member in monthly instalments, commencing on the Member's retirement date and ceasing on the first day of the month in which the Member dies, with a guarantee that if the Member dies before eighty-four (84) monthly payments are made, that number of the eighty-four (84) monthly payments remaining unpaid shall continue to be paid to the Beneficiary until all remaining monthly payments have been made or, at the election of the Beneficiary, the Commuted Value of the remaining payments shall be paid in a lump sum cash payment. If there is no such Beneficiary, the Commuted Value of the remaining payments shall be paid in a lump sum cash payment to the estate of the Member.

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.

6.03 Legislated Form of Benefit

- (a) A Member, or an individual entitled to a deferred pension, 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 or individual's retirement date to the first day of the month in which the Member dies, with 60% of such monthly amount continuing to be paid thereafter to the surviving Spouse of the Member ceasing on the first day of the month in which the Spouse dies.
- (b) Such pension as described above shall be the Actuarial Equivalent value of the normal form of benefit to which the Member is entitled under Section 6.02.
- (c) The Member, or an individual, and their Spouse entitled to this benefit may waive this entitlement by delivering to the Administrator a written waiver in a form prescribed under the *Pension Benefits Act*, within a twelve (12) month period immediately preceding the date upon which payment of the pension is to commence.

Such waiver can be revoked in writing within the same period by the individuals who signed it.

6.04 Optional Forms

Subject to Section 6.03, at any time prior to pension commencement, a Member may elect to receive at pension commencement one of the optional forms of pension described below in lieu of the normal form of benefit provided under Section 6.01 or Section 6.02 above. The optional forms of pension described below shall be the Actuarial Equivalent value of the normal form of benefit to which the Member is entitled under this Section 6. If a Member who has a Spouse at the time pension payments begin elects an optional form below which would provide a pension greater in amount than that provided under the normal form of benefit, the pension payable shall be determined based on the Actuarial Equivalent of the pension that would otherwise be payable to a Member without a Spouse.

(a) Life Only

A monthly pension payable for life only with no minimum guaranteed period.

(b) Life and Ten (10) Years Guaranteed

A monthly pension payable for at least ten (10) years and as long as the Member survives.

(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 Administrator in accordance with the Plan, 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 Administrator in accordance with the Plan, 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.

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 their 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 their 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 their 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.

6.06 Commuted Value Option

- (a) In lieu of a monthly pension, a Member may, upon retirement, elect to receive the Commuted Value of the retirement benefits to which the Member is entitled under the Plan, provided that the Commuted Value of the Member's retirement benefits accrued under Section 6.01 shall be at least equal to either one times, or, if the conditions in paragraph 8503(2)(h) of the *Income Tax Act* are met, twice the Member's required contributions accumulated with Net Interest on the Fund to the date of determination.
- (b) Such Commuted Value may be transferred 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*, and provided that the administrator of the plan to which the money is transferred agrees in writing that the amount being transferred shall be treated as locked-in funds in accordance with the *Pension Benefits Act*.

6.07 Commutation of Small Pensions

Notwithstanding any other provisions of the Plan, in the event that:

- (a) the annual pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination, or such other amount as may be prescribed under the *Pension Benefits Act*; or
- (b) the annual survivor pension payable to the Spouse is not more than 4% of the YMPE in the year of the Member's death, or such other amount as may be prescribed under the *Pension Benefits Act*; or
- (c) the Commuted Value of the pension to which the Member is entitled is less than 20% of the YMPE in the year of the Member's termination, or such other amount as may be prescribed under the *Pension Benefits Act*; or
- (d) the Commuted Value of the survivor pension to which the Spouse is entitled is less than 20% of the YMPE in the year of the Member's death, or such other amount as may be prescribed under the *Pension Benefits Act*;

the Commuted Value of the Member's pension, or the Spouse's survivor pension, shall be paid in a single lump sum, in full discharge of the University's obligations under the Plan. For greater certainty, commutation and payment of a Spouse's survivor pension under this Section 6.07 shall be effected only where the pension payable to the Member to which the survivor pension relates commenced to be paid on or after July 1, 2012.

6.08 Shortened Life Expectancy

In the event that a Member, Former Member or Pensioner becomes ill or disabled to the extent that their life expectancy is likely to be considerably shortened within the meaning of the *Pension Benefits Act*, the Administrator may, at the request of the Member, Former Member or Pensioner, vary the terms of payment of the pension to which the Member, Former Member or Pensioner is entitled, subject to the limitations of the *Income Tax Act*.

6.09 Transfer of Lump Sum to Registered Retirement Savings Arrangement

If the person who is entitled to receive a lump sum payment under the Plan is the Member, or the Member's Spouse or former Spouse, that person may elect to have that amount transferred directly on their behalf, subject to the maximum transfer limit prescribed under the *Income Tax Act*, 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*.

SECTION 7 - CONTRIBUTIONS

7.01 (a) Member's Required Contribution

(i) (A) Full-time Employees

Except as set out in Sections 7.03, 7.04 (as applicable), 7.05 (as applicable) and 11.05, each Member shall contribute to the Plan by regular payroll deduction, based on the class of member and effective date, as follows:

Class of Member	Period	Employee Contribution Rate on Regular Annual Salary	
		Up To YMPE	In Excess of YMPE
A.1 Faculty Members*	July 1, 2018 onwards	8.00%	11.00%
A.2 TMG Members*	July 29, 2018 onwards	8.00%	11.00%
A.2 SAAO Members*	July 29, 2018 onwards	8.00%	11.00%
A.2 SAL Members*	October 3, 2018 onwards	8.00%	11.00%
B. Librarians*	July 1, 2018 onwards	8.00%	11.00%
C. Unifor Local 5555 Members hired by the University on or before April 30, 2010	June 12, 2022 onwards	8.73%	11.73%
C. Unifor Local 5555 Members hired by the University on or after May 1, 2010	June 12, 2022 onwards	7.73%	10.73%
D1. Members who are employees of: - McMaster Association of Part Time Students - McMaster University Faculty Association	July 27, 2014 onwards	7.00%	10.00%
D2. Members who are employees of: - McMaster Children's Centre Inc. - Divinity College - Members who are non-union employees of Regional Medical Associates	July 29, 2018 onwards	8.00%	11.00%
E. Members who are union employees of Regional Medical Associates	December 15, 2019 onwards	8.423%	11.423%
F. Full-time clinical faculty members of the Faculty of Health Sciences who must maintain membership in the Regional Medical Associates	July 29, 2018 onwards	8.00%	11.00%
G. Other Members (not included above)	July 29, 2018 onwards	8.00%	11.00%
H. MUALA Members	October 6, 2019 onwards	8.00%	11.00%

* Subject to special adjustments under Section 7.04 and 7.05 (as applicable).

Historical Member contribution rates are set out in Appendix 1 to the Plan for reference purposes only.

(B) Part-time Employees

With respect to a part-time Employee or an individual who becomes a Member by virtue of Section 2.12(g), the contribution amount in Section 7.01(a)(i)(A) above shall be prorated by a ratio, the numerator of which is the Member's hours scheduled to be worked as a part-time Employee during the Plan Year, and the denominator of which is the hours regularly scheduled to be worked by a full-time Employee.

(ii) Limit on Member Contributions

A Member's contributions for any calendar year determined under Section 7.01(a)(i) above shall not exceed the lesser of:

- (A) the maximum amount of employee contributions permitted under the *Income Tax Act* in that calendar year; and
- (B) the amount obtained by applying the contribution formula applicable to the Member under Section 7.01(a)(i), 7.04 or 7.05, but instead of using the Member's Regular Annual Salary, using the Maximum Annual Salary for the calculation.

Notwithstanding the above, the maximum amount permitted under paragraph (A) shall not apply in respect of any period for which the Minister of National Revenue has granted a waiver pursuant to subsection 8503(5) of the *Income Tax Regulations*.

(b) Member's Additional Voluntary Contribution

Subject to Section 5.07 and where permitted under the *Income Tax Act*, a Member may make additional voluntary contributions to the Fund, which will be allocated to an individual account on behalf of the Member. In doing so the Member shall not cause the University to make any extra contributions.

(c) University's Contributions

The University shall pay into the Fund each year the amount required to fund fully the normal cost of the Plan, as determined by the Actuary, after allowing for the Members' required contributions. The University shall also make contributions to the Fund in respect of:

- (i) any going concern unfunded liability;
- (ii) the provision for adverse deviations in respect of the normal cost;
- (iii) a Plan amendment that increases going concern liabilities; and

(iv) any reduced solvency deficiency under the Plan,

if, and in the manner, prescribed by the *Pension Benefits Act*, where terms used in this Section 7.01(c) have the meanings assigned to them under the *Pension Benefits Act* and its related regulations, provided that nothing in this Section 7.01(c) shall be construed to expand or restrict any authority the University may otherwise have to apply surplus toward its contribution obligation under the Plan.

No contribution shall be made by the University to the Fund in accordance with this Section 7.01(c) unless it is an eligible contribution as defined by the *Income Tax Act*.

7.02 Deposit of Employee Contributions

The University shall pay into the Fund all sums received by the University from an Employee or deducted from an Employee's pay as the Employee's contribution to the Plan, within the calendar month following the month the sum was received or deducted. The University's contributions shall be paid into the Fund as and when prescribed under the *Pension Benefits Act*.

7.03 50% Allocation during Excess Actuarial Liabilities

During the period from the effective date of the Plan to June 30, 2002, 50% of the contributions required of each Member pursuant to Section 7.01(a) shall be made on behalf of the Member from those assets of the Plan that are certified by the Actuary to be in excess of the actuarial liabilities of the Plan.

7.04 Special Adjustments to Member Required Contributions for TMG Members, SAAO Members and SAL Members

Notwithstanding Section 7.01(a)(i), effective July 1, 2018, the following special adjustments to Member required contributions will apply:

- (a) if the total University contributions to the Plan determined and made for any month after June 2018 are less than 90% but greater than or equal to 75% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member, SAAO Member and SAL Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 75% of the then current Employee Contribution Rate on Regular Annual Salary;
- (b) if the total University contributions to the Plan determined and made for any month after June 2018 are less than 75% but greater than or equal to 50% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member, SAAO Member and SAL Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 50% of the then current Employee Contribution Rate on Regular Annual Salary;

- (c) if the total University contributions to the Plan determined and made for any month after June 2018 are less than 50% but greater than or equal to 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member, SAAO Member and SAL Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 25% of the then current Employee Contribution Rate on Regular Annual Salary; and
- (d) if the total University contributions to the Plan determined and made for any month after June 2018 are less than 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.04 are made for that month, then TMG Member, SAAO Member and SAL Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be zero (0).

Notwithstanding any other provision of the Plan, the adjusted Member contributions determined under this Section 7.04 for a TMG Member, SAAO Member or SAL Member shall not exceed the amounts determined under Section 7.01(a)(ii), but using the relevant adjusted contribution formula applicable in this Section 7.04 in the calculation under Section 7.01(a)(ii)(B).

For the sake of further clarity, in this Section 7.04, “total University contributions to the Plan” means University contributions made to the Fund for the Plan pursuant to Section 7.01(c), and “total Member contributions” means Member required contributions calculated pursuant to Section 7.01(a) in respect of all Members of the Plan.

7.05 Special Adjustments to Member Required Contributions for Faculty Members and Librarians

Notwithstanding Section 7.01(a)(i), effective July 1, 2017, the following special adjustments to Member required contributions will apply:

- (a) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 90% but greater than or equal to 75% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 75% of the then current Employee Contribution Rate on Regular Annual Salary;
- (b) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 75% but greater than or equal to 50% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 50% of the then current Employee Contribution Rate on Regular Annual Salary;

- (c) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 50% but greater than or equal to 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be calculated as 25% of the then current Employee Contribution Rate on Regular Annual Salary; and
- (d) if the total University contributions to the Plan determined and made for any month after June 2017 are less than 25% of the total Member contributions calculated pursuant to Section 7.01(a) before any special adjustments under this Section 7.05 are made for that month, then Faculty Member and Librarian Member contributions to be made to the Plan pursuant to Section 7.01(a) in respect of that month will be zero (0).

Notwithstanding any other provision of the Plan, the adjusted Member contributions determined under this Section 7.05 for a Faculty Member or Librarian Member shall not exceed the amounts determined under Section 7.01(a)(ii), but using the relevant adjusted contribution formula applicable in this Section 7.05 in the calculation under Section 7.01(a)(ii)(B).

For the sake of further clarity, in this Section 7.05, “total University contributions to the Plan” means University contributions made to the Fund for the Plan pursuant to Section 7.01(c), and “total Member contributions” means Member required contributions calculated pursuant to Section 7.01(a) in respect of all Members of the Plan.

SECTION 8 - ADDITIONAL SERVICE – TRANSFERS AND BUYBACKS

8.01 Other Employer Plans

- (a) A Member who, prior to entering the service of the University, was an active participant in a previous employer's registered pension plan (in this Section 8.01, the "Exporting Plan"), may request to transfer to the Fund monies otherwise payable from the Exporting Plan, subject to the consent of the Administrator. The Administrator may approve such transfer request only if the monies are to be transferred to the Fund directly from the Exporting Plan, if the administrator of the Exporting Plan has provided the Administrator with the necessary data (including certified pensionable service and pension adjustment history), and if the administrator of the Exporting Plan has certified that no benefits would remain payable from the Exporting Plan after the transfer to the Fund. The Administrator shall not consent to a transfer unless, under the pension standards legislation applicable to the benefits accrued under the Exporting Plan, it is permissible for the benefits to be granted under this Plan as a result of the proposed transfer to be subject to the Ontario *Pension Benefits Act*.
- (b) As a result of the transfer to the Plan under Section 8.01(a) and subject to the certification of any past service pension adjustment (as defined under the *Income Tax Act*), the Administrator shall grant to the Member the amount of Pensionable Service which can be produced by the transferred amount, based on the recommendation of the Actuary. For the purposes of Section 8.01(c)(ii), such Pensionable Service shall be classified as "Pensionable Past Service".
- (c) (i) The Administrator shall not grant Pensionable Past Service under the Plan in excess of the pensionable service granted to the Member under the Exporting Plan.
- (ii) Upon the Member's termination of employment or death, the Member shall be entitled to receive a benefit equal to:
- (A) the benefit payable in accordance with Sections 5, 9 or 10, as applicable, for Pensionable Service to the date the Member's employment terminates, exclusive of the Member's Pensionable Past Service granted under Section 8.01(b), and under Section 8.01(e) if any; plus
- (B) the benefit payable under Sections 5, 9 or 10, as applicable, for the Member's Pensionable Past Service granted under Section 8.01(b), and under Section 8.01(e) if any.
- (iii) Subject to Section 8.01(f), the benefit payable to a Member under Section 8.01(c)(ii)(B) shall be payable in the same form and manner as elected by the Member in respect of the benefit payable for Pensionable Service and as provided under Sections 5, 6, 9 or 10, as applicable.

- (iv) Any monies transferred to the Plan pursuant to Section 8.01(a) and contributions made by a Member pursuant to Section 8.01(e) if any, and any Pensionable Past Service granted to a Member in respect thereof, shall be excluded in determining the Member's excess contributions for purposes of Sections 5.04, 9.01(a)(ii), 9.02(b)(i), 9.02(b)(ii) and 10.01(b).
- (d) Upon termination of employment with the University, the amount transferred to the Plan pursuant to Section 8.01(a), or the amount contributed to the Plan pursuant to Section 8.01(e), if any, and the benefits provided therefrom shall be fully vested and non-commutable and the Member shall receive a benefit therefrom in accordance with Section 8.01(c)(ii)(B).
- (e) Should the amount transferred to the Plan pursuant to Section 8.01(a) be insufficient to purchase Pensionable Service equal to the pensionable service credited to the Member in the Exporting Plan, the Member may purchase Pensionable Service up to or equal to the difference, by transferring an amount or amounts from their personal registered retirement savings plan or contributing an amount or amounts to the Plan, as determined by the Actuary. The purchase of Pensionable Service and the making of contributions for that purpose pursuant to this Section 8.01(e) shall be permitted only after certification of the appropriate past service pension adjustment (as defined under the *Income Tax Act*) is received from the Canada Revenue Agency, if applicable, and only as permitted under the *Income Tax Act*. For the purposes of Section 8.01(c)(ii), such Pensionable Service shall be classified as "Pensionable Past Service".
- (f) Notwithstanding Section 8.01(c),
 - (i) if upon termination of employment the Member elects a transfer option offered under the Plan pursuant to either Section 6.06 or Section 9.02(a)(i) or 9.02(b)(ii), as applicable, in respect of the benefit provided under the Plan for the Member's Pensionable Service; or
 - (ii) if upon the pre-retirement death of the Member, the Member's Spouse elects to receive, or the Beneficiary or estate receives, as the case may be, a lump sum payment pursuant to either Section 10.01(a) or 10.01(b) in respect of the benefit provided under the Plan for the Member's Pensionable Service,

the Member or the Spouse or Beneficiary, as the case may be, shall elect that the benefit provided in respect of the Member's Pensionable Past Service pursuant to Section 8.01(c)(ii), in an amount equal to the greater of:

- (iii) the amount transferred to the Plan pursuant to Section 8.01(a), plus the amount contributed to the Plan pursuant to Section 8.01(e) if any, each such amount credited each Plan Year from the date of transfer or contribution to the date of transfer or payment, as applicable, accumulated with Net Interest on the Fund; and

- (iv) the Commuted Value of the benefit provided by Section 8.01(c)(ii)(B), be transferred in the same manner as elected by the Member under Section 6.06 or Section 9.02(a)(i) or 9.02(b)(ii) as received by the Spouse or Beneficiary in a lump sum payment under Section 10.01, as the case may be, in respect of the benefit provided under the Plan for the Member's Pensionable Service.

8.02 Transfer from Hourly Plan to this Plan

If an individual who is entitled to benefits as a participant under the Hourly Plan is transferred from eligible employment with the University to employment in which the individual is eligible to participate in this Plan,

- (a) the commuted value of the benefits to which that individual was entitled under the Hourly Plan as at the date of transfer shall be deposited to the Fund. In no event shall the amount of the transfer be less than the value of the benefits to which the Member would otherwise be entitled under the Hourly Plan;
- (b) the individual shall not be entitled to benefits under the Hourly Plan; and
- (c) the Pensionable Service of the individual for purposes of this Plan shall include the total of the years and partial years of Continuous Service with the University as a participant under the Hourly Plan.

In no event shall the commuted value of the individual's benefits under the Hourly Plan be transferred from the Hourly Plan to this Plan pursuant to Section 8.02(a) above unless the Administrator confirms that the Commuted Value of the benefits to which the individual will be entitled under this Plan in respect of the Pensionable Service recognized under this Plan on account of periods prior to the date of transfer will not be less than the commuted value of the individual's benefits transferred from the Hourly Plan to this Plan.

8.03 Transfer from this Plan to the Hourly Plan

If an Employee who is entitled to benefits under this Plan is transferred to employment with the University in which the individual is eligible to participate under the Hourly Plan,

- (a) the Commuted Value of the benefits to which that individual was entitled under this Plan as at the date of transfer shall be deposited to the Hourly Plan. In no event shall the transfer be less than the Commuted Value of the benefits to which the Member would otherwise be entitled under this Plan;
- (b) the individual shall not be entitled to benefits under this Plan; and
- (c) the pensionable service of the individual for purposes of the Hourly Plan shall include the total of the years and partial years of Continuous Service as a participant under this Plan.

In no event shall the Commuted Value of the individual's benefits under the Plan be transferred from the Plan to the Hourly Plan pursuant to Section 8.03(a) unless the administrator of the Hourly Plan confirms that the commuted value of the benefits to which the individual will be entitled under the Hourly Plan in respect of the pensionable service recognized under the Hourly Plan on account of periods prior to the date of transfer will not be less than the Commuted Value of the individual's benefits transferred from the Plan to the Hourly Plan.

8.04 Buyback of Past Service

Subject to the limits and other applicable restrictions set out in the *Income Tax Act*, upon payment by a Member of the amount determined by the Actuary, such Member may elect to receive additional Pensionable Service under the Plan in respect of any period in which such Member:

- (a) subject to Section 2.12(f) and Section 3.01(b) was eligible for membership in this Plan or the Original Plan but was not a Member of this Plan or a member of the Original Plan;
- (b) was a former contributing participant under this Plan or the Original Plan and was not accruing benefits under any registered pension plan maintained by the University including, without limitation, in respect of periods of lay-off during which no contributions were made pursuant to Section 7.01(a), provided that the Member returned to active employment with the University and became a Member of this Plan or a member of the Original Plan upon such return; or
- (c) for periods of service permitted under the Income Tax Act, was accruing benefits under the registered pension plan or deferred profit sharing plan of an employer, including, without limitation, the University, provided that, upon ceasing to be employed by such other employer, the Member did not receive the employer-paid portion of any benefit under such employer's plan.

Upon payment by the Member of the required amount and upon certification of any past service pension adjustment as defined in the Income Tax Act, the Member's Pensionable Service shall be increased accordingly.

8.05 Transfer from Original Plan to this Plan Pursuant to the Surplus Agreement

- (a) Liabilities for benefits payable under the Original Plan to all persons included in the Surplus Sharing Group (as defined in the Surplus Agreement) and assets in respect of those liabilities and in respect of the actuarial surplus disclosed in the July 1, 2000 funding actuarial valuation report on the Plan prepared by the Actuary shall be transferred to this Plan from the Original Plan in accordance with the Surplus Agreement.
- (b) In no event shall the Commuted Value of the benefits to which an individual who is a member of the Surplus Sharing Group (as defined in the Surplus Agreement) is entitled under this Plan in respect of a period prior to the date of transfer pursuant to Section 8.05(a), or such individual's rights in respect of such benefits, be less than

the commuted value of the benefits or the rights in respect of such benefits, as the case may be, to which the individual was entitled in respect of such period under the Original Plan immediately prior to such date of transfer.

8.06 Buyback of Pensionable Service for Eligible Unpaid Leaves of Absence

A Member may, for any leave of absence without pay in relation to which the Member had the option to continue to participate in the Plan, purchase Pensionable Service under the Plan in respect of such leave in accordance with Section 11.04.

SECTION 9 - TERMINATION OF EMPLOYMENT

9.01 For Benefits Accrued Prior to January 1, 1987

- (a) If the employment of a Member is terminated for any reason other than death or disability, then the individual shall become a Former Member until full and final settlement of all entitlements under the Plan has been made as described below in this Section 9, or until the individual becomes a Pensioner, and the individual may elect (i) or (ii) below with respect to that portion of their entitlements not described in Section 9.02:
- (i) To transfer an amount equal to twice the Member's required contributions made prior to January 1, 1987, accumulated with Net Interest on the Fund, to such other retirement savings arrangement or pension plan that may permit such transfers to be made, provided that the transfer is made in the form and manner prescribed by the *Income Tax Act* and the *Pension Benefits Act*, and provided that the administrator of the plan to which the amount is transferred agrees in writing that the amount transferred shall be locked-in to provide a life annuity under which payments shall not commence prior to the individual's Early Retirement Date under the Plan. If the Commuted Value of the Member's entitlements not described in Section 9.02 is larger than the amount determined above, then the Commuted Value will be transferred instead; or
- (ii) To receive a deferred pension equal to the pension entitlement not described in Section 9.02, payable in the form permitted under the Plan and commencing at the Member's Normal Retirement Date. If the Member's required contributions for Pensionable Service prior to January 1, 1987, accumulated with Net Interest on the Fund exceed 50% of the Commuted Value of the deferred pension described above, the excess shall be paid to the Member in a lump sum or, subject to the maximum transfer limit prescribed under the *Income Tax Act*, be transferred to such other retirement savings arrangement or pension plan that may permit such transfers to be made, provided that the transfer is made in the form and manner prescribed by the *Income Tax Act* and the *Pension Benefits Act*.

9.02 For Benefits Accrued on and After January 1, 1987

- (a) Subject to 9.02(b) and 9.02(c) below, if the employment of a Member is terminated for any reason other than death or disability, then the individual shall become a Former Member until full and final settlement of all entitlements under the Plan have been made as described below in this Section 9, or until the individual becomes a Pensioner, and the individual may elect (i) or (ii) with respect to benefit entitlement earned on and after January 1, 1987 and any benefit improvements granted between January 1, 1987 and the date of termination:

- (i) To transfer an amount equal to the greater of:
 - (A) either one time, or, if the conditions in paragraph 8503(2)(h) of the *Income Tax Act* are met, twice the Member's required contributions accumulated with Net Interest on the Fund for Pensionable Service on and after January 1, 1987, 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*, and provided that the administrator of the plan to which the money is transferred agrees in writing that the amount transferred shall be locked-in to provide a life annuity under which payments shall not commence prior to the individual's Early Retirement Date under the Plan; and
 - (B) the Commuted Value of the deferred pension under Section 9.02(a)(ii) to another pension plan or retirement savings arrangement as provided under Section 9.02(a)(i)(A) above. If the Member's required contributions for Pensionable Service on and after January 1, 1987, accumulated with Net Interest on the Fund, exceed 50% of the Commuted Value of the deferred pension described above, the excess shall be paid to the Member in a lump sum cash payment or, subject to the maximum transfer limit prescribed under the *Income Tax Act*, be transferred 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*.
 - (ii) To receive a deferred pension payable in the form permitted under the Plan and commencing at the Normal Retirement Date. If the Member's required contributions for Pensionable Service on and after January 1, 1987, accumulated with Net Interest on the Fund, exceed 50% of the Commuted Value of the deferred pension described above, the excess in respect of Pensionable Service between January 1, 1987 and December 31, 1990 shall be paid to the Member in a lump sum cash payment or, subject to the maximum transfer limit prescribed under the *Income Tax Act*, be transferred 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*, and the excess in respect of Pensionable Service on and after January 1, 1991 shall be paid to the Member in a lump sum cash payment.
- (b) Notwithstanding (a) above, for a Member who is newly hired by the University on or after May 1, 2010 and joins the Plan as a Unifor Local 5555 Member, if the employment of such Member is terminated for any reason other than death or disability, then the individual shall become a Former Member until full and final settlement of all entitlements under the Plan have been made as described below in this Section 9, or until the individual becomes a Pensioner, and, upon such

settlement the individual may elect (i) or (ii) with respect to benefit entitlement earned and any benefit improvements granted:

- (i) To receive a deferred pension payable in the form permitted under the Plan and commencing at the Normal Retirement Date. If the Member's required contributions accumulated with Net Interest on the Fund, exceed 50% of the Commuted Value of the deferred pension described above, the excess shall be paid to the Member in a lump sum cash payment or transferred to another pension plan or retirement savings arrangement in accordance with the provisions of the *Pension Benefits Act* and the *Income Tax Act*; or
- (ii) To transfer the Commuted Value of the deferred pension to another 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*, and provided that the administrator of the plan to which the money is transferred agrees in writing that the amount transferred shall be locked-in to provide a life annuity under which payments shall not commence prior to the individual's Early Retirement Date under the Plan. If the Member's required contributions accumulated with Net Interest on the Fund, exceed 50% of the Commuted Value of the deferred pension described above, the excess shall be paid to the Member in a lump sum cash payment or transferred to another pension plan or retirement savings arrangement in accordance with the provisions of the *Pension Benefits Act* and the *Income Tax Act*.

For greater certainty and notwithstanding Section 9.02(a)(i)(A) above, a Member who is newly hired by the University on or after May 1, 2010 and joins the Plan as a Unifor Local 5555 Member shall not be entitled to elect a transfer of twice their required contributions accumulated with Net Interest on the Fund as described in Section 9.02(a)(i)(A) and will, instead, only be entitled to elect the remaining payment options described in Section 9.02(a).

- (c) Notwithstanding Section 9.02(a)(i)(A) above, a Faculty Member or Librarian who becomes an Employee after July 1, 2013 shall not be entitled to elect a transfer of twice their required contributions accumulated with Net Interest on the Fund as described in Section 9.02(a)(i)(A) and will, instead, only be entitled to elect the remaining payment options described in Section 9.02(a).

9.03 Termination prior to Age 55

A Member terminating prior to age fifty-five (55) and electing a deferred pension under Sections 9.01(a)(ii), 9.02(a)(ii) or 9.02(b)(i) is entitled to elect to commence receiving a pension on the 1st of any month coincident with or following the date the Member attains age fifty-five (55), or on the Member's Special Retirement Date if applicable. Such pension shall not commence prior to the date the individual notifies the Administrator of such election. Such early retirement pension for a Member who had not attained their Special Retirement Date as at their date of termination of employment shall be the Actuarial Equivalent of the deferred pension payable on the Member's Normal Retirement Date, subject to applicable requirements of the *Income Tax Act*. If the Member had attained their Special Retirement Date as at their date of termination of

employment, their early retirement pension shall be unreduced. For greater certainty, where a Member has elected or is deemed to have elected a deferred pension under the Plan, the Member shall no longer be eligible to elect a transfer in accordance with Section 9.01(a)(i) or 9.02(a)(i).

9.04 Termination at or after Age 55

- (a) A Member who has attained age fifty-five (55) at termination and who has elected a deferred pension under Sections 9.01(a)(ii), 9.02(a)(ii) or 9.02(b)(i) is entitled to commence receiving a pension on the first of any month coincident with or next following the election to commence a pension early. If the Member had not attained their Special Retirement Date as at their date of termination of employment, such early retirement pension shall be their deferred pension less 0.5% of such deferred pension for each month that the pension commencement date precedes the Member's Normal Retirement Date, subject to applicable requirements of the *Income Tax Act*. If the Member had attained their Special Retirement Date as at their date of termination of employment, their early retirement pension shall be unreduced.
- (b) The early retirement benefit for a Member who had not attained their Special Retirement Date as at their date of termination of employment shall not be less than the Actuarial Equivalent of the deferred pension, reduced in accordance with Section 9.04(a), that would be payable at the Member's Normal Retirement Date except in such instances and to such extent that further reduction is required under Regulation 8503(3)(c) of the *Income Tax Act*.

9.05 Benefits from Additional Voluntary Contributions

In addition to the benefits described in Sections 9.01 and 9.02, a terminated Member is entitled to receive a refund of additional voluntary contributions made by the Member, accumulated with Net Interest on the Fund. Additional voluntary contributions, accumulated with interest prior to July 1, 1966, are subject to a 5% withdrawal charge.

9.06 Restrictions on Elections and Portability

Notwithstanding Sections 9.01, 9.02, 9.03 and 9.05:

- (a) All transfers made under this Section 9 are subject to the requirements of the *Pension Benefits Act* and the *Income Tax Act*.
- (b) Where a Member has a benefit entitlement under both Sections 9.01 and 9.02, the Member must elect the same form of payment (lump sum or monthly pension) in respect of the Member's benefit entitlement under both sections.
- (c) Where the Member fails to make an election within the period prescribed by the Administrator for this purpose (which period shall comply with the *Pension Benefits Act*), the Member shall be deemed to elect to receive a deferred pension pursuant to Sections 9.01(a)(ii), 9.02(a)(ii) and 9.02(b)(i), as applicable, and the Member shall

be deemed to elect to receive any excess contributions to their credit in a lump sum cash payment.

9.07 Transfer of Commuted Value of Deferred Pension by Former Members Who Were Members of the Regional Medical Associates

A Former Member who was a member of the Regional Medical Associates and who is entitled to a deferred pension pursuant to Sections 9.01(a)(ii) or 9.02(a)(ii) shall be permitted to elect, on a one-time basis, a transfer of the Commuted Value of such deferred pension to a prescribed retirement savings arrangement if the Former Member so elects prior to March 31, 2007, provided that the transfer is made in the form and manner provided under the *Pension Benefits Act* and the *Income Tax Act* and in accordance with this Section 9.

9.08 Grow-in Benefits

Where a Member's employment has been terminated as a result of an "activating event", as that term is used in section 74 of the *Pension Benefits Act*, as it may be modified and renumbered from time to time, and the Member's combination of age plus years of Continuous Service or continuous membership in the Plan equals at least fifty-five (55) on the effective date of the terminating event, then such Member has the right, but only to the extent required by section 74 of the *Pension Benefits Act*, to receive a pension commencing prior to Normal Retirement Date, calculated in accordance with Section 5, as modified by section 74 of the *Pension Benefits Act*. The dates on which such a benefit can commence will be as provided for under the *Pension Benefits Act*.

For greater certainty, the determination of a Member's Continuous Service or continuous membership for the purposes of this Section 9.08 includes the period that the Member was employed by the University immediately prior to being transferred from the Original Plan or from the Hourly Plan pursuant to Section 8.02 (Transfer from Hourly Plan to this Plan), and any period of Pensionable Service granted pursuant to Section 8.04 (Buyback of Past Service), but does not include any period of Pensionable Past Service granted pursuant to Section 8.01 (Other Employer Plans).

For greater certainty, for purposes of entitlement to a bridging benefit under Section 5.10, the affected Member must have at least 10 years of Continuous Service.

SECTION 10 - DEATH BENEFITS

10.01 Pre-Retirement Death Benefits

If a Member, or Former Member who is entitled to a deferred pension dies prior to the commencement of their pension, the Member's or Former Member's Spouse, or where no Spouse exists or the Spouse has waived entitlement, the Member's or Former Member's Beneficiary or estate at the date of death, shall receive:

- (a) a refund of the Member's or Former Member's required contributions made for Pensionable Service before January 1, 1987, accumulated with Net Interest on the Fund; and
- (b) the Commuted Value of the pension earned for Pensionable Service after December 31, 1986, plus the Commuted Value of any pension entitlements granted after December 31, 1986 for Pensionable Service up to that date. The Spouse, Beneficiary or estate, as applicable, shall also receive a refund of any required contributions made for Pensionable Service after December 31, 1986, accumulated with Net Interest on the Fund, which exceed 50% of the Commuted Value determined in this Section 10.01(b).

10.02 Benefits from Additional Voluntary Contributions

In addition to the death benefits under Section 10.01, the Member's or Former Member's Spouse, or where no Spouse exists or the Spouse has waived entitlement, the Member's or Former Member's Beneficiary or estate at the date of death, shall receive a refund of the additional voluntary contributions accumulated with Net Interest on the Fund.

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.

10.04 Waiver of Pre-Retirement Death Benefit

A Spouse may waive entitlement to the pre-retirement death benefit of a Member or Former Member by delivering to the Administrator a written waiver in a form prescribed under the *Pension Benefits Act*. Such waiver form shall be submitted to the Administrator within sixty (60) days of its completion. Such waiver can be revoked in writing by the Spouse who signed it.

10.05 Death After Pension Commencement

Any death benefit payable upon the death of an individual who has commenced to receive a pension from the Fund is determined in accordance with the form of pension being paid to the individual pursuant to Section 6.

10.06 Designation of Beneficiary

- (a) A Member may, by written notice delivered to the Administrator, designate a Beneficiary to receive any amounts payable under the Plan to a Beneficiary on the death of the Member. Each such written notice shall be in such form and executed in such manner as determined by the Administrator, subject to applicable laws. A Member may revoke or amend such designation, including after the Member's pension has commenced, in the same manner at any time, subject to any applicable laws governing the designation of beneficiaries.
- (b) If a Member does not validly designate a Beneficiary, or if the Beneficiary predeceases the Member, any benefits payable to the Member's Beneficiary will be paid in a lump sum to the estate of the Member.
- (c) 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 to the Beneficiary, the Commuted Value of the remainder of the payments will be paid in a lump sum to the estate of the Beneficiary.

SECTION 11 - LEAVE OF ABSENCE AND DISABILITY

11.01 Membership During Leave of Absence

If a Member is granted a leave of absence, the Member shall remain a Member while on such leave of absence except as otherwise provided in this Section 11.

11.02 Leave with Pay

If such leave of absence is with pay, all contributions and benefit accruals shall continue and for purposes of this calculation, Regular Annual Salary shall be that which would have been in effect had the individual remained an active Employee.

11.03 Leave without Pay

Subject to Section 11.04, an Employee who is a Member (or was a member of the Original Plan in respect of whom assets and liabilities were transferred to this Plan pursuant to the Surplus Agreement or pursuant to the asset transfer effective July 1, 2003) immediately prior to a leave of absence without pay that is approved by the University shall,

- (a) subject to Section 11.03(b), and unless otherwise provided for in this Section 11.03, if the Member does not participate in another registered pension plan, elect, prior to the commencement of the leave,
 - (i) to cease contributions and benefit accruals under the Plan in respect of the period of absence; or
 - (ii) to continue contributions and benefit accruals under the Plan in respect of the period of absence, in which case the Employee shall, in a form and manner acceptable to the Administrator, remit contributions to the Administrator in an amount equal to the Employee's required contribution calculated in accordance with Section 7.01(a), and for purposes of this calculation, Regular Annual Salary shall be that which would have been in effect had the individual remained an active Employee; or
- (b) if the Member is a Unifor Local 5555 Member whose leave of absence without pay is a leave of absence in respect of which the *Employment Standards Act, 2000* or other applicable legislation requires that the Member be provided the option to continue to participate in the Plan, or is approved for the purpose of pursuing job-related training and begins on or after January 1, 2013, elect, prior to the commencement of such leave,
 - (i) to cease contributions and benefit accruals under the Plan in respect of the period of absence; or
 - (ii) to continue contributions and benefit accruals under the Plan in respect of the period of absence, in which case the Employee shall, in a form and manner acceptable to the Administrator, remit contributions to the

Administrator in an amount equal to the Employee's required contribution calculated in accordance with Section 7.01(a), and for purposes of this calculation, Regular Annual Salary shall be that which would have been in effect had the individual remained an active Employee; or

- (c) if the Member participates in another registered pension plan in which the University is not a participating employer, cease contributions and benefit accruals under the Plan during such period of participation in the other plan.

Notwithstanding the foregoing, and subject only to Section 11.03(b), a Unifor Local 5555 Member whose leave of absence without pay is approved to begin on or after January 1, 2013 shall not be entitled to make the election in Section 11.03(a) and shall, instead, cease contributions and benefit accruals under the Plan in respect of the entire period of absence.

Notwithstanding the foregoing, where the Member is a member of The Management Group (TMG), for leaves of absence without pay approved to begin on or after January 1, 2019, except where the *Employment Standards Act, 2000* (Ontario) (as amended from time to time) or other applicable legislation requires such election to be provided in respect of the leave, the Member shall not be entitled to make the election in Section 11.03(a) and shall, instead, cease contributions and benefit accruals under the Plan in respect of the entire period of absence.

11.04 Buyback of Benefits

No benefit shall accrue to an Employee under Section 11.03 for any period in respect of which the Employee does not make contributions to the Plan; except that, where Employee contributions and benefit accruals under the Plan cease in respect of a period of approved leave of absence, the Employee may, upon return to active employment with the University and with the written consent of the Administrator, purchase the benefits that would otherwise be provided under the Plan in respect of such period by contributing an amount equal to the amount required to be contributed by the Employee together with Net Interest on the Fund and an amount equal to the amount required to be contributed by the University as determined by the Actuary as at the date the contribution is to be made. Contributions made to this Section shall be subject to the *Income Tax Act* and the *Pension Benefits Act*. No Employee may purchase benefits that would otherwise be provided under the Plan in respect of such period if the Employee is entitled to benefits accrued under another employer's registered pension plan in respect of the same period.

11.05 Total Disability

- (a) Notwithstanding the provisions of Sections 11.02, 11.03 and 11.04, if an individual becomes totally disabled and the individual was a Member immediately preceding such disability, or assets and liabilities were transferred to the Plan from the Original Plan pursuant to the Surplus Agreement in respect of an individual who is totally disabled, then, while the individual is in receipt of income from the University sponsored Long Term Disability Plan, the individual shall not be required to contribute to the Plan but shall continue benefit accruals under the Plan.

- (b) For the purpose of calculating benefit accruals for those individuals who are totally disabled, Regular Annual Salary and YMPE shall be equal to the Regular Annual Salary and YMPE in effect on the date immediately prior to the individual becoming totally disabled, increased each July 1 by the percentage increase calculated for pensions in pay in Section 5.08(a) (and, where applicable, Section 5.09), starting with the later of July 1, 1990 or the July 1 following commencement of receipt of income from the University Long Term Disability Plan, if a greater benefit entitlement under the Plan is produced.
- (c) The Regular Annual Salary and YMPE for individuals subject to this Section 11.05 on July 1, 2003, will be further increased by 1.5% effective July 1, 2003.
- (d) Notwithstanding any of the above in this Section 11.05, the increases to the Regular Annual Salary and YMPE of an individual during the period of total disability while in receipt of income from the University sponsored Long Term Disability Plan, shall not exceed the cumulative increase in the Consumer Price Index during the same period, in accordance with the requirements of the *Income Tax Act*.

11.06 Limit on Granting Pensionable Service

- (a) The amount of Pensionable Service granted under Section 11.03 in respect of periods of absence before January 1, 1991 is limited to a maximum full-time equivalent of two (2) years, or to three (3) years for periods of short-term appointment to federal and provincial governments, committees or commissions or loan to a union, educational institution or charitable organization where benefits do not accrue for such service under another pension plan.
- (b) In respect of periods of absence after December 31, 1990, the amount of Pensionable Service granted under Section 11.03 is limited to a maximum full-time equivalent of five (5) years, plus an additional three (3) years credited in respect of absences that occurred within the twelve (12) month period which commences at the time of the birth or adoption of a child of the Member.

SECTION 12 - GENERAL PROVISIONS

12.01 Non-Alienation of Benefits

No Member or other individual entitled to receive any pension benefit hereunder shall have any right, title, authority or power to anticipate, alienate, transfer, mortgage, hypothecate, pledge, charge, commute, give as security or surrender, or otherwise encumber or dispose of such pension benefit or any interest therein, nor shall monies payable under the Plan be subject to assignment, attachment, execution, garnishment, sequestration, or other seizure whatsoever, except as allowed under the *Pension Benefits Act* in satisfaction of an order under the *Family Law Act*, R.S.O. 1990, a domestic contract as defined under Part IV of that *Act* or a family arbitration award made under the *Arbitration Act, 1991*, or unless a reduction in benefits is necessary in order to avoid revocation of the registration of the Plan.

12.02 Surrender or Commutation

A pension or deferred pension payable under the Plan shall not be capable of surrender or commutation, except in accordance with Sections 9.01, 9.02 or 6.07.

12.03 Information To Be Provided Before Administrator Pays Benefits

Payment of benefits shall not be made until the person entitled to payment of the benefits delivers to the Administrator such information and other documents as the Administrator may require to confirm the payee's entitlement and calculate and pay the benefit.

12.04 Captions and Headings

The captions, headings and table of contents of the Plan are included for convenience of reference only and shall not be used in interpreting provisions of the Plan.

12.05 Construction

- (a) The Plan is intended to constitute an employee's pension plan qualified for registration under the *Income Tax Act* and the *Pension Benefits Act*.
- (b) The Plan shall be governed and construed in accordance with the laws of the Province of Ontario and the *Income Tax Act*.

SECTION 13 - ADMINISTRATION OF THE PLAN

13.01 Administrator of the Plan

The Administrator of the Plan shall be McMaster University which shall be responsible for all matters relating to the administration, interpretation and operation of the Plan.

13.02 Plan Summary

The Administrator shall provide each Employee with a written explanation of the terms and conditions of the Plan, together with an explanation of the rights and duties of the Employee, all in accordance with the requirements set out under the *Pension Benefits Act*.

13.03 Notice of Amendment

The Administrator shall provide, where required under the *Pension Benefits Act*, notice of amendments to the Plan to such persons as are entitled to such notice, all in accordance with the requirements set out under the *Pension Benefits Act*.

13.04 Periodic Benefit Statements

The Administrator shall, as and when prescribed under the *Pension Benefits Act*, provide to each Member, Former Member and Pensioner a written statement containing the information prescribed under the *Pension Benefits Act* in respect of the Plan and the Member's, Former Member's or Pensioner's pension benefits.

13.05 Termination Statement

When a Member of the Plan terminates employment or otherwise ceases to be an Employee, the Administrator shall give to the Former Member, or to any other person who as a result becomes entitled to a payment under the Plan, a written statement setting out the information prescribed under the *Pension Benefits Act* in respect of the benefits, rights and obligations of the Former Member or other person.

13.06 Inspection of Plan Documents

- (a) The Administrator shall, upon request of a person entitled under the *Pension Benefits Act* to make such a request, make available the documents and information in respect of the Plan and the Fund prescribed under the *Pension Benefits Act*. The Administrator shall do so in the manner provided under the *Pension Benefits Act*.
- (b) An individual set out in Section 13.06(a) is entitled to make such a request for inspection not more than once in a calendar year.
- (c) The Administrator shall permit the person making the inspection to make extracts from or to copy the prescribed documents and information. On request, the Administrator shall provide the person making the inspection with copies of any of

the prescribed documentation or information upon payment to the Administrator of a reasonable fee.

SECTION 14 - ADMINISTRATION OF THE FUND

14.01 Prior Plan Annuities

Benefits purchased under the Prior Plan from the Government Annuities Branch shall be provided by the Government Annuities Branch and all other benefits shall be paid from the Fund.

14.02 Fund Agreement

Subject to the terms of the Plan, the provisions of the *Pension Benefits Act*, the *Income Tax Act* and any other applicable legislation governing the administration, investment or maintenance of pension funds eligible for registration under the *Income Tax Act*, the Fund shall be administered by the Financial Carrier in accordance with the trust agreement or insurance contract, whichever is appropriate.

14.03 Expenses

All normal and reasonable fees and expenses incurred in the operation of the Fund and the Plan shall be paid from the Fund, unless paid by the University. Fees and expenses of the Administrator and its agents, arising from the administration of the Plan, may be paid from the Fund unless paid by the University, subject to review of the Pension Trust Committee (or successor) so long as:

- (a) such payment qualifies as a permissible distribution under the *Income Tax Act*; and
- (b) such payment is not prohibited by the *Pension Benefits Act*.

14.04 Fund Investment

Subject to the provisions of the *Pension Benefits Act* and the *Income Tax Act*, the Administrator shall direct the investment of the Fund in the manner provided in the trust agreement or insurance contract, whichever is appropriate.

14.05 Currency

All calculations and payments associated with the Plan shall be in Canadian currency.

14.06 Surplus Agreement

- (a) The Surplus (as defined in the Surplus Agreement) shall be applied in accordance with the Surplus Agreement provided that in the event that the Surplus (as defined in the Surplus Agreement) is not fully applied or disposed of by the Surplus Agreement, any amount remaining, and any amount derived therefrom, may be applied in the same manner as surplus arising under the Plan otherwise than in connection with the transfer of assets and liabilities from the Original Plan under the Surplus Agreement.

- (b) The Distributable Surplus (as defined in the Surplus Agreement) shall be distributed to or otherwise applied in accordance with the Surplus Agreement for the benefit of:
 - (i) the University;
 - (ii) those individuals entitled any time during the period July 1, 2000 to December 31, 2000 to benefits under the Original Plan whose consent has been obtained in accordance with the Surplus Agreement to the distribution or other application of the Distributable Surplus (as defined in the Surplus Agreement) pursuant to such Agreement; and
 - (iii) the surviving beneficiaries or estate of an individual described in Section 14.06(b) who dies prior to the distribution or other application of the Surplus (as defined in the Surplus Agreement) for their benefit.
- (c) In the event that the Distributable Surplus (as defined in the Surplus Agreement) is distributed to the University and the individuals described in Sections 14.06(b)(ii) and (iii) above in accordance with the Surplus Agreement, the entitlement of any person to surplus existing in the Plan at any time after such distribution shall be determined by agreement between the University and such persons or associations as may be required under then existing agreements or otherwise by law, provided that where no such agreement is made, entitlement to surplus (other than Distributable Surplus as defined in the Surplus Agreement) shall be determined in a proceeding commenced in the Ontario Superior Court of Justice (or any successor thereto).
- (d) Notwithstanding Section 15.01, the University may not amend this Section 14.06 unilaterally.

SECTION 15 - CHANGE OR DISCONTINUATION OF THE PLAN

15.01 Continuation of the Plan

It is the intention of the University to continue contributions under the Plan as long as it is reasonably possible to do so. However, the University may, by Resolution of the Board of Governors, modify or terminate the Plan or the method of funding the Plan at any time.

15.02 Amendment to the Plan

No amendment to the Plan shall reduce:

- (a) the amount or the Commuted Value of a pension benefit accrued under the Plan with respect to employment before the effective date of the amendment; or
- (b) the amount or the Commuted Value of a pension or deferred pension accrued under the Plan; or
- (c) the amount or the Commuted Value of an ancillary benefit for which a Member or Former Member has met all eligibility requirements under the Pension Plan necessary to exercise the right to receive payment of the benefit.

Where an amendment results in a certifiable past service pension adjustment (PSPA) as defined by the *Income Tax Act* in respect of a Member, the amendment shall not apply to the Member prior to certification of the PSPA by the Canada Revenue Agency.

APPENDIX 1 - HISTORICAL MEMBER CONTRIBUTION RATES

Class of Member	Period	Employee Contribution Rate on Regular Annual Salary	
		Up To YMPE	In Excess of YMPE
A.1 Faculty Members*	July 1, 2006 to June 30, 2007	4.25%	5.75%
	July 1, 2007 to July 1, 2011	5.00%	6.50%
	July 2, 2011 to June 30, 2012	5.75%	7.65%
	July 1, 2012 to June 30, 2013	6.50%	8.75%
	July 1, 2013 to June 30, 2018	7.00%	10.00%
A.2 TMG Members*	July 1, 2006 to June 30, 2007	4.25%	5.75%
	July 1, 2007 to January 9, 2010	5.00%	6.50%
	January 10, 2010 - January 8, 2011	5.50%	7.25%
	January 9, 2011 - January 7, 2012	6.00%	8.00%
	January 8, 2012 - July 6, 2013	6.50%	8.75%
	July 7, 2013 to July 28, 2018	7.00%	10.00%
A.2 SAAO Members*	July 1, 2007 to January 9, 2010	5.00%	6.50%
	January 10, 2010 to January 8, 2011	5.50%	7.25%
	January 9, 2011 to January 7, 2012	6.00%	8.00%
	January 8, 2012 - July 6, 2013	6.50%	8.75%
	July 7, 2013 to July 28, 2018	7.00%	10.00%
B. Librarians*	July 1, 2006 to June 30, 2007	4.25%	5.75%
	July 1, 2007 to July 1, 2011	5.00%	6.50%
	July 2, 2011 to June 30, 2012	5.75%	7.65%
	July 1, 2012 to June 30, 2013	6.50%	8.75%
	July 1, 2013 to June 30, 2018	7.00%	10.00%
C. Unifor Local 5555 Members hired by the University on or before April 30, 2010	June 16, 2008 to January 9, 2010	5.50%	7.00%
	January 10, 2010 to January 8, 2011	5.75%	7.50%
	January 9, 2011 to January 7, 2012	6.25%	8.25%
	January 8, 2012 to January 5, 2013	6.50%	8.75%
	January 6, 2013 to September 13, 2014	7.81%	10.06%
	September 14, 2014 to January 13, 2018	7.56%	10.56%
	January 14, 2018 to April 30, 2018	7.646%	10.646%
	May 1, 2018 to December 14, 2019	8.646%	11.646%
	December 15, 2019 to June 11, 2022	8.423%	11.423%
C. Unifor Local 5555 Members hired by the University on or after May 1, 2010	June 16, 2008 to January 9, 2010	5.50%	7.00%
	January 10, 2010 to January 8, 2011	5.75%	7.50%
	January 9, 2011 to January 7, 2012	6.25%	8.25%
	January 8, 2012 to January 5, 2013	6.50%	8.75%
	January 6, 2013 to September 13, 2014	7.81%	10.06%
	September 14, 2014 to January 13, 2018	7.56%	10.56%
	January 14, 2018 to December 14, 2019	7.646%	10.646%
	December 15, 2019 to June 11, 2022	7.423%	10.423%
	D1. Members who are employees of: - McMaster Association of Part Time Students - McMaster University Faculty Association	July 1, 2007 to July 10, 2010	5.00%
July 11, 2010 to January 8, 2011		5.50%	7.25%
January 9, 2011 to January 7, 2012		6.00%	8.00%
January 8, 2012 to July 26, 2014		6.50%	8.75%
D2. Members who are employees of: - McMaster Children's Centre Inc. - Divinity College - Members who are non-union employees of Regional Medical Associates	July 1, 2007 to July 10, 2010	5.00%	6.50%
	July 11, 2010 to January 8, 2011	5.50%	7.25%
	January 9, 2011 to January 7, 2012	6.00%	8.00%
	January 8, 2012 to July 26, 2014	6.50%	8.75%
	July 27, 2014 to July 28, 2018	7.00%	10.00%
E. Members who are union employees of Regional Medical Associates	July 1, 2008 to July 10, 2010	5.50%	7.00%
	July 11, 2010 to January 8, 2011	5.75%	7.50%
	January 9, 2011 to January 7, 2012	6.25%	8.25%
	January 8, 2012 to July 26, 2014	6.50%	8.75%
	July 27, 2014 to September 13, 2014	7.81%	10.06%

Class of Member	Period	Employee Contribution Rate on Regular Annual Salary	
		Up To YMPE	In Excess of YMPE
	September 14, 2014 to January 13, 2018	7.56%	10.56%
	January 14, 2018 to April 30, 2018	7.646%	10.646%
	May 1, 2018 to December 14, 2019	8.646%	11.646%
F. Full-time clinical faculty members of the Faculty of Health Sciences who must maintain membership in the Regional Medical Associates	July 1, 2006 to June 30, 2009	3.50%	5.00%
	July 1, 2009 to February 1, 2014	5.50%	7.00%
	February 2, 2014 to July 28, 2018	7.00%	10.00%
G. Other Members (not included above)	July 1, 2007 to July 10, 2010	5.00%	6.50%
	July 11, 2010 to January 8, 2011	5.50%	7.25%
	January 9, 2011 to January 7, 2012	6.00%	8.00%
	January 8, 2012 to July 26, 2014	6.50%	8.75%
	July 27, 2014 to July 28, 2018	7.00%	10.00%
H. MUALA Members	March 16, 2010 to July 5, 2010	5.00%	6.50%
	July 6, 2010 to January 8, 2011	5.50%	7.25%
	January 9, 2011 to January 7, 2012	6.00%	8.00%
	January 8, 2012 to June 30, 2016	6.50%	8.75%
	July 1, 2016 to October 5, 2019	7.00%	10.00%

* Subject to special adjustments under Section 7.04 and 7.05 (as applicable).