SCHEDULE A

UNIVERSITY OF VICTORIA
COMBINATION PENSION PLAN

(amended and restated effective September 30, 2015)

CERTIFIED to be a true and complete copy of the text as at September 30, 2015.

Date:_____

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SECTION 1 - DEFINITIONS

1.01 In this Plan text, the following words shall have the following meanings unless the context otherwise requires:

"**Actuary**" has the meaning set out in clause II of the Trust Agreement.

"**Actuarial Equivalent**" means 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 Pension Board.

"**Approved Leave of Absence**" means a leave of absence, other than a Sabbatical or Study Leave or Statutory Leave, that is permitted under the Income Tax Act, with or without pay, that is approved as such by the University.

"**Average YMPE**" means, in respect of a year, the arithmetical average of the YMPE for the year and for the two immediately preceding years.

"**Beneficiary**" means, in respect of a Member, the person designated or deemed to be designated as the Member's beneficiary in accordance with subsection 14.05 of the Plan.

"**Benefit Commencement Date**" has the meaning set out in subsection 7.03.

"**Board of Governors**" has the meaning set out in clause II of the Trust Agreement.

"**Combined Contribution Account**" means the account that is maintained for the Member to which is credited the Member's required contributions to the Plan together with the University's contributions made on behalf of the Member. Within such account there is a "Post-1992 Contribution Sub-Account" maintained for the Member to which is credited the Member's required contributions to the Plan made in respect of Earnings on and after January 1, 1993 together with the University's regular contributions under subsection 5.01 of the Plan and any amount that may be contributed under subsection 5.02 of the Plan on and after January 1, 1993.

"**Commuted Value**" means, in relation to benefits that a person has a present or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits computed at the rate of interest and using the actuarial tables adopted by the Pension Board on the recommendation of the Actuary and in accordance with the Income Tax Act and the PBSA.

"**Consumer Price Index**" means the Canada all-items Consumer Price Index as published by Statistics Canada.

"**Continuous Service**" means a Member's uninterrupted period of employment with Victoria College or the University as a member of an employee group eligible for membership in the Combination Plan since his or her last date of hire,

including any Period of Leave or Reduced Appointment, provided that an Approved Leave of Absence or Statutory Leave does not exceed 2 years at any one time.

"**Covered Employment**" means, in respect of a Member, employment for which contributions are being made to the Pension Fund on the Member's behalf.

"**Credited Service**" means:

(a) the years and completed months of Continuous Service as a Member of the Plan (and any Prior Plan) during which required contributions were made to the Plan in accordance with Sections 4 and 5 or in accordance with the provisions of any Prior Pension Plan;

(b) a Period of Leave or Reduced Appointment or long-term disability that is covered under the University-sponsored long term disability plan during which required contributions were made to the Plan in accordance with Sections 4 and 5; and

(c) any additional credited service under the Staff Plan or a former employer's pension plan transferred by a Member prior to 2002 in accordance with the Plan text in force at the time of the transfer;

provided that in respect of periods of absence after December 31, 1990, the aggregate of Credited Service granted for an Approved Leave of Absence and Statutory Leave is limited to a maximum full-time equivalent of 5 years, plus an additional 3 years credited in respect of absences that occur within the 12 month period which commences at the time of the birth or adoption of a child of the Member.

Credited Service does not include service covered by the Money Purchase Plan.

"**Earnings**" means:

(a) the amount of regular compensation received by an employee from the University as defined by the Income Tax Act; or

(b) the amount deemed to be Earnings for a Member

(i) on an Approved Leave of Absence who makes contributions pursuant to subparagraph 4.01(b)(i), shall be the amount set out in paragraph (a) that the Member earned immediately prior to his or her Approved Leave of Absence;

(ii) on a Sabbatical or Study Leave or Special Reduction of Appointment who makes contributions pursuant to subparagraph 4.01(b)(ii), shall be the amount set out in paragraph (a) that the Member would have earned if he or she did not have a Sabbatical or Study Leave or Special Reduction of Appointment;

(iii) on a Statutory Leave who makes contribution pursuant to subparagraph 4.01(b)(iii), shall be the amount set out in paragraph (a) that the Member earned immediately prior to his or her Approved Leave of Absence;

(iv) on a Temporary Reduction of Appointment who makes contributions pursuant to subparagraph 4.01(b)(iv), shall be the amount set out in paragraph (a) that the Member would have earned if he or she did not have a Temporary Reduction of Appointment; or

(v) on long-term disability who is covered under the University-sponsored long term disability plan and on whose behalf contributions are made to the Plan pursuant to paragraph 4.01(a), shall be the amount determined pursuant to the terms of the University sponsored long term disability plan,

provided that such deemed Earnings shall not exceed the amount of compensation that is prescribed for this purpose by the Income Tax Act.

"**Family Law Act**" means the *Family Law Act* (British Columbia) and the regulations prescribed thereunder, as amended or replaced from time to time.

"**Final Average Earnings**" means the average of a Member's Earnings during the 60 consecutive months of Credited Service preceding the Member's retirement, death or termination of employment in which the highest average is attained, or, in the case of a Period of Leave or Reduced Appointment, the Earnings which the Member is deemed to have received.

In the case of Members who have not completed 60 months of Credited Service, their Final Average Earnings shall be based on the average of their Earnings during the months of their Credited Service.

"**Income Tax Act**" means the *Income Tax Act* (Canada) and the regulations prescribed thereunder, as amended or replaced from time to time.

"**Interest**" means the rate of interest calculated on the basis of the average of the yields of 5-year personal fixed term chartered bank deposit rates, determined by reference to the CANSIM Series V122515 compiled by Statistics Canada and available on the website maintained by the Bank of Canada, which average is determined in relation to the most recent period of that length for which the rates are available.

"**Investment Earnings**" mean net gains or losses attributable to the market performance of the assets of the relevant fund or account during the relevant period less any investment and administration expenses payable from such fund or account pursuant to subsection 10.06.

"**Member**" has the meaning set out in clause II of the Trust Agreement.

"**Money Purchase Plan**" means the University of Victoria Money Purchase Pension Plan.

"**PBSA**" means the *Pension Benefits Standards Act* (British Columbia) and the regulations prescribed thereunder, as amended or replaced from time to time.

"**Pension Board**" has the meaning set out in clause II of the Trust Agreement.

"Pension Fund" has the meaning set out in clause II of the Trust Agreement.

"**Period of Leave or Reduced Appointment**" means an Approved Leave of Absence, Sabbatical or Study Leave, Statutory Leave, Special Reduction of Appointment or Temporary Reduction of Appointment.

"**Plan**" means the University of Victoria Combination Pension Plan, as constituted under the Trust Agreement and this plan text.

"**Prescribed Form**" means the form prescribed from time to time by the Pension Board.

"**Prior Pension Plans**" means all pension plans in effect at the University of Victoria on June 30, 1968.

"**Retired Member**" means a Member of the Plan who has retired and who is receiving benefits directly from the Plan.

"**Retirement Date**" means the day the Member elects to retire pursuant to Section 7 of the Plan.

"**Sabbatical or Study Leave**" means a period of absence from the University approved as such by the University.

"**Special Reduction of Appointment**" means a reduction in the number of hours worked in Covered Employment by a Member, other than a Temporary Reduction of Appointment, that is approved as such by the University.

"**Specified Beneficiary**" means an individual who meets the definition of a specified beneficiary for a particular year in relation to a money purchase provision of a registered pension plan as set out in the Income Tax Act.

"**Spouse**" means, in relation to another person, a person who at the relevant time:

(a) is married to that other person and has not been living separate and apart from that other person for a continuous period longer than two years; or

(b) has been living with that other person in a marriage-like relationship for a period of at least two years immediately preceding the relevant time,

but does not include a person who has been allocated a share of the Member's benefit under the Family Law Act unless a subsequent spousal relationship has been established.

"**Staff Plan**" means the University of Victoria Staff Pension Plan.

"**Statutory Leave**" means a leave of absence for which the *Employment Standards Act* (British Columbia) requires the University to continue to make contributions in respect of Member on such a leave, if the Member elects to continue to make his required contributions under the Plan.

"**Temporary Reduction of Appointment**" means a temporary reduction in the number of hours worked in Covered Employment by a Member that is approved as such by the University.

"**Trust Agreement**" has the meaning set out in clause II of the Trust Agreement.

"**Trustee**" has the meaning set out in clause II of the Trust Agreement.

"**University**" means the University of Victoria or the Board of Governors thereof, as the context requires.

"**Voluntary Contribution Account**" means the account that is maintained for each Member who is making or who has made additional voluntary contributions.

"**YMPE**" - means, in respect of a calendar year, the "year's maximum pensionable earnings" as defined under the Canada Pension Plan.

SECTION 2 - PENSION FUND: CREATION AND PURPOSE

2.01 The Pension Fund shall be established and maintained pursuant to the provisions of this Plan and of the Trust Agreement for the purpose of providing retirement, death and termination benefits for the Members and their Beneficiaries, and for no other purpose whatsoever, save and except administration and investment costs.

2.02 All contributions made to or under the provisions of this Plan shall be paid into the Pension Fund, and all disbursements with respect to benefits payable under the provisions of the Plan shall be made from the Pension Fund.

2.03 The Pension Fund shall comprise the entire assets of the Plan including those assets derived from contributions, together with all contracts (including dividends, interest, refunds or other sums payable to the Trustees on account of such contracts), all investments made and held by the Trustees, all income therefrom and any other property received and held by the Trustees.

2.04 The Trustees are hereby designated as the only persons to receive contributions to the Pension Fund, and the Trustees are vested with all legal right, title and interest in and to the Plan in order that the Trustees may discharge on behalf of the Members under the terms of the Trust Agreement any and all of the uses, purposes and duties set forth in the Trust Agreement.

2.05 The Plan was established effective July 1, 1968.

2.06 The Plan was amended and restated effective September 30, 2015. Except as otherwise provided herein, or as is necessary to give effect to the terms of this Plan, this Plan applies to Members who terminate, retire or die on or after September 30, 2015. Except as otherwise provided by law, the benefits of a Member who terminated, retired or died prior to September 30, 2015 must, subject to the foregoing exceptions, be determined by the terms of the Plan in force on the date the Member terminated, retired or died.

SECTION 3 - ELIGIBILITY FOR MEMBERSHIP

3.01 Each regular (continuing) full-time member of an employee group eligible for membership in the Plan shall, as a term of employment, be a Member of this Plan, effective from the first day of employment. Assistant Teaching Professors are not eligible for membership in this Plan.

3.02 An individual who holds a full-time appointment equivalent to those appointments described in subsection 3.01 and whose salary is paid through the University Payroll from a research grant or a trust fund or other special fund or source of revenue and not from the general funds of the University, even though such grant, fund, or source of revenue may be administered by the University, shall be eligible to become a Member of this Plan, if the grant, fund, or source of revenue pays the University's contribution to the Plan, or, in special circumstances, with the permission of the University.

3.03 If a Member who joins the Plan on the basis of the eligibility requirements in subsection 3.01 or 3.02 subsequently reduces his or her appointment in the same appointment pursuant to which he or she became eligible for membership in the Plan to less than full-time, such Member shall remain eligible for membership in the Plan.

3.04 Notwithstanding anything to the contrary the Board of Governors has the right to make exceptions to the eligibility requirements specified above after consultation with the Pension Board, and shall supply the Pension Board from time to time, or as may be reasonably requested by the Pension Board, with a list of eligible Members.

3.05 Notwithstanding any other provision of this Section 3, if a Retired Member is re-employed by the University and would otherwise be eligible for membership in the Plan, he or she will continue to receive the pension benefits elected under Section 8 and will not be eligible to become a Member of the Plan.

SECTION 4 - MEMBER CONTRIBUTIONS

4.01 Required Contributions by Members

(a) Required Contributions

Subject to paragraph (b), each Member shall make required contributions to the Pension Fund, by means of payroll deductions, equal to the sum of:

(i) 3.0% of the Member's Earnings that do not exceed the YMPE, pro-rated for the length of the Member's pay period; and

(ii) 5.0% of the Member's Earnings which are in excess of the YMPE, pro-rated for the length of the Member's pay period; and

(iii) that percentage of the Member's Earnings which percentage is equal to one-third of the Additional Defined Retirement Benefit Contribution described in subsection 5.04, when the University's contribution is reduced as specified in paragraph 5.01(c).

The University shall remit the contributions to the Pension Fund at least monthly and the remitted contributions shall be credited to the Member's Combined Contribution Account.

(b) Contributions During Period of Leave or Reduced Appointment

(i) A Member on an Approved Leave of Absence may elect in the Prescribed Form to make the Member required contributions under paragraph (a) and the University contributions under subsection 5.01 in respect of his or her deemed Earnings during the leave.

(ii) While a Member is on a Sabbatical or Study Leave or Special Reduction of Appointment, the Member will make the Member required contributions under paragraph (a) in respect of his or her deemed Earnings during the leave or reduction of appointment and the University will make contributions under subsection 5.01 in respect of his or her deemed Earnings during the leave or reduction of appointment.

(iii) A Member on a Statutory Leave may elect in the Prescribed Form to make the Member required contributions under paragraph (a) in respect of his or her deemed Earnings during the leave, in which case the University must make the contributions under subsection 5.01 in respect of his or her deemed Earnings during the leave.

(iv) While a Member is on a Temporary Reduction of Appointment, the Member will make the Member required contributions under paragraph (a) in respect of his or her actual Earnings during the Temporary Reduction of Appointment and the University will

make contributions under subsection 5.01 in respect of his or her actual Earnings during the Temporary Reduction of Appointment, and the Member may elect in the Prescribed Form to make additional contributions in respect of the Member required contributions under paragraph (a) and the University contributions under subsection 5.01 on the basis of the difference between his or her actual Earnings and deemed Earnings during the Temporary Reduction of Appointment.

(c) Member Contribution Limit

Notwithstanding paragraphs (a) and (b), a Member's contributions to the Member's Combined Contribution Account shall not exceed the maximum amount permitted for the year under the Income Tax Act.

(d) Reduction of a Member's Contributions

If a Member's contributions for a year under paragraphs (a) and (b) will exceed the limit described in paragraph (c), the amount of the Member's contributions will be reduced to the extent required to ensure that such Member's contributions do not exceed the limit set out in paragraph (c).

4.02 Additional Voluntary Contributions by Members

(a) Voluntary Contributions

(i) Subject to subparagraph (ii), a Member may make additional voluntary contributions to the Pension Fund, which contributions shall be credited to the Member's Voluntary Contribution Account in accordance with the provisions of Section 10.

(ii) If a Member had deemed Earnings in a calendar year in respect of a Period of Leave or Reduced Appointment, he or she cannot make any additional voluntary contributions in that calendar year.

(b) Voluntary Contribution Limit

Notwithstanding paragraph (a), a Member's voluntary contributions shall not exceed in any one year the maximum amount permitted under the Income Tax Act.

4.03 Member Receiving a Benefit

Contributions shall not be made by or on behalf of a Member while that Member is receiving a benefit from this Plan.

SECTION 5 - UNIVERSITY CONTRIBUTIONS

5.01 Contributions to Members' Combined Contribution Accounts

Subject to paragraph 4.01(b), for each pay period and in respect of each contributing Member, the University shall contribute an amount that is equal to:

(a) 7.37% of the Member's Earnings that do not exceed the YMPE, pro-rated for the length of the Member's pay period; plus

(b) 9.0% of the Member's Earnings which are in excess of the YMPE, pro-rated for the length of the Member's pay period; less, at the election of the University,

(c) that percentage of the Member's Earnings which percentage is equal to one-third of the Additional Defined Retirement Benefit Contribution described in subsection 5.04.

The University shall remit the contributions to the Pension Fund at least monthly and the remitted contributions shall be credited to the Member's Combined Contribution Account.

5.02 Contributions to the Defined Retirement Benefit Account

In addition to the amount contributed under subsection 5.01, the University shall contribute in respect of all Members an amount that is equal to 1% of the Members' Earnings to the Defined Retirement Benefit Account. At the discretion of the Pension Board acting on the advice of its Actuary, this 1% of Members' Earnings University contribution may, from time to time and in whole or in part, be contributed as an identical percentage of each Member's Earnings to each Member's Combined Contribution Account and/or to the Supplemental Defined Retirement Benefit Account, instead of to the Defined Retirement Benefit Account.

5.03 Contribution Limit

The University's contributions to the Combined Contribution Account in respect of a Member shall not exceed the maximum amount permitted for the year under the Income Tax Act, less the Member's contributions in accordance with subsection 4.01.

On and after January 1, 1994 any reduction in the University's contribution to a Member's Combined Contribution Account from that specified in subsections 5.01 and 5.02 in order to comply with the foregoing limit, shall be contributed to a supplemental benefit arrangement for the benefit of the Member.

No contribution shall be made by the University pursuant to subsections 5.01 and 5.02, unless it is an eligible contribution as defined by the Income Tax Act.

On and after January 1, 2000, if any portion of the contribution under subsection 5.02 is not an eligible contribution to the Defined Retirement Benefit Account as defined by the Income Tax Act, and the Trustees choose not to allocate it to the Members' Combined Contribution Accounts, the University will contribute such ineligible amounts to a supplemental benefit arrangement for the benefit of Members.

5.04 Additional Contributions to the Defined Retirement Benefit Account

At any time while the Plan continues in existence the Actuary may advise that additional contributions beyond the 1% of Members' Earnings specified in subsection 5.02 are required to maintain the Defined Retirement Benefit Account in accordance with the funding policy adopted by the Pension Board. Such additional contributions shall be made by the University in the form of an additional percentage of Members' Earnings and designated as the Additional Defined Retirement Benefit Contribution. Notwithstanding the foregoing, the total contributions made by the University must meet the funding requirements of the PBSA and the Income Tax Act as determined in the most recently filed actuarial valuation report and cost certificate.

5.05 Pension Adjustment Limit

In no event shall the contributions paid in a year to the Member's Combined Contribution Account and Voluntary Contribution Account, under subsections 4.01, 4.02, 5.01 and 5.02, result in a Member's pension adjustment as defined by the Income Tax Act in excess of the limit for the year prescribed by the Income Tax Act.

5.06 Member Receiving a Benefit

The University shall not make contributions in respect of a Member who is receiving a benefit from this Plan.

SECTION 6 - WRITTEN NOTICE

6.01 Whenever a Member or the Member's surviving Spouse is required to make a choice or election under any section of this Plan, the Member or surviving Spouse must provide at least one full calendar month written notice to the Pension Board. This requirement will be waived if the PBSA specifies a shorter period of notice or if the Pension Board determines that special circumstances exist.

SECTION 7 - RETIREMENT AND BENEFIT COMMENCEMENT DATES

7.01 Normal Retirement Date

Normal Retirement Date means the last day of the month in which the Member's 65th birthday occurs, which is also the Plan's "pension eligibility date" for the purposes of the PBSA.

7.02 Eligibility for Retirement Benefits

To be eligible for retirement benefits, a Member must be at least 55 years of age and have retired from or terminated his or her Covered Employment.

With the permission of the University and subject to the PBSA, retirement benefits may be available to a Member who has attained age 55 and who has resigned from Covered Employment but is a part-time employee of the University in a category which provides membership in another University pension plan.

7.03 Benefit Commencement Date

A Member may elect to commence benefits on the first day of any month after the Member becomes eligible for benefits according to subsection 7.02. The date of commencement of retirement benefits is the Member's "Benefit Commencement Date".

7.04 Mandatory Commencement of Benefits

Notwithstanding any other provision of the Plan, the pension benefits to which an individual is entitled under the Plan will commence no later than the latest date allowed by the Income Tax Act.

7.05 Employment Past Normal Retirement Date

If a Member continues his or her Covered Employment after his or her Normal Retirement Date, required contributions shall continue to be made by the Member and the University until the earlier of the date Member retires and November 30th of the year in which the Member reaches the maximum age for which contributions are permitted under the Income Tax Act.

SECTION 8 - RETIREMENT BENEFITS

8.01 Balances Available for Retirement Benefits

The balances in a Member's Combined Contribution Account, Voluntary Contribution Account, and Variable Benefit Account are available to provide a retirement benefit, provided that the Member is eligible under the provisions of subsection 7.02.

8.02 Retirement Benefits Options

A Member may elect to apply the available balance described in subsection 8.01 to a combination of the options listed in paragraphs (a) and (b) below, subject to the approval of the Pension Board:

(a) Options within the Plan:

(i) Internal Variable Annuity Option to have the amount applied to provide the Retired Member with an annual annuity payable monthly from the Pension Fund. The first monthly annuity payment shall be payable as soon as Investment Earnings are known for the Pension Fund for the month preceding the Member's Benefit Commencement Date, and in any event not later than 30 days following the Member's Benefit Commencement Date. The initial amount of such payment shall be determined by the Pension Board on the basis of the actuarial assumptions as to interest and mortality last adopted by the Pension Board for this purpose at the Member's Benefit Commencement Date. The amount payable will fluctuate annually as determined by the Pension Board, in consultation with the Actuary, due to changes in the values of the assets of the Pension Fund and to the mortality assumptions and experience;

(ii) Variable Benefit Option to have the amount applied to provide the Member with a variable benefit, payable monthly from the Pension Fund, according to the requirements set out in the Income Tax Act and the PBSA. The total annual payment shall not be less than the minimum specified in the Income Tax Act nor greater than the maximum specified in the PBSA, and payments will begin not later than the latest date allowed by the Income Tax Act. With the approval of the Pension Board, a Member may elect to apply a portion of the balance remaining in the Member's Variable Benefit Account to another option, at which time the variable benefit payments will be recalculated. Payments will cease upon the effective date of the transfer of the entire remaining balance to another option, or upon the later of the end of the month in which the Member dies, or, if there is a Specified Beneficiary, the end of the month in which the Specified Beneficiary dies. Any balance

remaining in the Member's account after the death of the Member and the death of the Specified Beneficiary, if any, will be paid as described in Section 11.

If required under the PBSA, a Member who has a Spouse on his or her Benefit Commencement Date and elects this option must provide the Pension Board with:

(A) a consent in the Prescribed Form by the Member's Spouse that was signed by the Spouse, not more than 90 days before the Member's Benefit Commencement Date, in the presence of a witness and outside the presence of the Member; or

(B) confirmation, in a form and manner satisfactory to the Pension Board, that section 145 of the Family Law Act applies.

(b) Options external to the Plan include transfer of the amount to another registered pension plan, a registered retirement savings plan, a registered retirement income fund, or an insurance company to purchase an annuity, in accordance with the requirements of the PBSA. Such transfers must be on a locked-in basis for that portion of the Member's account contributed after December 31, 1992 plus the Investment Earnings on those contributions, but there is no lock-in requirement for the balance in a Member's account at December 31, 1992 plus the Investment Earnings on that amount after that date.

8.03 Voluntary Contribution Account Benefit

If a Member becomes eligible for benefits under subsection 7.02, he or she may elect to apply the balance of his or her Voluntary Contribution Account as follows:

(a) to be refunded to the Member as a lump sum, unless such payment is precluded by restrictions attached to the voluntary contributions;

(b) to be transferred in accordance with any of the options available under paragraph 8.02(b);

(c) if the Member elects to use his or her Combined Contribution Account to provide a variable benefit under subparagraph 8.02(a)(ii), to have the balance of his or her Voluntary Contribution Account transferred to the Member's Variable Benefit Account;

(d) if the Member does not elect to use his or her Combined Contribution Account to provide a variable benefit under subparagraph 8.02(a)(ii), but the balance of his or her Voluntary Contribution Account is not less than twice the YMPE, to have the balance of his or her Voluntary Contribution

Account used to establish a Variable Benefit Account to provide variable benefits; or

(e) to a combination of the above options as approved by the Pension Board.

8.04 Minimum Balances

Under the terms of subsection 8.02, a Member may use all or part of their account balances to establish a Variable Benefit Account. If only part of an account balance is used, the initial amount applied to this option must not be less than twice the YMPE and, if the Member subsequently elects to apply part of the balance in the Variable Benefit Account to another option, the remaining balance must not be less than twice the YMPE.

8.05 Default Option

A retiring Member, who fails to make an election under subsections 8.02 or 8.03 prior to, or within 90 days following, the date of eligibility for a retirement benefit and who has not advised the Pension Board of a deferred Benefit Commencement Date, will be deemed to have elected to retain the Member's Combined Contribution Account and the Member's Voluntary Contribution Account, if any.

A Member who has not made the required election before December 1st of the last calendar year that the Member is eligible to hold a retirement savings plan registered under the Income Tax Act will be deemed to have elected an option selected by the Pension Board from those options in subsections 8.02 and 8.03 that the Member would be eligible to elect under the Income Tax Act and PBSA. In such a case, effective December 1st of said year, payment(s) under the option will be made as appropriate to the Member, or to an account in trust for the Member with a financial institution selected by the Pension Board.

8.06 Internal Variable Annuity

The Internal Variable Annuity is the annuity, calculated annually and payable monthly, commencing on the Member's Benefit Commencement Date, as elected under subparagraph 8.02(a)(i), calculated on the basis of a single life annuity with payments commencing on the Member's Benefit Commencement Date.

8.07 Prior Pension Benefit

The Prior Pension Benefit is the annual retirement benefit, payable monthly, commencing on the Member's Benefit Commencement Date under any Prior Pension Plan calculated on the basis of a single life annuity with payments commencing on the Member's Benefit Commencement Date, to which the Member may be entitled.

8.08 Supplementary Benefit

(a) Under the provisions of subparagraph 8.02(a)(i), the Pension Board will prescribe an annuity option (the Qualifying Option) which qualifies for a Supplementary Benefit payable from the Defined Retirement Benefit Account.

(b) The Supplementary Benefit is an annual amount, payable monthly, commencing on the Member's Benefit Commencement Date, and is equal to the amount, if any, by which the Formula Benefit, as defined in the appropriate paragraph 8.09(a), (b) or (c), exceeds the sum of the Internal Variable Annuity as defined in subsection 8.06, and the Prior Pension Benefit, as defined in subsection 8.07.

(c) A Member who has made an election under subparagraph 8.02(a)(ii) and, with the approval of the Pension Board, subsequently elects a benefit under subparagraph 8.02(a)(i) is not eligible for the Supplementary Benefit.

(d) Members other than those excluded by paragraph (c), are eligible for a Supplementary Benefit as follows. They may qualify for the full Supplementary Benefit defined in paragraph (b) by applying the entire balance of their Combined Contribution Account to the Qualifying Option. Alternatively, they may apply a fraction of the balance, provided that such fraction is not less than three times the YMPE. If the amount applied is a fraction of the entire amount, then the Member qualifies for a reduced Supplementary Benefit equal to the same fraction of the Supplementary Benefit defined in paragraph (b).

(e) Despite the foregoing, if a Spouse elects an Internal Variable Annuity as described in subparagraph 8.02(a)(i) pursuant to paragraph 11.01(b), he or she is eligible for a Supplementary Benefit on the same terms as set out in this subsection 8.08 in respect of a Member.

8.09 Formula Benefit

(a) At or following Normal Retirement Date

The Formula Benefit for a Member whose Benefit Commencement Date is at or following their Normal Retirement Date shall be an annual amount equal to the following but not greater than the Maximum Formula Benefit as specified in subsection 8.10:

(i) For Credited Service on and after January 1, 1966

1.3% of the Member's Final Average Earnings up to the Average YMPE, plus 2.0% of the Member's Final Average Earnings in excess of the Average YMPE;

multiplied by the Member's years of Credited Service on and after January 1, 1966; plus

(ii) For Credited Service before January 1, 1966

2.0% of the Member's Final Average Earnings multiplied by the Member's years of Credited Service before January 1, 1966.

(b) For Benefits Commencing Before Normal Retirement Date

The Formula Benefit for a Member whose Benefit Commencement Date is prior to their Normal Retirement Date shall be the Actuarial Equivalent of the Formula Benefit as calculated under paragraph (a).

(c) For Benefits Payable to a Surviving Spouse

The Formula Benefit for a Spouse who elects an Internal Variable Annuity as described in subparagraph 8.02(a)(i) pursuant to paragraph 11.01(b) shall be the Actuarial Equivalent of the Formula Benefit to which the Member was entitled as of the Member's date of death as calculated under paragraph (a).

8.10 Maximum Formula Benefit

(a) At or following Normal Retirement Date

The Maximum Formula Benefit at or following Normal Retirement Date shall be the annual normal form of lifetime Formula Benefit calculated under paragraph 8.09(a), and shall not exceed the sum of:

(i) the Member's years of Credited Service on and after January 1, 1991 plus the years of Credited Service prior to January 1, 1991, granted after July 1, 1992, multiplied by the lesser of:

(A) $2,494.44 or such greater amount permitted under the Income Tax Act; and

(B) 2% of the average of the Member's best 3 consecutive years' remuneration from the University;

and

(ii) the Member's Formula Benefit in respect of years of Credited Service earned prior to January 1, 1991 and granted prior to July 1, 1992, to a maximum of 35 years.

(b) For Benefits Commencing Before Normal Retirement Date

If the Member's Benefit Commencement Date precedes the earliest of the day on which:

(i) the Member will attain age 60;

(ii) the Member's age plus Continuous Service would have equalled 80; and

(iii) the Member would have completed 30 years of Continuous Service,

the Maximum Formula Benefit shall be the amount determined in paragraph (a) reduced by 0.25% for each month by which the Member's Benefit Commencement Date precedes that day.

8.11 Annual Adjustment of Formula Benefit and Supplementary Benefit

(a) Annual Adjustment of Formula Benefit

(i) The Formula Benefit, as described in the appropriate paragraph 8.09(a), (b) or (c), shall be adjusted as at July 1 next following the Member's Benefit Commencement Date and at each succeeding July 1 until benefits cease to be payable.

(ii) 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 Benefit Commencement Date, the maximum adjustment is ¼% for each month that has elapsed from the Member's Benefit Commencement Date to the adjustment date.

(iii) The adjustment in a particular year shall be calculated as the Formula Benefit including all previous adjustments, adjusted by the percentage change in the value of the Consumer Price Index over the 12 months ending on the immediately preceding March 31, plus or minus any Carry Forward addition or deduction from the immediately preceding year as described in (iv) below and, subject to the limits described in (ii). If less than 12 months have elapsed since the Member's Benefit Commencement Date the change in the value of the Consumer Price Index 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 Benefit Commencement Date to the adjustment date.

(iv) If the unlimited adjustment calculated in (iii) exceeds the maximum adjustment described in (ii), 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 (iii) is negative, this

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

(b) Annual Adjustment of Supplementary Benefit

The Supplementary Benefit, as described in subsection 8.08, shall be recalculated and, if payable, adjusted as at July 1 next following the Member's Benefit Commencement Date and at each succeeding July 1 during the Retired Member's lifetime so as to reflect adjustments to the Formula Benefit, the Prior Pension Benefit and the Internal Variable Annuity.

(c) Additional Adjustments

A Retired Member will continue to receive the retirement benefit that the Member elected and as was specified in the Plan at the Member's Benefit Commencement Date.

Notwithstanding the foregoing, ad hoc adjustments to compensate in whole or in part for the effect of inflation, as measured by the Consumer Price Index, in reducing the purchasing power of the retirement benefits of a Retired Member in receipt of the Defined Retirement Benefit or a Supplementary Benefit, as it was defined at the Member's Benefit Commencement Date, may be recommended by the Pension Board and approved by the Board of Governors. Such ad hoc adjustments are subject to the limits prescribed by the Income Tax Act.

8.12 Termination of Membership

The payment of the entire amount of the balance of the Member's Combined Contribution Account, Voluntary Contribution Account, and Variable Benefit Account to the company or companies selected by the Member for the purposes of paragraph 8.02(b) shall constitute a complete, final and binding discharge by the Pension Board of all obligations owed by the Plan to the Member. From the date of the payment of the amount(s), the Member shall for all purposes cease to be a Member of the Plan, and shall thereafter have no right or claim of any kind whatsoever against the Plan.

SECTION 9 - FORMS OF RETIREMENT BENEFIT

9.01 Normal Form

The normal form of retirement benefit under subsections 8.06 and 8.09 shall be equal monthly payments commencing on the Member's Benefit Commencement Date and terminating with the payment made on the first day of the month in which the death of the Retired Member occurs.

9.02 Automatic Form for a Member with a Spouse

For a Member who has a Spouse on the Member's Benefit Commencement Date, the retirement benefit must, except as set out in subsection 9.03, be paid as a joint and survivor annuity which is:

(a) payable in monthly instalments of a reduced amount for the life of the Member and payable after the Member's death to the Member's Spouse for the life of the Spouse in monthly instalments equal to 60% of the amount that would have been paid if such death had not occurred; and

(b) the Actuarial Equivalent of the normal form of benefit.

9.03 Waiver of Automatic Form of Retirement Benefit

(a) A Member may elect to receive a form of retirement benefit that does not comply with subsection 9.02 by providing to the Pension Board:

(i) a statement in Prescribed Form by the Member's Spouse that states that the Spouse is aware of his or his entitlement to a joint and survivor pension under subsection 9.02, waives that entitlement and was signed by the Spouse, not more than 90 days before the Member's Benefit Commencement Date, in the presence of a witness and outside the presence of the Member, or

(ii) confirmation, in a form and manner satisfactory to the Pension Board, that section 145 of the Family Law Act applies.

(b) A Spouse who has validly signed a statement under subparagraph (a)(i) is deemed to be the sole Beneficiary of the Member despite any actual designation of Beneficiary pursuant to subsection 14.05 and any other law relating to such an actual designation.

(c) Paragraph (b) does not apply if the Pension Board receives:

(i) a statement in Prescribed Form by the Member's Spouse that states that the Spouse is aware of his or her entitlement under paragraph (b), waives that entitlement and was signed by the Spouse, before the Member's death, in the presence of a witness and outside the presence of the Member, or

(ii) confirmation, in a form and manner satisfactory to the Pension Board, that section 145 of the Family Law Act applies.

(d) If a Spouse who is deemed to be the Beneficiary by virtue of paragraph (b) does not survive the Member, another person who has actually been designated as the Beneficiary pursuant to subsection 14.05 is the Member's Beneficiary.

(e) A waiver under subparagraph (a)(i) or (c)(i) of an entitlement to a benefit is void if the Member dies before his or her Benefit Commencement Date.

(f) Where a Member has elected an optional form of pension that has commenced to be paid, such election shall be final, and in the case of a joint and last survivor form of pension, the joint annuitant may not be changed.

9.04 Election of Optional Forms

In lieu of the normal form of retirement benefit payable according to subsection 9.01 or the automatic form of retirement benefit payable according to subsection 9.02, and subject to the restriction under subsection 9.03, a Member may elect by a proper written request of the Member to the Pension Board, before the Member's Benefit Commencement Date, to receive a retirement benefit in one of the optional forms of retirement benefit provided under the Plan, and the amount of the optional form of the benefit shall be the Actuarial Equivalent of the normal form of benefit described in subsection 9.01.

9.05 Optional Forms of Retirement Benefit

(a) Joint and Survivor Option

A Member may, prior to the Member's Benefit Commencement Date, elect an optional form of retirement benefit that provides 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 the Member's Spouse as at the Member's Benefit Commencement Date, if living at the time of the Member's death, of 66.7%, 75% or 100% of the benefit payable had such death not occurred.

Further, a Member may, prior to the Member's Benefit Commencement Date, elect an optional form of retirement benefit that provides a smaller monthly benefit with the provision that upon the first death of either the Member or the Member's Spouse as at the Member's Benefit Commencement Date, the amount payable to the survivor shall be 66.7% of the benefit that the Member was receiving just prior to such death.

(b) Life Guaranteed 5, 10 or 15 Years

A Member may, prior to the Member's Benefit Commencement Date, elect an optional form of retirement benefit that provides a smaller monthly benefit with the provision that if, at the death of the Retired Member, payments have not been made for a guaranteed period of 60, 120 or 180 months, as that Member may elect, which nevertheless shall not exceed 15 years, the monthly retirement benefit payments will continue during the remainder of the guaranteed period so elected, or, if the Beneficiary is the Member's estate rather than an individual, the present value of such remaining monthly retirement benefit payments, as determined by the Pension Board, shall be paid in one sum to the executors or administrators of the Retired Member.

(c) Other Optional Forms

A Member may, prior to the Member's Benefit Commencement Date, elect to receive the Actuarial Equivalent of the Member's retirement benefit in any other optional form acceptable to the Pension Board and in accordance with the requirements of the Income Tax Act.

SECTION 10 - FUND ALLOCATION & ADMINISTRATION

10.01 Records

The Pension Board shall establish and maintain or cause to be established and maintained a record for each Member up to the Member's Benefit Commencement Date and for each of the special funds or accounts hereinafter defined of:

(a) amounts paid to the Pension Board and reported by the University, when so paid, as having been contributed by the Member (such amounts being herein referred to as Member required contributions or Member additional voluntary contributions, as the case may be), and

(b) amounts paid to the Pension Board and reported by the University, when so paid, as having been contributed pursuant to Section 5 (such amounts being referred to herein as University contributions).

10.02 Accounts

The Pension Board shall establish and maintain or cause to be established and maintained the following accounts in the Pension Fund:

(a) A Defined Retirement Benefit Account to which shall be credited:

(i) the University contributions of up to 1% of Members' Earnings as described in subsection 5.02 hereof, and

(ii) the University contributions, if any, as described in subsection 5.04, and

(iii) Investment Earnings,

and to which shall be debited

(iv) the monthly retirement benefits paid to each Retired Member and joint annuitant who receives benefits under the defined retirement benefit provisions of the Plan as was specified at the Member's Benefit Commencement Date, when this was prior to the first day of January, 1992, and

(v) the monthly Supplementary Benefits paid to each Retired Member and joint annuitant who receives benefits under the Supplementary Benefit provisions of subsections 8.08 and 8.11(b), and

(vi) ad hoc adjustments paid to Retired Members under the provisions of paragraph 8.11(c).

(b) A Combined Contribution Account for each Member who has not elected a benefit under subsection 8.02 and which is the sum of the separately maintained sub-accounts:

(i) Pre-1993 Contribution Sub-Account to which shall be credited the Member's Combined Contribution Account balance as at December 31, 1992 plus Investment Earnings thereafter; and

(ii) Post-1992 Contribution Sub-Account to which shall be credited the Member's required contributions and the University contributions made to the Member's Combined Contribution Account for service after December 31, 1992, plus Investment Earnings.

(c) A Voluntary Contribution Account for each Member who has not elected a benefit under subsection 8.03 and who is making or has made additional voluntary contributions or transferred in funds under subsection 15.04, to which shall be credited the Member's additional voluntary contributions, transfers, and Investment Earnings and to which shall be debited lump sum payments and any transfers to another registered pension plan, a registered retirement savings plan, a registered retirement income fund, or an insurance company or other financial institution.

(d) A Variable Benefit Account for each Member who has elected a benefit under subparagraph 8.02(a)(ii) to which shall be credited

(i) that proportion of the Member’s Combined Contribution Account balance on the Member’s Benefit Commencement Date that the Member elected to be applied to benefits under subparagraph 8.02(a)(ii), and

(ii) that proportion of the Member’s Voluntary Contribution Account balance on the Member’s Benefit Commencement Date that the Member elected under subsection 8.03 to be applied to benefits under subparagraph 8.02(a)(ii), and

(iii) Investment Earnings,

and to which shall be debited

(iv) the benefits paid under subparagraph 8.02(a)(ii) including the portion provided from the Member’s former Voluntary Contribution Account.

Separate sub-accounts will be maintained for amounts that are subject to lock-in restrictions.

(e) An Internal Variable Annuity Account to which shall be credited:

(i) those proportions of the Combined Contribution Account balances on the respective Benefit Commencement Dates of each Member as those Members elected to have applied to an annuity under subparagraph 8.02(a)(i), and

(ii) those proportions of the Voluntary Contribution Account balances on the respective Benefit Commencement Dates of each Member, as those Members elected under subsection 8.03 to have applied to an annuity under subparagraph 8.02(a)(i), and

(iii) those proportions of the Variable Benefit Account balances of each Member that those Members elected to have applied to an annuity under subparagraph 8.02(a)(i),

and to which shall be debited

(iv) the annuities paid under subparagraph 8.02(a)(i), including the portions provided from Members' former Voluntary Contribution Accounts and Variable Benefit Accounts.

10.03 Investment

(a) The Pension Board shall hold and direct the investment of the Pension Fund in accordance with the requirements of the Income Tax Act and the PBSA.

(b) The Pension Board shall have the power to invest funds from different classes of accounts in different investment vehicles as it deems appropriate.

(c) The Pension Fund shall be administered and pooled for investment purposes with the Pension Fund of the Money Purchase Plan.

10.04 Investment Earnings

(a) The Pension Board shall arrange for a valuation of the assets of the Pension Fund to determine Investment Earnings at the end of each month.

(b) In determining the Investment Earnings, the Pension Board shall have the power to allocate in an equitable and non-discriminatory manner between the foregoing accounts described in subsection 10.02:

(i) the net investment income.

(ii) the administrative and investment expenses incurred in the period since the previous allocation. With the approval of the Board of Governors, the Pension Board may allocate a proportionally greater share of the administrative expenses to the Defined Retirement Benefit Account.

(iii) the net increase or decrease in the value of the assets.

(c) Investment Earnings shall be credited to each Member's Combined Contribution Account, Variable Benefit Account, and Voluntary Contribution Account based on the balance in each such account at the end of the previous month.

10.05 Valuation of Annuities

The Pension Board shall determine the value of an annuity unit annually and may arrange for more frequent valuations as it deems necessary or desirable. The right of the Pension Board to arrange more frequent determinations of unit values shall be exercised in a non-discriminatory manner.

10.06 Interim Account Values

If a transfer or payment of a Member's Combined Contribution Account, Variable Benefit Account or Voluntary Contribution Account must be made under the terms of the Plan due to the Member's retirement, termination of Covered Employment or death, the amount of such account shall be:

(a) the amount of such account on the end of the month prior to the month in which the transfer or payment is made,

(b) Interest on the amount under paragraph (a) for the period between the end of the month prior to the month in which the transfer or payment is made to the actual date of the transfer or payment; and

(c) the sum of the Member's contributions and the University contributions on the Member's behalf credited to such account since the end of the month prior to the month in which the transfer or payment is made with Interest thereon from the date the contributions were credited to the account to the date of transfer or payment.

10.07 Administration of the Plan

For the purposes of the PBSA, the Pension Board is the Plan's "administrator" and "fundholder" and the University is an "employer".

SECTION 11 - DEATH BENEFITS

11.01 Death Before Member's Benefit Commencement Date

Subject to any rights that a person may have under Part 5 or Part 6 of the Family Law Act:

(a) Death Benefit Amount

In the event of the death of a Member prior to the Member's Benefit Commencement Date, a death benefit is payable to the Member's Beneficiary equal to the sum of the amount of the Member's Combined Contribution Account and Voluntary Contribution Account at the date of death, in such proportions as had been designated by the Member.

(b) Death Benefit Payable to Spouse

If the Member had a Spouse at the time of his or her death, the death benefit payable under paragraph (a) must be paid to the Member's Spouse. The Spouse may elect to apply the death benefit to any of the options available to a retiring Member under subsection 8.02 as if references to the Member were replaced with Spouse, but without regard for the Spouse's age.

If a Spouse fails to make the election described in the above paragraph within 90 days of receiving the statement required by the PBSA, he or she will be deemed to have elected to retain the Member's Combined Contribution Account and Voluntary Contribution Account, if any.

A Spouse who has not made the required election by the later of (i) December 1st of the last calendar year that the Spouse is eligible to hold a retirement savings plan registered under the Income Tax Act, and (ii) one year following the Member's date of death, will be deemed to have elected an option selected by the Pension Board from those options in subsections 8.02 and 8.03 that the Spouse would be eligible to elect under the Income Tax Act and PBSA. In such a case, effective December 1st of said year, payment(s) under the option will be made as appropriate to the Spouse, or to an account in trust for the Spouse with a financial institution selected by the Pension Board.

(c) Spousal Waiver of Death Benefit

(i) A Member's Spouse may waive his or her entitlement pursuant to this subsection 11.01 at any time prior to the Member's death by delivering a signed waiver in the Prescribed Form to the Pension Board.

(ii) If a waiver pursuant to subparagraph (i) is in effect, the benefits payable under the Plan as a consequence of the death must be paid as if the deceased Member died leaving no surviving Spouse.

(iii) Despite any other provision of this Plan, if a Spouse waives his or her entitlement under this subsection 11.01, the Spouse is not entitled to receive any benefit by way of a lump sum payment as the Member's Beneficiary.

(d) Death Benefit Payable to Non-Spouse Beneficiary

If the Member does not have a Spouse at the date of death, or, if the Pension Board receives from the surviving Spouse a waiver pursuant to subparagraph 11.01(c)(i), the death benefit payable under paragraph (a) is payable in a lump sum to the Member's Beneficiary.

(e) Refund of Voluntary Contributions

If the person entitled to the death benefit is the Member's Spouse, the portion of the death benefit that is attributable to the Member's Voluntary Contribution Account is not subject to lock-in restrictions and may be paid in a lump sum unless such payment is precluded by restrictions attached to the voluntary contributions or transferred to another registered pension plan, a registered retirement savings plan, a registered retirement income fund, or an insurance company or other financial institution .

11.02 Death After Member's Benefit Commencement Date

In the event of the death of a Retired Member who had elected an annuity under subparagraph 8.02(a)(i) the sums payable, if any, shall be in accordance with the form of benefit elected by such Retired Member under Section 9.

In the event of the death of a Retired Member who had elected a benefit under subparagraph 8.02(a)(ii), a death benefit is payable as described in subsection 11.01 as if references to the Combined Contribution Account and Voluntary Contribution Account were replaced with the Variable Benefit Account. Upon the death of a surviving Spouse who is in receipt of benefits under subparagraph 8.02(a)(ii), the balance remaining in the Variable Benefit Account is payable to the Spouse's designated beneficiary or if none to the estate of the Spouse.

11.03 Proof of Death

Payment arising or conditional upon the death of any Member, joint annuitant or any other Beneficiary or upon the continued life of a Member, joint annuitant or any other Beneficiary or upon the happening of any other event or contingency upon which a payment becomes payable shall be made only after receipt by the Pension Board 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.

SECTION 12 - TERMINATION OF COVERED EMPLOYMENT

12.01 A Member whose Covered Employment is terminated for reasons other than death or retirement shall immediately cease to be eligible to make Member contributions under Section 4 and to receive University contributions under Section 5, and may elect at termination or subsequently with respect to the balances in the Member's Combined Contribution Account and Voluntary Contribution Account a combination of the following options, subject to the approval of the Pension Board:

(a) to retain the Member's Combined Contribution Account and Voluntary Contribution Account until the Member's Benefit Commencement Date, and on this election being made the Member may further elect to have the amount of the Member's Combined Contribution Account and Voluntary Contribution Account at the date of termination plus Investment Earnings on those amounts applied to provide a benefit as described in subsection 8.02;

(b) subject to paragraph 15.01(a), to transfer the amount(s) to another registered pension plan, a registered retirement savings plan, a registered retirement income fund, or an insurance company to purchase an annuity, in accordance with the requirements of the PBSA. Such transfers must be on a locked-in basis for that portion of the Member's Combined Contribution Account contributed after December 31, 1992 plus the Investment Earnings on those contributions, but there is no lock-in requirement for the balance in a Member's Combined Contribution Account at December 31, 1992 plus the Investment Earnings on that amount after that date nor on the balance in a Member's Voluntary Contribution Account unless the funds were originally transferred in on a locked-in basis; or

(c) in respect of the balance in the Member's Voluntary Contribution Account only, as a lump sum payment.

A Member who elects an option other than one including paragraph (a) above will cease to be a Member and have no further entitlement under the Plan upon such transfer. A Member who fails to make an election of one of the above options within 90 days of receiving the statement required by the PBSA will be deemed to have elected the option in paragraph (a).

12.02 A Member whose Covered Employment is terminated and who elects the option described in paragraph 12.01(a) retains eligibility for a Supplementary Benefit as described in subsection 8.08.

12.03 A transfer under paragraph 12.01(b) or (c) shall be in accordance with the requirements of the Income Tax Act and the PBSA.

SECTION 13 - PLAN AMENDMENT AND TERMINATION

13.01 Amendment

Further to subclause XV.(1) of the Trust Agreement, the Members may, by resolution passed at a properly convened meeting of the Members, make proposals for the amendment of the Plan and upon receipt thereof by the Pension Board it shall within a reasonable time report to the membership its decision in respect to such resolution.

13.02 Termination

(a) Further to subclause XV.(2) of the Trust Agreement, and in the event of the termination of the Plan, the Pension Board shall allocate the balances of the various accounts described in subsection 10.02 to Members and Beneficiaries according to the following entitlements:

(i) Members and Beneficiaries holding Voluntary Contribution Accounts or Variable Benefit Accounts shall be entitled to receive their respective account balances.

(ii) Members who have not made an election under subsection 8.02, and their Beneficiaries, shall be entitled, except as provided by subparagraph (v) below, to receive their respective Combined Contribution Account balances as of the date of termination. Each such Member or surviving spouse of the Member may elect, within 90 days of receiving the statement required by the PBSA, a transfer of the Member's Combined Contribution Account balance in accordance with paragraph 12.01(b). If the Member or surviving Spouse does not make the election in the time limit specified, payment(s) will be made as appropriate to the Member or the surviving Spouse or to an account in trust for the Member or the surviving Spouse with a financial institution selected by the Pension Board. A Beneficiary who is not the Spouse of a Member will be paid the entitlement as a lump sum.

(iii) Recipients of defined benefit pensions that are payable under the provisions of the Plan as was specified prior to the first day of January 1992 shall be entitled to a retirement benefit equal in value to the actuarial value of the defined benefit pension payable as of the date of termination. This entitlement shall be funded from the Defined Retirement Benefit Account.

(iv) Recipients of Internal Variable Annuities shall be entitled to a total retirement benefit equal in value to the annuity payable under subparagraph 8.02(a)(i) as of the date of termination plus the actuarial value of any Supplementary Benefit payable under subsection 8.08 as of the date of termination. This entitlement

shall be funded by a pro-rata share of the Internal Variable Annuity Account based on the number of units held by the annuitant plus supplementary funds drawn as required from the Defined Retirement Benefit Account.

(v) Members who have attained the age of 65 at the date of termination but have not made an election under subsection 8.02 shall be entitled to a money purchase benefit equal to their Combined Contribution Account balance under subparagraph (ii), or at the Member's option a retirement benefit equal in value to the actuarial value of the Formula Benefit determined under subsection 8.09 as of the date of termination. This entitlement shall be funded by the Member's Combined Contribution Account plus supplementary funds drawn as required from the Defined Retirement Benefit Account.

(b) If any surplus remains in the Defined Retirement Benefit Account after it has been allocated in accordance with paragraph (a), the available funds shall be distributed according to a non-discriminatory formula adopted by the Pension Board and in accordance with the PBSA.

(c) If, at the Plan termination date, the Defined Retirement Benefit Account is insufficient to provide for all of the defined benefits payable out of that account as determined under subparagraphs (a)(iii), (a)(iv) and (a)(v), the University shall contribute the amounts required to fund those benefits in accordance with the PBSA. If despite the preceding sentence, the assets in Defined Retirement Benefit Account remain insufficient to provide for all of the defined benefits payable out of that account as determined under subparagraphs (a)(iii), (a)(iv) and (a)(v), the assets in the Defined Retirement Benefit Account must be allocated and distributed pursuant to section 135 of the regulations under the PBSA, as amended or replaced from time to time.

SECTION 14 - MISCELLANEOUS

14.01 Non Alienation

Subject to the PBSA, any benefits which are provided under this Plan shall not be subject in any manner to anticipation, surrender, alienation, sale, transfer, assignment, pledge, encumbrance, charge or given as security and any attempt to anticipate, surrender, alienate, sell, transfer, assign, pledge, encumber, charge or give as security the same shall be void and non-enforceable against the Plan; and, subject to applicable laws, any such benefits shall not in any manner be liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person who shall be entitled to such benefits, nor shall they be subject to attachment, seizure, execution or legal process for or against such person.

14.02 Information Disclosure

Each Member and Beneficiary of a deceased Member entitled to benefits under the Plan shall be entitled to receive or request the statements, Plan documents and other information required to be provided or disclosed by the Pension Board in accordance with the PBSA.

14.03 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 Secretary to the Pension Board, 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 by the Pension Board 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.

If a payment is in excess of the maximum limit that can be transferred to another plan or to a retirement savings plan registered 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.

(b) Despite any other provision of this Plan, if under the Plan a lump sum cash payment may be payable to a person, and the Income Tax Act permits the entire amount of that cash lump sum to be transferred directly to a registered retirement savings plan, that lump sum payment may be transferred to a registered retirement savings plan at the option of the person to whom the lump sum is payable.

14.04 Permitted Unlocking

(a) Small Benefit

(i) If the total payable from a Member's Combined Contribution Account is less than 20% of the YMPE for the calendar year in which the Member terminated his or her Covered Employment, retired or died, or any subsequent year in which the value of the Combined Contribution Account is determined prior to the Member or Spouse's Benefit Commencement Date,

(A) the Member or surviving Spouse of the Member may elect to receive the value of the Combined Contribution Account in a lump sum; and

(B) notwithstanding subparagraph (A), the Pension Board reserves the right to compel a Member or surviving Spouse of the Member to take the value of the Combined Contribution Account in a lump sum.

(ii) If the value of a Retired Member's Variable Benefit Account is less than 20% of the YMPE for the calendar year in which the value of his or her Variable Benefit Account is determined, the Retired Member or surviving Spouse may elect to receive the value of his or her Variable Benefit Account in a lump sum.

(b) Non-Resident

(i) A Member whose Covered Employment has terminated pursuant to Section 12 or a Spouse entitled to a benefit under subsection 11.01 may elect to withdraw as a lump sum an amount equal to the value of his or her Combined Contribution Account on providing to the Pension Board a statement signed by the Member or Spouse that he or she has been absent from Canada for more than two years and written evidence that the Canada Revenue Agency has confirmed the person's status as a "non-resident" of Canada for the purposes of the Income Tax Act.

(ii) If a Member who wishes to make an election in accordance with subparagraph (i) has a Spouse at the date of such an election, no payments will be made unless the Pension Board has received:

(A) a statement in Prescribed Form by the Spouse that states that the Spouse is aware of his or her entitlement under the Plan, waives that entitlement and was signed by the Spouse, not more than 90 days before the election is made, in the presence of a witness and outside the presence of the Member; or

(B) confirmation, in a form and manner satisfactory to the Pension Board, that section 145 of the Family Law Act applies.

(c) Shortened Life Expectancy

(i) Despite any other provision of this Plan, if a person who has a current entitlement to receive a benefit under the Plan, other than a Retired Member or a surviving Spouse of a Member currently in receipt of any form of lifetime pension under the Plan, has an illness or disability that is certified by a medical practitioner to be terminal or likely to shorten the person's life considerably, that person may elect to:

(A) convert all or part of the balance of his or her Combined Contribution Account or Variable Benefit Account, as the case may be, on the basis prescribed in the PBSA to a series of payments for a fixed term; or

(B) withdraw as a lump sum an amount equal to the balance of his or her Combined Contribution Account or Variable Benefit Account, as the case may be, or any lesser amount that the person may select.

(ii) If a Member who wishes to make an election in accordance with subparagraph (i) has a Spouse at the date of such an election, no payments will be made unless the Pension Board has received:

(A) a statement in Prescribed Form by the Spouse that states that the Spouse is aware of his or her entitlement under the Plan, waives that entitlement, and was signed by the Spouse, not more than 90 days before the election is made, in the presence of a witness and outside the presence of the Member; or

(B) confirmation, in a form and manner satisfactory to the Pension Board, that section 145 of the Family Law Act applies.

(iii) After any payment pursuant to this paragraph (c), the Member will continue to participate in the Plan. On the Member's subsequent termination of Covered Employment, retirement or death, any payments made with respect to such Member will be reduced to reflect any payments made under this paragraph (c).

14.05 Designation of Beneficiary

(a) A Member's Beneficiary is:

(i) if he or she has a Spouse who has not waived his or her entitlement in accordance with this Plan text and the PBSA, the Spouse;

(ii) if he or she has no Spouse, or the Spouse has waived his or her entitlement in accordance with this Plan text and the PBSA, the person(s) designated by the Member or Retired Member; or

(iii) if he or she has no Spouse, or the Spouse has waived his or her entitlement in accordance with this Plan text and the PBSA and the Member has not designed a beneficiary pursuant to subparagraph (a)(ii), or no beneficiary designated pursuant to subparagraph (a)(ii) survives the Member, the Member's estate.

(b) A Beneficiary designation must be filed with the Pension Board in the Prescribed Form.

(c) A Member who has made a designation in accordance with paragraph (a) may alter or revoke the designation by filing with the Pension Board such alteration or revocation in the Prescribed Form, subject to the *Wills, Estates and Succession Act* (British Columbia) in respect of any irrevocable designation.

14.06 Marriage Breakdown

(a) The entitlement of any person to receive a benefit under the Plan is subject to the following:

(i) entitlements arising under a written separation agreement or an order made under Part 5 of the Family Law Act, 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

(ii) entitlements arising under a division of pension under Part 6 of the Family Law Act.

(b) For greater certainty, a Spouse or former Spouse who is entitled to a division of a Member's benefit under the Plan shall be subject to the same locking-in rules as the Member.

(c) For greater certainty, once a separated Spouse receives a share of a Member's benefit in accordance with this subsection 14.06, such Spouse shall no longer have any other entitlements under this Plan.

(d) If a Member's benefits are divided as a result of a marriage breakdown, the Member's Credited Service will be reduced by the amount of Credited Service reflected in the Spouse's proportionate share of the benefits in accordance with the requirements of the Family Law Act.

14.07 Ancillary Benefits

The basis upon which ancillary benefits, as defined in the PBSA, will be paid from the Plan is established pursuant to this subsection 14.06 as follows:

(a) supplementary benefits payable for a temporary period of time are provided in accordance with subsection 8.08 if:

(i) the Member has attained age 55 and retired from or terminated his or her Covered Employment such that the Member eligible for retirement benefits under subsection 7.02, has made an election under subparagraph 8.02(a)(i) and is alive on the date as of when the supplementary benefit is calculated under subsection 8.08; or

(ii) the surviving Spouse of a Member has made an election under paragraphs 11.01(b) and 8.02(a)(i) and is alive on the date as of when the supplementary benefit is calculated under subsection 8.08; and

(b) cost of living adjustments are provided in accordance with paragraph 8.11(a) if

(i) the Member has attained age 55 and retired from or terminated his or her Covered Employment such that the Member eligible for retirement benefits under subsection 7.02, is in receipt of a Supplementary Benefit in accordance with subsection 8.08 and is alive on the date as of when a cost of living adjustment is made; or

(ii) the surviving Spouse of a Member is in receipt of a Supplementary Benefit in accordance with subsection 8.08 and is alive on the date as of when a cost of living adjustment is made; and

(c) cost of living adjustments are provided in accordance with paragraph 8.11(c) if:

(i) the Member has attained age 55 and retired from or terminated his or her Covered Employment such that the Member eligible for retirement benefits under subsection 7.02, is in receipt of a Supplementary Benefit in accordance with subsection 8.08 or a Defined Retirement Benefit and is alive on the date as of when a cost of living adjustment is made; or

(ii) the surviving Spouse of a Member is in receipt of a Supplementary Benefit in accordance with subsection 8.08 and is alive on the date as of when a cost of living adjustment is made;

and the Pension Board recommends and the Board of Governors approves an ad hoc adjustment.

SECTION 15 - TRANSFERS

15.01 Transfer To and From the Money Purchase Plan

(a) A Member of this Plan whose appointment is changed to an appointment which makes the Member eligible for membership in the Money Purchase Plan shall be required to cease contributions to this Plan and to commence contributions to the Money Purchase Plan on the date that the change in appointment is effective. Credited Service is not accrued within the Money Purchase Plan and no service is transferable from this Plan to that plan. While such person is a member of the Money Purchase Plan, he or she is restricted from making a transfer under paragraph 12.01(b).

(b) A member of the Money Purchase Plan whose appointment is changed to an appointment which makes the member eligible for membership in this Plan shall be required to cease contributions to the Money Purchase Plan and to commence contributions to this Plan on the date that the change in appointment is effective. Credited Service is not accrued within the Money Purchase Plan and no service is transferable from that plan to this Plan.

15.02 Transfer To and From the Staff Plan

A Member of this Plan whose appointment is changed to an appointment which makes the Member eligible for membership in the Staff Plan shall be required to cease contributions to this Plan and to commence contributions to the Staff Plan on the date that the change in appointment is effective. While such person is a member of the Staff Plan, he or she is restricted from making a transfer under paragraph 12.01(b).

15.03 Transfers into Variable Benefit Accounts

(a) Subject to the conditions set out in paragraph (b) below, the Pension Board may establish a policy whereby a Member or former Member may transfer funds from another registered pension plan, a registered retirement savings plan or a registered retirement income fund into a Variable Benefit Account to create or augment a Variable Benefit from the Plan.

(b) Any such transfer must be permitted under the Income Tax Act and the PBSA and the funds must originate from an account registered in the name of the Member or former Member.

15.04 Transfers to or from Voluntary Contribution Accounts

(a) Subject to the conditions set out in paragraph (b) below, the Pension Board may establish a policy whereby a Member may transfer funds from another registered pension plan, a registered retirement savings plan or a registered retirement income fund into a Voluntary Contribution Account.

(b) Any such transfer must be permitted under the Income Tax Act and the PBSA and the funds must originate from an account registered in the name of the Member or former Member.

(c) A Member may, at any time, elect on an irrevocable basis, by means of a written request to the Pension Board, a lump sum payment or a transfer to another registered pension plan, a registered retirement savings plan, a registered retirement income fund, or an insurance company or other financial institution, of all or part of the funds in the Member's Voluntary Contribution Account. Transfers and payments made under this subsection shall take place at the end of the month next following the month of the Member's election.