

UNIVERSITY OF VICTORIA STAFF PENSION PLAN

INDEX TO EXHIBIT A

1	DEFINITIONS	2
2	ELIGIBILITY FOR MEMBERSHIP	6
3	ENROLLMENT	7
4	MEMBER CONTRIBUTIONS.....	8
5	UNIVERSITY CONTRIBUTIONS	11
6	RETIREMENT DATES.....	13
7	NORMAL FORM OF RETIREMENT BENEFIT	14
8	RETIREMENT BENEFITS	15
9	OPTIONAL RETIREMENT BENEFITS	21
10	DEATH BENEFITS.....	23
11	TERMINATION OF EMPLOYMENT.....	25
12	DISABILITY RETIREMENT	29
13	GOVERNANCE OF PLAN.....	31
14	TRUST FUND	41
15	NON-ALIENATION OF BENEFITS	42
16	AMENDMENT AND TERMINATION OF THE PLAN.....	43
17	MISCELLANEOUS.....	45
18	COMPLIANCE WITH THE PENSION DIVISION REQUIREMENTS OF THE FAMILY LAW ACT.....	47
19	RESOLUTION OF DISPUTES	49
	APPENDIX I: SUPPLEMENTARY RETIREMENT BENEFITS	50

UNIVERSITY OF VICTORIA

STAFF PENSION PLAN

WHEREAS the University of Victoria had established a Pension Plan for those employees of the University who are members of the Specialist/Instructional, Office, Technical and Child Care, Exempt, Maintenance and Other staffs;

AND WHEREAS the aforesaid Pension Plan has been amended from time to time;

AND WHEREAS it is desired to further amend the aforesaid Pension Plan;

NOW THEREFORE it is hereby declared that the following shall constitute the University of Victoria Staff Pension Plan effective January 1, 1993:

EXHIBIT "A"

1 DEFINITIONS

- (1) The following words or phrases shall be as defined herein unless the context clearly indicates otherwise:

"Actuary" shall mean a person who is a Fellow of the Canadian Institute of Actuaries.

"Actuarial Equivalent" shall mean a benefit of equivalent value when computed at the rate of interest and on the basis of the mortality or other tables which may from time to time be adopted by the Investments and Administration Committee in consultation with the Actuary. Effective January 1, 1993 the mortality table adopted by the Investments and Administration Committee for the purpose of calculating actuarially equivalent benefits shall be a mortality table that produces factors that do not differentiate on the basis of sex.

"Additional Voluntary Contribution Account" shall mean that account for each Member who is making or who has made additional voluntary contributions.

"Applicable Member" shall mean a Member or Retired Member (as the case may be) of the Plan who is the Spouse or former Spouse of the Limited Member and in respect of whose benefits the Limited Member acquired his or her status as a Limited Member.

"Average Annual Basic Salary" shall mean the arithmetical average of the Member's annual Basic Salary for the five (5) consecutive years, within the Member's period of Credited Service, during which the aggregate of Basic Salary for those years was highest.

"Average YMPE" shall mean, for a given year, the arithmetic average of the YMPE for such year and for the four immediately preceding years.

"Basic Salary" shall mean the amount of regular annual compensation payable to Members of the Plan, excluding overtime pay, extra pay, shift differential pay, etc., but before deduction for income tax, old age security tax and contributions to the Canada Pension Plan, and shall not include contributions which may be made by the University under or by virtue of this Plan or for medical services or group term life insurance.

With respect to periods of leave during which a Member does not actually receive or receives reduced compensation from the University, an amount deemed to be salary based on the compensation the Member would have received if the Member had not taken the leave, provided that required contributions are made on the deemed salary. Deemed salary shall not exceed the amount of compensation that is prescribed for this purpose under the Income Tax Act.

"Board of Governors" shall mean the Board of Governors of the University of Victoria.

"Credited Service" shall mean:

- (a) the length of time a person is employed by the University and has contributed to this Plan and to any Prior Pension Plan as a Member of the Specialist/Instructional, Office, Technical and Child Care, Exempt, Maintenance and Food Services Staff on a continuous basis, but not beyond the date of termination of employment or normal or early retirement date whichever first occurs, except that a Member shall not be deemed to have terminated employment for purposes of this Plan if:
 - (i) the Member is granted leave of absence with pay provided he or she returns to the employment of the University at the expiry of the term of the leave of absence approved, or
 - (ii) the Member is granted a leave of absence without pay provided that he or she returns to the employment of the University at the expiry of the term of the leave of absence approved except that such a period of leave of absence without pay and without contribution shall be subtracted from the Member's Credited Service, or
 - (iii) he or she is absent due to illness or injury and is in receipt of sick leave or disability benefits other than those payable from the Plan,
- (b) PROVIDED THAT where part of a Member's total service includes regular part-time employment, such period of regular part-time employment shall be counted as that appropriate fractional period of Credited Service as determined by the Investments and Administration Committee.

"Designated Beneficiary" shall mean the Member's Spouse if the Member has a Spouse, or the Member's estate if the Member does not have a Spouse or the Spouse files a waiver with the University. If a Member does not have a Spouse or the Member's Spouse completes a waiver, the Member may designate another beneficiary.

"Family Law Act" shall mean the Family Law Act, Statutes of BC and the Regulations thereunder as amended or replaced from time to time.

"Governance Committee" shall mean the Committee responsible for overseeing the governance of this Plan, as more particularly set forth in Section 13 hereof.

"Income Tax Act" shall mean the Income Tax Act of Canada, Statutes of Canada and the Regulations thereunder as amended or replaced from time to time.

"Interest" shall mean, for the purposes of accumulating required and/or voluntary account balances, the net rate of return earned on the assets of the Trust Fund,

calculated monthly, as at the date the assets were last valued, and for periods subsequent to the last asset valuation date, shall mean the rate of interest last adopted by the Investments and Administration Committee.

“Investments and Administration Committee” shall mean the Committee responsible for the investment of the Trust Fund and the administration of this Plan, as more particularly set forth in Section 13 hereof.

"Life Income Fund" shall mean a retirement income fund that is registered under the Income Tax Act and that contains any additional provisions required by the Pension Benefits Standards Act.

"Limited Member" shall mean a Limited Member as defined in the Family Law Act.

"Locked-in Registered Retirement Savings Plan" shall mean a retirement savings plan that is registered under the Income Tax Act and under which the benefit may be paid only as a life annuity or as a death benefit and that contains any additional provisions required by the Pension Benefits Standards Act.

"Member" shall mean a person who is or who has been a contributor to this Plan, who is not receiving benefits under this Plan or has not withdrawn from this Plan.

"Pension Advisory Committee” shall mean the Committee responsible for promoting awareness and understanding of the Plan amongst Members, Retired Members and employees, as more particularly set forth in Section 13 hereof.

“Pension Benefits Standards Act” shall mean the Pension Benefits Standards Act, Statutes of British Columbia and the Regulations thereunder, as amended or replaced from time to time.

"Plan" shall mean this Pension Plan in its present form or as may be from time to time properly amended.

"Plan Year" shall mean the twelve (12) month period from a January 1 to the succeeding December 31 during the continuance of this Plan, the first day of the first Plan Year being January 1, 1972.

"Prior Pension Plan" shall mean the pension plan with Teachers Insurance and Annuity Association and College Retirement Equities Fund in effect at the University at January 1, 1972.

"Retired Member" shall mean a former Member of this Plan who has retired or become disabled on or after January 1, 1992 and who is receiving benefits under this Plan, or a Limited Member who is in receipt of a separate benefit and any beneficiary or joint annuitant arising from such separate benefits.

"Retirement Benefit" shall mean any payments provided under Sections 8, 9, and 18.

"Spouse" shall mean:

- (a) a person who at the relevant time was married to that other person and not living separate and apart from that other person for the two year period immediately preceding the relevant time; or
- (b) if there is no person to whom paragraph (a) applies,
 - (i) a person who at the relevant time lived with that other person as husband and wife for the two year period immediately preceding the relevant time, or
 - (ii) a person of the same gender who at the relevant time lived in a marriage-like relationship with that other person for the two year period immediately preceding the relevant time,
- (c) but does not include a person who has been allocated a share of the Member or Retired Member's benefit under the Family Law Act unless a subsequent spousal relationship has been established by that person and the Member or Retired Member.

"Trustee" shall mean the Trust Company appointed by the Investments and Administration Committee from time to time pursuant to the Trust Agreement.

"Trust Agreement" shall mean that agreement of which this Plan forms part and as may be amended from time to time.

"Trust Company" shall mean any trust company with which any amount of the Pension Fund may be deposited or to which any amount of said Pension Fund may be transferred under an agency agreement, in order to fund benefits under this Plan.

"Trust Fund" shall mean the fund established pursuant to the Trust Agreement of which this Plan is a part, and from which benefits to Members and Retired Members are paid.

"University" shall mean the Board of Governors of the University of Victoria unless the context indicates otherwise.

"YMPE" shall mean, in respect of any Plan Year, the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan.

- (2) Whenever the singular or masculine pronoun is used the same shall be construed as meaning the plural or the feminine or the body politic or corporate wherever the circumstances so require.

2 ELIGIBILITY FOR MEMBERSHIP

- (1) Those regular employees of the University, as defined in the collective agreements between the University and locals 917 and 951 of the Canadian Union of Public Employees, who are members of the Office, Technical and Child Care, or Maintenance and Food Services Staffs and Exempt Staff shall become Members of the Plan on the date of appointment as regular employees.
- (2) Eligibility for those employees of the University as defined in the collective agreement between the University and CUPE local 4163 for Components I and II is as follows:
 - (a) Component I - Full-time twelve (12) month appointed employees may participate on a voluntary basis after twelve (12) or more months of continuous full-time service. Part-time twelve (12) month appointees working half-time or more on a year-round basis may participate on a voluntary basis after twelve (12) or more months of such continuous service. Employees who choose to enroll are required to remain enrolled until the end of their term or contiguous terms.
 - (b) Component II Regular Sessional Employees - All Regular Sessional Second Language Teachers who are appointed at half-time or more will become Members of the Plan on the first (1st) day of the month coinciding with or following appointment to a Regular Sessional Second Language Teacher position.
- (3) Subject to the preceding subsections of this Section 2 and in such cases as are not herein dealt with the University shall at all times have the right to decide which of its employees are eligible for the Plan or have ceased to be eligible and shall supply the Investments and Administration Committee from time to time, or as may be reasonably requested by the committee, with a list of eligible employees.
- (4) Notwithstanding the preceding subsections, an employee who is not eligible to join the Plan as above shall be eligible to join the Plan on the first day of the month following completion of two years of continuous employment with the University with a Basic Salary of at least 35% of the YMPE in each of two consecutive calendar years.

3 ENROLLMENT

- (1) An employee joining the Plan shall be required to file or have filed with the Investments and Administration Committee an Enrollment application in a form prescribed by this Committee authorizing the deduction from his or her earnings of the required contributions under this Plan.
- (2) Once an eligible employee signs an enrollment application for participation in the Plan, he or she may not thereafter discontinue contributions so long as the Plan is in effect and he or she continues to be an employee of the University and eligible for enrollment under Section 2 and is not a member of the University of Victoria Combination Pension Plan or the University of Victoria Money Purchase Pension Plan.

4 MEMBER CONTRIBUTIONS

(1) Minimum Required Basic Contributions

Each Member shall be required to make basic minimum contributions equal to:

- (a) 4.53% of Basic Salary that does not exceed the YMPE, prorated for the length of the Member's pay period; plus
- (b) 6.28% of Basic Salary which is in excess of the YMPE, prorated for the length of the Member's pay period.

(2) Additional Required Contributions

In addition to the contributions required under subsection (1) above, each Member shall be required to make contributions equal to that percentage of Basic Salary that is equal to the percentage described in Section 5(1)(a)(ii).

(3) Contribution Reductions

- (a) If the University chooses to reduce its contribution rate under Section 5(3)(b), the University and CUPE 917 and CUPE 951 will negotiate a Member contribution rate reduction or one-time benefit improvement(s), or a combination thereof that is equivalent in value to the University's contribution rate reduction, provided that the resulting Member contribution rate shall not be less than the minimum under subsection (1) above.
- (b) If the University contribution rate is reduced under Section 5(5), the University and CUPE 917 and CUPE 951 will negotiate a Member contribution rate reduction or one-time benefit improvement(s), or a combination thereof that is equivalent in value to the University's contribution rate reduction. Should the parties be unable to reach agreement before a reduction takes effect under Section 5(5), an equivalent share of the reduction will be applied as a prospective improvement to the benefit accrual rate until the earlier of the effective date of the next actuarial valuation, or the date when there is no longer a reduction in the University contribution rate under Section 5(5).

(4) Required Supplementary Contributions

In addition to the above, each Member shall make supplementary contributions as provided for in Section 2(1) of Appendix I.

(5) Required Member contributions shall be by means of payroll deduction and shall be remitted at least monthly by the University to the Trust Fund.

(6) Contributions During an Approved Leave of Absence

A Member who is on an approved leave of absence without pay may, with the approval of the University and subject to limits set under the Income Tax Act, elect to make the required contributions described above. The Member shall also be responsible for payment of the University contributions described in Section 5, unless the University portion is paid from some other source.

(7) Additional Voluntary Contributions

- (a) During membership in the Plan, each Member shall be permitted to make additional voluntary contributions to the Trust Fund provided that the additional voluntary contributions do not have the potential to cause the Plan to become a revocable plan under the Income Tax Act and are made by payroll deduction or transfer from another registered plan.
- (b) Additional voluntary contributions made by a Member shall be credited to an Additional Voluntary Contribution Account established and maintained within the Trust Fund for such Member. Such Additional Voluntary Contribution Accounts shall be updated monthly with Interest as follows:
 - (i) the amount of the Member's Additional Voluntary Contribution Account as of the first day of the month shall be credited with Interest for the full month;
 - (ii) the Member's additional voluntary contributions received by the Trust Fund in such month shall be added to the Additional Voluntary Contribution Account balance without an adjustment for Interest.
- (c) The amount of each Additional Voluntary Contribution Account at the date of retirement, date of death, or date of termination, as the case may be, of a Member shall be the sum of:
 - (i) the amount of such Member's account on the first day of the preceding month with Interest thereon for the then expired portion of such month, plus
 - (ii) the sum of the Member's additional voluntary contributions received by the Trust Fund in such month without an adjustment for Interest.
- (d) A Member may elect to receive a cash payment or transfer to another registered vehicle of an amount equal to all or a portion of the amount of his or her Additional Voluntary Contribution Account or, at retirement, he or she may elect that the amount of his or her Additional Voluntary Contribution Account shall be applied to provide an additional retirement benefit to him or her provided through the purchase of an annuity contract from a life insurance company.

- (e) In the event of the death prior to retirement of a Member who has made additional voluntary contributions, the death benefit in respect to such voluntary contributions shall be in accordance with Section 10.
 - (f) In the event of the termination of the employment of a Member who has made voluntary contributions for reasons other than death or retirement, such Member shall be entitled to benefits in respect to such additional voluntary contributions in accordance with Section 11.
- (8) All contributions shall cease on the earliest of the date of the Member's termination of employment or death. Contributions may not be made by a Retired Member.
- (9) A Member's required contributions under Subsections (1) to (5) of this Section 4 shall not exceed the limits in subparagraph 8503(4)(a)(i) of the Income Tax Regulations under the Income Tax Act.

5 UNIVERSITY CONTRIBUTIONS

(1) Basic Normal Actuarial Cost

- (a) If the basic normal actuarial cost, as determined by the most recent actuarial valuation, less Member basic minimum contributions, expressed as a percent of Basic Salary, is at least 11.75%, the University's share of normal actuarial cost is:
 - (i) 11.75%; plus
 - (ii) one half the amount, if any, by which total basic normal actuarial cost less Member minimum required basic contributions determined in Section 4(1), expressed as a percent of Basic Salary, exceeds 11.75%.
- (b) If the basic normal actuarial cost, as determined by the most recent actuarial valuation, less Member minimum required basic contributions determined in Section 4(1), expressed as a percent of Basic Salary, is less than 11.75%, the University's share of normal actuarial cost is
 - (i) 11.75%; less
 - (ii) the lesser of 1.5% and one half the amount, if any, by which 11.75% exceeds total basic normal actuarial cost less Member basic minimum contributions, expressed as a percent of Basic Salary.

(2) Special Contributions

In addition to the contributions determined in subsection (1) above, the University shall be required to contribute:

- (a) the amount required to fund a solvency and/or going concern deficiency, excluding any portion that is secured with a letter of credit; plus
- (b) the transfer deficiency relating to any payments made from the Trust Fund where there are solvency deficiency payments covered by a letter of credit.

(3) Contribution Reductions

- (a) If the Plan actuary determines that there is sufficient surplus for contributions to be made at a rate below the basic normal actuarial cost determined in subsection (1) above, the University may choose to reduce its contribution rate to the extent necessary to recover special contributions made under subsection (2) above, and as permitted under the requirement of the Pension Benefits Standards Act.
- (b) If the Plan actuary determines that there is sufficient surplus for contributions to be reduced to a rate that is below the basic normal actuarial cost determined in subsection (1) above, the University may choose to reduce its

contribution rate by up to 50% of the amount by which the permissible rate reduction, as determined by the Plan actuary, exceeds unrecovered special contributions.

A reduction under this subsection (3) may not reduce University basic normal contributions determined in subsection (1) of this Section 5 below 10.25% of Members' Basic Salary.

(4) Required Supplementary Contributions

In addition to the above, the University shall make supplementary contributions as provided for in Section 2(2) of Appendix I.

(5) Maximum Contribution

Notwithstanding the above, University contributions shall not exceed the maximum permitted under the Income Tax Act. If contributions must be reduced to comply with the Income Tax Act, one-half the required reduction shall be applied to the University basic normal actuarial cost contribution rate determined in subsection (1) above and one-half as set out in Section 4(3)(b).

(6) The University shall not make contributions in respect of a Member who is a Retired Member from this Plan.

(7) The University shall keep separate and apart from its own assets:

- (a) all contributions that are due and owing to the Trust Fund by the University;
- (b) all amounts that have been deducted by the University from a Member's Basic Salary and not yet remitted to the Trust Fund; and
- (c) all contributions that the University has received with respect to a Member and not yet remitted to the Trust Fund.

The amounts are deemed to be held in trust for the Members and any other person entitled to pension benefits, refunds or any other payments under the Plan in accordance with their interests under the Plan.

The amounts shall not form any part of the estate of the University.

6 RETIREMENT DATES

- (1) Normal Retirement Date - The normal retirement date of a Member shall be the final working day of the month in which the Member reaches age 65.
- (2) Early Retirement Date - On written application to the University, a Member who is on the staff of the University and who has attained the age of fifty-five (55) years may elect to retire as of the first day of any calendar month which shall not be less than thirty (30) days nor more than ninety (90) days after filing of the application with the University.
- (3) Deferred Retirement Date - A Member who postpones retirement from service with the University beyond normal retirement is eligible, upon written application, to commence his or her Retirement Benefits on the earlier of the first day of any month subsequent to his or her actual retirement date from service with the University and the latest date allowed by the Income Tax Act. A Member who postpones retirement from service with the University shall continue to make contributions to the Plan and shall have his or her Retirement Benefit calculated in accordance with Section 8(3).

7 NORMAL FORM OF RETIREMENT BENEFIT

- (1) The normal form of Retirement Benefit payable under the Plan to a Member who has a Spouse on his or her retirement date shall be monthly payments payable throughout his or her retired lifetime with monthly payments continuing to his or her surviving Spouse, during the Spouse's remaining lifetime each equal to one-half of the monthly payments the Member would have received and ceasing with the payment made on the first day of the month in which the last death of the Member or the Spouse occurs (subject to the provisions of Section 9 with respect to the election of an optional form of Retirement Benefit).
- (2) In the event the Retired Member does not have a Spouse living on his or her retirement date, the Retired Member shall be entitled to monthly payments commencing on his or her retirement date and terminating with the payment made on the first day of the month in which the death of the Retired Member occurs, except that if the death of the Retired Member occurs before he or she has received one hundred and twenty (120) monthly Retirement Benefit payments, such Retirement Benefit payments shall continue to be paid to the Retired Member's Designated Beneficiary until a total of one hundred and twenty (120) monthly Retirement Benefit payments in all have been paid to the Retired Member and to his or her Designated Beneficiary.

8 RETIREMENT BENEFITS

(1) Normal Retirement Benefit

- (a) Upon the retirement of a Member on his or her normal retirement date the initial annual Retirement Benefit, payable monthly, shall be equal to:
- (i) an annual Retirement Benefit, payable monthly, equal to the applicable percentage of the Member's Average Annual Basic Salary up to the Average YMPE for the year in which the Member retires for each year of Credited Service rendered by the Member, plus
 - (ii) an annual Retirement Benefit, payable monthly, equal to the applicable percentage of the Member's Average Annual Basic Salary in excess of the Average YMPE for the year in which the Member retires for each year of Credited Service rendered by the Member, less
 - (iii) the annual Retirement Benefit, payable monthly, commencing on the Member's normal retirement date under any Prior Pension Plan calculated and paid on the basis of the normal form of Retirement Benefit under this Plan with payments commencing on the said normal retirement date to which the Member may be entitled.
- (b) The applicable percentages referred to above shall be determined from the following table:

Period of Credited Service	Percentage applicable to Average Annual Basic Salary up to the Average YMPE	Percentage applicable to Average Annual Basic Salary in excess of the Average YMPE
Prior to January 1, 1966	2.00%	2.00%
From January 1, 1966 to December 31, 1989	1.65%	2.00%
From January 1, 1990 to December 31, 1991	1.30%	2.00%
From January 1, 1992 to December 31, 1999	1.50%	2.00%
From January 1, 2000	1.70%	2.00%

(2) Early Retirement Benefit

- (a) Upon retirement at early retirement date of an active Member or a disabled Member, the initial annual Retirement Benefit, payable monthly on the normal form, shall be equal to the percentage set out in Table 1 of subsection (2)(c) below multiplied by the annual Retirement Benefit on the normal form, payable monthly, which has accrued to the credit of the Member up to his or her early retirement date in accordance with subsection (1)(a) above on the basis of his or her Average Annual Basic Salary and years of Credited Service to his or her early retirement date.
- (b) Upon retirement at early retirement date of a Member who had terminated employment and is entitled to a paid-up deferred Retirement Benefit, the initial annual Retirement Benefit, payable monthly on the normal form, shall be equal to the Actuarial equivalent of the annual Retirement Benefit payable monthly, which had accrued to the Member's date of termination including any adjustments to the benefit to the Member's early retirement date in accordance with subsections (5) and (6) of Section 11.
- (c) For the purposes of subsection (2)(a) above, the following percentage factors at the early retirement ages set forth below shall apply:

Table 1

Early Retirement Age	Percentage Factor
64	100%
63	100%
62	100%
61	100%
60	100%
59	97%
58	94%
57	91%
56	88%
55	85%

(3) Deferred Retirement Benefit

- (a) A Member for whom commencement of Retirement Benefits under this Plan is deferred until a deferred retirement date must also postpone commencement of any benefits payable under a Prior Pension Plan until such deferred retirement date.

- (b) The initial annual Retirement Benefit, payable on the normal form, commencing on the deferred retirement date of a Member shall be calculated in accordance with subsection (1)(a) above using the Member's Average Annual Basic Salary, the Average YMPE, and the Member's Credited Service at his or her deferred retirement date.

(4) Annual adjustment of Retirement Benefit

- (a) The annual Retirement Benefit, payable monthly, to a Retired Member in accordance with subsections (1) and (2) above, but before deduction of the Retirement Benefit payable under any Prior Pension Plan as described in subsection (1)(a)(iii) above, shall be adjusted as at January 1 next following the Retired Member's pension effective date and at each succeeding January 1 until benefits cease to be payable.
- (b) The minimum adjustment in a particular year is zero and the maximum adjustment is 3% of the amount paid immediately prior to the adjustment. If less than 12 months have elapsed since the Retired Member's pension effective date, the maximum adjustment is 0.25% for each month that has elapsed from the Retired Member's pension effective date to the adjustment date.
- (c) The amount of the annual adjustment to benefits in a particular year shall be calculated as the pension eligible for adjustment in subsection (4)(a) above, that includes all previous annual adjustments and all supplementary retirement benefits granted under subsection (5) below, adjusted by:
 - (i) the percentage change in the average of the Consumer Price Index in the 12-month period ending September 30 in the immediately preceding year, and the average of the Consumer Price Index in the 12-month period ending September 30 in the year immediately prior to that preceding year; plus or minus
 - (ii) any Carry Forward addition or deduction from the immediately preceding year as described in subsection (4)(e) below, subject to the limits described in subsection (4)(b) above.
- (d) If less than 12 months have elapsed since the Retired Member's pension effective date, the value of the adjustment calculated in subsection (4)(c) above will be reduced to the amount obtained by multiplying the adjustment calculated in subsection (4)(c) above by $1/12^{\text{th}}$ for each month that has elapsed from the Retired Member's Benefit Commencement Date to the adjustment date.
- (e) If the unlimited adjustment calculated in subsection (4)(c) above exceeds the maximum adjustment described in subsection 4(b) above, the amount by which the unlimited adjustment exceeds the maximum, less any supplementary retirement benefit granted in the particular year under

subsection (5) below, shall be a Carry Forward addition in the subsequent year's adjustment calculation. If the unlimited adjustment calculated in subsection (4)(c) above is negative, this negative amount shall be a Carry Forward deduction in the subsequent year's adjustment calculation.

(5) Supplementary Retirement Benefits

Supplementary retirement benefits may be paid as provided for in Section 3 of Appendix I.

(6) Maximum Retirement Benefit

(a) The initial annual Retirement Benefit payable under the Plan at retirement, termination of employment or termination of the Plan may not exceed the aggregate of:

(i) In respect of Credited Service prior to January 1, 1992 the lesser of:

(A) the defined benefit limit [\$2,696.67 in 2013] for the calendar year in which payment of the Retirement Benefit is to commence times the number of years of Credited Service prior to 1992 not exceeding thirty-five (35) years, or

(B) an amount that is the product of:

(1) two percent (2%) per year of Credited Service prior to 1992 not exceeding thirty-five (35) years, and

(2) the highest average compensation indexed to the calendar year in which payment of the Retirement Benefit is to commence,

(ii) In respect of Credited Service after December 31, 1991 the lesser of:

(A) the defined benefit limit for the calendar year in which payment of the Retirement Benefit is to commence times the number of years of Credited Service after 1991, or

(B) an amount that is the product of:

(1) two percent (2%) per year of Credited Service after 1991, and

(2) the highest average compensation indexed to the calendar year in which payment of the Retirement Benefit is to commence.

(b) The annual Retirement Benefit including the supplementary retirement benefit payable in a calendar year after the calendar year in which payment of

the Retirement Benefit commences shall not exceed the maximum initial annual Retirement Benefit determined as above multiplied by the ratio of the adjusted CPI for such calendar year to the CPI for the calendar year in which payment of Retirement Benefit commenced.

- (i) except that the above prohibition does not apply to the portion of the annual Retirement Benefit derived from a Member's additional voluntary contributions.

(7) Maximum Benefit Rules - Application

- (a) Notwithstanding any other section hereof, the initial annual lifetime Retirement Benefit payable in accordance with this Section 8, whether upon retirement, termination of employment or termination of the Plan, shall not exceed the amount set out in subsection (6) above.
- (b) In this Section 8 and Section 11 the words and phrases set forth below shall have the following meanings unless a different meaning is plainly required by the context:
 - (i) "highest average compensation indexed to the calendar year in which payment of the Retirement Benefit is to commence" means one-third (1/3) of the aggregate indexed monthly compensation for three (3) non-overlapping periods of twelve (12) consecutive months. Indexed monthly compensation is calculated by multiplying the monthly compensation received from the University by the ratio of the average wage for the calendar year in which the payment of Retirement Benefit is to commence to the average wage for the calendar year in which the compensation was received.

Indexed monthly compensation for a month occurring prior to January 1986 is calculated by multiplying the monthly compensation received from the University by the ratio of the average wage of the calendar year in which the payment of Retirement Benefit is to commence to the average wage for 1986.

In the event that average wage for one or more calendar years in the period commencing with the later of 1986 and the year in which the compensation was received and ending with the year prior to the calendar year in which payment of the Retirement Benefit is to commence is higher than the average wage for the calendar year in which payment of the Retirement Benefit is to commence then the highest of such values of the average wage shall be used in place of the average wage for the calendar year in which payment of the Retirement Benefit is to commence in calculating the indexed monthly compensation.

In the event that the Member has not been employed by the University

for three (3) non-overlapping periods of twelve (12) consecutive months, the highest average compensation indexed to the calendar year in which payment of the Retirement Benefit is to commence will be determined as twelve (12) times the average indexed monthly compensation over all months for which the Member has been employed by the University.

- (ii) "defined benefit limit" means in respect of a calendar year prior to 1996, \$1,722 and in respect of a calendar year after 1995 such amount as is determined in accordance with Regulation 8500(1) to the Income Tax Act.
- (iii) "adjusted CPI" for a calendar year means the CPI for such calendar year or, if higher, the highest value of the CPI for a calendar year in the period commencing with the calendar year in which payment of Retirement Benefits commenced and ending with the calendar year prior to the calendar year for which the adjusted CPI is to be determined.
- (iv) "CPI" for a calendar year means the average Consumer Price Index for Canada for the months of July, August, and September of the preceding calendar year.
- (v) "average wage" for a calendar year means the Average Industrial Wage for Canada for September of the preceding calendar year.

9 OPTIONAL RETIREMENT BENEFITS

- (1) The optional Retirement Benefits provided under the Plan are as follows and, subject to the approval of the Investments and Administration Committee, may be elected in lieu of the normal Retirement Benefits otherwise payable by a proper written request of the Member to the Investments and Administration Committee and provided further that the Member elects to receive Retirement Benefits payable under a Prior Pension Plan under the same form of optional benefit with the first payment due and payable on his or her retirement date.

Notwithstanding the above, a Member who has a Spouse at date of retirement must elect a joint and survivor optional Retirement Benefit which continues at 60% or more to the Member's Spouse after the Member's death, unless the Spouse completes a waiver in the form prescribed in the Pension Benefits Standards Act.

(a) Joint and Last Survivor Option

- (i) A Member who has a Spouse on his or her retirement date may, prior to retirement, elect the Actuarial Equivalent of his or her normal Retirement Benefit in the form of a smaller monthly benefit with the provision that upon the Member's death after monthly payments begin there shall be payable a Retirement Benefit for life to a surviving designated joint annuitant, in a greater amount than is provided under the normal form but no greater than the amount payable during the Member's lifetime.
- (ii) A Member electing to exercise this option must, at the time the election is made:
 - (A) Specify the name of the person who is to be the joint annuitant,
 - (B) Specify the portion of the Retirement Benefit to be continued to the joint annuitant, and
 - (C) Furnish satisfactory proof of age of the joint annuitant.
- (iii) A designated joint annuitant shall not be changed and shall be, in all cases, the Spouse of the Member living at the time the optional Retirement Benefit is selected, as herein above provided.

(b) Life Annuity with Minimum Guaranteed Period

- (i) A Member who has no Spouse on his or her retirement date may, prior to retirement, elect to receive the Actuarial Equivalent of his or her normal Retirement Benefit in the form of a somewhat larger or a somewhat smaller monthly Retirement Benefit by requesting that such monthly Retirement Benefit payments shall be payable for a minimum guaranteed period. The maximum acceptable guarantee period is fifteen years.

- (ii) A Member whose Spouse completes a waiver in the form prescribed in the Pension Benefits Standards Act may, prior to retirement, elect to receive alternative payment where benefits are the Actuarial Equivalent of the normal form of benefit for a Member who does not have a Spouse at retirement date. The maximum acceptable guarantee period is fifteen years.

10 DEATH BENEFITS

- (1) Before Retirement
 - (a) In the event of the death before retirement of a Member who is survived by a Spouse, such deceased Member's Spouse shall be entitled to:
 - (i) A Retirement Benefit payable during his or her remaining lifetime, but guaranteed for 120 monthly payments in any event, equal to one-half of the Retirement Benefit accrued to the credit of the Member up to date of death.
 - (ii) The accrued benefit referred to above shall be calculated on the basis of the Member's Average Annual Basic Salary and Credited Service. The Retirement Benefit payable to the Spouse shall be increased or decreased annually corresponding to changes in the Consumer Price Index as provided under Section 8(4).
 - (b) In the event of the death before retirement of a Member who is not survived by a Spouse, or whose Spouse has completed a waiver in the form prescribed under the Pension Benefits Standards Act, there shall be payable to such deceased Member's Designated Beneficiary an amount equal to the actuarial value of the Retirement Benefit accrued to date of death assuming that this Retirement Benefit is payable as a ten-year certain and life annuity. The amount of the Retirement Benefit accrued to the date of the death of the Member shall be based upon the Member's Average Annual Basic Salary and Credited Service.
 - (c) If the deceased Member has made additional voluntary contributions, the amount of Additional Voluntary Contribution Account at date of death will be payable to his or her Designated Beneficiary.
 - (d) Notwithstanding the above, the commuted value of the benefit payable under subsections (1)(a) or (1)(b) above shall not be less than:
 - (i) the Member's required contributions to the Plan prior to January 1, 1993 with Interest to date of death; plus
 - (ii) the greater of:
 - (A) the Member's required contributions to the Plan on or after January 1, 1993 with Interest to date of death; or
 - (B) 60% of the commuted value of the benefit accrued by the Member on or after January 1, 1993.

- (e) The Spouse of a Member who dies prior to attaining age fifty-five (55) shall have the option of transferring the commuted value of any benefit payable in accordance with this Section 10(1) to:
 - (i) a Locked-in Registered Retirement Savings Plan or Life Income Fund;
 - (ii) an insurance company to purchase a life annuity; or
 - (iii) another registered pension plan provided that such plan will accept the transfer and provided that the administrator of such plan agrees in writing to administer such funds as a life annuity within the conditions of the Pension Benefits Standards Act and the Income Tax Act and any administrative rules thereunder.
- (f) Any transfer made in accordance with this section shall be subject to the restrictions in the Pension Benefits Standards Act with regard to the solvency of the Plan and shall be subject to the approval of the Minister of Finance as and when required under the Income Tax Act.

(2) After Retirement or Disability

In the event of the death of a Retired Member the sums payable, if any, shall be in accordance with the form of Retirement Benefit or disability Retirement Benefit payable to such Retired Member.

(3) Proof of Death

Payment arising or conditional upon the death of any Member, Retired Member, beneficiary or joint annuitant or upon the continued life of a Member, Retired Member, beneficiary or joint annuitant or upon the happening of any other event or contingency upon which a payment shall be made only after receipt by the Investments and Administration Committee of satisfactory proof of such death or from time to time of such continued life or the happening of such event or contingency, as the case may be.

11 TERMINATION OF EMPLOYMENT

- (1) If a Member terminates employment, such terminating Member shall be entitled to receive a paid-up deferred Retirement Benefit payable at his or her normal retirement date equal to the Retirement Benefit accrued to his or her credit under the Plan up to the date of termination in accordance with Section 8(1),

PROVIDED THAT such a terminated Member may elect prior to attaining age fifty-five (55) to have the commuted value of the paid-up deferred Retirement Benefit to which the Member is entitled, less any amounts payable to such Member under a Prior Pension Plan transferred to:

- (a) a Locked-in Registered Retirement Saving Plan or Life Income Fund;
- (b) an insurance company to purchase a life annuity; or
- (c) another registered pension plan provided that such plan will accept the transfer and provided that the administrator of such plan agrees in writing to administer such funds as a life annuity within the conditions of the Pension Benefits Standards Act and the Income Tax Act and any administrative rules thereunder,

PROVIDED THAT the amounts transferable shall not be less than the amounts, if any, held in the Trust Fund arising from contributions to a Prior Pension Plan as determined by the Investments and Administration Committee.

- (2) A terminated Member who elects to receive a paid-up deferred Retirement Benefit from the Plan shall be entitled to retire early in accordance with Section 6(2) and shall be entitled to the benefit set forth in Section 8(2)(b).
- (3) A Member who is entitled to Retirement Benefit payments commencing on his or her normal retirement date pursuant to this Section 11 must make application for the commencement of such Retirement Benefit payments prior to November 1 in the year in which the Member attains age 71.
- (4) The amount of the paid-up deferred Retirement Benefit payable under this Plan to any terminating Member shall be calculated on the basis of the Member's Average Annual Basic Salary and Credited Service.
- (5) Annual Adjustment to paid-up Deferred Retirement Benefit up to December 31, 2011
 - (a) Subject to the provisos hereinafter contained in this Section 11(5), the annual paid-up deferred Retirement Benefit payable to a Member in accordance with this section shall be adjusted as at the January 1 next following date of termination of employment and at each succeeding January 1 during the Member's lifetime prior to commencement of his or her pension so that the amount payable shall be an amount equal to the product obtained by multiplying:

- (i) For Terminations Prior to January 1, 1993:
 - (A) the amount that would have been payable if no adjustment had been made under this subsection since his or her termination date, by the ratio that the Consumer Price Index for Canada (referred to herein as the CPI) as published by Statistics Canada as at the September 1 preceding the January 1 of the said succeeding calendar year bears to the Index at the September 1 of the calendar year in which the Member's date of termination occurred,
 - (B) PROVIDED HOWEVER that such ratio may not exceed the ratio of the Average Industrial Wage for Canada (referred to herein as the Average Wage) for the same period,
 - (C) PROVIDED FURTHER that the adjusted amount payable in the said succeeding Plan Year shall not exceed the amount obtained by multiplying the amount payable for the last month of the immediately preceding Plan Year by 1.03 nor be less than the amount obtained by dividing the amount payable for the last month of the immediately preceding Plan Year by 1.03,
 - (D) PROVIDED FURTHER, that the annual paid-up deferred Retirement Benefit payable to a Member shall not be less than his initial annual paid-up deferred Retirement Benefit as herein defined.
- (ii) For Terminations on and after January 1, 1993:
 - (A) the amount that would have been payable if no adjustment had been made under this subsection since his or her termination date, by the ratio that the CPI, as published by Statistics Canada as at the September 1 preceding the January 1 of the said succeeding calendar year bears to the CPI as of the first day of the fourth month preceding the Member's date of termination,
 - (B) PROVIDED HOWEVER that such ratio may not exceed the ratio of the Average Wage for the same period,
 - (C) PROVIDED FURTHER that the adjusted amount payable each month in the said succeeding Plan Year shall not exceed the amount obtained by multiplying the amount payable for the last month of the immediately preceding Plan Year by 1.03 (or one plus .0025 times the number of months since termination, if the Member terminates in such Plan Year) nor be less than the amount obtained by dividing that amount payable for the last month of the immediately preceding Plan Year by 1.03,

- (D) PROVIDED FURTHER, that the annual Retirement Benefit, payable monthly, to a Member shall not be less than his or her initial annual, paid-up deferred Retirement Benefit as herein defined.
- (6) Annual Adjustment to paid-up Deferred Retirement Benefit Payable Effective January 1, 2012
- (a) The annual paid-up deferred Retirement Benefit, including any previous adjustments applied up to January 1, 2011 under subsection (5) above, shall be adjusted as at January 1 next following the Member's termination date and at each succeeding January 1 prior to commencement of his or her pension.
 - (b) The minimum adjustment in a particular year is zero and the maximum adjustment is 3% of the amount paid immediately prior to the adjustment. If less than 12 months have elapsed since the Member's termination date, the maximum adjustment is 0.25% for each month that has elapsed from the Member's termination date to the adjustment date,
 - (c) PROVIDED HOWEVER that such adjustment may not exceed the ratio of the Average Industrial Wage for Canada (referred to herein as the Average Wage) for the same period.
 - (d) The amount of the annual adjustment to benefits in a particular year shall be calculated as the pension eligible for adjustment in subsection (6)(a) above, that includes all previous annual adjustments, adjusted:
 - (i) by the percentage change in the average of the Consumer Price Index in the 12-month period ending September 30 in the immediately preceding year, and the average of the Consumer Price Index in the 12-month period ending September 30 in the year immediately prior to that preceding year,
 - (ii) plus or minus any Carry Forward addition or deduction from the immediately preceding year as described in subsection (6)(f) below, subject to the limits described in subsection (6)(b) above.
 - (e) If less than 12 months have elapsed since the Member's termination date, the value of the adjustment calculated in subsection (6)(d) above will be reduced to the amount obtained by multiplying the percentage change by 1/12 for each month that has elapsed from the Member's termination date to the adjustment date.
 - (f) If the unlimited adjustment calculated in subsection (6)(d) above exceeds the maximum adjustment described in subsection (6)(b) above, the amount by which the unlimited adjustment exceeds the maximum shall be a Carry Forward addition in the subsequent year's adjustment calculation. If the unlimited adjustment calculated in subsection (6)(d) above is negative, this

negative amount shall be a Carry Forward deduction in the subsequent year's adjustment calculation.

- (7) If a terminating Member has made additional voluntary contributions such Member shall be entitled to receive one of the following:
 - (a) the amount of the Member's Additional Voluntary Contribution Account at date of termination in a lump sum, or
 - (b) the amount of the Member's Additional Voluntary Contribution Account paid in a lump sum as a contribution to or under another registered pension fund or plan, or
 - (c) that paid-up deferred Retirement Benefit, payable from the Member's normal retirement date, which can be provided by the Member's Additional Voluntary Contribution Account at date of termination increased by the Member's pro rata share of the investment earnings of the Trust Fund to normal retirement date, provided that the Member has elected to receive a paid-up deferred Retirement Benefit payable under this Plan pursuant to this Section 11.
- (8) Any transfer of the commuted value of a paid-up deferred Retirement Benefit made in accordance with this Section 11 shall be subject to the restrictions in the Pension Benefits Standards Act with regard to the solvency of the Plan.

12 DISABILITY RETIREMENT

- (1) Prior to April 1, 2006, a Member who is an employee of the University and who:
 - (a) becomes disabled with a physical or mental condition that is severe and prolonged. "Severe" means the condition prevents the Member from working regularly at any job, and "prolonged" means the condition is long term or may result in death, and
 - (b) is so certified by a medical doctor licensed to practice under the laws of a Province of Canada or of the place where the Member resides, and
 - (c) has commenced receipt of Canada Pension Plan disability, and
 - (d) has exhausted any sick leave benefits, and
 - (e) has exhausted any entitlement to wage loss payments from the Worker's Compensation Board

will be entitled to a disability Retirement Benefit under this Plan. The amount of the disability benefit will be equal to the Retirement Benefit which would be payable to the Member at normal retirement date calculated on the basis of Average Annual Basic Salary preceding date of disability and total service from date of membership in this Plan (including contributory service under any Prior Pension Plan) up to normal retirement date.

- (2) The first payment of the disability Retirement Benefit shall be made on the later of:
 - (a) the date of commencement of Canada Pension Plan disability benefits;
 - (b) the date of exhaustion of sick leave payments; and
 - (c) the date of expiry of Worker's Compensation Board wage loss payments.
- (3) The Retired Member will be required to provide on an annual basis evidence that he or she continues to be disabled with a physical or mental condition that is severe and prolonged and in receipt of Canada Pension Plan disability benefits.
- (4) In the event that a Member becomes entitled to a disability Retirement Benefit prior to January 1, 1992,
 - (a) such benefit will cease on the earliest of the following dates:
 - (i) the Retired Member's date of death;
 - (ii) the date the Retired Member is no longer eligible for Canada Pension Plan disability benefits; and
 - (iii) the Retired Member's normal retirement date.

- (b) On attainment of normal retirement date, the Retired Member would then be eligible to receive a Retirement Benefit calculated in accordance with Section 8 of this Plan based upon his or her membership service under this Plan including the period when in receipt of a disability benefit.
- (5) In the event that a Member becomes entitled to a disability Retirement Benefit between January 1, 1992 and March 31, 2006,
 - (a) Such disability benefit will be payable on the normal form of Retirement Benefit in accordance with Section 7.
 - (b) Should such annual disability Retirement Benefit payable exceed the YMPE in the year in which the effective date of disability occurs, then the Member shall be entitled to a disability Retirement Benefit equal to the greater of the YMPE in the year in which the effective date of disability occurs and the Retirement Benefit which would be payable to the Member at normal retirement date calculated on the basis of his or her service from membership in this Plan (including contributory service under any Prior Pension Plan) up-to-date of disability.
 - (c) The disabled Member may elect an optional Retirement Benefit in accordance with Section 9 and the disability Retirement Benefit will be increased annually in accordance with Section 8(4). Such disability Retirement Benefit will cease on the earliest of the following dates:
 - (i) The Retired Member's date of death (unless an optional form providing continuance to the Retired Member's surviving Spouse is elected at date of disability);
 - (ii) the date the Retired Member is no longer eligible for Canada Pension Plan disability benefits.

13 GOVERNANCE OF PLAN

(1) Duty to Create Committees

For the purposes of the Pension Benefits Standards Act, the University is the “administrator” of the Plan, and has ultimate legal responsibility for the administration of the Plan and the investment of the Trust Fund. To enable the University to discharge these responsibilities, the Board of Governors shall constitute the Governance Committee, the Investments and Administration Committee and the Pension Advisory Committee described in this Section 13.

(2) Governance Committee

(a) There shall be a “Governance Committee” which shall oversee the governance of the Plan.

(b) Composition of Governance Committee

The Governance Committee shall consist of the following:

- (i) the Vice-President, Finance and Operations;
- (ii) the Associate Vice-President, Financial Planning and Operations;
- (iii) the Associate Vice-President, Human Resources;
- (iv) the Director, Pensions and Investments; and
- (v) a member of the Board of Governors, appointed by the Board of Governors, or a person external to the University who is experienced in pension plan matters, appointed by the Board of Governors.

(c) Non-Voting Members of Governance Committee

The Governance Committee may designate one or more officers or employees of the University with specific expertise to act as non-voting members of the Committee to assist the Governance Committee in its deliberations and activities. Unless the Governance Committee otherwise directs, the Manager, Pension Administration, shall be a non-voting member of the Governance Committee, and shall act as the Secretary of the Governance Committee.

(d) Powers of Governance Committee

The Governance Committee shall have all powers necessary to oversee this Plan in accordance with its terms, including the power to:

- (i) develop a strategic plan that

- (A) establishes the mission and objectives of the Plan, as approved by the Board of Governors,
 - (B) sets out targets, performance measures, and reporting requirements and such other steps as are necessary to evaluate success in meeting the Plan's mission and objectives, and
 - (C) provides for a periodic review of the Plan's governance structure to ensure that it continues to be appropriate to enable the Plan to meet its mission and objectives;
- (ii) appoint members to the Investments and Administration Committee, in accordance with subsections (3)(b)(v) and (3)(b)(vi) below, and appoint members to the Pension Advisory Committee in accordance with subsections (8)(b)(i)(E) and (8)(b)(i)(F) below;
 - (iii) recommend to the Board of Governors amendments to the Plan that the Governance Committee deems necessary or advisable so that the Plan remains compliant with applicable law, and continues to meet its mission and objectives;
 - (iv) interpret the provisions of the Plan in matters where the interpretation is without precedent and may either have a large single material impact or a widespread material impact; and
 - (v) adopt and maintain policies, including, but not limited to:
 - (A) a Policy on Delegated Signing Authorities which shall be subject to the approval of the Board of Governors; in the absence of a policy, any agreements, notices or other documentation required in connection with the investment of the Trust Fund, or the administration or payment of benefits under the Plan must be signed by no less than two officers or employees of the University who are members of the Governance Committee,
 - (B) a Code of Conduct Policy and a Conflict of Interest Policy for all Committees under this Section 13,
 - (C) a Discretionary Fee Policy applicable to the administration of pension division and subject to applicable laws and regulations, and
 - (D) a Small Benefit Policy which shall be subject to approval of the Board of Governors and applicable laws and regulations and which establishes the minimum amount of a benefit calculated under the provisions of this Plan below which the benefit must be paid to the member in the form of a commuted value of that benefit and not in the form of a monthly pension.

(e) Reports

The Governance Committee shall:

- (i) prepare and present to the Board of Governors at least annually a report on the administration of the Plan and the University's compliance with the provisions of the Plan, the Pension Benefits Standards Act and the Income Tax Act that do not relate to the investment of the Trust Fund; and
- (ii) receive a report on the actuarial valuation, and on periodic asset/liability studies as commissioned by the Investments and Administration Committee.

(f) Meetings of Governance Committee

The Governance Committee shall meet at least two times annually. The Committee may establish rules and procedures for the conduct of the Committee and its meetings.

(g) Binding Nature of Decisions

Decisions and determinations of the Governance Committee not inconsistent with the provisions of the Plan shall be binding and conclusive on all interested persons.

(3) Investments and Administration Committee

- (a) There shall be an "Investments and Administration Committee" which shall discharge the University's obligations relating to the investment of the Trust Fund and the administration of the Plan.
- (b) Composition of Investments and Administration Committee

The Investments and Administration Committee shall consist of the following:

- (i) the Associate Vice-President, Financial Planning and Operations;
- (ii) the Associate Vice-President, Human Resources;
- (iii) the Assistant Treasurer;
- (iv) the General Counsel;
- (v) three others appointed by the Governance Committee with demonstrated expertise in one or more of the field(s) of investments, communications, or staff management; and

(vi) an active Member of the Plan, appointed by the Governance Committee.

(c) Non-Voting Members of Investments and Administration Committee

The Investments and Administration Committee may designate one or more officers or employees of the University with specific expertise to act as non-voting members of the Committee to assist the Investments and Administration Committee in its deliberations and activities. Unless the Investments and Administration Committee otherwise directs, the Manager Pension Administration shall act as the Secretary of the Investments and Administration Committee.

(d) Duties of Investments and Administration Committee

The Investments and Administration Committee shall have the duty to invest the Trust Fund in accordance with the terms of this Plan and applicable law, and to administer the Plan and ensure its operation in accordance with its terms, including the duty to:

- (i) appoint a Trustee for the Trust Fund and enter into a Trust Agreement for the performance of the duties set out in Section 14;
- (ii) recommend to the Board of Governors a statement of investment policies and procedures (“SIP&P”) for the Plan, which satisfies the requirements of the Pension Benefits Standards Act, and in accordance with the SIP&P:
 - (A) appoint and terminate investment managers, performance measurement services, consultants and such other service providers as are needed to ensure the efficient and prudent investment of the Trust Fund,
 - (B) employ consultants and other service providers to conduct periodic asset/liability studies as it may deem necessary to ensure the appropriate asset allocation in the Trust Fund,
 - (C) take such steps as are necessary to monitor investment performance and mandate compliance by the investment managers,
 - (D) determine the materiality of and approve temporary deviations from the SIP&P in respect of asset mix ranges and allowable investments,
 - (E) prepare and present a report at least semi-annually to the Board of Governors on the financial position of the Plan, the investment performance of the Trust Fund, and the University’s compliance

with the provisions of the Plan, Pension Benefits Standards Act and the Income Tax Act relating to the investment of the Trust Fund, and

- (F) no less frequently than once in every Plan Year, review the SIP&P and either
 - (1) confirm to the Board of Governors the statement's continued appropriateness; or
 - (2) recommend to the Board of Governors such amendments to as it considers appropriate;
- (iii) on an annual basis, provide a report to the Governance Committee on the degree of success in meeting the mission and objectives of the Plan;
- (iv) appoint an Actuary to
 - (A) at least triennially, conduct a review of the Plan's assets and liabilities, based on assumptions determined by the Committee in consultation with the Actuary, and
 - (B) provide advice on actuarial matters and the adoption of mortality and other tables as necessary or appropriate for the operation of the Plan;
- (v) subject to the approval of the Board of Governors, create reserves within the Trust Fund for any purpose;
- (vi) review and approve the annual report and financial statements prepared by employees of the University and appoint an auditor to express an opinion on the financial statements;
- (vii) make all annual returns and other filings with regulatory authorities in respect of the Plan;
- (viii) subject to approval by the Vice-President, Finance and Operations, adopt the annual budget for Plan operating expenses;
- (ix) determine, from time to time, the necessity of fiduciary insurance for any members of the Governance, and Investments and Administration Committees, and if deemed necessary acquire and thereafter periodically review the terms of such insurance;
- (x) employ and supervise such counsel and agents and obtain and supervise such clerical services as it may deem necessary or appropriate in carrying out the provisions of the Plan;

- (xi) interpret the provisions of the Plan and determine any questions arising under the Plan, or in connection with the investment, administration or operation thereof, including but not limited to:
 - (A) determining the eligibility of any employee to be or become a Member of the Plan, and
 - (B) determining the Credited Service of any Member and computation of the amount of Retirement Benefit, or other sum, payable under the Plan to any person;
- (xii) subject to the approval of the Governance Committee and the Board of Governors, enter into reciprocal agreements on behalf of the University with sponsors of other registered pension plans;
- (xiii) approve the format for Member annual statements; and
- (xiv) cause to be created and review and provide recommendations for mass Member and Retired Member communications, and educational materials such as that information presented on the Plan website and via brochures, newsletters and bulletins.

(e) Reports provided to the Investments and Administration Committee

The Investments and Administration Committee shall receive reports on

- (i) the findings of the auditor with respect to the annual audit of the financial statements; and
- (ii) the rebalancing or allocation of funds to investment managers in accordance with parameters established in the SIP&P.

(f) Meetings of Investments and Administration Committee

The Investments and Administration Committee shall meet at least four times annually. The Committee may establish rules and procedures for the conduct of the Committee and its meetings.

(g) Binding Nature of Decisions

Decisions and determinations of the Investments and Administration Committee not inconsistent with the provisions of the Plan shall be binding and conclusive on all interested persons.

- (4) Adoption and Amendment of Investment Policy
- (a) The Board of Governors, acting to the extent it considers appropriate on the recommendations received from the Investments and Administration Committee pursuant to subsection (3)(d)(ii) above, shall adopt, review and amend the SIP&P in accordance with the requirements of the Pension Benefits Standards Act.
 - (b) All investments of the assets in the Trust Fund and other Plan financial decisions must be made in accordance with the Pension Benefits Standards Act and the Income Tax Act, and in the best financial interests of the Members, Retired Members and other individuals with entitlement to benefits under the Plan. The assets of the Trust Fund must be invested in a manner which a reasonable and prudent person would apply in respect of a portfolio of investments made on behalf of another person to whom there is owed a fiduciary duty to make investments without undue risk of loss and with a reasonable expectation of a return on the investments commensurate with the risk.
- (5) Fiduciary Responsibilities of Governance Committee and Investments and Administration Committee

In discharging their responsibilities as administrators in connection with the Plan and the Trust Fund, the members of the Governance Committee and Investments and Administration Committee must:

- (a) act honestly, in good faith and in the best interests of the Members, Retired Members, and any other persons entitled to benefits under the Plan to whom a fiduciary duty is owed, and
 - (b) exercise the care, diligence and skill that a person of ordinary prudence would exercise when dealing with the property of another person.
- (6) Delegation of Responsibilities
- (a) Unless otherwise indicated in this Plan, the Governance Committee or the Investments and Administration Committee may delegate such of their respective responsibilities as either deems appropriate, provided that the Committee ensures that any party to whom it delegates responsibilities are properly supervised by the Committee, and has the appropriate skills and training to carry out the responsibilities delegated to them.
 - (b) The Governance Committee and the Investments and Administration Committee shall ensure that if they delegate any of their responsibilities to other parties, such parties shall report to such Committee at such intervals as may be established by the Committee.

- (c) The Board of Governors may create a committee of its members to liaise with the Committees described in this Section 13 and receive the reports described above. Until the Board of Governors designates otherwise, its standing finance committee shall act as such committee. Any such committee shall report to the remainder of the Board of Governors in such manner as the Board of Governors directs.

(7) Limitation of Liability

Neither the establishment of the Plan, nor any modification thereof, nor any action taken hereunder, nor any omission to act, if done honestly and in good faith and not constituting willful misconduct by the Governance Committee, the Investments and Administration Committee or any member of either Committee, or by the University or any employee thereof, shall be construed as giving to any Member, Retired Member or other person, any legal or equitable right against the University, the Governance Committee, the Investments and Administration Committee, any member of either Committee or any employee of the University. No Committee member shall be liable for the act or omission of any other Committee member, or of any agent or employee of the Committee or of the University.

(8) Pension Advisory Committee

- (a) There shall be a “Pension Advisory Committee” which shall promote awareness and understanding of the Plan amongst Members and Retired Members of the Plan and provide advice to the Governance Committee and the Investments and Administration Committee on the financial and administrative aspects of the Plan.

(b) Composition of Pension Advisory Committee

- (i) The Pension Advisory Committee shall consist of the following:
 - (A) the Associate Vice-President, Financial Planning and Operations;
 - (B) the Associate Vice-President, Human Resources;
 - (C) two members of CUPE 951, appointed by CUPE 951;
 - (D) two members of CUPE 917, appointed by CUPE 917;
 - (E) one Exempt Staff member, appointed by the Governance Committee; and
 - (F) a Retired Member, appointed by the Governance Committee.
- (ii) An appointment to the Pension Advisory Committee shall be in effect until revoked by the appointing body. Appointing bodies shall provide written notice of all appointments to the Secretary of the Governance

Committee at least one month prior to the effective date of the appointment.

(c) Responsibilities of the Pension Advisory Committee

The Pension Advisory Committee shall:

- (i) advise the Governance Committee and the Investments and Administration Committee on the effectiveness of the day to day administration of the Plan, and make such recommendations to the Governance Committee and the Investments and Administration Committee as they consider necessary to improve such administration;
- (ii) advise the Governance Committee and the Investments and Administration Committee on all pension policy matters, including advice on the overall mission and objectives of the Plan and the continued appropriateness of the structure of the Plan and its effectiveness in providing retirement income to the Members of the Plan;
- (iii) promote awareness and understanding of the Plan among Members and Retired Members by assisting in the development of educational programs and Member communications regarding the benefits provided under the Plan; and
- (iv) carry out such other tasks or responsibilities relating to the administration of this Plan as the Governance Committee or the Investments and Administration Committee may delegate to the Committee from time to time.

(d) Meetings of Pension Advisory Committee

The Pension Advisory Committee shall meet at least two times annually. The Committee may establish rules and procedures for the conduct of the Committee and its meetings.

(e) Facilitation of Collective Bargaining

The University or any of the bargaining agents who represent Members of the Plan may at any time refer any matter relating to the collective bargaining of the benefits payable under the Plan to the Pension Advisory Committee for its advice and comment. Without limitation, the University or any bargaining agent may ask the Pension Advisory Committee to advise on the financial impact of proposed changes to the Plan, or proposed amendments to the Plan designed to implement collectively bargained changes to the Plan. Any such advice or comment given by the Pension Advisory Committee shall be non-binding, and neither the University nor any bargaining agent need consult with the Pension Advisory Committee prior to taking any step relating to the

collective bargaining of benefits payable under the Plan, or the implementation of any collectively bargained changes to the Plan.

(f) Review of Member and Retired Member Communications

To promote awareness and understanding of the Plan, both the Governance Committee and the Investments and Administration Committee shall use their best efforts to provide draft copies of any material electronic or written communications to the Members or Retired Members to the Pension Advisory Committee for its advice and comments prior to providing them to the Members or Retired Members of the Plan.

(g) Reports provided to the Pension Advisory Committee

To facilitate further understanding and awareness of the Plan amongst the members of the Pension Advisory Committee, it shall, on an annual basis, receive a report on the success of the Plan in meeting its objectives, the Plan expense budget, the Plan's financial statements, and, on a triennial basis, the results of the actuarial valuation.

(h) No Fiduciary or Other Legal Liability

The Pension Advisory Committee is an advisory body, and has no legal control over the administration of the Plan or the investment of the Trust Fund. Accordingly, the members of the Pension Advisory Committee have no fiduciary or other legal responsibility or liability to anyone in respect of the administration of the Plan or the investment of the Trust Fund.

(9) Changes in Titles

If any committee of the Board of Governors or any office or other position with the University referred to in this Section 13 is abolished or otherwise ceases to exist, or the title of such committee, office or position is changed, then the committee, office or position which assumes substantially similar responsibilities to those of the committee, office or other position previously referred to in this Section 13 shall, without further act or formality, assume the rights and responsibilities assigned in this Section 13 to such committee, office or position.

14 TRUST FUND

- (1) The duties of the Trustee shall be those specified in the Trust Agreement and shall include the following:
 - (a) It shall receive from the University the University's contributions to the trust as set forth in Section 5 and the Members' contributions as set forth in Section 4;
 - (b) It shall receive all of the income from the Trust Fund;
 - (c) As directed by the Investments and Administration Committee, it shall pay the funds required for payments under the Plan;
 - (d) As directed by the Investments and Administration Committee or by investment counsel appointed by the Investments and Administration Committee it shall invest and re-invest the corpus and income of the Trust Fund subject to the requirements of the Plan;
 - (e) It shall maintain such records and accounts and shall render such financial statements and reports as may be required from time to time by the University;
 - (f) It shall notify the superintendent within 30 days if contributions have been overdue for 60 days, whether or not the contributions were subsequently remitted.
- (2) All payments under the Plan, including all expenses of administration, shall be made or provided for solely from the Trust Fund and solely to the extent that such Trust Fund shall suffice therefor. If the Trust Fund should be insufficient to provide for any payment or benefit under the Plan whatsoever, none of the University, the Investments and Administration Committee, nor the members, officers or representatives of either or both of them shall be liable for any such payment in any manner whatsoever, except as set out in the Pension Benefits Standards Act.

15 NON-ALIENATION OF BENEFITS

- (1) Members, Retired Members and beneficiaries under the Plan are hereby restrained from assigning, charging, anticipating, giving as security or surrendering their Retirement Benefits or other Plan benefits or any other rights or interests under the Plan, except that the entitlement of any person to receive a benefit under the Plan is subject to entitlements arising under a separation agreement or order made under the Family Law Act as set forth in Section 18, or a similar order of a court outside British Columbia enforceable in British Columbia, that affects the payment or distribution of a person's benefits and which is filed with the Trustees.
- (2) If any persons who shall be entitled to any benefit under this Plan shall become bankrupt or attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge such benefit, then such benefit shall, in the discretion of the University and in accordance with the Plan, cease and terminate, and in that event the University may cause the same, or any part, to be held or applied to the benefit of such person, Spouse, children or dependents, or any of them, in such manner and in such proportion as the University shall determine.

16 AMENDMENT AND TERMINATION OF THE PLAN

- (1) Amendment
 - (a) The University may at any time supplement, modify or amend this Plan provided that no such supplementation, modification or amendment of the Plan or any part thereof shall permit any part of the assets of the Trust Fund to revert to or be recoverable by the University or to be used or diverted to purposes other than for the exclusive benefit of Members, Retired Members or their beneficiaries or joint annuitants under the Plan.
- (2) Termination
 - (a) The University may terminate the Plan and the Trust Agreement or may terminate any part of the Plan, provided that any such termination shall not be retroactive in effect, and provided that written notice of such termination shall be given within thirty (30) days to the Members of the Plan, and provided that no such termination of the Plan or any part thereof shall permit any part of the assets of the Trust Fund to revert to or be recoverable by the University or to be used or diverted to purposes other than for the exclusive benefit of Members, Retired Members or their beneficiaries or joint annuitants.
 - (b) In the event of the complete termination of the Plan, the Investments and Administration Committee shall allocate the assets of the Trust Fund to the following purposes in the following order of priority:
 - (i) An amount which, to the extent funds are available, shall be equal to the aggregate of the Additional Voluntary Contribution Accounts at such date of termination, shall be set aside. Subject to the provisions of subsection (2)(b)(iii) below, each Member shall be entitled to receive a refund of the amounts standing to the credit of his or her Additional Voluntary Contribution Account, if any, upon application written thirty (30) days after date of termination.
 - (ii) An amount which, to the extent funds are available, shall be equal to the total of the required contributions of all Members with interest, at the rate specified herein, shall be set aside. Subject to the provisions of subsection (2)(b)(iii) below, each such Member shall be entitled to receive a refund of his or her respective required contributions with interest at the rate provided herein upon application within thirty (30) days after date of termination.
 - (iii) The balance of the assets of the Trust Fund shall be applied in the following order for the purposes of providing:
 - (A) Retirement Benefit payments to Retired Members and joint annuitants;

- (B) the payment of Retirement Benefits to those Members eligible for retirement under the Plan at date of termination;
 - (C) the payment of Retirement Benefits to Members who have terminated their employment and are entitled to paid-up deferred Retirement Benefits pursuant to Section 11 hereof;
 - (D) payments for those Members not included in subsections (2)(b)(iii)(A), (2)(b)(iii)(B), and (2)(b)(iii)(C) above.
- (c) Any Member who does not elect to receive a refund within thirty (30) days after the date of termination as provided in subsections (2)(b)(i) and (2)(b)(ii) of this Section 16, shall have the amount of his or her payments under subsections (2)(b)(iii)(B), (2)(b)(iii)(C) or (2)(b)(iii)(D) of this Section 16, as the case may be, increased by the amount that may be provided by his or her contributions and Interest.
- (d) The application of such funds under each of the foregoing classifications shall be in accordance with a non-discriminatory formula adopted by the Investments and Administration Committee, on the basis of Retirement Benefits accrued under the provisions of the Plan and the Credited Service of all Members. When the application of such funds has been calculated on the foregoing basis, the Trust Fund shall be terminated and the respective interests distributed, such distribution to be in the form of cash, annuity contracts or personal registered retirement savings plans as determined by the Investments and Administration Committee subject to the provisions of the Pension Benefits Standards Act. No distribution of assets shall be made prior to the written approval of the Superintendent of Pensions for British Columbia.

17 MISCELLANEOUS

(1) Information to Members

- (a) Each Member shall be advised of the general provisions of the Plan and, upon written request addressed to the Investments and Administration Committee, shall be furnished with any information reasonably requested regarding the Member's status, rights, and privileges under the Plan.
- (b) Each Member shall be entitled to obtain a copy of the Plan upon request.
- (c) Each Member shall be entitled to an annual statement in a form prescribed by the Investments and Administration Committee.

(2) Payments

- (a) If a person elects a lump sum payment or transfer from the Plan, the payment or transfer shall be made within 60 days after the person completes and files with the Investments and Administration Committee, all documents required to authorize the payment or transfer, including evidence of entitlement. The payment of the entire amount of an individual's entitlement from the Plan shall constitute a complete, final, and binding discharge of all obligations owed by the Plan to an individual and the individual shall thereafter have no right of claim whatsoever against the Plan and, if the individual was a Member, the Member shall for all purposes cease to be a Member of the Plan.
- (b) If a payment is in excess of the maximum limit that can be transferred to another plan or to an RRSP under the Income Tax Act, then the amount of that payment that is in excess of that maximum limit is exempt from any lock-in restrictions and must be paid in a lump sum.
- (c) If either:
 - (i) the commuted value of the benefit payable to a Member, Limited Member, Retired Member or the surviving Spouse of a Member or Retired Member does not exceed 20% of the YMPE for the calendar year in which the earlier of death, termination of employment, or pension commencement occurred; or
 - (ii) the monthly pension payable to a Member, Limited Member, Retired Member or the surviving Spouse of a Member or Retired Member, according to the normal form, is less than 1/12 of 10% of the YMPE for the calendar year in which the earlier of death, termination of employment, or pension commencement occurred,

then the Member, Limited Member, Retired Member or the surviving Spouse of a Member or former Member, as the case may be, may elect to receive the benefit payable from the Plan in a lump sum payment or may transfer the

benefit payable from the Plan to another registered vehicle on a non locked-in basis, in full discharge of all obligations under the Plan.

- (d) If the Member, Limited Member or surviving Spouse of a Member:
 - (i) has been absent from Canada for two or more years,
 - (ii) has become a non-resident of Canada as determined for the purposes of the Income Tax Act, and
 - (iii) completes and files all necessary documents with the Administration Committee,

then the commuted value of the benefit payable from the Plan may be paid in a lump sum in full discharge of all obligations under the Plan.

18 COMPLIANCE WITH THE PENSION DIVISION REQUIREMENTS OF THE FAMILY LAW ACT

(1) Application of Provisions

Pursuant to Section 15(1), the following provisions shall apply on or subsequent to July 1, 1995 to any Member or Retired Member whose entitlement to a Retirement Benefit is subject to the provisions of Part 6 of the Family Law Act.

(2) Investments and Administration Committee's Obligations

The Investments and Administration Committee shall administer the rights acquired by a Limited Member in accordance with the Family Law Act and those administrative procedures adopted by the Investments and Administration Committee for this purpose.

(3) Administrative Fee

- (a) The Limited Member or the Applicable Member or both of them shall pay into the Trust Fund the amount of any fee set by the Investments and Administration Committee for administering the rights of the Limited Member.
- (b) If the required fee is not paid, the Investments and Administration Committee shall not commence nor continue to pay any benefits to the Limited Member or the Applicable Member until such fee is paid.

(4) Death Benefits

If the Investments and Administration Committee receives notice that a Limited Member may be entitled to a share of either a pre-retirement death benefit or a post-retirement death benefit of the Applicable Member, which are in either case payable to another person pursuant to the terms of the Plan, the Investments and Administration Committee shall not pay any death benefit until both the Limited Member and that other person have agreed on the amounts to be distributed to each of them, or if they do not agree, then only pursuant to a judgment of a court of competent jurisdiction declaring the amount to be distributed to each of them.

(5) Termination of Applicable Member

In the event that the Applicable Member is or becomes a deferred vested member entitled to exercise the rights to transfer provided under Section 11 hereof and does elect to exercise such rights the Investments and Administration Committee shall, within the time required by the Family Law Act, notify the Limited Member or any other person entitled under the Family Law Act to information about the Applicable Member, of such election. Furthermore, in the case of a Limited Member, the Investments and Administration Committee shall advise the Limited Member of his or her rights and proportionate share of the Actuarial Equivalent

value of the deferred vested Retirement Benefit to which the Applicable Member is entitled and instruct the Limited Member to provide appropriate advice and documentation as to where his or her share shall be transferred.

(6) Adjustment of Applicable Member's Retirement Benefit

- (a) If a Limited Member receives a locked-in transfer of a proportionate share of the Actuarial Equivalent value of the Retirement Benefit of the Member then the Investments and Administration Committee shall reduce the Retirement Benefit of the Applicable Member so that the reduction in the Actuarial Equivalent value of the Retirement Benefit payable to the Applicable Member equals the amount transferred to the credit of the Limited Member.
- (b) If a Limited Member chooses to require the Investments and Administration Committee to provide to him or her a separate Retirement Benefit, the Investments and Administration Committee shall reduce the amount of the Retirement Benefit payable to the Retired Member so that the reduction in the Actuarial Equivalent value of the Retirement Benefit payable to the Applicable Member equals the Actuarial Equivalent value of the separate Retirement Benefit provided to the Limited Member.

(7) Termination of Plan

A Limited Member is subject to a modification or complete or partial termination of the Plan pursuant to Section 16 in the same manner as the Applicable Member. In the event of a complete or partial termination of the Plan the Limited Member shall be treated in the same manner as the Applicable Member.

(8) Information

Upon request by a person entitled to information in accordance with the Family Law Act, the Investments and Administration Committee shall provide such information.

(9) Separate Payment of Divided Retirement Benefits

In the event that a person is entitled by a court order or a separation agreement to receive from a Retired Member a portion of that Retired Member's Retirement Benefit that person may request that the Investments and Administration Committee allocate and pay such portion of the Retirement Benefit directly to him or her and the Investments and Administration Committee shall pay such portion in accordance with the Family Law Act. Such portion shall cease upon the death of that person or the death of the Retired Member, whichever occurs first. If that person was also designated by the Retired Member as his or her Designated Beneficiary or joint annuitant under the Plan, then that person, if surviving, shall also receive any post-retirement death benefit payable upon the death of the Retired Member.

19 RESOLUTION OF DISPUTES

- (1) All disputes arising out of, in connection with or respecting a provision of this Plan relating to:
 - (a) the treatment of surplus assets during the continuation of the Plan;
 - (b) the allocation of any surplus assets on the winding up of this Plan in accordance with Section 45(2) of the Pension Benefits Standards Act;
 - (c) the taking of a contribution holiday if the Plan has surplus assets as provided for in the Plan and as may be prescribed by the Pension Benefits Standards Act;
 - (d) payment or transfer of any surplus assets from the fund to the University;shall be referred to and finally resolved by arbitration.
- (2) The parties entitled to refer a matter to arbitration pursuant to the provisions of this Plan are those prescribed as parties by the regulations of the Pension Benefits Standards Act.
- (3) Any arbitration brought under this Plan shall be conducted in accordance with the Commercial Arbitration Act of British Columbia and in accordance with the Rules of the British Columbia International Commercial Arbitration Centre (BCICAC) for Domestic Commercial Arbitrations.
- (4) The arbitration shall be conducted by a single arbitrator; in the absence of agreement between the parties as to the arbitrator, the appointing authority shall be the British Columbia International Commercial Arbitration Centre.
- (5) In the absence of agreement between the parties as to procedure, the case shall be administered by the British Columbia International Commercial Arbitration Centre in accordance with its procedures for cases under the BCICAC rules.
- (6) The place of arbitration shall be Victoria, British Columbia, Canada.
- (7) The outcome of any arbitration shall be subject to the applicable provisions of the Income Tax Act.

UNIVERSITY OF VICTORIA STAFF PENSION PLAN

APPENDIX I: SUPPLEMENTARY RETIREMENT BENEFITS

1 Definitions:

- (1) The following words or phrases shall, for the purposes of this Appendix, have the following meanings:
 - (a) **"Supplementary Retirement Benefit"** shall mean any retirement benefit payable in accordance with the provisions of this Appendix.
 - (b) **"Basic Retirement Benefit"** shall mean the retirement benefits payable in accordance with the terms of the Plan including any Prior Pension Plan benefit but excluding any supplementary retirement benefit and excluding any benefits provided through voluntary contributions.
 - (c) **"Total Retirement Benefit"** shall mean the sum of the Basic Retirement and the Supplementary Retirement Benefits.
 - (d) **"Supplementary Retirement Benefit Account"** shall mean the account to which are credited the supplementary contributions provided for in Section 2 of this Appendix I. This account shall be part of the Trust Fund, shall share in the actual investment earnings or losses of the Trust Fund, shall be charged with supplementary retirement benefits paid and shall bear its proportionate share of the expenses of the Plan.

2 Supplementary Contributions:

- (1) By Member:

In addition to the contributions required to be made in accordance with Section 4(1) of the Plan each Member shall be required to make contributions of one-quarter of one per cent (0.25%) of his Basic Salary for each time period in respect of which required contributions are made under the Plan.
- (2) By University:

In addition to the contributions required to be made in accordance with Section 5(1) of the Plan, and pursuant to the Actuary's recommendation, the University shall make matching contributions equal in each month to the contributions made by the Members in accordance with subsection (1) above of this Appendix.
- (3) By Member and University:

Effective January 1, 1998, the contributions described in subsections (1) and (2) above may from time to time and in whole or in part be directed, following consultation with the Plan Actuary and an agreement between the Members and the University, to a Fund other than the Supplementary Retirement Benefit Account.

3 Supplementary Retirement Benefits

The Investments and Administration Committee may authorize payment of Supplementary Retirement Benefits subject to the provisions of this section. The amount of supplementary retirement benefit payable in any year shall be determined as that positive amount which, together with the basic Retirement Benefit payable in such year, is equal to the total Retirement Benefit payable in the preceding year increased by such percentage as the Investments and Administration Committee shall determine. The payment of benefits and the determination of amounts shall be subject to the following conditions:

- (1) The following persons may be eligible to receive supplementary retirement benefits:
 - (a) Retired Members who have attained the age of 66 years prior to the January 1st on which a supplementary retirement benefit becomes effective.
 - (b) Spouses of deceased Retired Members who are receiving retirement benefits from the Plan.
- (2) Supplementary retirement benefits shall be determined annually to become effective on January 1 of each year.
- (3) Supplementary retirement benefits shall be payable on the same form as the basic retirement benefit is paid.
- (4) The percentage increase determined at January 1 of a Plan Year will not exceed the percentage change in the average of the Consumer Price Index in the 12-month period ending September 30 in the immediately preceding year, and the average of the Consumer Price Index in the 12-month period ending September 30 of the year immediately prior to that preceding year.
- (5) The percentage increase shall be limited so that the supplementary retirement benefits determined using such percentage increase can be financed by the then assets of the Supplementary Retirement Benefit Account on a sound actuarial basis as certified by the Actuary to the Plan, on the assumption that supplementary retirement benefits shall neither increase nor decrease thereafter (except on the death of a Retired Member or Spouse in accordance with the form of benefit elected for the basic Retirement Benefit).
- (6) In the event that a Retired Member who is in receipt of a supplementary retirement benefit dies and is survived by a Spouse who is not at that time aged 66, no further adjustment in supplementary benefit shall be made until such Spouse is aged 66 or more.
- (7) In the event that a Member dies prior to retirement and is survived by a Spouse who is not at that time aged 66, such Spouse shall not be eligible for a supplementary retirement benefit until the attainment of age 66.
- (8) Subject to subsection (5) above, the Investments and Administration Committee may, at its discretion and on a non-discriminatory selective basis, grant supplementary retirement benefits which are determined in a different manner than that outlined in this Appendix and which may exceed the limit in subsection (4) above, provided that the resulting total Retirement Benefit does not exceed the Retired Member's initial Retirement Benefit adjusted to reflect full increases in the Consumer Price Index since the Member's retirement date.