

# UNIVERSITY OF VICTORIA MONEY PURCHASE PENSION PLAN

## PLAN TEXT

### UNOFFICIAL CONSOLIDATION

**Prepared August 8, 2023**

This consolidation was prepared using the Plan Text amended and restated effective March 30, 2016 as the base document and incorporates the following subsequent amendments:

- Amendment effective as of November 26, 2019 (approved by the Pension Board on October 22, 2019 and by the Board of Governors on November 26, 2019)
- Amendment 2023-01 effective as of September 16, 2013 and October 1, 2019 (approved by the Pension Board on March 21, 2023 and by the Board of Governors on June 26, 2023)

*While care has been taken in the preparation of this consolidation, if there is a discrepancy between this consolidated plan text and the plan text and amendment documents adopted by the Pension Board and Board of Governors and registered with BC Financial Services Authority and Canada Revenue Agency, the latter documents shall prevail.*

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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:

**“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.

**“Beneficiary”** means, in respect of a Member, the person designated or deemed to be designated as the Member’s beneficiary in accordance with subsection 13.05 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.

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

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

**"Earnings"** means:

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

“**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 V80691336, or its future equivalent, 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 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 regular contributions made on behalf of the Member.

“**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.

“**Plan**” means the University of Victoria Money Purchase 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.

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

“**Sessional Lecturer**” means an individual appointed by the University to a sessional lecturer or music performance instructor appointment pursuant to an appointment notice and who is designated as a "Sessional Lecturer" or "Music Performance Instructor" in such appointment notice.

“**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 January 1, 1991.

**SECTION 3 - ELIGIBILITY FOR MEMBERSHIP**

- 3.01 Each member of the Faculty holding a regular appointment as an Assistant Teaching Professor shall, as a term of employment, be a Member of this Plan, effective from the first day of employment.
- 3.02 Each regular (continuing) employee who is a member of an employee group eligible for membership in this Plan and who is appointed at 50% or more of full-time but less than full-time (including less than full-time on an annual basis), shall, as a term of employment, be a Member of this Plan, effective from the first day of employment.
- 3.03 Each term employee who is a member of an employee group eligible for membership in this Plan and who is appointed at 50% or more of full-time is eligible, on a voluntary basis, to become a Member of this Plan on the first day of the month coincident with or next following the completion of twelve contiguous months of employment, following receipt of a written application for membership to the Plan, on the form provided by the University.
- 3.04 A Sessional Lecturer who is eligible to participate in the University pension and benefits plans, will be eligible for membership in this Plan. Each Continuing Sessional Lecturer will be required to participate in this Plan for all units taught, effective from the first appointment following confirmation of status as a Continuing Sessional Lecturer. An eligible term Sessional Lecturer may, on a voluntary basis, become a Member of this Plan, provided they meet the unit requirements and have completed the teaching requirements in the previous three years.
- 3.05 Notwithstanding the foregoing, a member of an employee group eligible for membership in this Plan may, on a voluntary basis, become a Member of this Plan on the first day of a month if, as of that date, the employee:
- (a) has completed two years of continuous employment with the University without a termination of Covered Employment;
  - (b) has Earnings in at least two consecutive calendar years in such period that are at least 35% of the YMPE; and
  - (c) has completed a written application for membership to the Plan in the Prescribed Form.
- 3.06 An individual 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, 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.
- 3.07 A member of the Combination Plan whose appointment is changed to an appointment which makes the member eligible for membership in this Plan shall be required to suspend membership in the Combination Plan and to become a Member of this Plan on the date that the change in appointment is effective.

- 3.08 Notwithstanding any other provision of this Section 3 and as specified in the Combination Plan, a member of the Combination Plan whose appointment is reduced to less than full-time in the same appointment remains eligible for membership in the Combination Plan and shall not be required to suspend membership in the Combination Plan and become a Member of this Plan.
- 3.09 A Member of this Plan whose appointment is changed to an appointment which makes the Member eligible for membership in the Combination Plan or the Staff Plan shall be required to suspend membership in this Plan and to become a member of the Combination Plan or the Staff Plan, as applicable, on the date that the change in appointment is effective.
- 3.10 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.
- 3.11 Notwithstanding any other provision of this Section 3, if a Member who has commenced receipt of pension benefits under paragraph 8.02(a) 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 paragraph 8.02(a) 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.

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

#### (b) Contributions During Periods 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.

(c) Member Contribution Limit

Notwithstanding paragraphs (a) and (b), a Member's contributions to the Member's Money Purchase 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 9.

(ii) If a Member had deemed Earnings in a calendar year in respect of an Approved Leave of Absence, Sabbatical or Study Leave, Statutory Leave, Special Reduction of Appointment or Temporary Reduction of 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' Money Purchase 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) 8.37% of the Member's Earnings that do not exceed the YMPE, pro-rated for the length of the Member's pay period; plus
- (b) 10.0% of the Member's Earnings which are in excess of the YMPE, pro-rated for the length of the Member's pay period.

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

### 5.02 Contribution Limit

The University's contributions to the Money Purchase 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 Money Purchase Contribution Account from that specified in subsection 5.01, 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 subsection 5.01 unless it is an eligible contribution as defined by the Income Tax Act.

### 5.03 Pension Adjustment Limit

In no event shall the contributions paid in a year to the Member's Money Purchase Contribution Account and Voluntary Contribution Account, under subsections 4.01, 4.02 and 5.01, 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.

### 5.04 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 65<sup>th</sup> 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.

**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 Money Purchase Contribution Account, Voluntary Contribution Account, and Variable Benefit Account are available to provide a retirement benefit, provided that the Member is eligible under the terms 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 - Variable Benefit Option for any Member whose balance is not less than twice the YMPE. This option allows the Member to retain the amount within the Plan. The amount is 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 10.

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:

- (i) 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
- (ii) 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 transfer 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 Money Purchase Contribution Account to provide a variable benefit under paragraph 8.02(a), to have the balance of his or her Voluntary Contribution Account transferred to the Member's Variable Benefit Account, provided that the combined balance of the Money Purchase Contribution Account and the Voluntary Contribution Account is not less than twice the YMPE;
- (d) if the Member does not elect to use his or her Money Purchase Contribution Account to provide a variable benefit under paragraph 8.02(a), 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, provided that the initial amount applied to this option is not less than twice the YMPE. 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 Member's 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 Money Purchase Contribution Account and the Member's Voluntary Contribution Account, if any.

A Member who has not made the required election before December 1<sup>st</sup> 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 1<sup>st</sup> 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 Termination of Membership

The payment of the entire amount of the balance of the Member's Money Purchase 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 - FUND ALLOCATION AND ADMINISTRATION

### 9.01 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).

### 9.02 Accounts

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

- (a) A Money Purchase 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 Money Purchase 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 Money Purchase Contribution Account after December 31, 1992, plus Investment Earnings.
- (b) 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 14.03, 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.
- (c) A Variable Benefit Account for each Member who has elected a benefit under paragraph 8.02(a) to which shall be credited
  - (i) that proportion of the Member's Money Purchase Contribution Account balance on the Member's Benefit Commencement Date that the Member elected to be applied to benefits under paragraph 8.02(a), 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 paragraph 8.02(a), and
- (iii) Investment Earnings,  
and to which shall be debited
- (iv) the benefits paid under paragraph 8.02(a) 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.

### 9.03 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 Combination Plan.

### 9.04 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 9.02:
  - (i) the net investment income;
  - (ii) the administrative and investment expenses incurred in the period since the previous allocation; and
  - (iii) the net increase or decrease in the value of the assets.
- (c) Investment Earnings shall be credited to each Member's Money Purchase Contribution Account, Voluntary Contribution Account and Variable Benefit Account based on the balance in each such account at the end of the previous month.

### 9.05 Interim Account Values

If a transfer or payment of a Member's Money Purchase Contribution Account, Voluntary Contribution Account and Variable Benefit 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.

9.06 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 10 - DEATH BENEFITS

### 10.01 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 Money Purchase 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 a 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 the Spouse were the Member and regardless of 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 Money Purchase Contribution Account and Voluntary Contribution Account, if any.

A Spouse who has not made the required election by the later of (i) December 1<sup>st</sup> 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 1<sup>st</sup> 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 10.01 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 the Plan, if a Spouse waives his or her entitlement under this subsection 10.01, 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 10.01(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.

10.02 Death After Member's Benefit Commencement Date

In the event of the death of a retired Member who had elected a benefit under paragraph 8.02(a), a death benefit is payable as described in subsection 10.01 as if references to the Money Purchase 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 paragraph 8.02(a), 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.

10.03 Proof of Death

Payment arising or conditional upon the death of any Member or any other Beneficiary or upon the continued life of a Member 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 11 - TERMINATION OF COVERED EMPLOYMENT**

11.01 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 Money Purchase 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 Money Purchase 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 Money Purchase 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 14.01(b), 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 Money Purchase Contribution Account contributed after December 31, 1992 plus Investment Earnings on those contributions, but there is no lock-in requirement for the balance in a Member's Money Purchase Contribution Account at December 31, 1992 plus 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).

11.02 A transfer under paragraph 11.01(b) or (c) shall be in accordance with the requirements of the Income Tax Act and the PBSA.

## SECTION 12 - PLAN AMENDMENT AND TERMINATION

### 12.01 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.

### 12.02 Termination

- (a) Further to subclause XV.(2) of the Trust Agreement, and in the event of the termination of the Plan, a Member or such Member's Beneficiaries, shall be entitled to the value of the Member's Money Purchase Contribution Account, Voluntary Contribution Account and Variable Benefit Account.
- (b) A Member or a surviving Spouse of a Member may elect, within 90 days of receiving the statement required by the PBSA, a transfer of the value of the Member's Money Purchase Contribution Account and Voluntary Contribution Account in accordance with paragraphs 11.01(b) and (c). 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 surviving Spouse or to an account in trust for the Member or surviving Spouse with a financial institution selected by the Pension Board.
- (c) A Beneficiary who is not the Spouse of a Member will be paid the entitlement as a lump sum.

## SECTION 13 - MISCELLANEOUS

### 13.01 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.

### 13.02 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.

### 13.03 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.

### 13.04 Permitted Unlocking

#### (a) Small Benefit

- (i) If the total payable from a Member's Money Purchase 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 Money Purchase 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 Money Purchase 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 Money Purchase Contribution Account in a lump sum.
- (ii) If the value of a 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 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 11 or a Spouse entitled to a benefit under subsection 10.01 may elect to withdraw as a lump sum an amount equal to the balance of his or her Money Purchase 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, 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 Money Purchase 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 Money Purchase 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).

### 13.05 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.

### 13.06 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 13.06, such Spouse shall no longer have any other entitlements under this Plan.

## SECTION 14 - TRANSFERS

### 14.01 Transfer of Funds To and From Other University of Victoria Pension Plans

- (a) Members of this Plan who joined the Combination Plan on or after July 1<sup>st</sup> 1990 and who would have been eligible to join this Plan had this Plan been in effect at that date will have their Combined Contribution Account balances as at December 31<sup>st</sup> 1990 transferred to their Money Purchase Contribution Accounts in this Plan and their membership and entitlements under the Combination Plan revoked.
- (b) If a Member of this Plan ceases contributions to this Plan and commences contributions to the Combination Plan or the Staff Plan in accordance with subsection 3.09, he or she is restricted from making a transfer under paragraph 11.01(b) while he or she is a member of the Combination Plan or the Staff Plan.

### 14.02 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.

### 14.03 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.

#### 14.04 Transfer from a Former Employer's Plan

A Member who was formerly a member of the registered pension plan of another employer may elect to have a lump sum contribution transferred from that other plan to the credit of the Member's Voluntary Contribution Account.

**APPENDIX A:  
PARTICIPATING EMPLOYERS**

**SECTION 1 - APPLICATION**

- 1.01 Except as otherwise specified in this Appendix, the terms of the Plan shall apply to employees of Participating Employers as though they were employees of the University.
- 1.02 For greater certainty, the references to the “University”
- (a) as an employer of a Member or other individual in the Plan in the following sections of the Plan shall be deemed to be a reference to the Participating Employer that employs the relevant individual: the definitions of “Approved Leave of Absence”, “Earnings”, “Sabbatical or Study Leave”, “Special Reduction of Appointment”, “Statutory Leave” and “Temporary Reduction of Appointment” in subsection 1.01 of the Plan and subsections 3.11, 4.01(a), 9.01 and 9.06 of the Plan; and
  - (b) in respect of the contributions required to be made by the University as an employer of a Member or other individual in the Plan shall be applicable to Participating Employers as set out in Section SECTION 4 - of this Appendix below.

**SECTION 2 - DEFINITIONS**

- 2.01 For the purposes of this Appendix, “**Participating Employer**” means:
- (a) University of Victoria Properties Investments Inc.; or
  - (b) any other employer acceptable to the University after consultation with the Pension Board, provided such employer is an “affiliate” of the University within the meaning of the *Business Corporations Act* (British Columbia).

**SECTION 3 - ELIGIBILITY AND MEMBERSHIP**

- 3.01 The University may designate, from time to time and after consultation with the Pension Board, any employee of such Participating Employer as:
- (a) a Member, as a term of employment, effective the date determined by the University; or
  - (b) eligible to participate in the Plan on a voluntary basis, effective the date determined by the University.
- 3.02 The University shall at all times have the right to decide which of a Participating Employer’s employees are eligible for the Plan or have ceased to be eligible, provided it has consulted with the Pension Board in accordance with subsection 3.10 of the Plan, and shall supply the Pension Board from time to time, or upon request by the Pension Board, with a list of the eligible employees of Participating Employers.

**SECTION 4 - PARTICIPATING EMPLOYER CONTRIBUTIONS**

- 4.01 Participating Employers shall make contributions on the same basis as the University as set out in subsections 4.01(b)(ii), 4.01(b)(iii), 4.01(b)(iv), 5.01, 5.02, 5.03 and 5.04 of the Plan.
- 4.02 References to the University's contributions in the following sections of the Plan shall be deemed to be a reference to contributions made or required to be made by the applicable Participating Employer pursuant to subsection 4.01 of this Appendix: "Money Purchase Contribution Account" in subsection 1.01 of the Plan and subsections 4.01(b), 5.01, 5.02, 5.04, 7.05, 9.01, 9.02, 9.05 and 11.01 of the Plan.
- 4.03 Notwithstanding subsection 5.01 of the Plan, if the University remits to the Pension Fund amounts that a Participating Employer is required to remit to the Pension Fund pursuant to this Section and subsection 4.01(b) and SECTION 5 - of the Plan in respect of that Participating Employer's present or former employees, that Participating Employer must promptly reimburse the University for all such amounts.