

**WORKPLACE SAFETY AND INSURANCE BOARD EMPLOYEES' PENSION
PLAN**

Effective: July 1, 2020

Amended and Restated as of February 1, 2025

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Article 1 INTRODUCTION

Establishment of the Plan

- 1.01 The Workplace Safety and Insurance Board Employees' Pension Plan was established to provide pension and other benefits to eligible Employees as set out in Ontario Regulation 455/97 under the *Workplace Safety and Insurance Act, 1997* (the "**Plan**").
- 1.02 Prior to the Conversion Date, the Plan was sponsored and administered by the Workplace Safety and Insurance Board (the "**Employer Sponsor**") as a single-employer pension plan.
- 1.03 In 2014 and 2015, the Employer Sponsor and the Ontario Compensation Employees Union, CUPE Local 1750 (the "**Union**") consulted with the Ministry of Finance and entered into negotiations to convert the Plan to a jointly sponsored pension plan as defined by the Pension Benefits Act ("**JSPP**").
- 1.04 The Union and Employer Sponsor entered into a framework term sheet dated May 20, 2016, as amended July 21, 2017, October 31, 2017 and October 24, 2018, providing for the conversion of the Plan to a JSPP. The Employer Sponsor provided notification as required by the Pension Benefits Act to all Members, Retired Members, Former Members and other persons entitled to pension benefits under the Plan and the necessary consents were obtained to satisfy the requirements of the Pension Benefits Act for conversion to a JSPP.
- 1.05 The effective date of the conversion of the Plan is July 1, 2020. The converted Plan is a defined benefit JSPP under the Pension Benefits Act and all Members, Retired Members, Former Members and other persons entitled to pension benefits under the Plan as of the effective date of the conversion shall be covered by the converted Plan and the statutory framework applicable to JSPPs.
- 1.06 This amended and restated Plan is effective February 1, 2025. Benefits in respect of retirements, terminations, disabilities or deaths which occurred prior to February 1, 2025, shall be governed by the terms of the Plan and any amendments made thereto, and applicable legislation as they existed at the time of such retirement, termination, death or disability, unless expressly provided otherwise herein.

Article 2 INTERPRETATION

The following words and phrases shall, for the purposes of the Plan, have the following meanings respectively, unless a different meaning is plainly required by the context.

- 2.01 “**Actuary**” means the person or firm appointed, hired or retained as such, from time to time, by the Trustees and who is, or one of whose employees is, a Fellow of the Canadian Institute of Actuaries.
- 2.02 “**Administrative Agent**” means such person, firm or corporation as may, from time to time, be appointed, hired or retained by the Trustees, for the purpose of the administration of the Trust Fund and Plan, in accordance with the provisions of the Trust Agreement.
- 2.03 “**Amendment Date**” means the date that is sixty (60) months (five (5) years) following the Conversion Date.
- 2.04 “**Bridge Pension**” has the meaning ascribed to it in “C” of section 7.02(3).
- 2.05 “**Child**” or “**Children**” shall include a person’s child by adoption or step-child or a child to whom the person is acting in the role of parent.
- 2.06 “**Commuted Value**” has the same meaning as in the Pension Benefits Act and without limiting the foregoing must be:
- (1) based on assumptions that are reasonable and, where applicable, are acceptable under the Income Tax Act and the regulations thereunder;
 - (2) calculated in accordance with accepted actuarial practice including requirements prescribed under the Pension Benefits Act;
 - (3) in compliance with section 52(1) of the Pension Benefits Act;
 - (4) calculated without regard to the sex of a Member in the calculation of the Commuted Value that a Former Member may require the administrator to pay under section 42 of the Pension Benefits Act in relation to employment before January 1, 1987.
- 2.07 “**Continuous Employment**” means the period of unbroken employment of an Employee with the Employer and includes:

- (1) all periods while the Employer is making contributions respecting the person under section 25 of the Workplace Safety and Insurance Act, 1997;
- (2) any period during which a Member is absent from work on an approved leave of absence or solely because of a lay-off, strike or lock-out;
- (3) any period during which a Member was absent from work on a leave of absence under the Employment Standards Act, 2000, as amended from time to time; and
- (4) any period during which an Employee was employed by the Trustees prior to September 1, 2020.

For purposes of the Plan, the employment of an Employee shall be deemed to be unbroken when the Employee ceases employment with the Employer Sponsor or the Trustees, as applicable, and immediately commences employment with the other Employer.

- 2.08 **“Conversion Date”** means July 1, 2020.
- 2.09 **“Conversion Deficit”** means any going concern unfunded liability (based on salaries projected to retirement) existing on the Conversion Date, calculated in accordance with the Pension Benefits Act.
- 2.10 **“Conversion Filing Valuation”** means the valuation report to be filed by the Board of Trustees in conjunction with the conversion of the Plan.
- 2.11 **“Conversion Surplus”** means any going concern surplus (based on salaries projected to retirement) existing on the Conversion Date, calculated in accordance with the Pension Benefits Act.
- 2.12 **“Deferred Pension”** has the same meaning as in the Pension Benefits Act.
- 2.13 **“Dependent Child”** shall include a Child of a Former Member or Retired Member who is deceased if the Child was dependent on the Former Member or Retired Member for support immediately before the Former or Retired Member’s death and if the Child is,
- (1) less than 18 years of age;

- (2) 18 or more years of age but less than 25 years of age and is attending a school or university full-time, having so attended substantially without interruption since the later of reaching 18 years of age and the death of the Former Member or Retired Member; or
- (3) 18 or more years of age and suffers from a physical or mental impairment that prevents the Child from earning a living and has suffered from the impairment without interruption since the later of reaching 18 years of age and the death of the Former Member or Retired Member.

2.14 **“Earnings”** of a Member are defined to:

- (1) constitute the basic amount of remuneration that the Member actually receives for his or her position, computed with reference to the period of time during which the Member is employed and shall also include:
 - (a) the amount of any payments under the *Workplace Safety and Insurance Act, 1997*, for loss of earnings received by the Member, in respect of an occupational illness or injury incurred in respect of employment with the Employer, and the amount of any supplement by the Employer up to the maximum amount of the Member’s regular earnings;
 - (b) the amount of any one-time lump sum merit award under the Employer’s salary plan for non-bargaining unit Employees; and
- (2) constitute the following amounts if a Member who is not employed by a Safe Workplace Association or by the Trustees is on a leave of absence due to disability:
 - (a) during the first 40 continuous working days of a disability leave, inclusive of the 40th working day of the leave, for a Member receiving short-term disability benefits from a Short-term Disability Plan, as applicable, the amount of the short-term disability benefits plus payments actually received by the Member to top up such benefits, if applicable, plus any increases that are granted during this period of leave;

- (b) from the 41st to 130th continuous working day of a disability leave, inclusive, for a Member receiving short-term disability benefits from a Short-term Disability Plan, the Member's Earnings prior to the first day of disability leave plus any increases that are granted during this period of disability leave; and
 - (c) during the period a Member is in receipt of long-term disability benefits from a Long-term Disability Plan, as applicable, the Member's Earnings prior to the first day of disability leave, plus any increases that are granted during this period of Short-term disability leave, plus any increase in accordance with this Plan;
- (3) constitute the Member's Earnings prior to the first day of disability leave if a Member who is employed by a Safe Workplace Association or by the Trustees is on a leave of absence due to disability and is in receipt of short-term or long-term disability benefits from a Short-term Disability Plan or Long-term Disability Plan, as applicable;
- (4) but Earnings do not include:
- (a) overtime pay, differential pay, second language bonus, or a payment to the Member in lieu of a benefit provided by the Employer;
 - (b) retirement benefits provided to the Member under section 45 of the *Workplace Safety and Insurance Act, 1997* or section 44 of the *Workers' Compensation Act*, as it read before January 1, 1998; or
 - (c) any amount in excess of the limits on prescribed compensation under paragraph 8507 of the regulations made under the Income Tax Act in respect of periods of reduced earnings or temporary absence during which the Member's Earnings are deemed in accordance with subsection (1) above or pursuant to sections 11.01A, 11.01B, 11.05, 11.06, 11.07 or 11.08 of the Plan. For greater certainty, a Member's Earnings cannot be deemed under such provisions, in the aggregate, for greater than five years of full-time equivalent employment (plus an additional three years in respect of periods of parenting).

2.14.1 **“Eligible Part-Time Service”** means a temporary period (i) throughout which an Employee renders services to the Employer on a part-time basis, where the remuneration the Employee receives is less than the remuneration the Employee received while last in full-time active service with the Employer before the temporary period, (ii) which qualifies as an “eligible period of reduced pay” under subsection 8500(1) of the regulations made under the Income Tax Act, and (iii) immediately following which the Employee returns to full-time employment with the Employer.

2.15 **“Employee”** means:

- (1) an employee of the Employer Sponsor and includes, for the purposes of the Plan, any individual deemed to be an employee of the Workplace Safety and Insurance Board under section 171 of the *Workplace Safety and Insurance Act, 1997*; and
- (2) effective September 1, 2020, an employee of the Trustees.

2.16 **“Employer”** means:

- (1) the Workplace Safety and Insurance Board; and
- (2) effective September 1, 2020, the Trustees, as applicable.

For greater certainty, for purposes of the Plan, the Workplace Safety and Insurance Board is deemed to be the Employer in respect of each Employee who is deemed to be an Employee for purposes of the Plan under section 171 of the Workplace Safety and Insurance Act, 1997.

2.16.1 **“Employer Sponsor”** means the Workplace Safety and Insurance Board.

2.17 **“Former Member”** means a person who satisfies the criteria under section 3.05 of the Plan to be a Former Member.

2.18 **“Funding Policy”** means the funding policy for the Plan established by the Sponsors pursuant to the Sponsors Agreement, as amended or replaced by the Sponsors from time to time.

2.19 **“IMCO”** means the Investment Management Corporation of Ontario.

2.20 **“Income Tax Act”** means the *Income Tax Act (Canada)* and regulations thereto, as amended or replaced from time to time, and any

waiver or relief provided by the Minister of National Revenue or the Canada Revenue Agency, as applicable, thereto.

- 2.21 “**Interest**” means the rate of interest calculated under this Plan which shall accumulate with interest compounded annually at the minimum rate determined under the Pension Benefits Act or at such higher rate as is reasonable and permitted by the Income Tax Act and as the Trustees may determine.
- 2.22 “**JSPP**” shall have the meaning ascribed thereto in section 1.03.
- 2.23 “**Lifetime Pension**” means the pension payable for the lifetime of a Member, calculated under section 7.02 and does not include the Bridge Pension.
- 2.24 “**Long-term Disability Plan**” means, to the extent applicable, a benefit plan provided by the Employer, or a Safe Workplace Association, to the Employees to provide income protection in case of a long-term disability.
- 2.25 “**Member**” means a Member of the Plan but excludes Former Members and Retired Members.
- 2.26 “**Membership**” means the period during which an Employee is a Member of the Plan, as well as any period of Pensionable Service in respect of which the Member has transferred service in accordance with section 11.11 of the Plan and any period of pre-enrollment Pensionable Service purchased by the Member in accordance with sections 11.01, 11.02, and 11.03 of the Plan.
- 2.27 “**Normal Retirement Date**” means the normal retirement date determined under section 6.01.
- 2.28 “**Pension**” means a pension benefit that is being paid under the Plan. A Pension may be composed of a Lifetime Pension or a Lifetime Pension plus Bridge Pension, as applicable.
- 2.29 “**Pension Benefits Act**” means the *Pension Benefits Act* (Ontario) and regulations thereto, as amended or replaced from time to time.
- 2.30 “**Pensionable Service**”, in relation to a person, means the period of years, or partial years:

- (1) of Membership that the person has accumulated during which contributions have been made by or in respect of the Member; and/or
- (2) in respect of which the Member has transferred service, or purchased Pensionable Service, under Article 11 of the Plan, if applicable.

Pensionable Service for part-time Employees is calculated as a proportion of the Pensionable Service that a full-time equivalent Employee would accrue, except where the Employee has purchased a period of Eligible Part-Time Service pursuant to Section 11.01A or 11.01B.

- 2.31 **“Phase-in Period”** means the period commencing on the Conversion Date and continuing each year on the anniversary of the Conversion Date until the Member contributions are equal to 50% of the normal cost of the Plan.
- 2.32 **“Plan”** means the Workplace Safety and Insurance Board Employees’ Pension Plan, as amended or replaced from time to time.
- 2.32.1 **“Rate Change Effective Date”** in respect of each Member means:
- (1) for periods prior to July 1, 2022, each anniversary of the Conversion Date;
- and
- (2) effective as of July 1, 2022, the first day of the pay period for such Member which is: (i) either on, or immediately following, each anniversary of the Conversion Date; and (ii) during the Phase-In Period.
- 2.33 **“Registered Retirement Savings Arrangement”** means a registered retirement savings plan established in accordance with the Income Tax Act or a registered retirement income fund established in accordance with the Income Tax Act.
- 2.34 **“Re-employed Member”** means a Former Member or Retired Member who becomes re-employed by the Employer as an Employee and is deemed to be reinstated as a Member.
- 2.35 **“Retired Member”** has the meaning ascribed thereto in section 3.05 of the Plan.

- 2.36 “**Safe Workplace Association**” means a safe workplace association, or other organization, permitted to participate in the Plan pursuant to and in accordance with section 171 of the Workplace Safety and Insurance Act, 1997.
- 2.37 “**Short-term Disability Plan**” means, to the extent applicable, a benefit plan provided by the Employer, or a Safe Workplace Association, to the Employees to provide income protection in case of a short-term disability.
- 2.38 “**Spouse**” means either of two persons who,
- (1) are married to each other, or
 - (2) are not married to each other and are living together in a conjugal relationship,
 - (a) continuously for a period of not less than three years, or
 - (b) 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* (Ontario).
- 2.39 “**Sponsors**” means the Employer Sponsor and the Union, each being a “Sponsor”.
- 2.40 “**Sponsors Agreement**” means the Sponsors Agreement effective September 5, 2019 between the Sponsors, as amended or replaced from time to time.
- 2.41 “**Statement of Investment Policies and Procedures**” means the written statement of investment policies and procedures that meets the requirements of the PBA and governs the investment of the assets of the Trust Fund, as amended or replaced from time to time.
- 2.42 “**Temporary Employee**” means a person who is employed under a contract of service for a limited period of employment.
- 2.43 “**Transferred IMCO Members**” means the members who, effective July 23, 2017, ceased employment with the Employer Sponsor and became employed pursuant to the *Investment Management Corporation of Ontario Act, 2015* and commenced participation effective July 24, 2017 under the Public Service Pension Plan, being Schedule 1 as amended under the *Public Service Pension Act* (Ontario).

- 2.44 **“Trust Agreement”** means Administration and Trust Agreement (Schedule “B” to the Sponsors Agreement) between the Sponsors and the individuals who are initially appointed as Trustees and that governs the administration of the Plan and Trust Fund on and after the Conversion Date, as amended or replaced from time to time.
- 2.45 **“Trust Fund”** means the fund established and maintained in accordance with the Trust Agreement to provide benefits under or related to the Plan, which, effective on the Conversion Date, is comprised of all of the assets of the Plan consolidated with all funds and assets received from time to time by way of contributions, together with all increments, earnings and profits accruing from the administration and investment of the assets of the Plan.
- 2.46 **“Trustees”** means the persons appointed by the Sponsors from time to time as trustees to constitute the board of trustees that is the administrator of the Plan in accordance with the Sponsors Agreement and the Administration and Trust Agreement. For greater certainty, each person so appointed is a “Trustee”. For the purposes of the Plan, a reference to the Trustees is a reference to the full board of trustees and shall include any authorized delegate or designate of the Trustees.
- 2.47 **“Union”** has the meaning ascribed thereto in section 1.03.
- 2.48 **“YMPE”**, in relation to a year, means the Year’s Maximum Pensionable Earnings established under the Canada Pension Plan for the year.
- 2.49 Reference to the third person will include any gender unless the context otherwise requires. Words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular.
- 2.50 The titles given to the various Articles and Sections of the Plan are inserted for convenience and reference only and are not part of this Plan, and they shall not be considered in determining the purpose, meaning, or intention of any provision of the Plan.
- 2.51 Reference to days shall mean calendar days, unless specified as business days.

Article 3 **ELIGIBILITY AND MEMBERSHIP**

3.01 Members on Conversion Date

Every Member of the Plan on the Conversion Date continues as a Member of the Plan.

3.02 Eligibility for Membership

- (1) Subject to subsection (2), every permanent Employee is a Member of the Plan beginning on his or her date of employment. For greater certainty, a permanent Employee shall immediately become a Member of the Plan despite any probationary period that may otherwise apply. Notwithstanding the foregoing, and for greater certainty, a permanent Employee who is employed by the Trustees is a Member of the Plan, with respect to such employment, beginning on the later of September 1, 2020 or his or her date of employment.
- (2)
 - (a) On a permanent Employee's date of employment, the Employee is not eligible to become a Member of the Plan if, over a period of one year at his or her normal working hours, the Employee would earn less than 35 per cent of the YMPE or would work fewer than 700 hours.
 - (b) A permanent Employee who is not immediately eligible to join the Plan pursuant to (a) above shall become a Member of the Plan on the date the Employee's normal working hours increase, such that, over a period of one year, the Employee would earn at least 35 per cent of the YMPE or would work 700 hours.
- (3) A member of the Board of Directors of the Employer Sponsor is a Member of the Plan beginning on the date that he or she becomes a full-time member of the Board of Directors of the Employer Sponsor.

3.03 Membership of Temporary Employees

- (1) A Temporary Employee may elect to become a Member of the Plan after 24 months of Continuous Employment.
- (2) A Temporary Employee is not eligible to make an election under subsection (1) if, at the date of the election, the Earnings of the Temporary Employee in the 12-month period preceding that

date were less than 35 per cent of the YMPE or the Temporary Employee worked fewer than 700 hours during that 12-month period.

- (3) A person who is hired under a contract for services is not eligible to be a Member of the Plan.
- (4) A Temporary Employee who is re-hired within 15 days of the expiration of the Temporary Employee's prior contract with the Employer is deemed to have Continuous Employment and upon becoming a Member may, in accordance with Section 11.02, purchase any period of service during which the Member was a Temporary Employee and was not enrolled in the Plan.

3.04 Continued Membership

- (1) An Employee does not cease to be a Member of the Plan by reason only of a change in his or her employment category.
- (2) An Employee does not cease to be a Member of the Plan by reason only that he or she earns less than 35 per cent of the YMPE in a year or is employed for fewer than 700 hours in a year.
- (3) An Employee does not cease to be a Member of the Plan by reason only that the Employee has ceased employment with the Employer Sponsor or Trustees, as applicable, if the Employee immediately commences employment with the other Employer.

3.05 Former Members, Retired Members and Re-employed Members

- (1) A Member becomes a Former Member if the Member is not a Retired Member or Re-employed Member and:
 - (a) the Member's employment that relates to the Plan has terminated by reason of his or her resignation, dismissal with or without just cause, retirement or death; and
 - (b) the Member is entitled to a benefit under the Plan.
- (2) A Member becomes a Retired Member when he or she has terminated the employment that relates to the Plan and:
 - (a) is receiving a Pension,

- (b) is entitled to begin to receive a Pension by virtue of having reached Normal Retirement Date even though the person has not yet elected to receive the Pension, or
 - (c) has elected to receive a normal or early retirement Pension from the Plan whether or not receipt of the first payment of the Pension is deferred until a later date.
- (3) A Former Member or Retired Member becomes a Re-employed Member and has his or her Membership reinstated if the Former Member or Retired Member is re-employed by the Employer as a permanent Employee, in which case the Re-employed Member is not entitled to receive an ongoing Pension during the period of re-employment and any Pension payments must cease during the period he or she is re-employed.
- (4) When the Re-employed Member ceases to be employed by the Employer or reaches the maximum age specified under the Income Tax Act for the accrual of benefits under a registered pension plan, whichever comes first, the amount of the Former Member or Retired Member's retirement Pension shall be recalculated based on the previous Pension accrued before the period of re-employment plus the Pension accrued during the period of re-employment.
- (5) A person is not a Former Member of the Plan if he or she is not entitled to a Deferred Pension under the Plan.

Article 4 **CONTRIBUTIONS**

4.01 Member Contributions

- (1) Effective on the Conversion Date, subject to subsections (3) and (5), every Member shall contribute to the Trust Fund from his or her Earnings for a year,
 - (a) 5.8% of the amount of his or her Earnings that does not exceed the YMPE; and
 - (b) 7.6% of the amount of his or her Earnings that exceeds the YMPE.
- (2) Effective as of each Rate Change Effective Date, the contribution rate applicable to the portion of the Member's Earnings under paragraph 4.01(1)(a) shall increase by 0.6%, and the contribution rate applicable to the portion of the Member's Earnings under paragraph 4.01(1)(b) shall increase by 0.6%, provided that in no event shall such annual increases in the Member contribution rates cause the aggregate Member contributions to exceed 50% of the normal cost of the Plan. On the Rate Change Effective Date when such annual increases in the Member contribution rates would otherwise cause the aggregate Member contributions to equal or exceed 50% of the normal cost of the Plan, the increase in the rates on that Rate Change Effective Date shall be proportionately adjusted to prevent the Member contributions from exceeding 50% of the normal cost of the Plan, the Phase-in Period shall end, and Member contributions shall be set, from time to time, in accordance with the Funding Policy.
- (3) Subject to subsection 8503(5) of the regulations made under the Income Tax Act, the Member shall not contribute an amount under subsection (1) greater than the maximum permissible contribution determined under subsection 8503(4) of the regulations made under the Income Tax Act.
- (4) For the purposes of subsection (1), the Member's Earnings for a year shall be deemed to exclude the amount, if any, that exceeds the amount calculated using the formula,

$$50 \times (A + B)$$

where,

“A” equals 0.5 per cent of the YMPE, and

“B” equals the defined benefit limit established for the year under the Income Tax Act.

- (5) If a Member continues to be employed by the Employer after his or her Normal Retirement Date and is receiving a retirement pension under the Canada Pension Plan, notwithstanding any other provision of this section 4.01, the amount the Member shall contribute shall be determined as if the rate specified in paragraph 4.01(1)(b), together with any increases to such rate in accordance with subsection 4.01(2), as applicable, were also applied to the portion of the Member’s Earnings that does not exceed the YMPE.
- (6) The Member’s contributions shall be deducted from his or her Earnings for each pay period and remitted to the Trust Fund by the Trustees within the period prescribed by the Pension Benefits Act.

4.02 Employer Contributions

- (1) The Employer Sponsor shall contribute to the Trust Fund such amounts as are necessary to pay the cost of a Conversion Deficit as at the Conversion Date. The amount of the contributions payable by the Employer Sponsor shall be determined on the basis of the Conversion Filing Valuation, and the Employer Sponsor shall pay such amount in the manner and over the period following the filing of the Conversion Filing Valuation, as agreed to by the Sponsors.
- (2) During the Phase-in Period, the Employer Sponsor shall contribute to the Trust Fund such amounts as are necessary to pay the cost of pension benefits and ancillary benefits under the Plan, less contributions made by (a) the Trustees in respect of Members who are employed by the Trustees; and (b) the Members. The amount of contributions payable by each Employer shall be determined on the basis of valuations made by the Actuary and approved by the Trustees.
- (3) Subject to section 4.04, the aggregate Employer contributions in a month during the Phase-in Period shall not be less than the minimum amount, as determined by the Actuary, that is required to pay the normal cost of the Plan and liquidate any unfunded liabilities identified in an actuarial valuation report in effect at the

time the contribution is payable, to the extent required under the Pension Benefits Act. For greater certainty, the Employer Sponsor shall remain solely responsible for funding the Conversion Deficit.

- (4) After the Phase-in Period, the Employer's contribution rate shall be equal to the Member contribution rate, and the combined contributions shall not be less than the minimum amount, as determined by the Actuary, that is required to pay the normal cost of the Plan and liquidate any unfunded liabilities identified in an actuarial valuation report in effect at the time the contributions are payable, to the extent required under the Pension Benefits Act.
- (5) For greater certainty, a reference to "Employer contributions" in the Plan includes contributions required to be made in respect of Members who are employed by a Safe Workplace Association.

4.03 Overpayments of Contributions

Any overpayment of a contribution by the Employer or a Member, as applicable, or any amount paid by the Employer that should have been paid from the Trust Fund shall, at the request of the Member or Employer and with the consent of the Financial Services Commission of Ontario (or its successor entity) and any other appropriate government authorities, as applicable, be refunded or paid to the Employer or the Member, as the case may be, provided that the request is made in accordance with the Pension Benefits Act and any other applicable legislation. Notwithstanding the foregoing, where the Employer does not receive a refund of the overpayment, the Employer may elect to apply the overpayment as a credit to future contributions.

4.04 Use of Surplus/Gains and Responsibility for Funding Deficits

- (1) Subject to the Funding Policy, this section provides for the use of an amount in the Trust Fund that is surplus to the requirements of the Plan while it continues in existence.
- (2) Subject to the Funding Policy, during the Phase-in Period, post-conversion gains and losses (for both pre- and post-conversion service) are the responsibility or for the account, as applicable, of the Employer Sponsor. At the Conversion Date and during the Phase-in Period, any Conversion Surplus and any post-conversion going concern gains (for both pre- and post-

conversion service) will be used only to offset going concern losses arising during the Phase-in Period.

- (3) Subject to the Funding Policy, after the Phase-in Period, all post-conversion gains and losses (for both pre-and post-conversion service) under the Plan shall be shared on an equal basis by the Members and the Employer, including contributions in respect of remaining amortization payments that are payable by the Employer Sponsor, if any, on losses arising under the Plan during the Phase-in Period. Any actuarial gains that arise after the Phase-in Period shall be applied by the Trustees in accordance with the Funding Policy.
- (4) For greater certainty, in accordance with and subject to the Pension Benefits Act, the Employer Sponsor is responsible for funding any going concern deficit under the Conversion Filing Valuation filed with the pension regulator and determined by the Actuary in accordance with the Pension Benefits Act existing on the Conversion Date and any wind-up deficit under the wind up valuation filed with the pension regulator and determined by the Actuary in accordance with the Pension Benefits Act relating to pre-conversion liabilities (as set out in the wind up valuation filed with the pension regulator) in the event of a wind up of the Plan.
- (5) If a refund of all or a portion of a contribution made by a Member or by the Employer is required in order to avoid revocation of the registration of the Plan under the Income Tax Act, the contribution may be refunded from the Trust Fund to the Member or the Employer, as the case may be.

4.05 Valuations

The Actuary designated by the Trustees shall perform actuarial valuations from time to time as required by the Pension Benefits Act, of the contingent assets and liabilities on a going concern basis of the Plan and shall recommend to the Trustees and Sponsors the rates of contributions for Members and the Employer in accordance with the Sponsors Agreement, the Trust Agreement and the Funding Policy, as applicable. The Trustees shall maintain accounts showing the fiscal transactions of the Plan and shall keep in convenient form such data as may be necessary for actuarial valuations of the Plan.

Article 5 **SERVICE**

5.01 Eligible Service

A Member accrues Pensionable Service under the Plan for any period of service that is eligible service under paragraph 8503(3)(a) of the regulations made under the Income Tax Act if contributions to the Trust Fund are made by or on behalf of the Member in respect of that period of service.

5.02 Pensionable Service after Normal Retirement Date

A Member who continues to be employed by the Employer after his or her Normal Retirement Date continues to accumulate Pensionable Service for contributions under the Plan for the period of employment after the Normal Retirement Date.

5.03 Re-Employed Member

A Former Member or Retired Member who becomes a Re-employed Member accumulates Pensionable Service for the period for which contributions are made under the Plan, subject to section 3.05.

5.04 Accrual of Benefits during Disability and Disability Date

- (1) This section applies with respect to a Member who,
 - (a) is suffering from a physical or mental impairment that prevents the Member from performing the duties of the employment in which he or she was engaged before the commencement of the impairment; and
 - (b) is receiving benefits under a Short-term Disability Plan or a Long-term Disability Plan;

as a result of an impairment incurred on or after October 1, 1974. For greater certainty, this section does not apply to a Member who is receiving benefits under the *Workplace Safety and Insurance Act, 1997*, who continues to accrue Pensionable Service and contributions continue to be made by the Member and the Employer on the Earnings received during such period of leave of absence.

- (2) During the period that the Member is receiving benefits under the Short-term Disability Plan and remains an Employee of the

Employer, the Member shall make the required Member contributions under Article 4 of the Plan up to and including the 40th continuous working day during which the Member is receiving benefits under the Short-term Disability Plan after which the Employer shall make the required contributions for both the Member and the Employer under sections 4.01 and 4.02 of the Plan for the duration of the period the Member is receiving benefits under the Short-term Disability Plan. For greater certainty and notwithstanding any other provision of the Plan, this subsection does not apply to Employees who are actually employed by entities other than the Workplace Safety and Insurance Board and such Employees shall continue to be required to make required Member contributions during the period the Member is receiving benefits under the Short-term Disability Plan.

“Continuous working days” in subsection 5.04(2) shall be interpreted in accordance with the following:

If an Employee takes a leave of absence permitted under the leave of absence provisions of any collective agreement between the Union and the Employer, or under the Employer’s leave of absence policy applicable to its employees, during the 40-day qualification period following which the Employer is required to make the Employee’s contributions to the Plan; and if

- (i) medical information is accepted by the Employer’s Health Centre which supports that the Employee was unable to conduct the essential duties of the job performed on the last day worked before, during and after the leave of absence, and that this inability was due to the same medical condition before, during and after the leave of absence; and
- (ii) the Employee returns to short-term disability leave on the first business day following the leave of absence;

then:

- (i) the countdown of the 40-day continuous day qualification period shall continue during the leave

of absence as long as medical treatment is not interrupted; and

- (ii) the treatment of pensionable service during the leave of absence shall be in accordance with collective agreement between the Union and the Employer, or under the Employer's leave of absence policy applicable to its employees, as applicable. For greater certainty, in the event that the 40-day continuous day qualification period is satisfied during the leave of absence, the Employer's obligation to make the Employee's contributions will commence upon the Employee's return to short-term disability leave.
- (3) During the period that the Member is receiving benefits under the Long-term Disability Plan and remains an Employee of the Employer, the Employer shall make the required contributions for both the Member and the Employer under sections 4.01 and 4.02 of the Plan.
- (4) For the purposes of this Plan, the Member's Earnings shall be deemed to be increased each year in accordance with the following rules:
- (a) The Earnings are increased as of January 1 each year, beginning the 1st of January after the Member begins to receive benefits under the Long-term Disability Plan, as applicable, and ending when payment of the Member's Pension under the Plan begins. However, no increase shall be made in respect of a period before January 1, 1992.
 - (b) The Earnings are increased in accordance with the indexing factor described in paragraphs (d) and (e) for the year.
 - (c) Despite paragraph (b), the increased Earnings for a year cannot exceed the maximum amount determined under paragraph (f).
 - (d) The indexing factor for a year is 75 per cent of the percentage change in the Consumer Price Index for Canada for all items, for the 12-month period ending October 31 of the previous year to the 12-month period

ending October 31 a year earlier, as published by Statistics Canada. If the change in the Consumer Price Index is negative the indexing factor is zero. If the indexing factor for a year is greater than 8 per cent, it is deemed to be 8 per cent.

(e) If the indexing factor for a year is greater than 8 per cent, the amount by which it exceeds 8 per cent is carried forward and added to the indexing factor for one or more subsequent years until the subsequent indexing factor is increased to 8 per cent.

(f) The maximum amount of increased Earnings for a year is calculated using the formula " $A \times B/C$ " in which,

"A" equals the person's Earnings when he or she qualified for benefits under the Long-term Disability Plan, as applicable,

"B" equals the average wage as defined in subsection 147.1(1) of the Income Tax Act for the year, and

"C" equals the average wage as defined in subsection 147.1(1) of the Income Tax Act for the year in which the person qualified for benefits under the Long-term Disability Plan, as applicable.

Article 6 **RETIREMENT DATES**

6.01 Normal Retirement Date

A person's Normal Retirement Date is the first day of the month following the month in which the person reaches 65 years of age.

6.02 Early Retirement Date

- (1) A Member or Former Member who is at least 55 years of age and who is entitled to a Deferred Pension under the Plan may elect to receive an early retirement Pension calculated in accordance with section 7.03. For certainty, a Member or Former Member shall not be entitled to commence receipt of an early retirement Pension under subsection (1) prior to attaining age 55, unless such person would be entitled to elect to receive an unreduced early retirement Pension at an earlier date pursuant to subsection 74(1.3) of the Pension Benefits Act.
- (2) A Member whose age, when added to the number of years of the person's Membership or Pensionable Service, totals at least 85 on the date they cease to be a Member of the Plan, for any reason other than death, may elect to receive an early retirement Pension calculated in accordance with section 7.04.
- (3) A Member who is at least 60 years of age and who has at least 20 years of Membership or Pensionable Service on the date they cease to be a Member of the Plan, for any reason other than death, may elect to receive an early retirement Pension calculated in accordance with section 7.04.
- (4) If a Member or, where applicable, a Former Member elects to receive an early retirement pension under subsections (1), (2) or (3), the date on which such person begins to receive the Pension is considered to be the Member's or Former Member's date of retirement.
- (5) A Member or Former Member who elects to receive an early retirement Pension under subsections (1), (2) or (3) cannot revoke the election.

6.03 Time for Making Early Retirement Pension Election

A Member or Former Member who qualifies to elect to receive an early retirement Pension under section 6.02 may make the election, in

writing, at any time after the date of qualification but before the Normal Retirement Date and the Member or Former Member shall begin to receive payments under the Plan on the first day of the month following the date of the election.

Article 7 PAYMENT OF PENSIONS

7.01 Lifetime Pension

- (1) A person's Lifetime Pension begins on the person's Normal Retirement Date.
- (2) A person who remains an Employee of the Employer after the Normal Retirement Date shall begin to receive payment of a Pension under the Plan on the date that is the earlier of,
 - (a) the first day of the month following the date on which the person terminates employment with the Employer; or
 - (b) the last day of the year in which the person reaches the maximum age specified under the Income Tax Act for accrual of benefits under a pension fund or plan.

7.02 Amount of Lifetime Pension

- (1) The amount of a person's normal retirement Lifetime Pension is determined in accordance with this section.
- (2) A normal retirement Lifetime Pension is payable in equal monthly instalments for the remainder of the life of the person entitled to receive it.
- (3) The amount of a person's annual Lifetime Pension is calculated using the formula,

$$(A + B) - C$$

in which,

"A" equals 2 per cent of the person's average annual Earnings during the average of the 36 consecutive highest paid months in his or her last 120 months of Pensionable Service under the Plan, multiplied by the number of full years and any fraction of a year of Pensionable Service prior to December 31, 1965,

"B" equals 2 per cent of the person's average annual Earnings during the average of the 60 consecutive highest paid months in his or her last 120 months of Pensionable Service under the Plan, multiplied by the number of full years and any fraction of a year of Pensionable Service as computed from January 1, 1966 or such later date on which the person became a Member of the

Plan to the date the person terminated his or her Membership, and

“C” equals 0.5 per cent of the average of the annual Earnings during the 60 consecutive highest paid months in the person’s last 120 months of Pensionable Service, multiplied by the number of full years and any fraction of a year of Pensionable Service under the Plan from January 1, 1966 to be calculated on the basis of the lesser of the person’s Earnings and the YMPE in each year in the averaging period. For greater certainty, “C” is the amount of Bridge Pension payable to the Member under the Plan if the Member retires before his or her Normal Retirement Date.

- (4) When calculating the amount of an annual pension under subsection (3), “C” in the formula does not apply to any period during which the Member’s contributions were increased under subsection 4.01(5).
- (5) Despite subsection (3), if the Commuted Value of the portion of the person’s pension with respect to his or her Pensionable Service before January 1, 1987 is less than the sum of his or her contributions made before that date, with Interest up to the date of retirement, the person’s Pension is increased to the extent necessary to render the Commuted Value of that portion of the Pension equal to the sum of those contributions with Interest.
- (6) Despite subsection (3), the person’s initial Pension at retirement is reduced, if necessary, so that it does not exceed the lesser of,
 - (a) 2 per cent of the person’s indexed final average Earnings as determined under subsection (8) multiplied by the person’s years of Pensionable Service; or
 - (b) the following amounts:
 - (i) for a person who ceases to be a Member of the Plan on or after July 1, 2025, the amount of the defined benefit limit under the Income Tax Act as at the date that such person ceases to be a Member of the Plan, multiplied by the person’s years of Pensionable Service; and

- (ii) for a person who ceases to be a Member of the Plan prior to July 1, 2025, the amount of the defined benefit limit under the Income Tax Act as at the earlier of July 1, 2025 and the date the person's Lifetime Pension commences under Article 6, multiplied by the person's years of Pensionable Service.
- (7) For the purposes of subsection (6), service before January 1, 1991 in excess of 35 years is not included in the person's years of Pensionable Service.
- (8) The person's indexed final average Earnings is the average of the person's Earnings, while he or she was a Member of the Plan, for the three highest non-overlapping periods of 12 consecutive months, multiplied, for each period, by the ratio "A/B" in which,
 - "A" equals the average industrial wage for the year in which the person retires, and
 - "B" equals,
 - (a) the average industrial wage for the calendar year in which most of the person's Earnings for the 12-month period were earned, if that year is 1987 or later, or
 - (b) the average industrial wage for 1986, otherwise.
- (9) The average industrial wage for a year is as published by Statistics Canada.
- (10) If a person has accumulated less than 60 months of Pensionable Service under the Plan, the person's total period of Pensionable Service is used to determine the person's average annual Earnings.
- (11) Where a person has purchased a period of Pensionable Service under section 11.11, where such purchase is not pursuant to the terms of a reciprocal transfer agreement with the Trustees, the Member's Earnings during such periods of Pensionable Service shall be excluded from the calculation of such person's average annual Earnings under subsection (3).

- (12) Where a person has purchased a period of Pensionable Service under section 11.11 pursuant to the terms of a reciprocal transfer agreement with the Trustees, the Member's Earnings during such period of Pensionable Service shall be included in the calculation of such person's average annual Earnings under subsection (3), to the extent such inclusion is provided for under the terms of the reciprocal transfer agreement.

7.03 Amount of Early Retirement Pension

- (1) The amount of an early retirement Pension under subsection 6.02(1) (age 55 with right to Deferred Pension) is determined in accordance with this section.
- (2) The amount of the Pension is actuarially reduced in accordance with the person's age at the date the pension begins to be paid as follows:
 - (a) Subject to (b) below, the Commuted Value of the Pension must be equal to the Commuted Value of the person's Lifetime Pension payable at Normal Retirement Date, based upon the person's Pensionable Service up to the date of retirement.
 - (b) The reduction in the Pension must not be less than 0.25 per cent multiplied by the number of months, if any, by which the date of the first payment precedes the earliest of the following dates:
 - (i) The date on which the person attains 60 years of age.
 - (ii) The date on which the person's "early retirement eligibility service" (as defined in the regulations under the Income Tax Act) would reach 30 years had he or she continued to be an Employee until that date.
 - (iii) The date on which the person's age, when added to the number of years of his or her "early retirement eligibility service" (as defined in the regulations under the Income Tax Act), would reach a total of 80 had he or she continued to be an Employee until that date.

- (3) The following apply to the calculation of the early retirement Pension:
 - (a) The amount of the Lifetime Pension, before any actuarial reduction is made under this section, is calculated in the same manner as a Lifetime Pension under section 7.02. “C” in the formula, being the amount of the Bridge Pension, is then added back into the calculation of the amount of the early retirement Pension until the person’s Normal Retirement Date.
 - (b) The actuarial reduction in the Pension must not be more than 3 per cent of the Lifetime Pension multiplied by the number of whole years and any fraction of a year from the date of retirement to the first date on which the person would have been entitled to a Lifetime Pension at Normal Retirement Date or to an early retirement Pension under subsection 6.02(2) or (3), had he or she continued to be an Employee until that date.

7.04 Calculation of Early Unreduced or Lesser Reduced Retirement Pension

- (1) The amount of an early retirement Pension under the following subsections is determined in accordance with this section:
 - (a) Subsection 6.02(2) (age plus years of Membership or Pensionable Service equals 85).
 - (b) Subsection 6.02(3) (60 years old with 20 years of Membership or Pensionable Service).
- (2) The amount of the early retirement Pension is calculated in the same manner as a Lifetime Pension under section 7.02. In respect of a Member to whom subsection 6.02(3) applies, this amount is reduced, where applicable, in accordance with the formula set out in paragraph 7.03(2)(b). In respect of each Member to whom this subsection (2) applies, “C” in the formula, being the amount of the Bridge Pension, is then added back into the calculation of the amount of the early retirement Pension until the person’s Normal Retirement Date.

7.05 Disability Pension

- (1) A Member with at least 10 continuous years of Membership may apply to receive a disability Pension.
- (2) Subject to subsection (3), the Member is entitled to receive a disability Pension if,
 - (a) the Member is suffering from a physical or mental disability which prevents him or her from engaging in employment for which the Member is reasonably suited by reason of education, training or experience;
 - (b) the disability can reasonably be expected to last for the remainder of the Member's lifetime; and
 - (c) a physician licensed to practise medicine in a jurisdiction in Canada, selected by the Trustees, or the Administrative Agent, as applicable, certifies that the requirements in clauses (a) and (b) are satisfied.
- (3) The Member is not entitled to receive a disability Pension if the Member is receiving income replacement benefits under the Employer's Long-term Disability Plan.
- (4) A Member who is entitled to receive a disability Pension is entitled to receive payments under the Plan as of the first day of the month following the date the Trustees, or the Administrative Agent, as applicable, received the application for the disability pension.
- (5) The amount of the disability Pension is the amount of the Member's Lifetime Pension, at the date on which the Member became disabled, excluding any actuarial discounts otherwise applicable in calculating the amount of the Lifetime Pension.
- (6) If a Retired Member who is receiving a disability Pension becomes re-employed by the Employer, the person ceases to be entitled to receive the disability Pension, and the disability Pension shall cease to be paid.
- (7) For the purposes of Article 12, a Member receiving a disability Pension is considered to be receiving a Lifetime Pension under the Plan. For greater certainty, a person receiving a disability

Pension under the Plan is not eligible to receive a Bridge Pension.

7.06 Maximum Pension Benefit

Notwithstanding any other provision of this Plan, the amount of Pension or Deferred Pension, as applicable, provided under the Plan, in respect of any Member at retirement, termination of employment or termination of the Plan, or otherwise, including any amounts payable to the Member's former Spouse upon relationship breakdown as the case may be, will under no circumstances exceed the limits imposed by the Income Tax Act, taking into account the provisions of paragraph 7.02(6)(b).

7.07 No Dual Accrual

A person is not entitled to receive more than one retirement Pension under the Plan in respect of the same period of Pensionable Service.

Article 8 **FORM OF PENSION BENEFIT**

8.01 Joint and Survivor Pension

- (1) Every Pension payable under the Plan to a Retired Member who has a Spouse from whom he or she is not living separate and apart on the date that the payment of the first instalment of the Pension is due is a joint and survivor Pension.
- (2) The surviving Spouse, if any, of the Retired Member is entitled to receive a survivor Pension of 66 2/3 per cent of the Retired Member's Lifetime Pension for the remaining lifetime of the Spouse.
- (3) Despite subsection (2), the Retired Member and his or her Spouse may elect to have the joint and survivor Pension payable in another proportion of the Retired Member's Lifetime Pension.
- (4) The Retired Member and his or her Spouse may not elect under subsection (3) to have the survivor pension be less than 66 2/3 per cent or more than 100 per cent of the Lifetime Pension paid to the Retired Member.
- (5) An election made under subsection (3) must be made in writing before the Retired Member's Pension begins.
- (6) The Commuted Value of the Retired Member's Pension and the survivor Pension under this section must equal the Commuted Value of the Retired Member's normal retirement Lifetime Pension otherwise payable with a 66 2/3 per cent survivor Pension payable to the Retired Member's Spouse.
- (7) Notwithstanding the foregoing, the Retired Member and the Spouse may elect to waive the joint and survivor Pension by submitting a signed waiver, in the prescribed form, to the Trustees, or the Administrative Agent, as applicable, within 12 months prior to the Retired Member's retirement date.

Article 9 **BENEFITS ON TERMINATION OF EMPLOYMENT**

9.01 Termination with Deferred Pension

A person who ceases to be a Member of the Plan for reasons other than death or retirement is entitled to a Deferred Pension based on all of his or her Pensionable Service.

9.02 Portability Options

- (1) Subject to any limit prescribed by the Income Tax Act, a person entitled to a Deferred Pension under section 9.01 who is not eligible to elect to receive an early retirement Pension under Section 6.02 may elect to transfer an amount equal to the Commuted Value of the Deferred Pension including the value of ancillary benefits:
 - (a) into a locked-in prescribed vehicle, as permitted under the Pension Benefits Act; or
 - (b) to the pension fund related to another pension plan if:
 - (i) the administrator of the other pension plan agrees to accept the payment; and
 - (ii) the other pension plan is a pension plan registered under the Pension Benefits Act, a pension plan established or governed by a statute in a “designated jurisdiction” under the Pension Benefits Act or a pension plan prescribed under the Pension Benefits Act for the purposes section 42 of the Pension Benefits Act.
- (2) If a transfer is made under subsection (1)(b) pursuant to a reciprocal transfer agreement between the Trustees and the administrator of the other registered pension plan, the transfer shall be made in accordance with the terms of the reciprocal transfer agreement. Notwithstanding anything to the contrary in this Article 9, a person entitled to a Deferred Pension under Section 9.01 who is eligible to receive an early retirement Pension under Section 6.02 may elect a transfer under subsection 1(b) above to the extent permitted under the terms of the applicable reciprocal transfer agreement.

- (3) A Member entitled to make an election under subsection (1) who does not do so within 90 days after being notified by the Trustees, or the Administrative Agent, as applicable, of his or her option to make the election is deemed to have elected to receive a Deferred Pension payable on his or her Normal Retirement Date.
- (4) If a Member makes an election under this section, upon completion of the transfer, the Member shall have no further claim for benefits against the Plan or the Trust Fund.

9.03 Refundable Excess Contributions

- (1) A Former Member or a Retired Member who is entitled to a pension benefit is entitled to be paid from the Trust Fund a lump sum equal to the amount by which his or her contributions, with Interest, exceed one-half of the Commuted Value of his or her Pension or Deferred Pension in respect of contributory benefits, less applicable withholding tax.
- (2) In determining the Commuted Value of the Pension or Deferred Pension under subsection (1), money or credits transferred from the Plan to another pension plan are excluded.
- (3) Ancillary benefits, including the Bridge Pension, are included in determining the contributory benefits under subsection (1).
- (4) A Former Member or a Retired Member entitled to receive a lump sum payment under subsection (1) may require the Trustees, or the Administrative Agent, as applicable, to pay the lump sum into a Registered Retirement Savings Arrangement, subject to any limits prescribed under the Income Tax Act.

Article 10 **DEATH**

10.01 Pre-Retirement Death Without Spouse or Dependent Children

- (1) This section applies if a Member, Former Member or Retired Member dies before payment of the first instalment of his or her Pension or Deferred Pension is due and the person,
 - (a) leaves no surviving Spouse, or leaves a surviving Spouse from whom the person is living separate and apart on the date of death; and
 - (b) leaves no Dependent Children.
- (2) A death benefit is payable to the beneficiary designated by the person or, in the absence of a designation, to the person's estate.
- (3) The death benefit under subsection (2) is payable as a lump sum, less applicable withholding tax.
- (4) The amount of the death benefit equals the sum of,
 - (a) the Commuted Value of the Deferred Pension, including the value of ancillary benefits, that would have been payable if the person had ceased to be a Member of the Plan on the date of death for reasons other than death or retirement; and
 - (b) the amount, if any, by which the person's contributions under the Plan, with Interest, exceed 50 per cent of the amount described in clause (a).

10.02 Pre-Retirement Death With Spouse

- (1) This section applies if a Member, Former Member or Retired Member dies before payment of the first instalment of his or her Pension or Deferred Pension is due and the person,
 - (a) leaves a surviving Spouse; and
 - (b) was not living separate and apart from the surviving Spouse on the date of death.

- (2) The surviving Spouse is entitled to receive a death benefit, the Commuted Value of which is the greater of the amounts described in subsections (3) and (4).
- (3) For the purpose of subsection (2), the first amount is equal to A + B, where,

“A” = the Commuted Value of the Deferred Pension, including the value of ancillary benefits, that would have been payable if the person had ceased to be a Member of the Plan on the date of death for reasons other than death or retirement; and

“B” = the amount, if any, by which the person’s contributions under the Plan, with Interest, exceeds 50 per cent of “A”.
- (4) For the purpose of subsection (2), the second amount is the Commuted Value of an immediate pension, payable for life to the person’s Spouse, equal to 66 2/3 per cent of the Lifetime Pension calculated in accordance with section 7.02.
- (5) The Spouse may elect to receive the death benefit in the form of a lump sum or an immediate or Deferred Pension, the Commuted Value of which is equal to the Commuted Value of the death benefit described in subsection (2).
- (6) A Spouse who elects a lump sum under subsection (5) above may require the Trustees, or the Administrative Agent, as applicable, to pay the lump sum into a registered retirement savings arrangement, subject to any limits that may be prescribed under the Income Tax Act.
- (7) If a Spouse entitled to make an election under this section does not deliver notice of the election to the Trustees, or the Administrative Agent, as applicable, within 90 days of receiving notice of his or her options under this section he or she shall be deemed to have elected to receive an immediate pension.
- (8) Notwithstanding the foregoing, the Spouse may elect to waive entitlement to the death benefit by submitting a signed waiver, in the prescribed form, to the Trustees, or the Administrative Agent, as applicable, prior to the Member’s death, in which case the death benefit will be payable to the Member’s Dependent Children, beneficiary or estate, as applicable.

10.03 Pre-Retirement Death With Spouse and Dependent Children

- (1) This section applies if a Member, Former Member, or Retired Member dies before payment of the first instalment of his or her Pension or Deferred Pension is due, leaves both a Spouse entitled to receive a death benefit under section 10.02 and one or more Dependent Children and the Spouse elects an immediate or Deferred Pension under subsection 10.02(5) or receives an immediate pension under subsection 10.02(7).
- (2) Subject to subsections (3) and (4), if the Commuted Value of the death benefit payable to the surviving Spouse is determined in accordance with section 10.02(4), each Dependent Child is entitled to receive a Dependent Children's Pension of 10 per cent of the amount of the Lifetime Pension calculated in accordance with section 7.02 for so long as the Child remains a Dependent Child.
- (3) If the number of Dependent Children entitled to receive a Dependent Children's Pension is four or more, the amount of the Dependent Children's Pension payable to each Child shall be 33 1/3 per cent of the Lifetime Pension calculated in accordance with section 7.02 divided by the number of Dependent Children.
- (4) When a Child ceases to be a Dependent Child and is no longer entitled to receive a Dependent Children's Pension under this section, the amount of the Pension of each remaining Dependent Child shall be recalculated under subsection (2) or (3), as the case may be.

10.04 Pre-Retirement Death Without Eligible Spouse and With Dependent Children

- (1) This section applies if a Member, Former Member, or Retired Member dies before payment of the first instalment of his or her Pension or Deferred Pension is due leaving one or more Dependent Children and,
 - (a) the person leaves no surviving Spouse entitled to a death benefit determined in accordance with section 10.02, or leaves a surviving Spouse from whom the person is living separate and apart on the date of death; or
 - (b) the person left a surviving Spouse who,

- (i) was entitled to a death benefit determined in accordance with subsection 10.02(4),
 - (ii) elected to receive the death benefit in the form of an immediate or Deferred Pension under subsection 10.02(5) or 10.02(7), and
 - (iii) subsequently dies.
- (2) Each Dependent Child is entitled to receive a Dependent Children's Pension, calculated in accordance with subsection (3), for as long as he or she remains a Dependent Child.
- (3) The Dependent Children's Pension to which each Dependent Child is entitled is calculated as follows:
 - (a) The aggregate amount of the Dependent Children's Pensions is $66 \frac{2}{3}$ per cent of the Lifetime Pension calculated in accordance with section 7.02.
 - (b) The amount under paragraph (a) shall be apportioned equally among the Dependent Children entitled to receive a Dependent Children's Pension.
- (4) When a Child ceases to be a Dependent Child and is no longer entitled to receive a Dependent Children's Pension under this section, the amount of the Pension of each remaining Dependent Child shall be recalculated under subsection (3).
- (5) If a Dependent Child who is receiving a Dependent Children's Pension under section 10.03 becomes entitled to a Dependent Children's Pension under this section, the Dependent Child ceases to be entitled to receive the Dependent Children's Pension under section 10.03.
- (6) If one or more Dependent Children's Pensions is payable under this section and the Commuted Value of the death benefit calculated under section 10.01 is greater than the Commuted Value of the total Dependent Children's Pensions, the Member's, Former Member's, or Retired Member's designated beneficiary or, if there is no designated beneficiary, the Member's, Former Member's, or Retired Member's estate is entitled to a refund of an amount equal to the Commuted Value of the death benefit calculated under section 10.01, less the

Commuted Value of the pension(s) payable to the Dependent Children under section 10.04.

10.05 Death After Retirement

- (1) A survivor Pension is payable only to the person who is the Spouse of the Retired Member on the retirement date and who is not living separate and apart from the Retired Member on that date.
- (2) Despite subsection (1), a Retired Member who acquires a Spouse after beginning to receive a Pension from the Plan may elect to have his or her retirement Pension paid as a joint and survivor Pension if,
 - (a) the Retired Member did not have a Spouse on the retirement date; or
 - (b) the Retired Member had a Spouse on the retirement date and that Spouse has died and there are no Dependent Children entitled to benefits under section 10.07.
- (3) An election made under subsection (2) must be made in writing within the six-month period beginning one year after the Retired Member acquires a new Spouse after retirement.
- (4) The pension of a Retired Member who makes an election under subsection (2) shall be reduced so that the Commuted Value of the Retired Member's Pension, as reduced and the survivor Pension under this section equals the Commuted Value of the Retired Member's Pension before the reduction.
- (5) The actuarial reduction of the Retired Member's Pension under subsection (4) is based upon the ages of the Retired Member and the Retired Member's new Spouse on the last day of the month in which the Retired Member's election under subsection (2) is received by the Trustees, or the Administrative Agent, as applicable.

10.06 Post-Retirement Survivor Benefit – Spouse and Dependent Children

- (1) This section applies if a Retired Member dies after beginning to receive a Pension and leaves both a Spouse entitled to receive a survivor Pension and one or more Dependent Children.

- (2) Subject to subsection (3), each Dependent Child is entitled to receive a Dependent Children's Pension of 10 per cent of the Retired Member's Lifetime Pension for as long as the child remains a Dependent Child.
- (3) The Dependent Children's Pensions shall be adjusted if the aggregate amount of the survivor pension and the Dependent Children's Pensions otherwise payable exceeds 100 per cent of the Lifetime Pension paid to the Retired Member.
- (4) The aggregate amount of the adjusted Dependent Children's Pensions payable under subsection (3) shall be equal to the amount by which A exceeds B where,

"A" equals 100 per cent of the Lifetime Pension paid to the Retired Member; and

"B" equals the survivor pension payable to the surviving Spouse under subsection 8.01(2) or (3) or subsection 10.05(2), as the case may be.
- (5) When a Child ceases to be a Dependent Child and is no longer entitled to receive a Dependent Children's Pension, the amount of the pension of each remaining Dependent Child shall be recalculated under subsection (2), subject to the adjustment under subsection (3), if applicable.

10.07 Post-Retirement Survivor Benefit – Dependent Children, No Spouse

- (1) This section applies if,
 - (a) a Retired Member who is receiving a retirement Pension dies leaving no Spouse who is entitled to receive a survivor Pension but leaves one or more Dependent Children; or
 - (b) a Spouse dies after beginning to receive a survivor pension under section 8.01 and leaves one or more Dependent Children.
- (2) Each Dependent Child is entitled to receive a Dependent Children's Pension calculated in accordance with subsection (3) for as long as he or she remains a Dependent Child.

- (3) The Dependent Children's Pension to which each Dependent Child is entitled is calculated as follows:
 - (a) The aggregate amount of the Dependent Children's Pensions is the amount of the survivor pension that would have been payable to the person described in subsection 8.01(2) if that person were still alive, or, if there was no such person, 66 2/3 per cent of the Lifetime Pension paid to the Retired Member.
 - (b) The amount under paragraph (a) is apportioned equally among the Dependent Children entitled to receive a Dependent Children's Pension.
- (4) When a Child ceases to be a Dependent Child and is no longer entitled to receive a Dependent Children's Pension, the amount of the pension of each remaining Dependent Child shall be recalculated under subsection (3).
- (5) If a Dependent Child who is receiving a Dependent Children's Pension under section 10.06 becomes entitled to a Dependent Children's Pension under this section, the Dependent Child ceases to be entitled to receive the Dependent Children's Pension under section 10.06.
- (6) Despite subsection (3), the amount of the Dependent Children's Pension payable to a particular Dependent Child may not exceed 66 2/3 per cent of the Lifetime Pension paid to the Retired Member.

10.08 Post-Retirement Survivor Benefit – No Spouse or Dependent Children

- (1) This section applies when a Retired Member who is receiving a Pension dies leaving no surviving Spouse or Dependent Children.
- (2) The beneficiary, if any, designated by the Retired Member or, if no beneficiary is designated, the Retired Member's estate is entitled to receive the amount described in subsection (3).
- (3) The amount is the excess, if any, of the Retired Member's contributions under the Plan, with Interest calculated to his or her date of retirement, over any Pension payments received by the Retired Member.

10.09 Post-Retirement Survivor Benefit – Excess Contributions

- (1) This section applies when a Retired Member who is receiving a Pension dies, and his or her surviving Spouse who is receiving a survivor Pension dies and all Dependent Children who were receiving a Dependent Children's Pension either die or cease to be Dependent Children.
- (2) The Retired Member's estate is entitled to receive the excess, if any, of the Retired Member's contributions under the Plan, with Interest calculated to his or her date of retirement, over any Pension payments received by the Retired Member, the surviving Spouse or the Dependent Child.

10.10 Designation of Beneficiaries

- (1) Each Member, Former Member or Retired Member entitled to or in receipt of a Pension shall have the right to designate a beneficiary to receive any death benefits payable to a beneficiary under the Plan in the event of their death:
 - (a) by delivering a written designation to the Trustees, or the Administrative Agent, as applicable, in the form prescribed by the Trustees, or
 - (b) by will, in accordance with applicable laws.
- (2) If a Member, Former Member or Retired Member does not designate, or does not validly designate, any beneficiary or designates a beneficiary who is not living on the date a determination is required, any benefit payable under the Plan to a beneficiary of the Member, Former Member, or Retired Member will be paid to that individual's estate.

10.11 Change in Designation

Subject to subsection 10.10(1), each Member or Former Member or Retired Member shall have the right to change, revoke or amend any beneficiary designation by either of the methods in subsection 10.10 (1) prior to the Member's or Former Member's or Retired Member's death and no such change, revocation or amendment shall require the written consent of such beneficiary previously designated by such Member or Former Member or Retired Member subject always to the provisions of the Plan, insurance or other contract or law governing the

designation of beneficiaries, from time to time in force, which may apply to such Member or Former Member or Retired Member.

Article 11 TRANSFERS AND PURCHASE OF SERVICE

11.01 Purchase of Service with the Employer

- (1) A Member may elect to purchase Pensionable Service under the Plan for a period of employment with the Employer for which the Member does not already have credit under the Plan, subject to any requirements of the Income Tax Act in respect of a past service event.
- (2) The Member shall make contributions in the amount determined by the Actuary to reflect the actuarial cost required to fund the benefit for such service and the Member shall make such contributions within 90 days of being advised of the amount of the contributions required in respect of the purchase.
- (3) Subject to subsection (4), a Member may not purchase Pensionable Service under the Plan for a period of employment for which the Member has transferred money from the Trust Fund,
 - (a) to a registered pension plan;
 - (b) to a locked-in prescribed retirement vehicle; or
 - (c) for the purchase of a life annuity payable not earlier than the date on which the Member would have been entitled to receive a Pension under the Plan.
- (4) A Member may purchase Pensionable Service under the Plan for a period of employment with the Employer for which the Member previously transferred money from the Trust Fund to a plan described in paragraph 11.01(3)(a) or (b) if the funds previously transferred from the Trust Fund under subsection (3), along with the accumulated investment income, if any, are transferred directly from that plan to the Trust Fund.
- (5) If a Member purchases Pensionable Service referred to in subsection (4), and the Actuary determines, in accordance with accepted actuarial practice, that there is a shortfall between the amount that is transferred into the Trust Fund under subsection (4) and the amount required to purchase the full Pensionable Service, the Member may contribute the amount of the shortfall.

- 11.01A (1) A Member may elect to purchase Pensionable Service under the Plan for a period of Eligible Part-Time Service ending on or after April 1, 2024, in an amount no greater than the balance of the Pensionable Service that a full-time equivalent Employee would have accrued during such period, subject to the limits on deemed Earnings under paragraph 2.14(4)(c) of the Plan.
- (2) An election under subsection (1) must be made within the lesser of (a) the twenty-four (24) month period or (b) the length of the period of Eligible Part-Time Service, beginning on the date that the Member commences or returns to full-time employment with an Employer after having completed a period of Eligible Part-Time Service.
- (3) The Member shall make contributions equal to the amount that both they and the Employer would have contributed to the Plan, based on the additional Earnings the Member would have received had they been employed on a full-time basis during such period of Eligible Part-Time Service and the contribution rates in effect during such period of Eligible Part-Time Service.
- (4) Despite subsections (2) and (3), the Member may elect to purchase Pensionable Service for a period of Eligible Part-Time Service after the end of the applicable period under subsection (2) above and shall make contributions in the amount determined by the Actuary to reflect the actuarial cost required to fund the benefit.
- (5) The Member may elect to make contributions under subsection (3) or (4), as applicable, within 90 days of being advised of the amount of the contributions required in respect of the purchase.
- (6) Notwithstanding anything to the contrary in this Section 11.01A, the purchase of Pensionable Service under the Plan in respect of a period of Eligible Part-Time Service shall be conditional upon obtaining a past service pension adjustment certification from the Canada Revenue Agency, where required.
- 11.01B (1) A Member, Retired Member or a Former Member may elect to purchase Pensionable Service under the Plan for a period of Eligible Part-Time Service ending prior to April 1, 2024, in an amount no greater than the balance of the Pensionable Service that a full-time equivalent Employee would have accrued during such period, subject to the limits on deemed Earnings under paragraph 2.14(4)(c) of the Plan.

- (2) An election under subsection (1) must be made no later than April 1, 2026.
- (3) The Member, Retired Member or Former Member shall make contributions equal to the amount that both they and the Employer would have contributed to the Plan, based on the additional Earnings the Member would have received had they been employed on a full-time basis during such period of Eligible Part-Time Service and the contribution rates in effect during such period of Eligible Part-Time Service, provided that such contributions shall not exceed the amount determined by the Actuary to reflect the actuarial cost required to fund the benefit.
- (4) The Member, Retired Member or Former Member shall make the contributions under subsection (3) within 90 days of being advised of the amount of the contributions required in respect of the purchase, or such longer period as may be agreed by the Trustees.
- (5) Notwithstanding anything to the contrary in this Section 11.01B, the purchase of Pensionable Service under the Plan in respect of a period of Eligible Part-Time Service shall be conditional upon obtaining a past service pension adjustment certification from the Canada Revenue Agency, where required.

11.02 Purchase of Temporary Employment

- (1) A Temporary Employee who becomes a Member of the Plan may elect to purchase Pensionable Service under the Plan for all or part of any period during which he or she was a Temporary Employee, subject to any requirements of the Income Tax Act in respect of a past service event.
- (2) A Member who purchases Pensionable Service under subsection (1) for a period of Continuous Employment as a Temporary Employee leading to current membership in the Plan shall make both the Employer's contributions and Member's contributions, based on the Member's current Earnings and the contribution rate for Members at the date the cost of the purchase is determined.
- (3) A Member who purchases Pensionable Service under subsection (1) for a period of prior employment as a Temporary Employee that is not continuous with the period of employment

leading to membership in the Plan shall make contributions in the amount determined by the Actuary to reflect the actuarial cost required to fund the benefit for such service.

- (4) The Member shall make the contributions under subsection (2) or (3), as applicable, within 90 days of being advised of the amount of the contributions required in respect of the purchase.

11.03 Purchase of Probationary Employment

- (1) A Member who was employed by the Employer as a probationary employee before January 1, 1987 may elect to purchase Pensionable Service under the Plan for the period of probationary employment.
- (2) The Member shall make contributions for the period of probationary employment based upon his or her current Earnings and the current contribution rate for Members at the date the cost of the purchase is determined.
- (3) The Member shall make the contributions under subsection (2) within 90 days of being advised of the amount of the contributions required in respect of the purchase.
- (4) If the Member makes an election under subsection (1) and makes contributions under subsection (2), the Employer shall make the Employer's contributions with respect to the Member for the same period of probationary employment as the Member purchased.

11.04 Purchase of Disability Related Leave of Absence

- (1) A Member who takes a leave of absence without Earnings because of illness or disability (other than a leave of absence during which contributions may be made pursuant to section 11.06 or a leave of absence during which contributions and Pensionable Service continue in accordance with section 5.04) may elect to purchase Pensionable Service under the Plan for the period of the leave if,
 - (a) during the leave, the Member suffers from a physical or mental illness or disability that prevents the Member from performing the duties of the employment in which the Member was engaged before the commencement of the illness or disability; and

- (b) a legally qualified medical practitioner certifies to the administrator of the Plan that the Member has such an illness or disability.
- (2) An election under subsection (1) must be made within the twelve-month period beginning on the day after the leave of absence described in subsection (1) has ended.
- (3) The Member shall make contributions equal to the amount the Member would have contributed to the Plan had the leave not been taken.
- (4) If the Member makes an election under subsection (1) and makes the contributions under subsection (3), the Employer shall make the Employer's contributions with respect to the Member for the period of the leave.
- (5) Despite subsections (2), (3) and (4), the Member may elect to purchase the Pensionable Service after the period set out in subsection (2) and shall make contributions in the amount determined by the Actuary in accordance with accepted actuarial practice, subject to any requirements of the Income Tax Act in respect of a past service event.
- (6) The Member shall make the contributions under subsection (3) or (5), as applicable, within 90 days of being advised of the amount of the contributions required in respect of the leave.

11.05 Purchase of Special or Educational Leave of Absence

- (1) A Member who takes a leave of absence without Earnings for special or educational purposes may elect to purchase Pensionable Service under the Plan for the period of the leave, subject to the limits on deemed Earnings under subsection 2.14(4)(c) of the Plan.
- (2) An election under subsection (1) must be made during the period, beginning on the date that the Member returns to work, of the same duration as the leave of absence.
- (3) The Member shall make contributions equal to the amount that both he or she and the Employer would have contributed to the Plan had the leave not been taken.

- (4) Despite subsections (2) and (3), the Member may elect to purchase the Pensionable Service after the end of the period described in subsection (2) and shall make contributions in the amount determined by the Actuary in accordance with accepted actuarial practice, subject to any requirements of the Income Tax Act in respect of a past service event.
- (5) The Member shall make the contributions under subsection (3) or (4), as applicable, within 90 days of being advised of the amount of the contributions required in respect of the leave.

11.06 Employment Standard Leaves of Absence

- (1) This section applies to a Member who is absent from work without Earnings on one of the leaves provided under Part XIV of the *Employment Standards Act, 2000*, as amended from time to time.
- (2) During the period of the leave, the Member's Membership and Continuous Employment shall not be interrupted by the period of the leave and, unless the Member elects, in writing, to cease making contributions to the Plan, the Member's Pensionable Service shall include the period of the leave in respect of which the Member makes the contributions to the Plan as determined in accordance with this section 11.06.
- (3) A Member may elect, in writing, to cease contributions in respect of the period of the leave. If the Member makes such an election, the Member may subsequently elect to purchase the period of leave, or portion thereof, as Pensionable Service and shall, in respect of any such purchase of Pensionable Service, make the contributions to the Plan with respect to the period of the leave, or portion thereof, as determined in accordance with this section 11.06.
- (4) A Member who does not elect to cease contributions in respect of the leave under subsection 11.06(2), and each Member who elects to purchase the period of leave as Pensionable Service under subsection 11.06(3), shall be advised of the amount of the Member contributions required in respect of the leave, as requested by the Member during any of the following periods:
 - (a) before commencing the leave of absence,
 - (b) during the leave of absence, or

- (c) during the period, beginning on the date that the Member returns to work, of the same duration of the leave of absence.

The Member shall, within 90 days of being advised of the amount of the contributions required in respect of the leave, make the Member's contributions with respect to the period of leave. The Employer shall make the Employer's contribution with respect to the Member for the same period. For certainty, any such contributions or purchase of Pensionable Service shall be subject to the limits on deemed Earnings under subsection 2.14(4)(c).

- (5) If the Member does not make the contributions required under subsection 11.06(4) during the periods of time specified thereunder, the Member may elect to purchase the period of the leave at any time thereafter, provided he or she remains a Member of the Plan, by making contributions in the amount determined by the Actuary in accordance with accepted actuarial practice, subject to any requirements of the Income Tax Act in respect of a past service event.

11.07 Purchase of Lay-off, Strike or Lock-Out

- (1) A Member who is absent from work without Earnings solely because of a lay-off, strike or lock-out may elect to purchase Pensionable Service under the Plan for the period of the absence, subject to the limits on deemed Earnings under subsection 2.14(4)(c) of the Plan.
- (2) An election under subsection (1) must be made within the six-month period beginning on the date that the Member returns to work.
- (3) The Member shall make contributions equal to the amount he or she would have contributed to the Plan had the absence not occurred.
- (4) If the Member makes an election under subsection (1) and makes the contributions under subsection (3), the Employer shall make the Employer's contributions with respect to the Member for the period of the absence.
- (5) Despite subsections (2) and (3), the Member may elect to purchase the Pensionable Service after the end of the six-month

period and shall make contributions in the amount determined by the Actuary as being required to fund the benefit for such service, subject to any requirements of the Income Tax Act in respect of a past service event.

- (6) The Member shall make the contributions required under subsection (3) or (5), as applicable, within 90 days of being advised of the amount of the contributions required in respect of the absence.

11.08 Pre-Paid Leaves

- (1) A Member who is employed by the Employer and who participates in a pre-paid leave program may elect to purchase Pensionable Service under the Plan in accordance with this section.
- (2) During the period prior to the leave of absence, when the Member is receiving less than 100% of the Member's regular Earnings, as determined immediately prior to the leave of absence, the Member and the Employer shall, subject to any limits on deemed Earnings under subsection 2.14(4)(c) of the Plan, continue to make required contributions based on 100% of the Member's regular Earnings.
- (3) During the period of leave, the Member and the Employer shall not make contributions to the Plan. The Member may elect to purchase Pensionable Service under the Plan for the period of the absence, provided that the election made under this subsection is made within a period equal to the length of the leave of absence, beginning on the date that the Member returns to work.
- (4) If the Member makes an election within the period specified in subsection (3), the Member shall make contributions equal to the amount that both he or she and the Employer would have contributed to the Plan based on the Earnings the Member would have received and the contribution rates in effect had the leave of absence not taken place, subject to any limits on deemed Earnings under subsection 2.14(4)(c) of the Plan.
- (5) If the Member does not make the election within the period specified in subsection (3), the Member may elect to purchase the Pensionable Service after the end of the period described in subsection (3) and shall make contributions in the amount

determined by the Actuary in accordance with accepted actuarial practice, subject to any requirements of the Income Tax Act in respect of a past service event.

- (6) The Member shall make the contributions required under subsection (4) or (5), as applicable, within 90 days of being advised of the amount of the contributions required in respect of the leave of absence.

11.09 Limits on Pensionable Service Purchases

A Member is not eligible to purchase Pensionable Service under section 11.01, 11.01A, 11.01B, 11.02, 11.03, 11.04, 11.05, 11.06, 11.07, or 11.08 in respect of a period for which,

- (a) defined benefits are and continue to be provided to him or her under another registered pension plan; or
- (b) contributions are made by or on behalf of him or her under a money purchase provision of a registered plan or to a deferred profit sharing plan.

11.10 Calculation of Employer Contributions

For greater certainty, for the purpose of subsection 11.01, 11.02, 11.03, 11.04, 11.05, 11.06, 11.07, or 11.08:

- (a) during the Phase-in Period, the amount that the Employer would have been credited as having contributed shall be determined by the Trustees on the basis of the most recent actuarial valuation; and
- (b) following the Phase-in Period, the amount that the Employer would have been credited as having contributed shall be determined by the Trustees based on subsection 4.02(4).

11.11 Transferring Pensionable Service From Another Pension Plan

- (1) Subject to any requirements of the Income Tax Act in respect of a past service event, a person who becomes a Member of the Plan may elect to transfer Pensionable Service from another registered pension plan.

- (2) An election under subsection (1) must be made within 18 months of the person ceasing to be a member of the other registered pension plan and within six months of the person becoming a Member of the Plan or, where the other plan is the Federal Public Sector Pension Plan governed by the Public Service Superannuation Act (Canada), within 12 months of the person becoming a Member of the Plan.
- (3) The amount of Pensionable Service that is credited to the Member under subsection (1) shall be determined by the Actuary in accordance with accepted actuarial practice.
- (4) If an amount of money is transferred to the Trust Fund from a fund maintained to provide benefits under the registered pension plan of which the Member was previously a member in connection with a transfer of Pensionable Service under subsection (1), that portion of the money that may reasonably be considered to derive from the Member's contributions to the other fund, with Interest, is deemed to be the Member's contributions under the Plan.
- (5) A Member is not eligible to be credited with Pensionable Service under the Plan if the person remains entitled to credit for the same period of service under the other registered pension plan.
- (6) The Trustees may enter into a reciprocal agreement with the person authorized for that purpose under a registered pension plan for the transfer of pension credits by a Member from that other pension plan to the Trust Fund to purchase service on a reciprocal basis, provided that the reciprocal agreement shall contain such provisions as may be prescribed by the Trustees on the advice of the Actuary, including the basis of determination of the service to be purchased by the transfer of pension credits and the time limits within which the transfer of pension credits must occur.
- (7) Despite subsections (2) to (4), if a person transfers Pensionable Service from a registered pension plan of an organization with which the Trustees has concluded a reciprocal agreement under subsection (6) above, the transfer shall be made in accordance with the terms of the reciprocal agreement.
- (8) A Member who elects to transfer Pensionable Service to the Plan, pursuant to subsection (1) above or pursuant to a reciprocal transfer agreement described in subsection (6), is

entitled to pay for all or part of the shortfall of service as determined by the Actuary and the Member shall be credited with the amount of additional Pensionable Service which is directly proportional to the additional amount contributed by the Member in the event that there is a shortfall.

11.12 Transfer of Assets and Liabilities from the Plan to the Public Service Pension Plan

- (1) This section applies to any person who, as a result of the Workplace Safety and Insurance Board's disposition of part of its investment function to IMCO,
 - (i) ceased to be an employee of the Workplace Safety and Insurance Board on July 23, 2017;
 - (ii) became an employee of IMCO on July 24, 2017; and
 - (iii) became a member of the Public Service Pension Plan established under the *Public Service Pension Act, 1989* continued under the *Public Service Pension Act* on July 24, 2017.
- (2) A person to whom this section applies does not accrue Pensionable Service under the Plan after July 23, 2017.
- (3) Subject to any transfer agreement that the Superintendent of Financial Services has consented to under section 80 of the Pension Benefits Act, if a person to whom this section applies consents to the transfer of benefits accrued by the person under the Plan before July 24, 2017, the accrued benefits shall be transferred by the Employer to the Public Service Pension Plan.

11.13 Interest Payable on Purchase of Pensionable Service

If a Member purchases Pensionable Service under this Article 11 and its cost is calculated using the applicable contribution rate for Members, the Trustees may charge Interest on the total amount that the Member is required to pay, calculated from the date on which the Trustees, or the Administrative Agent, as applicable, receives the Member's application to purchase service.

Article 12 **AD HOC INCREASES AND INDEXATION**

12.01 Annual Increases in Pension Benefits

- (1) A Lifetime Pension calculated under subsection 7.02(3) is increased as of January 1 each year in accordance with section 12.02. Effective on the Amendment Date, a Member's Lifetime Pension and Bridge Pension calculated in accordance with section 7.02 is increased as of January 1 each year in accordance with section 12.02.
- (2) A Deferred Pension payable under the Plan is increased as of January 1 each year in accordance with section 12.02 beginning when the person entitled to the pension ceases to be a Member of the Plan and ending when payment of the pension begins.
- (3) A Deferred Pension shall not be increased under subsection (2) to an amount that exceeds the amount determined under subsection 7.02(6).
- (4) No increase shall be made to a Pension or a Deferred Pension under this section in respect of a period before January 1, 1992. For greater certainty, the preceding sentence applies to claims for increases not granted before January 1, 1992 and the annual increases provided for under section 12.01(1) and (2) apply to all service earned under the Plan.

12.02 Calculation of Indexing Factor

- (1) All Pensions referred to in section 12.01 and all Deferred Pensions are increased each year as of January 1 in accordance with the indexing factor for the year determined under this section.
- (2) The indexing factor for a year for Pensionable Service accrued prior to the Amendment Date is 75 per cent of the percentage change in the Consumer Price Index for Canada for all items, for the 12-month period ending October 31 of the previous year to the 12-month period ending October 31 a year earlier, as published by Statistics Canada. If the change in the Consumer Price Index is negative the indexing factor is zero. For greater certainty, the indexing factor calculated under this subsection shall only be applied to the Lifetime Pension.

- (3) The indexing factor for a year for Pensionable Service accrued on and after the Amendment Date, is 50 per cent of the percentage change in the Consumer Price Index for Canada for all items, for the 12-month period ending October 31 of the previous year to the 12-month period ending October 31 a year earlier, as published by Statistics Canada. If the change in the Consumer Price Index is negative the indexing factor is zero. For greater certainty, the indexing factor calculated under this subsection shall be applied to the Lifetime Pension and Bridge Pension.
- (4) Increases to a Pension or a Deferred Pension under this section in respect of Pensionable Service accrued on and after the Amendment Date above 50 per cent of the percentage change in the Consumer Price Index as calculated above in subsection (3) may be paid as determined by the Trustees, from time to time, in accordance with the Funding Policy.
- (5) Where a Retired Member began receiving a Pension in the 12 month period prior to the January 1 on which the Pension is increased, the increase calculated in accordance with this section 12.02 shall be prorated based on the number of months during which the Retired Member received Pension payments in the prior 12 month period.

12.03 Ad hoc Increase for Service Prior to the Amendment Date

Notwithstanding anything to the contrary in section 12.02, the Trustees may, from time to time, in accordance with the Funding Policy, increase Lifetime Pensions and Deferred Pensions in respect of Pensionable Service accrued under the Plan prior to the Amendment Date by up to an additional 25 per cent of the percentage change in the Consumer Price Index for Canada for all items, for the 12-month period ending October 31 of the previous year to the 12-month period ending October 31 a year earlier, as published by Statistics Canada.

Article 13 **PENSION FUND**

13.01 Operation of the Trust Fund

The Trustees shall administer the Plan and the Trust Fund. The Trustees will maintain the Trust Fund during the term of this Plan for the purpose of accepting contributions and providing the benefits in accordance with this Plan. The Trust Fund shall be administered by the Trustees in accordance with the terms of the Sponsors Agreement and Trust Agreement, the Funding Policy, the Statement of Investment Policies and Procedures, the Plan, and in compliance with the provisions of the Pension Benefits Act, the Income Tax Act, and any other applicable legislation governing the investment of pension funds.

13.02 Provision of Benefits

All benefits under the Plan will normally be paid out of the Trust Fund. However, the Trustees may at any time in their sole discretion purchase out of the Trust Fund from a life insurance company licensed to do business in Canada in the form of an annuity, benefits of equal amount and payable under the same conditions as the Pension to which any Member or other person is entitled under the Plan, so long as such action will not result in the Plan ceasing to be approved or registered for the purpose of the Income Tax Act or any other applicable legislation including the Pension Benefits Act. In the event of such a purchase, the Member's or other person's rights under the Plan in respect of said Pension shall be deemed to be discharged in full.

13.03 Plan Expenses

- (1) The normal and reasonable costs, charges, fees and expenses incurred in the operation of the Trust Fund and Plan, including the reasonable fees and expenses of the Trustees, shall be paid from the Trust Fund in accordance with the terms of the Sponsors Agreement and Trust Agreement and applicable legislation. For greater certainty, the Employer Sponsor shall pay administration expenses of the Plan up to 20 basis points per annum as a percentage of the Trust Fund assets for the period up to the Amendment Date.
- (2) For greater certainty and without limiting the generality of subsection (1), the Trustees may, by resolution, pay, or cause to be paid, from the Trust Fund such amounts as are necessary to reasonably compensate any person or persons for expenses

incurred by such person or persons in the establishment of the Plan governance structure contemplated by the Sponsors Agreement and Trust Agreement including, but not limited to, the establishment of the Trustees, the establishment of the Trust Fund or the amendment and restatement of the Plan.

13.04 Investments

Subject to the provisions of the Pension Benefits Act, the Income Tax Act and any other applicable legislation, the Trust Fund shall be invested in accordance with the Sponsors Agreement, Trust Agreement, the Funding Policy, and the Statement of Investment Policies and Procedures.

Article 14 **ADMINISTRATION OF THE PLAN**

14.01 Administration

- (1) The Trustees shall be the administrator of the Plan for purposes of the Pension Benefits Act and the Income Tax Act and shall be responsible for the overall operation and administration of the Plan in accordance with their powers, duties and responsibilities as provided in the terms of the Sponsors Agreement and Trust Agreement, including the appointment of the Administrative Agent. Subject to the limitations of the Plan, the Trustees from time to time shall establish rules for the administration of the Plan and the transaction of business and may delegate certain of its functions to the Administrative Agent.
- (2) The decision of the Trustees as to any question regarding the administration of the Plan shall be conclusive.

14.02 Indemnity

Any employees of the Trustees, the Administrative Agent appointed in accordance with subsection 14.01(1), and the employees of the Administrative Agent, as applicable, shall be responsible for the day-to-day administration of the Plan and shall use ordinary care and diligence in the performance of their duties, but no such individual shall be personally liable by virtue of contract, agreement, bond or other instrument made or executed by such person or on behalf of such person as an employee of the Trustees or the Administrative Agent, nor for any loss unless resulting from such person's own gross negligence or wilful misconduct.

14.03 Information

- (1) Information to Employees, Members, Former Members, Retired Members and Other Persons

Each Employee, Member, Former Member, Retired Member and any other person entitled to information regarding the Plan in accordance with the Pension Benefits Act shall be given a written explanation of the terms and conditions of the Plan and any amendments thereto applicable to the Member or other such person, an explanation of the rights and duties of the Member or other such person with reference to the benefits available to the Member or other such person under the terms of the Plan, an annual statement containing the information in

respect of the Plan, any benefits and any ancillary benefits the Member or other such person may be entitled to, and any other information as may be prescribed, and at such times as prescribed, by the Pension Benefits Act and the Income Tax Act.

(2) Information Provided by Employees, Members, Former Members, and Retired Members and Other Persons

Each eligible Employee, Member, Former Member, Retired Member or any other persons entitled to receive or in receipt of a benefit under the Plan shall provide such information as the Employer and the Trustees, or the Administrative Agent, as applicable, may require, as applicable, in order to establish any eligibility for, or to commence or continue to receive, a Pension or other benefit from this Plan.

Article 15 **GENERAL PROVISIONS**

15.01 Trustees Records

Wherever the records of the Trustees, or the Administrative Agent, as applicable, are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.

15.02 Incapacity to Receive Payments

If, in the opinion of the Trustees, or the Administrative Agent, as applicable, any person receiving a benefit under the terms of the Plan is incapable, either because they are a minor child or as a result of physical or mental infirmity, of managing their own affairs or are incapable of providing a valid receipt for such benefit, the Trustees may authorize any payment to which such person is entitled to be made to a guardian, curator or administrator appointed by the court, or in the absence thereof, subject to applicable legislation, payment shall be made to such person's Spouse, Child or other person on behalf of such person, such as a parent or custodian, and such payment shall be a complete discharge of the obligations of the Plan to make payment.

15.03 Non-assignability of Benefits

Except as permitted or required by this Plan, the Pension Benefits Act or the Income Tax Act, no benefit, right or interest under the Plan may be assigned, charged, anticipated, surrendered or given as security, and such benefits are exempt from execution, seizure or attachment.

15.04 Non-Commutability of Benefits Subject to Small Pension Exception

- (1) A Pension or Deferred Pension payable under the Plan shall not be capable of surrender or commutation, except in accordance with this section.
- (2) In the event that the annual Pension payable under this Plan at the Normal Retirement Date to a Member, Former Member, Retired Member, or at the date of death to the Spouse, is less than 4% of the YMPE at the date of termination, retirement or death, as applicable, or if the Commuted Value of the benefit is less than 20% of the YMPE at the date of termination, retirement or death, as applicable, or is less than such other threshold as may be permitted in accordance with the Pension Benefits Act from time to time applicable to the payment of small

amounts, the Member, Former Member, Retired Member or Spouse, as applicable, will receive a lump sum payment, unless otherwise determined by the Trustees, in the amount of the Commuted Value of the Pension to which the Member, Former Member, Retired Member or Spouse is entitled. The Member, Former Member, Retired Member or Spouse, as applicable, may elect to transfer such amount to a Registered Retirement Savings Arrangement, or to be paid the amount in cash, less applicable withholding tax. A transfer or payment in accordance with this section shall fully discharge all liability with respect to the Member's Pension.

- (3) A person entitled to make an election under this section who does not do so within 90 days after being notified by the Trustees, or the Administrative Agent, as applicable, of his or her option to make the election is deemed to have elected to receive the amount in cash, less applicable withholding tax.

15.05 Shortened Life Expectancy

- (1) This section applies if a Former Member or Retired Member suffers from an illness or physical disability that is likely to shorten the life expectancy of the Former Member or Retired Member to less than two years.
- (2) The terms of payment of the Pension or Deferred Pension of the Former Member or Retired Member may be varied if the Trustees, or the Administrative Agent, as applicable, receive an application for withdrawal from the Trust Fund of the Commuted Value of the Former Member's Deferred Pension or the Retired Member's Pension.
- (3) The application must be signed by the Former Member or Retired Member and be accompanied by:
 - (a) A statement signed by a physician licensed to practise medicine in a jurisdiction in Canada that, in the physician's opinion, the Former Member or Retired Member has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years, and
 - (b) A declaration described in subsection (4) or (5) as the case may be, about a Spouse.

- (4) If the application is made before the due date of the first instalment of the Former Member's or Retired Member's pension, any of the following documents constitutes a declaration about a Spouse:
- (a) A statement signed by the Former Member's or Retired Member's Spouse, if any, that the Spouse consents to the withdrawal from the Trust Fund;
 - (b) A statement signed by the Former Member or Retired Member attesting to the fact that he or she does not have a Spouse;
 - (c) A statement signed by the Former Member or Retired Member attesting to the fact that, on the date that he or she signs the application to make the withdrawal from the Trust Fund, he or she is living separate and apart from his or her Spouse.
- (5) If the application is made on or after the due date of the first instalment of the Retired Member's pension, any of the following documents constitutes a declaration about a Spouse:
- (a) A statement signed by the person, if any, who was the Retired Member's Spouse on the due date of the first instalment of the pension that the person consents to the withdrawal from the Trust Fund.
 - (b) A statement signed by the Retired Member attesting to the fact that, on the due date of the first instalment of the pension;
 - (i) he or she did not have a Spouse;
 - (ii) he or she was living separate and apart from his or her Spouse; or
 - (iii) a waiver of the entitlement to receive a payment of pension benefits in the form of a joint and survivor pension, delivered under section 46 of the Pension Benefits Act by the Retired Member and his or her Spouse was in effect.
- (6) A declaration about a Spouse is null and void if it is signed by the Former Member or Retired Member, as the case may be, or

by the Spouse more than 60 days before the Trustees, or the Administrative Agent, as applicable, receive it.

15.06 Assignment of Benefits on Marriage Breakdown

Notwithstanding section 15.04 above, when an order made under the *Family Law Act* (Ontario), a valid written domestic contract or a family arbitration award, has been received by the Trustees, or the Administrative Agent, as applicable, requiring division of a Member's, Former Member's or Retired Member's benefits under the Plan due to breakdown of marriage or dissolution of common-law relationship, such division shall be made in accordance with such order, contract or family arbitration award, as determined by the Trustees, or the Administrative Agent, as applicable, and subject to any requirements prescribed under the Pension Benefits Act or other applicable legislation. Any necessary adjustments shall be made to the Member's, Former Member's or Retired Member's benefit entitlement in the manner prescribed by the Pension Benefits Act.

15.07 Determination of Age and Marital Status

Payment of benefits under the Plan shall not be made until the person entitled to the payment delivers to the Trustees, or the Administrative Agent, as applicable, such evidence as the Trustees, or the Administrative Agent, as applicable, may require of

- (a) satisfactory proof of age of the person and any other person who may become entitled to payment of the benefit and any other information required to calculate and pay the benefit; and
- (b) if the benefit is payable to a Spouse or Child, satisfactory proof of marital status or the relationship between the Member, Former Member or Retired Member and the Spouse or Child claiming entitlement to a benefit from the Plan.

15.08 Notice

Any notice or election to be given, made or communicated pursuant to or for any purpose of the Plan shall be given, made or communicated, as the case may be, in such manner as the Trustees shall determine. It shall be the duty of each Member, Former Member, Retired Member, Spouse and Child, or beneficiary, as the case may be, to keep the Trustees or the Administrative Agent, as applicable, informed of the

correct mailing address and of any other information required by the Trustees, or the Administrative Agent, as applicable, in the administration of the Plan. Any notices required or permitted to be given hereunder shall be deemed given if directed to the addressee at the last known address and mailed by regular mail.

15.09 Construction

The Plan, and all rights thereunder, shall be governed, construed and administered in accordance with the laws of the Province of Ontario.

Article 16 **FUTURE OF THE PLAN**

16.01 Continuation and Amendment of the Plan

- (1) The Sponsors expect and intend to maintain this Plan in force indefinitely but necessarily reserve the right to amend or discontinue the Plan, either in whole or in part, at any time or times, subject always to the requirements of the *Workplace Safety and Insurance Act, 1997*, as amended from time to time, the Pension Benefits Act and the Income Tax Act. The Board of Trustees may amend the Plan, from time to time, strictly in accordance with and only to the extent permitted under the terms of the Trust Agreement and Funding Policy. For greater certainty, the Board of Trustees are not permitted to amend the Plan to adopt a “Material Change”, as such term is defined in the Funding Policy.
- (2) Notwithstanding subsection (1), unless the wind-up of the Plan is ordered by the Superintendent of Financial Services (or their successor), any wind-up of the Plan shall require the consent of both Sponsors.

16.02 Reduction in Benefits

- (1) No amendment to the Plan shall operate to reduce the accrued benefits (within the meaning of the Pension Benefits Act) as outlined in the Plan which have accrued to Members or other persons entitled to benefits under the Plan prior to the date of such amendment, except as otherwise required or permitted by the Sponsors Agreement or Trust Agreement, or the Pension Benefits Act.
- (2) Notwithstanding any other provisions of the Plan, benefits under the Plan may be reduced or contributions made in accordance with the Plan may be refunded as appropriate if such benefits or contributions exceed the maximum limits as prescribed under the Income Tax Act or if this is otherwise required in order to avoid revocation of the Plan, subject to any requirements of the Pension Benefits Act.

16.03 Discontinuance of the Plan

- (1) In the event of that the Plan is wound up, the Employer and the Members shall not be obligated to make any further contributions to the Plan with respect to either past or future

service for the Members after the date of such termination of the Plan, except as may be specifically required in relation to the Conversion Deficit as set out in this Plan (and subject to the Funding Policy) or as specifically required by the Pension Benefits Act or other applicable legislation to ensure that payments due to the Trust Fund as at the time of wind up, but not yet paid by that time, will be made.

- (2) If the Plan is wound up, all assets in the Trust Fund, less expenses, shall be used to provide benefits as outlined in the Plan for Members, Former Members, Retired Members, their respective estates, Spouses, Dependent Children, Beneficiaries, or others, in accordance with the Sponsors Agreement, Funding Policy and Trust Agreement, as applicable, or in such other manner as required by law or approved by the government authorities, subject to the requirements of the Pension Benefits Act and the Income Tax Act. Any surplus remaining after the distribution of benefits pursuant to this section shall be allocated in accordance with the Sponsors Agreement, Funding Policy and Trust Agreement, as applicable.