

OMERS

Supplemental Pension Plan for Police, Firefighters and Paramedics

Restated as of January 1, 2014

INTERPRETATION

1. (1) In this Plan,

“**actuarially equivalent**” means of equal value according to the actuarial assumptions prescribed by the actuary and calculated using unisex mortality tables for all service;

“**actuary**” means the actuary appointed by the Administration Corporation under subsection 19(1) of the *OMERS Act, 2006*;

“**Administration Corporation**” means the OMERS Administration Corporation continued by subsection 32(1) of the *OMERS Act, 2006*, which is a continuation of the Ontario Municipal Employees Retirement Board (the “OMERS Board”) established under the *Ontario Municipal Employees Retirement System Act*;

“**associated employer**” means, for the purposes of this Plan, an employer who is eligible to participate in the OMERS pension plans under subsection 6(1) of the *OMERS Act, 2006*;

“**average annual earnings**” as used in the *OMERS Act, 2006*, means, for purposes of this Plan, “pensionable earnings”;

“**beneficiary**” means the beneficiary designated by a member under section 37;

“**benefit**” means a pension, refund or other payment that may be payable under this Plan to or with respect to a member;

“**contributory earnings**” means the member’s contributory earnings as determined under the Primary Pension Plan;

“**coverage agreement**” means an agreement between an employer and the Administration Corporation pursuant to which the employer consents to provide benefits under this Plan to a particular class of its employees;

“**coverage date**” means the date that is the later of the date (which must be the first day of a month) specified in the applicable coverage agreement as the date upon which coverage for a benefit under subsection 2(3) becomes applicable to a particular class of employees and the date the member joins that class, but in no event shall a coverage date be prior to July 1, 2008;

“**coverage period**” means, in respect of a member, the period commencing on each coverage date applicable to that member and ending on the earlier of

- (a) the day immediately before the next coverage date applicable to the member; and
- (b) the date the member's coverage for any benefit ceases pursuant to subsection 8(4), in which case, provided the member continues to be covered for a benefit under this Plan, a new coverage period commences the next day.

“credited service” means, in respect of each coverage period, the years and part years of service of a member for which contributions under section 10 have been made and not refunded and includes any service established for a member under sections 17, 28 or 32;

“dependent child” means the child of a deceased member who at the time of the member's death was dependent on the member for support and,

- (a) is under 19 years of age and will not attain that age in the calendar year of the member's death, or
- (b) is under 25 years of age and in full-time attendance at an educational institution;

“dependent child benefit period” means the period,

- (a) up to the end of the calendar year in which a dependent child reaches 18 years of age, or
- (b) during which a dependent child is under 25 years of age and continues in full-time attendance at an educational institution;

“eligible service”, in respect of each benefit described in subsection 2(3) for which a member has coverage, means a member's credited service and eligible service, both as determined under the Primary Pension Plan up to the date that the member's coverage for that benefit ceases;

“eligible past service” means, in respect of a benefit described in subsection 2(3), the service of a member that is credited service under the member's Primary Pension Plan membership in respect of which the member has coverage for the benefit, for the period before the coverage date applicable to the benefit;

“employees” means, for purposes of this Plan, members of the Primary Pension Plan who are employed as members of a police force as defined in section 2 of the *Police Services Act*, firefighters as defined in subsection 1(1) of the *Fire Protection and Prevention Act, 1997* or paramedics as defined in subsection 1(1) of the *Ambulance Act*;

“employer” means, for purposes of this Plan, an employer which has elected to participate in the Primary Pension Plan in accordance with the terms of that plan, and which has not terminated its participation in the Primary Pension Plan in accordance with the terms of that plan;

“employer approval date” means, with respect to each benefit described in subsection 2(3) that an employer consents to provide coverage for to a particular class of its employees, the date on which the employer executes or amends a coverage agreement to provide coverage for that benefit to the class.

“Fund” means the pension fund for this Plan;

“**member**” means a person who has become a member of this Plan;

“**normal retirement age**” means a member’s normal retirement age as determined under the Primary Pension Plan;

“**normal retirement date**” has the meaning given in the Primary Pension Plan;

“**OMERS Act, 2006**” means the *Ontario Municipal Employees Retirement System Act, 2006*;

“**pension**” means an amount that is payable at periodic intervals in accordance with this Plan;

“**pensionable earnings**”, in respect of a particular benefit described in subsection 2(3), means,

- (a) where a member has 60 or more months of credited service as determined under the Primary Pension Plan as of the date the member’s coverage for the benefit ceases, the result obtained by taking the sum of the member’s contributory earnings for the 60 months of consecutive credited service in the Primary Pension Plan up to the date the member’s coverage for the benefit ceases during which such contributory earnings were the highest and dividing that sum by 5, and
- (b) where a member has less than 60 months of credited service as determined under the Primary Pension Plan as of the date the member’s coverage for the benefit ceases, the result obtained by taking the sum of the member’s contributory earnings up to the date the member’s coverage for the benefit ceases, dividing that sum by the number of months of such service and multiplying the figure so obtained by 12;

“**pensionable service**” as used in the *OMERS Act, 2006*, means, for purposes of this Plan, “credited service”;

“**physician**” means a medical doctor licensed to practice under the laws of a province of Canada or the place where the applicable member resides;

“**Plan**” means this pension plan, known as the “OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics”, which is established in accordance with section 11 of the *OMERS Act, 2006*;

“**present value**” means an amount that is actuarially equivalent to a payment or payments that become due in the future;

“**Primary Pension Plan**” means the OMERS Primary Pension Plan, which is appended hereto as Schedule 1 to this Plan;

“**retire**” means retire from service and “retirement” has a corresponding meaning;

“**service**” means service rendered to an employer or to a predecessor thereof by an employee for which earnings are received;

“**Sponsors Corporation**” means the OMERS Sponsors Corporation established by subsection 22(1) of the *OMERS Act, 2006*;

“**spouse**” has the same meaning as in the *Pension Benefits Act*;

“**surplus**” has the same meaning as in the *Pension Benefits Act*;

“**surviving spouse**” means the person who was the spouse of a member immediately before the member's death;

“**Year's Maximum Pensionable Earnings**” has the same meaning as in the *Canada Pension Plan*.

- (2) Words and expressions used in this Plan that are defined in the Primary Pension Plan have the meanings assigned by the Primary Pension Plan, except as otherwise provided herein.

**BENEFITS PROVIDED BY THIS PLAN ARE SUPPLEMENTAL TO PRIMARY
PENSION PLAN BENEFITS**

2. (1) The purpose of this Plan is to provide optional increases in benefits for members of the Primary Pension Plan employed in the police and fire sectors, in accordance with section 11 of the *OMERS Act, 2006*.
- (2) In accordance with section 11 of the *OMERS Act, 2006*, the pension and ancillary benefits provided under this Plan are supplemental to the benefits provided under the Primary Pension Plan.
- (3) Section 11 of the *OMERS Act, 2006* makes provision for increases to members' benefits under the Primary Pension Plan such that, in combination with the benefits provided under the Primary Pension Plan, a member may, provided the member's employer has consented in the manner set out in this Plan to provide coverage for the particular benefit to the class of employees to which the member belongs, become entitled to the following aggregate benefits calculated based on the member's credited service for the applicable benefit(s):
- (a) An annual benefit accrual rate that is 2.33 per cent;
- (b) For a member who ceases to be an employee and who commences receiving an immediate early retirement pension upon cessation of coverage for this benefit, the calculation of pension benefits, to commence to be paid not more than 10 years before the member's normal retirement age, in which the annual amount of pension is not reduced because a member retires before the member's normal retirement age of
- (i) 65 years if, at the date of retirement, the sum of the member's age, counted in full and part years, plus the member's eligible service, counted in full and part years, equals at least 85 years; or
- (ii) 60 years if, at the date of retirement, the sum of the member's age, counted in full and part years, plus the member's eligible service, counted in full and part years, equals at least 80 years;

- (c) The calculation of pension benefits based on the average of the highest contributory earnings of the member over a period of 48 months of consecutive credited service as determined under the Primary Pension Plan; and
- (d) The calculation of pension benefits based on the average of the highest contributory earnings of the member over a period of 36 months of consecutive credited service as determined under the Primary Pension Plan.

THE FUND

- 3. (1) The Fund is established for the payment of pension benefits to and in respect of members in accordance with this Plan.
- (2) The Fund shall include the cash, investments and other assets and the liabilities and the reserves of the Administration Corporation relating to this Plan.
- (3) Subject to applicable laws, the contributions of the employers and of the members, fees payable under subsections 10(6) and 11(3), the income from investments plus profits less losses on the sale of investments and any other credits of the Administration Corporation in connection with this Plan shall be deposited in the Fund.
- (4) The benefits payable under this Plan, the expenses of the Administration Corporation that constitute fees and expenses of administering this Plan, and costs of the Sponsors Corporation described in section 27 of the *OMERS Act, 2006* shall be paid out of the Fund.
- (5) The Administration Corporation shall invest the Fund in accordance with the *Pension Benefits Act*.

ACTUARIAL VALUATION

- 4. (1) The actuary appointed under section 19 of the *OMERS Act, 2006* shall make an actuarial study and valuation of the assets and liabilities of the Fund as required by the Administration Corporation, but not less frequently than at three year intervals, and shall report thereon to the Administration Corporation and shall make such recommendations to the Administration Corporation as the actuary considers advisable for the proper management and administration of this Plan.
- (2) The report to the Administration Corporation shall include a statement of the actuarial assumptions used by the actuary in the preparation of the valuation mentioned in subsection (1).

COMMUTED VALUE

- 5. The commuted value of a pension is the value of that pension calculated in the manner prescribed under the *Pension Benefits Act* using unisex mortality tables for all service. However, the commuted value of a member's total pension shall not be less than the contributions made by the member under this Plan plus interest, excluding contributions referred to in subsection 13(4) and excluding any refund payable under subsection 25(2) and clause 32(10)(e).

DUTIES OF THE EMPLOYER

6. (1) All member and employer contributions in respect of the contributory earnings of a member shall be paid by the employer to the Administration Corporation so that they shall be received by the Administration Corporation at its office in Toronto on or before the last day of the month next following the month in respect of which the contributions were made.
- (2) When an employer fails to pay to the Administration Corporation the contributions within the time set out in subsection (1), there shall be charged to the employer, in any month, interest at a rate equal to 1.5 per cent per month plus the prime rate on the first business day of that month of the bank that has the highest prime rate on that day on the amount of unpaid contributions from the end of the time period specified in subsection (1) until the date the total amount due has been received in the offices of the Administration Corporation.
- (3) An employer shall provide the Administration Corporation with the name, sex, date of birth, marital status, earnings and service of each member and such other information as the Administration Corporation determines is necessary for the administration of this Plan, within such time limit as the Administration Corporation may establish.
- (4) An employer shall provide each member with an explanation in writing of the contributions required and the benefits described in subsection 2(3) for which the member has coverage and such other information as the Administration Corporation shall determine in the form and within the time established by the Administration Corporation.

PARTICIPATION BY EMPLOYERS

7. (1) An employer may, in accordance with this section, participate in this Plan and pay to the Fund the total of the employer and member contributions, and has all of the powers necessary and incidental thereto.
- (2) Participation in this Plan by an associated employer is subject to any conditions agreed to by the associated employer and the Sponsors Corporation in accordance with subsection 6(1) of the *OMERS Act, 2006*.
- (3) An employer may consent to provide coverage for a benefit described in subsection 2(3) to a class of its employees by
 - (a) adopting a by-law or resolution authorizing the provision of coverage to the class, and filing such by-law or resolution with the Administration Corporation, and
 - (b) entering into or amending a coverage agreement.
- (4) The form and content of a coverage agreement shall be determined by the Administration Corporation.
- (5) On each coverage date an employer may consent to provide coverage for only one of the benefits described in clauses 2(3)(a), 2(3)(b), 2(3)(c) or 2(3)(d).
- (6) A coverage agreement shall not authorize coverage for additional benefits under this Plan for a class of employees until at least 36 months has passed since the coverage date on which the

employer most recently consented to provide coverage for benefits under this Plan for the same class of employees.

- (7) An employer may cease to provide coverage for a benefit provided 100 per cent of the members accruing credited service in respect of such benefit vote by secret ballot to approve the cessation of coverage by the employer and, provided further, that the Sponsors Corporation consents to the cessation of coverage.
- (8) An employer who has elected to participate in this Plan may terminate its participation in this Plan subject to subsection (7) and the conditions and restrictions applicable to termination of participation contained in the *OMERS Act, 2006*.

MEMBERSHIP AND COVERAGE

- 8. (1) (a) Every employee who, on the coverage date applicable to the class, is a member of a class of employees to which the employer has consented to provide coverage for benefits under this Plan in accordance with section 7 shall become a member on that coverage date.
- (b) Every employee who, after the coverage date applicable to the class, joins the class of employees to which an employer has consented to provide coverage for benefits under this Plan in accordance with section 7 shall become a member on the date that he/she joins the class.
- (2) Where 2 or more employers are amalgamated, employees who were accruing credited service under a coverage agreement on the day immediately preceding the amalgamation shall be deemed to be a class of employees of the new employer, and their coverage under the coverage agreement shall not cease by reason only of the amalgamation.
- (3) A member may only make contributions for a particular benefit described in subsection 2(3) in respect of the period during which the member belongs to the class of employees to which the employer has consented to provide coverage for that benefit.
- (4) A member's coverage for a particular benefit described in subsection 2(3) ceases on the earlier of
 - (a) the date the member terminates employment with the employer which has consented to provide coverage for the benefit;
 - (b) the date the member ceases to belong to the class of employees to which the employer has consented to provide coverage for the benefit; and
 - (c) the date on which the employer ceases to provide coverage for the benefit to the class of employees to which the member belongs.
- (5) Notwithstanding any other provision of this Plan or of the Primary Pension Plan, if a member's coverage for a particular benefit described in subsection 2(3) ceases and at the time of such cessation of coverage the member has elected to purchase credited service in respect of such benefit under any provision of this Plan but has not paid the full cost of such purchase, the member must immediately pay the amount outstanding under this Plan and under the Primary Pension Plan

in connection with such purchase, failing which the member shall only receive credit for the service purchased to date.

- (6) A member who ceases to accrue credited service under this Plan may exercise all rights under this Plan as if the member had ceased to be an employee on the date he/she ceased accruing credited service.
9. Despite the definition of “credited service” in subsection 1(1), a member who is employed on other than a continuous full-time basis, as determined under the Primary Pension Plan,
- (a) shall be deemed to have continuous service for each coverage period while so employed; and
 - (b) shall accrue credited service in each coverage period on a proportional basis to a member employed on a continuous full-time basis, also as determined under the Primary Pension Plan, who belongs to the same class of employees.

CONTRIBUTIONS BY MEMBERS

10. (1) Subject to subsection (2), every member shall contribute to the Fund by payroll deduction in each pay period commencing on the applicable coverage date a percentage of the member’s contributory earnings in respect of each benefit described in subsection 2(3) while he or she is a member of a class of employees to which an employer has consented to provide coverage for that benefit, but no contribution shall be payable by a member from the date a pension must commence under subsection 14(3).
- (2) Where the coverage date for a particular benefit precedes the employer approval date applicable to that benefit, every member who was a member of the class of employees to which the employer has consented to provide coverage for the benefit prior to the employer approval date shall forthwith contribute to the Fund a lump sum amount equal to the contributions payable under subsection (1) from the coverage date to the date payroll deductions commence in accordance with subsection (1).
 - (3) Despite subsection (2), no member may establish as credited service a period described in subsection (2) without first obtaining certification of the member’s past service pension adjustment, if and as applicable, under the *Income Tax Act* (Canada).
 - (4) A member who does not obtain certification of the member’s past service pension adjustment as required by subsection (3) shall be deemed to join the class of employees to which the member’s employer has consented to provide coverage for the applicable benefit on the date that the member’s first contribution under subsection (1) is made.
 - (5) On and after January 1, 2011, the contributions payable by a member under subsection (1) in respect of his or her contributory earnings in any pay period are,
 - (a) for a member who has coverage for a benefit described in clause 2(3)(a) whose normal retirement age is 65 years, 1.85 per cent of the contributory earnings;
 - (b) for a member who has coverage for a benefit described in clause 2(3)(a) whose normal retirement age is 60 years, 2.15 per cent of the contributory earnings;

- (c) for a member who has coverage for a benefit described in subclause 2(3)(b)(i), 0.30 per cent of the contributory earnings;
 - (d) for a member who has coverage for a benefit described in subclause 2(3)(b)(ii), 0.45 per cent of the contributory earnings;
 - (e) for a member who has coverage for a benefit described in clause 2(3)(c) whose normal retirement age is 65 years, 0.30 per cent of the contributory earnings;
 - (f) for a member who has coverage for a benefit described in clause 2(3)(c) whose normal retirement age is 60 years, 0.35 per cent of the contributory earnings;
 - (g) for a member who has coverage for a benefit described in clause 2(3)(d) whose normal retirement age is 65 years, 0.50 per cent of the contributory earnings; and
 - (h) for a member who has coverage for a benefit described in clause 2(3)(d) whose normal retirement age is 60 years, 0.60 per cent of the contributory earnings.
- (6) Subject to applicable laws, the Administration Corporation may, having regard to the funded status of this Plan from time to time, require members to pay fees in amounts determined by the Administration Corporation, in addition to the contributions otherwise required under this Plan, to cover the expenses of administering this Plan.
- (7) Notwithstanding subsection (5), if in any pay period the contributory earnings in respect of which contributions are payable by a member to this Plan exceed the rate which, when substituted for pensionable earnings in subsection 15(3), results in a pension amount equal to or greater than the maximum lifetime normal retirement limit prescribed under the *Income Tax Act*,
- (a) the member shall make the contribution described in clause (5)(c) or (d), if and as applicable, on contributory earnings up to, but not exceeding, the rate which, when substituted for pensionable earnings in subsection 15(3), results in a pension amount equal to or greater than the maximum lifetime normal retirement limit prescribed under the *Income Tax Act*, and
 - (b) the member shall make the contribution described in clause (5)(a), (b), (e), (f), (g) or (h), if and as applicable, on all contributory earnings at a zero percent contribution rate.
- (8) Despite subsections (1), (2), (13), (14) and (15) and section 32, no contribution shall be payable by a member in respect of a period of service that occurs after the member has accrued 35 years of credited service in the Primary Pension Plan.
- (9) Despite subsections (1), (2), (13), (14) and (15) and section 32, no contribution shall be payable by a member to fund a benefit described in clause 2(3)(b) after the member becomes eligible under the Primary Pension Plan to receive an early unreduced retirement pension in accordance with the terms of that plan.
- (10) Despite subsections (7), (8) and (9), for the purposes of calculating pensionable earnings, the contributory earnings of a member shall be calculated as if subsections (7) and (8) and (9) had no effect and the member contributed to the Fund under subsection (1) and/or subsection (2), as applicable.

- (11) At the option of the employer, the amount of contributions payable by a member under subsection (1) and/or subsection (2), as applicable shall, instead of being computed in accordance with subsection (5), for ranges in contributory earnings not exceeding \$10 monthly, be computed on the average of the highest and lowest amounts in the range.
- (12) Contributions made by a member in respect of a particular benefit described in subsection 2(3) shall not be withdrawn from the Fund in whole or in part before the date on which the member's coverage for the benefit ceases.
- (13) Subject to subsection 8(3), a member who does not make a contribution to the Fund under subsections (1) and/or (2), as applicable during an absence that is an absence described in clause (c) of the definition of "continuous service" in section 1 of the Primary Pension Plan, and who subsequently establishes all or part of the period of absence as credited service in the Primary Pension Plan in accordance with subsection 11(9) of that plan, must establish the same period of absence as credited service in this Plan by paying to the member's employer for payment into the Fund on the same day the member pays the amount determined under subsection 11(9) of the Primary Pension Plan an amount equal to the amount of contribution calculated in accordance with subsection (5) based on the member's deemed contributory earnings for the absence as determined under the Primary Pension Plan.
- (14) Subject to subsection 8(3), a member who did not make a contribution to the Fund under subsections (1) and/or (2), as applicable during an absence that was an absence described in clause (b) or (d) of the definition of "continuous service" in section 1 of the Primary Pension Plan, and who subsequently establishes all or part of the period of absence as credited service in the Primary Pension Plan in accordance with subsection 11(10) of that plan, must establish the same period of absence as credited service in this Plan by paying to the member's employer for payment into the Fund an amount equal to twice the amount of contribution calculated in accordance with subsection (5) based on the member's deemed contributory earnings for the absence as determined under the Primary Pension Plan and the amount to be paid by the member shall be paid to the Fund on the same day the member pays the amount determined under subsection 11(10) of the Primary Pension Plan to the pension fund for the Primary Pension Plan.
- (15) Subject to subsection 8(3), a member who establishes as credited service in the Primary Pension Plan all or part of a period of absence described in subsection 11(11) of the Primary Pension Plan must establish the same period of absence as credited service in this Plan by paying to the member's employer for payment into the Fund an amount equal to the contribution calculated in accordance with subsection (5) based on the member's deemed contributory earnings for the absence as determined under the Primary Pension Plan and the amount to be paid by the member shall be paid to the Fund on the same day the member pays the amount determined under subsection 11(11) of the Primary Pension Plan to the pension fund for the Primary Pension Plan.
- (16) A member may only establish credited service in accordance with subsection (13), (14), (15) or (23) if he/she establishes credited service in the Primary Pension Plan for the same period in accordance with the terms of that plan.
- (17) The cost of credited service established in accordance with subsection (13), (14), (15) or (23) after the date specified in the corresponding provision of the Primary Pension Plan shall equal the

- (17) The cost of credited service established in accordance with subsection (13), (14), (15) or (23) after the date specified in the corresponding provision of the Primary Pension Plan shall equal the present value of the benefit so established, taking into account all benefits described in subsection 2(3) for which the member had coverage during the period of credited service being established.
- (18) If an employer treats the aggregate of a number of breaks in service as a single break in service in accordance with subsection 11(14) of the Primary Pension Plan, the employer must treat the same breaks in service as a single break, on the same terms and conditions, for purposes of this Plan.
- (19) For the purposes of subsections (14), (15) and (23), if a member wishes to establish as credited service a period of absence which occurred after 1990 and has already in accordance with the terms of the Primary Pension Plan established as credited service other such periods of absence totalling 5 years in that plan, plus, also in accordance with the terms of the Primary Pension Plan, in respect of pregnancy or parental leave, up to 1 year of absence applied to any child up to a maximum of 3 years, no benefit under this Plan shall be payable or funded in respect of any additional such periods of absence which the member wishes to establish as credited service until certification of the member's past service pension adjustment under the *Income Tax Act* (Canada).
- (20) Subsection (19) shall not apply to any period of absence as a result of a disability described in clause (c) of the definition of "continuous service" in section 1 of the Primary Pension Plan or under subsections 17(1) or 17(2) of this Plan.
- (21) For the purposes of subsection (14) in order to establish as credited service a period of absence in respect of a "period of reduced pay" as defined in the *Income Tax Act* (Canada), the member must have been employed by the member's employer at least 36 months before the commencement of the "period of reduced pay".
- (22) Despite subsection (14), no member may establish as credited service a period of absence which occurred after 1990 if the member has accrued pension benefits in respect of that period under another pension plan (other than the Primary Pension Plan) registered under the *Income Tax Act* (Canada) without first obtaining certification of the member's past service pension adjustment under the *Income Tax Act* (Canada).
- (23) Subject to subsection 8(3), a member who establishes as credited service in the Primary Pension Plan all or part of a period of absence described in subsection 11(21) of the Primary Pension Plan must establish the same period of absence as credited service in this Plan by paying to the member's employer for payment into the Fund an amount equal to the contribution calculated in accordance with subsection (5) based on the member's deemed contributory earnings for the absence as determined under the Primary Pension Plan and the amount to be paid by the member shall be paid to the Fund on the same day the member pays the amount determined under subsection 11(21) of the Primary Pension Plan to the pension fund for the Primary Pension Plan.

CONTRIBUTIONS BY EMPLOYERS

11. (1) Every employer shall contribute to the Fund an amount equal to contributions made under subsection 10(1) and/or subsection 10(2), as applicable, by employees of the employer.
- (2) Where a member makes a contribution,

- (a) under subsection 10(13), the employer shall make an equal contribution and shall pay such member contributions and employer contributions to the Fund forthwith;
 - (b) under subsection 10(14), the employer shall pay such contributions to the Fund forthwith;
 - (c) under subsection 10(15), the employer shall make an equal contribution and shall pay such member contributions and employer contributions to the Fund forthwith; and
 - (d) under subsection 10(23), the employer shall make an equal contribution and shall pay such member contributions and employer contributions to the Fund forthwith.
- (3) Subject to applicable laws, the Administration Corporation may, having regard to the funded status of this Plan from time to time, require employers to pay fees in amounts determined by the Administration Corporation, in addition to the contributions otherwise required under this Plan, to cover the expenses of administering this Plan.
12. Any sum the payment of which has not been made by an employer as required under this Plan is a debt recoverable from the employer by the Administration Corporation in a court of competent jurisdiction.

NORMAL RETIREMENT AGE

13. (1) An employer who changes the normal retirement age of all members or any class of members of the Primary Pension Plan from 65 to 60 years in accordance with that plan shall be deemed to make the same change with respect to the normal retirement age of the same members under this Plan, except with respect to a member's benefits described in subsection 2(3) for which coverage has ceased prior to the date the member's normal retirement age is changed under the Primary Pension Plan.
- (2) The normal retirement age of a member who
- (a) in respect of a particular benefit described in subsection 2(3) is contributing to the Fund on the basis of a normal retirement age of 60 years;
 - (b) previously contributed to the Fund on the basis of a normal retirement age of 65 years in respect of the same benefit; and
 - (c) has not withdrawn from the Fund any of the contributions referred to in clause (b),
- shall be deemed to be 60 years for his or her entire period of credited service for that benefit, and the period of such credited service while his or her normal retirement age was 65 years shall be reduced by 25 per cent, unless credit is established in the Fund by or in respect of the member of an amount, determined by the Administration Corporation on the advice of the actuary, equal to the difference between the present value of the pension earned based on credited service while the member's normal retirement age was 65 years and the same pension calculated as if the member's normal retirement age had been 60 years.
- (3) Where a member who has had all or part of his or her credited service reduced under subsection (2) subsequently contributes to the Fund in respect of the same benefit on the basis of a normal

retirement age of 65, the credited service reduction previously applied under subsection (2) shall be reversed.

- (4) Despite subsection 10(12) a member who is contributing to the Fund in respect of a particular benefit described in subsection 2(3) on the basis of a normal retirement age of 65 years and previously contributed to the Fund in respect of the same benefit on the basis of a normal retirement age of 60 years shall have refunded to him or her,
- (a) the contributions made by the member in respect of that benefit under section 10 on the basis of a normal retirement age of 60 years minus the contributions that would have been made by the member in respect of that benefit under section 10 on the basis of a normal retirement age of 65 years; and
 - (b) any excess contributions made by the member under subsection (2) or sections 28 or 32 in respect of that benefit,

with interest calculated in the manner provided under subsection 25(3).

- (5) The normal retirement age of a member who,
- (a) in respect of a particular benefit described in subsection 2(3) is contributing to the Fund on the basis of a normal retirement age of 60 years;
 - (b) previously contributed to the Fund in respect of the same benefit on the basis of a normal retirement age of 65 years and before that contributed to the Fund in respect of the same benefit on the basis of a normal retirement age of 60 years; and
 - (c) has not withdrawn from the Fund any contributions in respect of that benefit other than under subsection (4),

shall be deemed to be 60 years for his or her entire period of credited service in respect of that benefit, and the period of such credited service to the credit of the member based on a normal retirement age of 65 years shall be reduced by 25 per cent unless,

- (d) in respect of a prior period during which the member contributed to the Fund in respect of the benefit on the basis of a normal retirement age of 65 years, credit is established in the Fund by or in respect of the member of an amount calculated in accordance with subsection (2); and
 - (e) in respect of a prior period during which the member previously contributed to the Fund in respect of the benefit on the basis of a normal retirement age of 60 years, credit is established in the Fund by or in respect of the member of an amount equal to the excess of contributions made by the member in respect of that benefit referred to in subsection (4) together with interest thereon calculated in the manner provided in subsection 25(3).
- (6) If a member's age is 60 years or more, the 25 per cent reduction referred to in subsections (2) and (5) shall equal 0.05 times the number of complete years and months that the member's age is less than 65 years, and the calculation of the amount referred to in subsections (2) and (5) shall be modified accordingly.

- (7) A member who elects to establish credit in accordance with this section or who receives a refund in accordance with this section may only do so if he/she makes the same election with respect to his/her corresponding service in the Primary Pension Plan in accordance with the terms of that plan.
- (8) For greater certainty, a member may not elect to make a payment or to receive a refund under this section in respect of a benefit for which the member's coverage has ceased pursuant to subsection 8(4).

NORMAL RETIREMENT PENSIONS

- 14.** (1) A member who retires on or after the member's normal retirement date is entitled to receive a normal retirement pension under this Plan.
- (2) A pension under this section is payable to a member beginning on the first day of the month following the month of the member's retirement.
- (3) Despite subsections (1) and (2), a member's pension must commence no later than the end of the year in which the member attains 71 years of age or at such other time as prescribed under the *Income Tax Act* (Canada).
- (4) A member's normal retirement pension equals the sum of the member's lifetime normal retirement pension and bridge pension, if any.

NORMAL RETIREMENT PENSION FORMULA

- 15.** (1) The normal retirement pension payable to a member in respect of each coverage period is the amount calculated by subtracting the member's normal retirement pension for that coverage period calculated under subsections 15(3) and 15(8) from the member's normal retirement pension calculated under subsections 15(4), 15(5) and/or 15(6), as applicable, and 15(8) for the same coverage period.
 - (2) The sum of the amounts described in subsection (1), excluding any benefits paid to or in respect of the member under subsection 21(4), is the member's normal retirement pension under this Plan.
 - (3) The lifetime normal retirement pension of a member in respect of a particular benefit described in subsection 2(3) for which the member has coverage is calculated for each coverage period using the formula
 - "A" is 2 per cent of the member's pensionable earnings multiplied by the member's credited service before 1966;
 - "F" is the amount calculated by multiplying the member's credited service after 1965 by 1.325 per cent of the lesser of,
 - (a) the member's pensionable earnings, or
 - (b) the average of the Year's Maximum Pensionable Earnings for the year in which the member's coverage for the benefit ceases and for each of the 4 preceding years; and
- "G" is the amount, if any, calculated by multiplying the member's credited service after 1965 by 2 per cent of the greater of,

- (a) the member's pensionable earnings less the amount that is the average of the Year's Maximum Pensionable Earnings for the year in which the member's coverage for the benefit ceases and for each of the 4 preceding years, or
 - (b) zero.
- (4) Notwithstanding subsection (3), where, in respect of the coverage period for which the calculation is being done, the member's employer has consented in accordance with section 7 to provide coverage for a benefit described in clause 2(3)(a) for the class of employees to which the member belongs, the lifetime normal retirement pension of the member for the coverage period shall be calculated using the formula in subsection (3) but substituting 2.33 per cent for 2 per cent and 1.655 per cent for 1.325 per cent.
- (5) Notwithstanding subsection (3), where, in respect of the coverage period for which the calculation is being done, the member's employer has consented in accordance with section 7 to provide coverage for a benefit described in clause 2(3)(c) for the class of employees to which the member belongs, the lifetime normal retirement pension of the member for the coverage period shall be calculated using the formula in subsection (3) but substituting the following definition of "pensionable earnings" for purposes of subsection (3) and subsection (8):
- (a) where a member has 48 or more months of credited service in the Primary Pension Plan as of the date the member's coverage for the benefit ceases, the result obtained by taking the sum of the member's contributory earnings for the 48 months of consecutive credited service in the Primary Pension Plan up to that date during which such contributory earnings were the highest and dividing that sum by 4, and
 - (b) where a member has less than 48 months of credited service in the Primary Pension Plan as of the date the member's coverage for the benefit ceases, the result obtained by taking the sum of the member's contributory earnings up to that date, dividing that sum by the number of months of such service and multiplying the figure so obtained by 12.
- (6) Notwithstanding subsection (3), where, in respect of the coverage period for which the calculation is being done, the member's employer has consented in accordance with section 7 to provide coverage for a benefit described in clause 2(3)(d) for the class of employees to which the member belongs, the lifetime normal retirement pension of the member for the coverage period shall be calculated using the formula in subsection (3) but substituting the following definition of "pensionable earnings" for purposes of subsection (3) and subsection (8):
- (a) where a member has 36 or more months of credited service in the Primary Pension Plan as of the date the member's coverage for the benefit ceases, the result obtained by taking the sum of the member's contributory earnings for the 36 months of consecutive credited service in the Primary Pension Plan up to that date during which such contributory earnings were the highest and dividing that sum by 3, and
 - (b) where a member has less than 36 months of credited service in the Primary Pension Plan as of the date the member's coverage for the benefit ceases, the result obtained by taking the sum of the member's contributory earnings up to that date, dividing that sum by the number of months of such service and multiplying the figure so obtained by 12.

- (7) For greater certainty,
- (a) for any coverage period during which a member has coverage for more than one benefit described in subsection 2(3), subsections (4), (5) and (6), as applicable, shall be used in combination to calculate the lifetime normal retirement pension accrued during the coverage period; and
 - (b) nothing herein shall be construed to permit a member to make contributions in respect of a benefit described in subsection 2(3) after the date on which the member's coverage for that benefit ceases for any of the reasons listed in subsection 8(4).
- (8) The bridge pension in respect of a benefit payable to a member until the end of the month in which the member attains 65 years of age is calculated as of the date a coverage period ends using the formula

$$H \times L$$

in which,

“H” is the member's credited service in respect of the years after 1965; and

“L” is the amount that is 0.675 per cent of the lesser of,

- (a) the member's pensionable earnings, or
 - (b) the average of the Year's Maximum Pensionable Earnings for the year in which the member's coverage for the benefit ceases and for each of the 4 preceding years.
- (9) When a member ceases to be entitled to a bridge pension, he or she also ceases to be entitled to any inflation adjustments made to the bridge pension under section 29.

APPLICATION OF ITA MAXIMUMS

16. This Plan shall not provide a member with a lifetime normal retirement pension which, in combination with the member's lifetime normal retirement pension determined in accordance with the Primary Pension Plan, exceeds the maximum pension accrual limits in the *Income Tax Act* (Canada).

DISABILITY RETIREMENT BENEFITS

17. (1) Upon application and with the approval of the Administration Corporation, a member shall be considered to be totally disabled on the date that a physician appointed by the Administration Corporation certifies is the date that the member is wholly prevented due to mental or physical incapacity from performing the regular duties of the occupation in which he or she was engaged immediately before that date, and the disability shall be considered to continue if the member is so prevented during the first 24-month period immediately after that date, and, thereafter, the disability shall be considered to continue if the member is wholly prevented from engaging in any occupation or performing any work for compensation or profit for which the Administration Corporation, on the advice of a physician appointed by the Administration Corporation, considers the member is or may become reasonably qualified by education, training or experience.
- (2) Upon application and with the approval of the Administration Corporation, a member shall be

considered to be totally disabled on the date that a physician appointed by the Administration Corporation certifies is the date that the member began suffering from a physical or mental impairment which wholly prevents the member from engaging in any occupation or performing any work for compensation or profit for which the Administration Corporation, on the advice of a physician appointed by the Administration Corporation, considers the member is or may become reasonably qualified by education, training or experience and which can reasonably be expected to last for the remainder of the member's lifetime.

- (3) Despite subsections (1) and (2), total disability shall be considered not to exist,
 - (a) during any period in which the member engages in any occupation for compensation or profit other than an occupation associated with a rehabilitation program approved by the Administration Corporation;
 - (b) where such total disability in respect of a member results from wilfully self-inflicted injury or the commission or attempted commission by the member of an indictable offence under the *Criminal Code* (Canada) or the engagement by the member in an unlawful occupation.
- (4) A member who is considered under subsection (1) to be totally disabled continues to accrue credited service in respect of all benefits for which the member had coverage as at the date the member began accruing credited service under subsection 18(4) of the Primary Pension Plan for as long as he/she accrues credited service under subsection 18(4) of the Primary Pension Plan.
- (5) During the period of the accrual of a member's credited service referred to in subsection (4),
 - (a) the contributory earnings of the member shall continue to be the member's contributory earnings as determined under the Primary Pension Plan for that period; and
 - (b) for the purposes of any pension calculated in the manner prescribed in section 15, for any year of credited service accrual under subsection (4), the YMPE shall be deemed to be equal to the YMPE determined for the same year in accordance with the terms of the Primary Pension Plan, .
- (6) Despite section 10, no member shall make contributions to the Fund in respect of contributory earnings under subsection (5) during the period of accrual of credited service under subsection (4).
- (7) Whether or not a member who is accruing credited service under subsection (4) continues to have the status of an employee with respect to the employer, the member shall be deemed to be an employee of the employer for the purposes of this Plan, however
 - (a) if the member continues in fact to have the status of an employee with respect to the employer, the member shall continue to be treated as a member of the class of employees to which the member belonged immediately before the member's credited service accrual under subsection (4) began; but
 - (b) if the member in fact ceases to have the status of an employee with respect to the employer, the member's coverage under this Plan shall be limited to the coverage in effect immediately before the date on which the member ceases to have the status of an employee with respect to

the employer, regardless of whether benefits cease or are added in respect of the class of employees to which the member belonged immediately before that date.

- (8) Despite subsection (5), if on December 1 of the year which is two years prior to an adjustment year, or the 1st day of any month of the year prior to an adjustment year, a member is entitled to a disability benefit under subsection (4) and on January 1 of that adjustment year,
- (a) the member is entitled to a pension;
 - (b) the member is entitled to a deferred pension; or
 - (c) the member's surviving spouse or children are entitled to a pension in respect of a deceased member,

the pension referred to in clause (a), (b) or (c) shall be increased on the 1st day of January of the adjustment year by the inflation adjustment in the manner prescribed in subsection 29(6) using the date the member became entitled to a disability benefit as the commencement date of the pension or deferred pension to be increased by the inflation adjustment.

- (9) A member who elects under subsection 18(10) of the Primary Pension Plan to receive a pension under that plan shall, instead of accruing credited service under subsection (4), receive a pension as follows:
- 1. The pension is to be calculated in the manner prescribed in section 15.
 - 2. The pension begins on the day that the member's pension under the Primary Pension Plan begins.
 - 3. The pension continues to be payable for as long as the member's pension under the Primary Pension Plan continues to be payable.
- (10) A member who elects to receive a pension under this section shall be deemed for purposes of that pension to cease to be an employee during any period that that pension is in pay.
- (11) Every member who under this section is considered to be totally disabled shall, at the request of the Administration Corporation and at the expense of the Fund, submit from time to time to a medical examination by a physician appointed by the Administration Corporation, but such an examination shall not be required more frequently than once a year and not after the normal retirement date of the member.
- (12) If a member fails within 60 days after a request therefore to submit to a medical examination in accordance with subsection (11) the member shall be deemed not to be totally disabled.
- (13) Despite subsection (9), the amount of pension payable to a member in any month before his or her normal retirement date under this section combined with the amount of pension payable to the member in the same month under section 18 of the Primary Pension Plan, together with any amount of compensation payable to the member with respect to that month under the *Workplace Safety and Insurance Act*, shall not exceed 85 per cent of the monthly rate of contributory earnings of the member on the last day the member received the normal rate of contributory earnings from his or her employer.

- (14) For purposes of subsection (13), the amount of pension payable to a member shall exclude any adjustments made thereto under section 29 and any similar adjustments made to compensation payable to the member under the *Workplace Safety and Insurance Act*.
- (15) Despite subsections (4) and (9), if a member who was accruing credited service under subsection (4) or was receiving a pension under subsection (9) returns to work and ceases to accrue credited service under subsection (4) or to receive a pension under subsection (9) and within 6 months of returning to work again becomes disabled under subsection (1) or (2) as a result of the same mental or physical incapacity, as certified by a physician appointed by the Administration Corporation, the member must, if he or she resumes accruing credited service under subsection 18(4) of the Primary Pension Plan, concurrently resume accruing credited service under subsection (4) or, if he or she resumes receiving a pension under subsection 18(10) of the Primary Pension Plan, concurrently resume receiving a pension under subsection (9).
- (16) A member who resumes accruing credited service under subsection (4) or receiving a pension under subsection (9) in the circumstances described in subsection (15) must on the same date resume accruing credited service under the Primary Pension Plan or receiving a pension from the Primary Pension Plan, as the case may be, in accordance with the terms of that plan.

PENSIONS TO SURVIVORS: DEATH OF A MEMBER BEFORE RETIREMENT

- 18.** (1) A pension is payable under this section on the death of a member before the date that payment of the first instalment of the pension is due,
- (a) to the surviving spouse, if the member and the surviving spouse were not living separate and apart on the date of the member's death; or
 - (b) to each dependent child of the deceased member,
 - (i) if, at the death of the member, there is no surviving spouse entitled to receive a pension under this section,
 - (ii) if the surviving spouse is not entitled to receive or to continue to receive a pension under this section by virtue of subsection 20(9), or
 - (iii) if the surviving spouse who was entitled to a pension under this section has died.
- (2) The annual amount of pension payable under this section,
- (a) to a surviving spouse shall not exceed the annual amount of pension calculated under subsection 15(2) and is the sum of,
 - (i) 66 2/3 per cent of the annual amount of pension calculated under subsection 15(2), and
 - (ii) in respect of each dependent child of the member during his or her dependent child benefit period, 10 per cent of the annual amount of pension calculated under subsection 15(2); or
 - (b) to a dependent child is,

- (i) 66 2/3 per cent of the annual amount of pension calculated under subsection 15(2), or
 - (ii) if the surviving spouse was receiving a pension immediately before her or his death, the amount of that pension excluding any adjustment in respect of a dependent child of the member,

divided by the number of dependent children of the member who remain in their dependent child benefit periods.
- (3) Every calculation of a member's pension under this section shall be on the basis that the member was not entitled to a bridge benefit under subsection 15(8) at the time of the member's death.
- (4) For the purposes of this section, the minimum value of a member's pension earned to the date of the member's death is the commuted value of the member's pension in respect of credited service of the member in this Plan, less the sum of any benefits paid to or in respect of a member under this Plan, exclusive of benefits under subsection 13(4) and payments under subsection 25(2) and clause 32(10)(e).
- (5) If the commuted value of the pension payable to a surviving spouse on the death of a member under this section is less than the minimum value of the member's pension as determined in subsection (4), the pension payable is increased accordingly.
- (6) A surviving spouse eligible for a pension under subsection (1) may elect to receive, instead of that pension, a refund of an amount equal to the minimum value of the member's pension.
- (7) In respect of the benefits described in subsection 2(3) for which the deceased member had coverage, a surviving spouse may elect to receive, instead of a refund under subsection (6), a deferred pension, the commuted value of which shall equal the amount of the refund, payable for life commencing the first day of the month following the month she or he attains the age of,
 - (a) 65 if the normal retirement age of the member with respect to the benefit was 65 years; or
 - (b) 60 if the normal retirement age of the member with respect to the benefit was 60 years.
- (8) If, at the date of death of a member, there is no surviving spouse or child of the member eligible for a pension under this section, the member's designated beneficiary, or estate if there is no designated beneficiary, is entitled to a refund of an amount equal to the minimum value of the member's pension.
- (9) If, at the date of death of a member, there is no surviving spouse eligible for a pension under this section but there is a child or children of the member so eligible, the member's designated beneficiary, or estate if there is no designated beneficiary, is entitled to a refund of an amount equal to the commuted value of the member's pension, less the commuted value of the pension payable to the member's child or children under this section.
- (10) If no pension is payable to a surviving spouse or children of a deceased member under this section, the member's designated beneficiary, or estate if there is no designated beneficiary, is entitled to a refund of the contributions to the credit of the member, plus interest to the date of the member's death, less the amount of any benefits that have been paid to or in respect of the member.

- (11) Despite subsection (2), where the member was entitled to receive a deferred pension under section 21, the annual amount of pension payable under this section shall include any increases under subsections 21(6).

PENSIONS TO SURVIVORS: DEATH OF A MEMBER AFTER RETIREMENT

19. (1) A pension is payable under this section on the death of a member after the date that payment of the first instalment of the pension is due,
- (a) to the surviving spouse, if the member and the surviving spouse were not living separate and apart on the date of the member's death; or
 - (b) to each dependent child of the deceased member,
 - (i) if, at the death of the member there is no surviving spouse entitled to receive a pension under this section,
 - (ii) if the surviving spouse is not entitled to receive or continue to receive a pension under this section by virtue of subsection 20(9), or
 - (iii) if the surviving spouse who was entitled to a pension under this section has died.
- (2) The annual amount of pension payable to a surviving spouse shall not exceed the annual amount of pension the member was receiving immediately before death and is the sum of,
- (a) $66 \frac{2}{3}$ per cent of the annual amount of the pension the member was receiving immediately before death; and
 - (b) in respect of each dependent child of the member during his or her dependent child benefit period, 10 per cent of the member's annual amount of pension described in clause (a).
- (3) The annual amount of pension payable to a dependent child is,
- (a) $66 \frac{2}{3}$ per cent of the annual amount of the pension the member was receiving immediately before death occurred; or
 - (b) if the surviving spouse was receiving a pension immediately before her or his death, the pension the surviving spouse was receiving excluding any adjustment in respect of a dependent child of the member,
- divided by the number of dependent children of the member who continue in their dependent child benefit periods.
- (4) Every calculation of a member's pension under this section shall be on the basis that the member was not entitled to a bridge benefit under subsection 15(8) at the time of the member's death.
- (5) If, under this section, no pension is payable to a surviving spouse or child of a deceased member, the member's designated beneficiary, or estate if there is no designated beneficiary, is entitled to a

refund of the contributions to the credit of the member, plus interest to the date of the member's retirement, less the amount of any benefits that have been paid to or in respect of the member.

- (6) Despite the definition of surviving spouse, upon the death of the member, the member's spouse at the date the first instalment of the pension was due shall be deemed to be the surviving spouse instead of the person who would otherwise be the surviving spouse under this Plan.
- (7) Subsection (6) does not apply if,
 - (a) the member and the member's spouse on the date that payment of the first instalment of the pension was due were living separate and apart at that date, or
 - (b) the member's spouse at the date that payment of the first instalment of the pension is due is not alive at the date of death of the member, or
 - (c) the entitlement of the spouse at the date that payment of the first instalment of the pension is due is not entitled to receive a benefit by virtue of a valid court order, a valid written domestic contract or any other valid waiver filed with the Administration Corporation.

PENSIONS TO SURVIVORS: CONDITIONS APPLICABLE TO SURVIVOR BENEFITS

20. (1) A pension payable to a person under section 18 or 19 is payable monthly beginning the first day of the month following the month in which the person becomes entitled to the pension and is payable,
 - (a) to a surviving spouse until her or his death; or
 - (b) to a dependent child until the earlier of the child's death and the end of the child's dependent child benefit period.
- (2) A child of a deceased member shall be deemed for the purposes of this section to be under the age of 19 years during the continuation of total disability if the child is determined by the Administration Corporation, on the advice of a physician appointed by the Administration Corporation, to be totally disabled,
 - (a) before the age of 21 years; or
 - (b) before the age of 25 years if the child is in full-time attendance at an educational institution.
- (3) In subsection (2),

“totally disabled” means that the child is afflicted by mental or physical infirmity that has rendered the child incapable of supporting himself or herself and “total disability” has a corresponding meaning, but total disability shall be considered not to exist,

 - (a) during any period in which the child engages in any occupation for compensation or profit other than an occupation associated with a rehabilitation or workshop program approved by the Administration Corporation, or

- (b) where the disability results from wilfully self-inflicted injury or the commission or attempted commission by the child of an indictable offence under the *Criminal Code* (Canada) or the engagement by the child in an unlawful occupation.
- (4) Despite clause 18(2)(a) or subsection 19(2), the increase in pension payable to the surviving spouse in respect of children of the member as provided in subclause 18(2)(a)(ii) or clause 19(2)(b) shall be paid to the person or agency who most recently had custody, care and control.
- (5) Subject to the *Children's Law Reform Act*, for the purposes of sections 18 and 19, if a pension or other benefit is payable to a child of a deceased member under the age of 18 years or a disabled child referred to in subsection (2), payment may be made to the person or agency having custody, care and control of the child, or, if there is no such person or agency, to the person or agency named by the Administration Corporation.
- (6) The surviving parent of a child shall, in the absence of evidence to the contrary, be deemed to be the person having custody, care and control, except where the child is living apart from the parent.
- (7) If a surviving spouse, child or beneficiary of a deceased member cannot be found, and the Administration Corporation is satisfied that reasonable efforts have been made to find them and at least 1 year has passed since the member's death, the Administration Corporation may, despite any other provision of this Plan, direct that any benefit that would be payable under this Plan if the surviving spouse, child or beneficiary had predeceased the member be paid to the person who would be entitled to receive the benefit in those circumstances, on such conditions as the Administration Corporation directs.
- (8) If a surviving spouse, child or beneficiary referred to in subsection (7) is subsequently found and a claim is made for any benefit payable under this Plan, the Administration Corporation may direct that the benefit, reduced by the amount actually paid under subsection (7), be paid to the surviving spouse, child or beneficiary, as the case may be.
- (9) The Administration Corporation may direct that a benefit be paid in accordance with this Plan as if the surviving spouse or the member's beneficiary, as the case may be, had predeceased the member if a benefit would otherwise have been payable under section 18 or 19 to the surviving spouse of a deceased member but the Administration Corporation is satisfied,
 - (a) that the person is not entitled to receive the benefit by virtue of a judicial decree or a separation agreement or other contractual arrangement between the person and the member that has been received by the Administration Corporation before any payment of the benefit is made to the person; or
 - (b) that the person, or, where applicable, the member's beneficiary, has refused to accept the benefit.
- (10) If the benefit referred to in subsection (9) is a pension and the Administration Corporation is satisfied that the person is not entitled to receive the pension by virtue of a judicial decree, separation agreement or other contractual arrangement that is received by the Administration Corporation after payment of the pension is commenced, the Administration Corporation may direct that, thereafter, the pension or any other benefit be paid in accordance with this Plan as if the person had died on the date the judicial decree, separation agreement or other contractual arrangement was received.

DEFERRED PENSIONS

21. (1) If a member ceases coverage in respect of a benefit described in clause 2(3)(a), clause 2(3)(c) or clause 2(3)(d) before the member's normal retirement date for reasons other than the member's entitlement to a benefit under section 17 or the member's death, the member is entitled to receive a deferred pension in respect of that benefit, calculated as at the date the member ceases coverage in respect of the benefit.
- (2) A deferred pension under this section is payable to a member for the member's life commencing the first day of the month next following the later of the member's normal retirement date or the last date the member made a contribution to this Plan, if the member is then living.
- (3) The annual amount of deferred pension payable to a member under this section shall be calculated in the manner prescribed in section 15.
- (4) A member entitled to a deferred pension under this section who ceases to be an employee may in lieu of a deferred pension elect to the extent permitted therein to receive a benefit under section 22, subsection 23(7), 25(1), section 27, 30, or 31.
- (5) Despite subsection (2), where a member who has not made an election under subsection (4) once again becomes covered for the same benefit, the member shall cease to be entitled to receive the deferred pension under this section provided the member makes a payment described in subsection 26(2), if applicable.
- (6) Despite subsection (3), if on the 1st day of December of the year prior to an adjustment year a member is entitled to a deferred pension and on the 1st day of January of that adjustment year continues to be so entitled, the deferred pension of the member shall be increased on the 1st day of January of the adjustment year by the inflation adjustment in the manner prescribed in subsection 29(6).
- (7) Despite subsection (3), if on the 1st day of December of a year which is two years prior to an adjustment year, or the 1st day of any month of the year prior to an adjustment year, a member is entitled to a deferred pension and on the 1st day of January of that adjustment year,
- (a) the member is entitled to a pension; or
- (b) the member's surviving spouse or children are entitled to a pension in respect of the deceased member
- the pension referred to in clause (a) or (b) shall be increased on the 1st day of January of the adjustment year by the inflation adjustment in the manner prescribed in subsection 29(6) using the date the member became entitled to a deferred pension as the commencement date of the pension which is to be increased by the inflation adjustment.
- (8) For the purposes of subsection (3), any increase to a member's deferred pension under subsection (6) shall be deemed to apply to the amount of the reduction referred to in subsection 15(6) which occurs when the member attains 65 years of age.

EARLY RETIREMENT PENSIONS

22. (1) Subject to subsections (7) and (8), if a member ceases to be an employee of an employer participating in this Plan within the 10 year period before the member's normal retirement age for reasons other than his or her death, the member may elect, in lieu of a deferred pension under section 21, to receive an early retirement pension, provided at the time the early retirement pension commences under this Plan the member is no longer accruing credited service under the Primary Pension Plan in accordance with the terms of that plan.
- (2) Subject to subsections (7) and (8), if a member is accruing credited service under subsection 17(4), the member may, within the 10 year period before his or her normal retirement age, and provided the member also elects to receive an early retirement pension under the Primary Pension Plan, elect, in lieu of continued accrual of the credited service, to receive an early retirement pension.
- (3) An early retirement pension under this section is payable to the member for life commencing, in the case of an election under subsection (2), on the first day of the month following the month in which the election is received in the offices of the Administration Corporation and, in the case of an election under subsection (1), on the first day of the month following the month in which,
- (a) the member ceases to be an employee, if written notice of the election is received in the offices of the Administration Corporation within 6 months after the day he or she ceases to be an employee; or
- (b) the election is received in the offices of the Administration Corporation, if written notice of the election is not received within 6 months after the day he or she ceases to be an employee.
- (4) Despite clause (3)(b), the election made by a member who is eligible for a benefit under subsection (5) or subsection (7) will be deemed to have been received in the offices of the Administration Corporation within 6 months after the day the member ceases to be an employee or is deemed to cease to be an employee.
- (5) For each coverage period during which a member does not belong to a class of employees to which an employer has consented to provide a benefit described in clause 2(3)(b), the annual amount of the member's early retirement pension is calculated in the manner prescribed in section 15 if, at the date of early retirement,
- (a) the sum of the member's age, counted in full years and months, plus eligible service, counted in full years and months, equals,
- (i) in the case of a member whose normal retirement age is 65 years, at least 90 years or,
- (ii) in the case of a member whose normal retirement age is 60 years, at least 85 years; or
- (b) the member's eligible service counted in full years and months equals at least 30 years.
- (6) For each coverage period during which a member does not belong to a class of employees to which an employer has consented to provide a benefit described in clause 2(3)(b) and is not eligible to receive an unreduced early retirement pension under subsection (5), the annual amount of the member's early retirement pension is the annual amount of pension calculated in the manner prescribed in section 15, reduced at the annual rate of 5 per cent, multiplied by the least of,

- (a) the number of full years and months by which the member's age is less than the member's normal retirement age, on the date the early retirement pension is to commence;
 - (b) 90, in the case of a member whose normal retirement age is 65 years, or 85, in the case of a member whose normal retirement age is 60 years, minus the sum of the member's eligible service and the member's age, in full years and months on the date the member's early retirement pension is to commence; or
 - (c) the number of full years and months by which the member's eligible service is less than 30 years, on the date the member's early retirement pension is to commence.
- (7) Where a member who is entitled to an early retirement pension under this section commences receiving that pension on the first day of the month following the month in which the member's coverage for a benefit described in clause 2(3)(b) ceases, then notwithstanding subsection (5), for each coverage period during which a member belongs to a class of employees to which the member's employer has consented to provide a benefit described in clause 2(3)(b), the annual amount of the member's early retirement pension under this section is the annual amount of pension calculated under section 15 if:
- (a) where the member's employer has consented in accordance with section 7 to provide a benefit described in subclause 2(3)(b)(i) for the class of employees to which the member belongs, the member's normal retirement age is 65 years, and the sum of the member's age, counted in full years and months, plus eligible service, counted in full years and months, equals at least 85 years; or
 - (b) where the member's employer has consented in accordance with section 7 to provide a benefit described in subclause 2(3)(b)(ii) for the class of employees to which the member belongs, the member's normal retirement age is 60 years, and the sum of the member's age, counted in full years and months, plus eligible service, counted in full years and months, equals at least 80 years.
- (8) If at the date of early retirement a member described in subsection (7) is not eligible to receive an unreduced early retirement pension under clause (7)(a) or clause (7)(b), the annual amount of the member's early retirement pension under this section is the annual amount of pension calculated in the manner prescribed in section 15, reduced at the annual rate of 5 per cent, multiplied by the least of,
- (a) the number of full years and months by which the member's age is less than the member's normal retirement age, on the date the early retirement pension is to commence;
 - (b) 85, in the case of a member whose normal retirement age is 65 years, or 80, in the case of a member whose normal retirement age is 60 years, minus the sum of the member's eligible service and the member's age, in full years and months on the date the member's early retirement pension is to commence; or
 - (c) the number of full years and months by which the sum of the member's eligible service is less than 30 years, on the date the member's early retirement pension is to commence.
- (9) The early retirement pension payable to a member in respect of each coverage period is the amount calculated by subtracting the member's early retirement pension for that coverage period calculated

under subsection (5) or subsection (6), as applicable, from the member's early retirement pension calculated under subsection (7) or subsection (8), as applicable, for the same coverage period.

- (10) The sum of the amounts described in subsection (9), excluding any benefits paid to or in respect of the member under subsection 21(4), is the member's early retirement pension under this Plan.
- (11) If a member's pension is calculated in accordance with subsection (6) or subsection (8) and the member attains 65 years of age, the annual amount of pension payable to the member after the member attains 65 years of age shall be determined in accordance with the following:
 1. The annual amount of early retirement pension that was payable immediately before the member attains 65 years of age shall be calculated in accordance with subsection (6) or subsection (7), as applicable.
 2. The bridge pension under subsection 15(8) that was payable immediately before the member attained 65 years of age shall be determined without any reduction under subsection (6) or subsection (8), as applicable.
 3. The annual amount of pension payable to the member after the member attains 65 years of age is the annual amount of early retirement pension determined under paragraph 1 minus the bridge pension determined under paragraph 2.
- (12) For the purposes of this section, a member's age shall be calculated as at the last day of the month immediately preceding the commencement date of the member's early retirement pension.
- (13) Where a member becomes entitled to receive a deferred pension under section 21 and wishes to make an election to receive an early retirement pension, the member may make such election within the 10 year period before his or her normal retirement date calculated under subsection (5) or subsection (6), as applicable, provided that at the time the early retirement pension under this Plan commences the member is not accruing credited service under the Primary Pension Plan in accordance with the terms of that Plan.
- (14) For the purposes of determining completed years and months of credited service and eligible service under this section, a month shall not be counted more than once in a coverage period.

PAYMENT OF BENEFITS

23. (1) Pensions are payable in equal monthly instalments.
- (2) Notwithstanding any other provision of this Plan, a pension under this Plan is not payable while the member is accruing credited service under the Primary Pension Plan in accordance with the terms of that plan.
- (3) If, after beginning to receive a pension under this Plan, a member becomes a member of a class of employees to which an employer has consented to provide coverage for benefit(s) under this Plan, provided the member makes the election described in subsection 25(2) of the Primary Pension Plan, the member shall be deemed to cease being an employee for the purpose of the provisions of this Plan for making further contributions for a pension, and for accruing further contributory earnings and further credited service for a pension.

- (4) If a member is in receipt of a pension in the circumstances described in subsection (3) but does not make the election described therein, the payment of the pension shall cease during the period that the member is an employee.
- (5) A member shall be deemed, from the commencement date of the member's pension as determined under section 15 or 22, as the case may be, to cease being an employee for the purpose of any provision of this Plan for making further contributions for a pension or accruing further contributory earnings or credited service for a pension if,
 - (a) the member is or has been an employee of more than one employer in overlapping periods; and
 - (b) the member elects to receive an early retirement pension or a normal retirement pension in respect of his or her service with one employer while still an employee with another employer.
- (6) A member who elects to receive an early retirement pension or a normal retirement pension under clause 23(5)(b) in respect of his or her service with an employer shall be deemed, despite subsection 21(1), to cease being an employee of any other employer for the purposes of receiving a deferred pension under section 21 in respect of the member's service with the other employer.
- (7) Despite any other provision of this Plan, a member who ceases to be in the service of an employer, or the surviving spouse or child of such a member who is entitled to a pension or deferred pension, the annual amount of which is less than the amount prescribed in the *Pension Benefits Act*, may elect to receive instead of the pension or deferred pension a lump sum amount that is equal to the commuted value of the pension or deferred pension.
- (8) Despite subsections 14(1) and 14(2), a member who makes the election described in subsection 25(7) of the Primary Pension Plan shall be eligible for, and deemed to have elected, a normal retirement pension commencing on the first day of the month following the month in which the member's election is received in the offices of the Administration Corporation.
- (9) A member who makes the election described in subsection 25(7) of the Primary Pension Plan shall be deemed to cease being an employee for the purpose of the provisions of this Plan for making further contributions for a pension, and for accruing further contributory earnings and further credited service for a pension.

24. Sections 65 and 66 of the *Pension Benefits Act* and the regulations made in relation to those sections apply to benefits payable under this Plan.

REFUND OF MEMBER CONTRIBUTIONS

25. (1) If a member, for reasons other than death or retirement, ceases to be an employee of an employer before normal retirement date, the member may elect to have a refund of contributions made by him or her to the Fund, plus interest less the amount of any benefits that have been paid under this Plan but contributions made by the member, exclusive of contributions referred to in subsection 13(4), shall not be refunded if the cessation occurs after the member has completed 24 months of continuous membership in the Primary Pension Plan or has accrued 24 months of credited service in the Primary Pension Plan.

- (2) Despite any other provision in this Plan, if a member dies, retires or otherwise ceases to be an employee, the member, or the member's designated beneficiary, or estate if there is no designated beneficiary, as the case may be, is entitled to a refund equal to the sum of contributions made by the member under subsections 10(1), 10(2), 10(13) and 10(15), plus interest, minus 50 per cent of the commuted value of the pension which the member has earned in respect of these contributions.
- (3) For the purposes of this section, interest on a contribution shall be calculated at a rate equal to the average monthly yield in the previous calendar year of five-year personal fixed term bank deposit rates as determined from the Canadian Socio-Economic Information Management (CANSIM) Series B 14045 published monthly in the Bank of Canada Review.
- (4) For the purposes of this section, interest shall be calculated in a manner consistent with the requirements of the *Pension Benefits Act*.

**TRANSFER TO ANOTHER EMPLOYER OR CLASS PROVIDING THE SAME
BENEFIT(S)**

26. (1) This section applies to a member,
- (a) who ceases to be covered for a benefit described in subsection 2(3) (the "old coverage") and, upon cessation of that coverage, ceases to be eligible to make contributions to the Fund in respect of such benefit; or
 - (b) who has coverage for a benefit described in subsection 2(3) with one participating employer (the "first employer") and is absent from work with the first employer for a reason described in clause (b), (d) or (g) of the definition of "continuous service" in section 1 of the Primary Pension Plan and, during such period of absence, becomes employed by another employer (the "second employer") and has coverage for the same benefit with the second employer for a period not exceeding the period of absence from the first employer; and
 - (c) who does not elect in accordance with subsection 21(4) to receive a benefit in lieu of his/her deferred pension in respect of the old coverage or the second employer, as applicable; and
 - (d) who again becomes required to make contributions to the Fund ("new coverage") in respect of the same benefit for which the member had the old coverage or coverage with the first employer, as the case may be.
- (2) If a member described in subsection (1) has received a refund of contributions under subsection 25(2), then, provided the member makes a repayment under subsection 28(2) of the Primary Pension Plan, if applicable, in respect of the same change of employment or class, the member must pay into the Fund an amount equal to the share of the amount he or she received under subsection 25(2) in respect of the old coverage or coverage with the second employer, as applicable, that was attributable to the benefit(s) for which the member has once again become required to contribute, together with interest (at the rate described in subsection 25(3) from the date it was paid under that subsection.
 - (3) The normal retirement pension of a member who does not pay the entire amount described in subsection (2) shall be determined without regard to the credited service accrued by the member during the old coverage or the coverage with the second employer, as applicable.

- (4) A member who does pay the entire amount described in subsection (2) or who did not receive a refund of contributions under subsection 25(2) shall be deemed not to have ceased coverage in respect of the old coverage or shall be deemed to have continuous service during the period of absence from the first employer.
- (5) A member may only make a repayment described in subsection (2) if he or she also establishes credit or receives a refund, as applicable, under section 13 such that the member's normal retirement age in respect of the old coverage is the same as the member's normal retirement age in respect of the new coverage.

SHORTENED LIFE EXPECTANCY

27. (1) This section applies to
- (a) a member who is entitled to a deferred pension under this Plan, or
 - (b) a member who is in receipt of a pension under this Plan
- and who has a life expectancy of less than 24 months as certified by a physician appointed by the Administration Corporation.
- (2) A member described in subsection (1) may elect to receive in a lump sum the payment described in subsection (3) in satisfaction of all his or her rights under this Plan.
 - (3) The amount of the payment described in subsection (2) will be,
 - (a) in respect of a member described in clause (1)(a), the commuted value of the member's deferred pension less the sum of any benefits paid to or in respect of the member under this Plan other than amounts refunded under subsection 13(4), 25(2) or clause 32(10)(e); or
 - (b) in respect of a member described in clause (1)(b), the commuted value of the member's remaining pension entitlement under this Plan, as determined by the Administration Corporation on the advice of the actuary.
 - (4) Despite subsection (1), a member who has a life expectancy of less than 24 months as certified by a physician appointed by the Administration Corporation may elect to receive in a lump sum the payment described in clause (3)(a) in satisfaction of all of his or her rights under this Plan. A member who makes such an election shall be deemed, despite subsection 21(1), to cease coverage in respect of a benefit described in clause 2(3)(a), clause 2(3)(c) or clause 2(3)(d) for the purposes of receiving a deferred pension under section 21.

UNION GRIEVANCE

28. (1) Where a member ceases to be an employee of the employer, receives benefit(s) from the Fund under subsection 23(7) or 25(1) or section 27 or 31, commences a grievance or other legal proceeding for wrongful dismissal and, as a result of the grievance or other legal proceeding, is reinstated as an employee of the employer, and elects to make a repayment of amounts received from the fund for the Primary Pension Plan in accordance with section 30 of the Primary Pension Plan, the member shall pay the amount of the benefit(s) received from the Fund in respect of the

same period(s) of service together with interest thereon at a rate set by the Administration Corporation on the advice of the actuary and thereby re-establish credited service for the period of time to which the benefit(s) is/are applicable and the member shall recommence contributing to the Fund from the time of reinstatement as an employee in accordance with subsection 10(1) and/or subsection 10(2), as applicable.

- (2) The member is not entitled to make the payment described in subsection (1) unless he or she obtains the prior approval required under the *Income Tax Act* (Canada) for such a payment.

ADJUSTMENT OF PENSIONS UNDER PAYMENT

29. (1) The inflation adjustment for any adjustment year means the monthly average for the Consumer Price Index (CPI) over the last 12 months of the 24 month period ending in October in the immediately preceding year compared to the monthly average for the CPI over the first 12 months of that period.
- (2) The inflation adjustment in excess of 6 per cent in any adjustment year shall be added to the inflation adjustment of the subsequent adjustment year.
- (3) The inflation adjustment in any adjustment year shall not be less than zero.
- (4) In this section and for the purposes of subsections 17(8), 21(6) and 21(7), “adjustment year” means a year in which pensions are increased by the inflation adjustment.
- (5) Despite the definition of inflation adjustment, the inflation adjustment for the purposes of subsection 17(8) shall equal the lesser of the inflation increase for that year and the percentage increase in the monthly average of the average weekly wages and salaries of the Industrial Aggregate in Canada, as published by *Statistics Canada*, for the same period as the inflation increase is determined.
- (6) The pension payable to a person during his or her lifetime shall be determined in accordance with this Plan and,
 - (a) where a pension is payable to a person on the 1st day of December of the year prior to an adjustment year in respect of a pension that was being paid on the 1st day of December of the year which is 2 years prior to that adjustment year, the pension payable to the person on the 1st day of January of that adjustment year shall be increased by the inflation adjustment; and
 - (b) where a person started receiving a pension during the period from the 1st day of January to the 1st day of November of the year prior to an adjustment year and it is not a pension payable to the person in respect of a pension that was being paid on the 1st day of December of the year which is 2 years prior to that adjustment year to a person who dies after that day, the pension payable to the person on the 1st day of January of the adjustment year shall be increased by the inflation adjustment multiplied by the factor in Column 2 of the Table opposite the pension’s commencement date in Column 1.

TABLE

Column 1	Column 2
<i>Commencement Date of Pension in the Year Prior to an Adjustment Year</i>	<i>Factor</i>
January 1	0.9167
February 1	0.8333
March 1	0.7500
April 1	0.6667
May 1	0.5833
June 1	0.5000
July 1	0.4167
August 1	0.3333
September 1	0.2500
October 1	0.1667
November 1	0.0833

- (7) In an adjustment year, where a person who would have been entitled to an inflation adjustment under subsection (6) dies before the 1st day of January of that adjustment year, the pension payable in respect of that deceased person to another person or persons on the 1st day of January of that adjustment year shall be increased on that date by the inflation adjustment that would have applied under subsection (6) in respect of the deceased person had he or she not died.

TRANSFERS

30. (1) This section applies if a member ceases to be an employee before a pension commences under this Plan and requests a transfer under section 33 of the Primary Pension Plan.
- (2) Upon the written request of a member, the Administration Corporation shall authorize the transfer of the amount described in subsection (4) from the Fund to any other fund or plan that the member is entitled to join.
- (3) Subsection (2) does not apply unless,
- (a) the amount transferred under section 33 of the Primary Pension Plan is insufficient to fully fund the pensionable service in the fund or plan to which the transfer is to be made;
 - (b) the requirements of the *Pension Benefits Act* and the *Income Tax Act* (Canada) are satisfied;
 - (c) the fund or plan to which the transfer is to be made permits the transfer;
 - (d) the amount transferred is used toward the provision of pensionable service for the member in the fund or plan to which the transfer is to be made;
 - (e) the pensionable service does not exceed the member's credited service as determined under the Primary Pension Plan or, if it does, the amount transferred will be reduced accordingly but to not less than the commuted value of the member's pension entitlement; and

- (f) the fund or plan to which the transfer is to be made provides a reciprocal transfer arrangement.
 - (4) Subject to subsection (5), the amount to be transferred is the greater of the commuted value or the present value, calculated as of the date of transfer, of the member's pension entitlement under this Plan.
 - (5) An amount to be transferred shall be reduced by the amount described in subsection (6),
 - (a) if the present value of the member's pension entitlement exceeds its commuted value (both as determined for the purposes of subsection (4)); and
 - (b) if the member has received a refund under subsection 25(2) and has not repaid it.
 - (6) The amount of the reduction is the lesser of,
 - (a) the amount of the refund under subsection 25(2) plus interest from the date of payment to the date of the transfer at a rate to be determined by the Administration Corporation; and
 - (b) the present value of the pension entitlement less its commuted value (both as determined for the purposes of subsection (4)).
- 31.** (1) A member who is entitled to a deferred pension under section 21 and who is not eligible for an early retirement pension under section 22 may elect, in satisfaction of all rights under this Plan, to transfer the amount described in subsection (3) to a registered pension plan, a retirement savings arrangement or a provider of a life annuity.
- (2) Subsection (1) does not apply in respect of any amounts paid or payable to a member under subsection 13(4).
- (3) The amount is the commuted value of the deferred pension less the sum of any benefits paid to the member under this Plan. A payment under subsection 13(4), 25(2) or 32(10)(e) is not such a benefit.
- (4) The transfer must meet the requirements of the *Pension Benefits Act* and the *Income Tax Act* (Canada).

MEMBER PURCHASE OF PAST SERVICE

- 32.** (1) A member may elect to purchase a benefit described in subsection 2(3) in respect of all or part of the member's eligible past service, regardless of when such eligible past service is established, subject to any conditions determined by the Administration Corporation on the advice of the actuary, provided that:
- (a) as of the coverage date applicable to the benefit being purchased the member is employed by the employer which has consented to provide coverage for the benefit to the class of employees to which the member belongs;

- (b) at the time of the election no more than 24 months has elapsed since the later of:
 - (i) the coverage date with respect to the benefit; and
 - (ii) the employer approval date with respect to the benefit; and
 - (c) the member makes his/her election and pays the cost of the benefit purchased while he/she belongs to the class of employees to which the employer has consented to provide coverage for the benefit being purchased.
- (2) Notwithstanding any other provision of this Plan, no contribution shall be made to purchase a benefit in respect of service of a member that has not yet been established as eligible past service.
 - (3) Notwithstanding subsection 8(3), a member may elect to purchase a benefit in respect of eligible past service of the member that occurred before the member became a member of the class of employees to which the employer has consented to provide the benefit.
 - (4) Except as provided in subsection (5), for the purposes of subsection (1), the cost of a benefit provided in respect of eligible past service shall equal the present value of that benefit calculated taking into account all other benefits described in subsection 2(3) for which the member had coverage during the period of service being purchased .
 - (5) Notwithstanding clause 15(7)(a), where a member purchases a benefit in respect of eligible past service and the member is already entitled to a deferred pension under this Plan in respect of all or a portion of the time during which the eligible past service arose, the benefit purchased under this section will be calculated and costed without taking into account any benefit(s) that were used to calculate the value of the deferred pension but for which the member no longer has coverage.
 - (6) Subject to any restrictions and requirements contained in the *Income Tax Act* (Canada) and the *Pension Benefits Act* the Administration Corporation shall, upon the written request of a member, accept a transfer to the Fund of an amount for the member from another pension fund or plan to purchase a benefit in respect of all or part of the member's eligible past service.
 - (7) Any benefit purchased under subsection (1) is subject to the maximum allowed under section 16.
 - (8) Despite anything in this section, no benefit shall be payable or funded in respect of a member's eligible past service which occurs after 1989 until certification of the member's past service pension adjustment under the *Income Tax Act* (Canada).
 - (9) All amounts paid to the Fund pursuant to this section will be treated as member contributions for purposes of this Plan, the *Pension Benefits Act* and the *Income Tax Act* (Canada).
 - (10) (a) Notwithstanding subsection (1), a member who commences coverage in respect of a benefit described in clause 2(3)(d) and is entitled to receive a deferred pension under subsection 21(1) in respect of a benefit described in clause 2(3)(c) cannot purchase a benefit under subsection (1) in respect of eligible past service described in clause (10)(d) unless the member elects, in lieu of a deferred pension under section 21, to use the value of the benefit described in clause 2(3)(c), calculated in accordance with clause (10)(c), to fund the

purchase of the benefit described in clause 2(3)(d) in respect of the member's eligible past service described in clause (10)(d).

- (b) Notwithstanding subsection (1), a member who commences coverage in respect of a benefit described in clause 2(3)(c) and is entitled to receive a deferred pension under subsection 21(1) in respect of a benefit describe in clause 2(3)(d) cannot purchase a benefit under subsection (1) in respect of eligible past service described in clause (10)(d) unless the member elects, in lieu of a deferred pension under section 21, to use the value of the benefit described in clause 2(3)(d), calculated in accordance with clause (10)(c), to fund the purchase of the benefit described in clause 2(3)(c) in respect of the member's eligible past service described in clause (10)(d).
- (c) For the purposes of clauses (10)(a) and (10)(b), the value of the benefit is the sum of:
 - (i) the commuted value of the deferred pension described in clause (10)(a) or (10)(b) as applicable; and
 - (ii) an amount equal to the sum of contributions for the applicable coverage period made by the member under subsections 10(1), 10(2), 10(13) and 10(15), plus interest, minus 50 per cent of the commuted value of the deferred pension in sub-clause (10)(c)(i) as at the date coverage ceased, provided the member has not previously received a refund for these contributions under subsection 25(2).
- (d) For the purposes of clause (10)(a) or (10)(b), the member's eligible past service means up to but not greater than the member's credited service for the coverage period under the deferred pension described in clause (10)(a) or (10)(b), as applicable.
- (e) Despite subsection 10(12), a member who makes an election under clause (10)(a) or (10)(b) shall have refunded to him or her the amount of the value of the benefit in clause (10)(c) that is not required to fund the purchase of eligible past service under clause (10)(a) or (10)(b), as applicable, with interest calculated in the manner provided under subsection 25(3).

SUPPLEMENTARY BENEFIT – PERMANENT PARTIAL DISABILITY

- 33.** (1) If an employer provides coverage for a benefit under this Plan to a class of its employees and also provides, to the same class of employees, a supplementary benefit described in subsection 38(8) of the Primary Pension Plan (the "early retirement PPD benefit"), the supplementary benefit agreement between the Administration Corporation and the employer as it relates to the early retirement PPD benefit shall be deemed to be amended such that the early retirement PPD benefit shall be provided in respect of the entitlements of such class of employees under this Plan as well as under the Primary Pension Plan.
- (2) In calculating the amount of additional pension and the employer contributions required to provide the early retirement PPD benefit to a particular member, the Administration Corporation shall take into account the member's aggregate benefits accrued under both this Plan and the Primary Pension Plan.

- (3) A pension payable to a member under this section is subject to the conditions for early retirement pensions under the *Income Tax Act* (Canada) and its regulations.

DUTY TO PROVIDE INFORMATION TO MEMBERS

34. The Administration Corporation shall provide to members or other persons, as the case may be, such information, in the prescribed form and within the prescribed time, as is required under the *Pension Benefits Act*.

APPEALS

35. Any person aggrieved by a determination made by the president of the Administration Corporation or by the failure of the president of the Administration Corporation to make a determination under any provision of this Plan relating to an approval, consideration or direction to be given or other action to be taken under this Plan by the president of the Administration Corporation may, in accordance with the appeals process adopted by the Board of Directors of the Administration Corporation, appeal to the Board of Directors of the Administration Corporation from such determination or failure to make a determination and the decision of the Board of Directors of the Administration Corporation is final.

PROOF OF AGE, ETC.

36. The Administration Corporation may from time to time require such proof of the age, retirement, employment, marital status and death of a member, or of a member's widow, widower, surviving same-sex partner or children and such proof of the identity of any person as is necessary for the purposes of making a determination under this Plan.

BENEFICIARY DESIGNATIONS

37. Every member, by filing a notice with the Administration Corporation, may designate a person as the member's designated beneficiary to receive such sums of money as may become payable to the member's beneficiary under this Plan and may revoke any such notice and designate another person as the member's beneficiary.

SURPLUS WITHDRAWAL

38. Surplus may be paid from the Fund in accordance with the conditions set out in this Plan and subject to the limitations of the *Pension Benefits Act*.
39. (1) In the event that surplus in respect of a particular benefit described in subsection 2(3) is paid from the Fund, whether the Fund continues to operate or is fully or partially wound up within the meaning of the *Pension Benefits Act*, the surplus withdrawal shall be shared half by members who are employees belonging to a class of employees which has coverage for the benefit and half by employers who are providing coverage for the benefit,
- (a) at the time of the withdrawal, if there is no full or partial wind up; or
 - (b) at the effective date of the full or partial wind-up, as the case may be.
- (2) The share of the surplus withdrawal referred to in subsection (1) that is attributable to members

shall be distributed among them in proportion to the total contributions made by each of them in respect of the benefit under section 10 and section 32 plus interest.

- (3) The share of the surplus withdrawal referred to in subsection (1) that is attributable to employers shall be distributed among them in proportion to the aggregate of the amounts distributable to the members of each employer who provides coverage for the benefit.

WIND UP

40. (1) If the Plan is fully or partially wound up within the meaning of the *Pension Benefits Act*, the portion of the Fund net of properly incurred liabilities attributable to the benefit or benefits for which the members affected by the wind up have coverage at the effective date of the wind up shall be used to meet the accrued benefit entitlements of all members who have coverage for such benefit(s) at the effective date of the wind up and any other persons entitled to a benefit under this Plan in respect of such members before any other distribution is made.
- (2) If the net assets of the portion of the Fund attributable to the benefit or benefits for which the members affected by the wind up have coverage at the effective date of the wind up are insufficient to secure the benefit entitlements in subsection (1), the pension benefits and other benefits of the affected members and other persons entitled to a benefit under this Plan in respect of such members shall be reduced in the manner prescribed under the *Pension Benefits Act*.

PRE-RETIREMENT INDEXING AND EARLY RETIREMENT SUBSIDIES

41. (1) This section applies if a member ceases on or after January 1, 2013 to be an employee of an employer participating in this Plan before he or she is eligible for an early retirement pension under section 22.
 - (2) Despite subsection 29(6), for the purposes of clause 17(8)(b) and subsection 21(6), the inflation adjustment in respect of credited service after December 31, 2012 shall be deemed to be zero.
 - (3) Subsection 21(7) does not apply in respect of credited service after December 31, 2012.
 - (4) Despite subsection 15(8),
 - (a) for a member whose normal retirement age is 65 years, the bridge pension in respect of credited service after December 31, 2012 shall be deemed to be zero; and
 - (b) for a member whose normal retirement age is 60 years and starts to receive his or her pension before attaining 60 years of age, the bridge pension in respect of credited service after December 31, 2012 shall be actuarially equivalent to the bridge pension otherwise payable to the member under subsection 15(8) commencing on the first day of the month following the month in which the member attains 60 years of age.
 - (5) Despite subsections 22(5), 22(6), 22(7) and 22(8), the annual amount of early retirement pension payable in respect of credited service after December 31, 2012 is the annual amount of pension payable to the member which is actuarially equivalent to the benefits otherwise payable to the member under section 15 in respect of credited service after December 31, 2012.
42. (1) In this section, “old coverage” has the same meaning as in subsection 26(1).

- (2) Where section 41 applies in respect of a period of old coverage and the circumstances described in subsection 26(3) apply, the normal retirement pension in respect of the period of old coverage shall continue to be subject to section 41.

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Attached to OMERS Sponsors Corporation By-Law #31