



Provident¹⁰
REST ASSURED

NEWFOUNDLAND AND LABRADOR

PUBLIC SERVICE PENSION PLAN

Plan Text

Effective February 14, 2020

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INTRODUCTION

The Public Service Pension Plan (the "Pension Plan") was established on April 1, 1967 to meet the retirement needs of employees of the Government of Newfoundland and Labrador ("Government"). In July of 1980, co-incident with Government's decision to fund the Pension Plan, coverage was extended to employees of Government's agencies, Crown corporations, Regional Health Authorities, colleges and non-teaching employees of school boards. Today, the Pension Plan has over 40 participating Employers.

The primary purpose of the Pension Plan is to provide pension payments to Members for their lifetime after retirement. The Pension Plan also provides other benefits payable to Members and their beneficiaries in accordance with its terms.

On September 2, 2014, Government and the following unions ("Unions") announced an agreement to reform the Pension Plan:

- The Association of Allied Health Professionals
- The Canadian Union of Public Employees
- The International Brotherhood of Electrical Workers
- The Newfoundland and Labrador Association of Public and Private Employees
- The Registered Nurses Union of Newfoundland and Labrador

The changes impacted benefits, contributions, the long-term asset mix, and introduced a formal Joint Trustee structure.

On December 10, 2014, Government and the Unions ratified a Joint Sponsorship Agreement ("JSA") for the purpose of (i) setting out the terms and conditions of the joint sponsorship of the Pension Plan; and (ii) establishing the Funding Policy. The Public Service Pension Plan Corporation (now renamed as Provident¹⁰ in accordance with the *Public Service Pensions Act, 2019*) (the "Corporation") was created on March 31, 2015 and is the Administrator of the Pension Plan. Pursuant to the JSA, the Sponsor Body (as defined in the JSA) holds certain responsibilities, such as making plan amendments, amending the Funding Policy and determining the level of risk associated with the Plan's asset mix (in consultation with the actuary and investment advisor).

Changes in benefits and required Member contribution rates came into effect on January 1, 2015. The main changes relate to an increase in certain early retirement provisions (subject to a 5 year transition and subsequent grandparenting provisions), suspension of guaranteed post-retirement

indexing on pensions accrued in respect of future service, and a change in the earnings averaging formula from a 5-year to a 6-year average. Required Member contributions were increased to 10.75% of earnings up to the YBE, 8.95% of earnings above the YBE and below the YMPE and 11.85% on earnings in excess of the YMPE.

In accordance with the JSA, Government issued a promissory note of \$2.685 billion to the Corporation. The promissory note will amortize \$2.685 billion over a 30 year period, through quarterly special payments.

The JSA provides that the responsibility for funding of the Pension Plan is shared equally between Government and Pension Plan Members. Accrued benefits are protected and cannot be reduced under the terms of the Funding Policy. Fifty percent (50%) of surpluses and deficits will be attributed to Government, and the remaining fifty percent (50%) will be attributed to Pension Plan Members, Deferred Pensioners and Pensioners.

The Pension Plan is a registered pension plan under the *Income Tax Act*, and, as amended or restated from time to time, is subject to continued registration under the *Income Tax Act*.

The *Public Service Pensions Act, 2019* exempts the Pension Plan from the *Pension Benefits Act, 1997*.

The *Public Service Pensions Act, 2019* also sets out the provisions that govern the benefits that exceed the benefits which can be paid under the terms of the Pension Plan and the *Income Tax Act* ("Supplementary Plan"). Benefits from the Supplementary Plan are paid from the Public Service Supplementary Plan Account that is established in the Consolidated Revenue Fund of the Government (the "Supplementary Account") and are not paid from the Fund.

SECTION 1 – DEFINITIONS

1. "Accrued Benefits" has the meaning defined in the Joint Sponsorship Agreement.
2. "Actuarially Reduced Pension" means a Pension that has been reduced by an amount determined by an actuary that reflects the fact that the Pension is being paid from a date that is earlier than the date the individual, based on their Pensionable Service, would be eligible for an unreduced pension under subsections 4.2, 4.3, 5.2, or 5.3 as applicable.
3. "Administrator" means the Corporation.
4. "Average YMPE" means the average of the YMPE over the three year period immediately preceding a Member's date of retirement, termination, Disability, or death.
5. "Bridging Benefit" means the portion of the Pension which ceases at the end of the month during which the Member or Deferred Pensioner reaches or would have reached age 65.
6. "Child" or "Children" means a natural child, a stepchild or an adopted child.
7. "Cohabiting Partner" means either:
 - a) in relation to a Member, Deferred Pensioner or Pensioner who has a Spouse, a person who is not the Spouse of such Member, Deferred Pensioner or Pensioner who has cohabited continuously with the Member, Deferred Pensioner or Pensioner in a conjugal relationship for not less than 3 years, or
 - b) in relation to a Member, Deferred Pensioner or Pensioner who does not have a Spouse, a person who has cohabited continuously with the Member, Deferred Pensioner or Pensioner, in a conjugal relationship for not less than one year,

and is cohabiting or has cohabited with the Member, Deferred Pensioner or Pensioner within the preceding year.
8. "Commutated Value" means the present value of a pension benefit calculated in a manner that complies with the Canadian Institute of Actuaries Recommendations for the Computation of Transfer Values from Registered Pension Plans, as amended from time to time.
9. "Consumer Price Index", with respect to any year, means the average for each month of that year of the Consumer Price Index for Canada, as published by Statistics Canada.
10. "Contractual Employee" means a person employed on a full-time basis under a contract with an Employer, except where the contract stipulates that the person is a Member of the Pension Plan. For the purposes of this subsection, a "contract" does not include a collective agreement.

11. "Corporation" means the Public Service Pension Plan Corporation, now renamed as Provident¹⁰, continued in accordance with the PSPP Act.
12. "Deferred Pensioner" means anyone who does not qualify as a Member by reason of termination of employment with an Employer, and who retains an entitlement to a deferred Pension under the Pension Plan as a result of being Vested at the date of termination of employment. A Deferred Pensioner excludes a non-Vested Member who contributed to the Pension Plan and elects to leave their contributions in the Fund after termination of employment.
13. "Designated Employee" has the meaning defined in subsection 5.3.
14. "Disability" or "Disabled" means a physical or mental condition which prevents a Member from performing efficiently the duties of their position or an alternative position owing to incapacity that is medically certified to the satisfaction of the Administrator as likely to be permanent.
15. "Disability Pension" means the Pension benefit available for a Member with a Disability in accordance with section 9.
16. "Employer" means an employer of those persons included in the Pension Plan through appropriate action under the Joint Sponsorship Agreement. Employer includes Government and Employers listed in Appendix A.
17. "*Family Law Act*" means the *Family Law Act*, RSNL 1990, c F-2, as amended from time to time, and the regulations issued thereunder.
18. "Full-Time Employee" means an employee who is employed by an Employer for the number of working hours required for full-time employment, as prescribed by the Administrator for an Employer in accordance with the Employer's practice. A Full-Time Employee does not include individuals who enter into a job-sharing arrangement with an Employer on or after February 14, 2020.
19. "Fund" means the Public Service Pension Plan Fund continued pursuant to the PSPP Act.
20. "Funding Policy" means the Funding Policy attached as Appendix "A" to the Joint Sponsorship Agreement and as amended from time to time.
21. "Government" means the government of the Province of Newfoundland and Labrador.
22. "Highest Average Earnings" means:
 - a) in respect of Pre-January 1, 2015 Pensionable Service, the greater of:

- i. the average of a Member's Pensionable Earnings during any of the five calendar years, prior to December 31, 2014, which yield the highest average; and
 - ii. the average of a Member's Pensionable Earnings during any of the six 12-month periods, prior to the date the Member's participation ceases, which yield the highest average.
- b) in respect of Post-December 31, 2014 Pensionable Service, the average of a Member's Pensionable Earnings during any of the six 12-month periods, prior to the date the Member's participation ceases, which yield the highest average.

In the case of a Seasonal Employee, the averaging period above in (a)(i) is the five-year period from January 1, 2010 to December 31, 2014, and in (a)(ii) and (b) is the six-year period immediately prior to the date the Member's participation ceases.

In the case of a Member with breaks in service, the averaging periods in (a) and (b) above are determined such that there is a total of either 60 months or 72 months of Pensionable Earnings, as appropriate, included in the determination of the average.

If the Member does not have 72 months of Pensionable Service, the averaging period in (a)(ii) and (b) above is determined based on the entire earnings period while a Member in the Pension Plan.

23. "*Income Tax Act*" means the *Income Tax Act*, RSC 1985, c 1 (5th Supp) and the regulations issued thereunder, as amended from time to time.
24. "Interest" means interest on contributions, compounded annually and calculated for each year as the average rate of interest payable on 5 year personal fixed term chartered bank deposits (CANSIM V122515) in effect for the 12 months ending in October of the year, or the rate as established by the Administrator from time to time.
25. "Joint Sponsorship Agreement" or "JSA" means the agreement relating to the joint sponsorship of the Pension Plan between Her Majesty in Right of Newfoundland and Labrador, on the one part, and the Association of Allied Health Professionals, the Canadian Union of Public Employees, the International Brotherhood of Electrical Workers, the Newfoundland and Labrador Association of Public and Private Employees and the Registered Nurses' Union of Newfoundland and Labrador (formerly the Newfoundland and Labrador Nurses' Union), on the other part, dated December 10, 2014, as amended from time to time, including, but not limited to, the following Appendices:
- a) Appendix "A" – Funding Policy
 - b) Appendix "B" – Trustee Corporation Framework
 - c) Appendix "C" – Employees

all of which as amended from time to time.

26. "Leave" means an authorized leave of absence without pay. A Member may make contributions in respect of the Leave as provided under subsections 3.2 and 12.1(3), for which they shall be credited with Pensionable Service.
27. "Lifetime Retirement Benefit" means the portion of the Pension that, once it commences, is payable to the Member or Deferred Pensioner until the Member's or Deferred Pensioner's death.
28. "Member" means a person who is either:
- a) a Full-Time Employee of an Employer who is paid a wage or salary and who is accruing Pensionable Service in the Pension Plan; or
 - b) on Leave.

A Member excludes a Temporary Employee and a Contractual Employee. A Member ceases to be a Member when they terminate full-time employment with the Employer, die or commence to receive a Pension.

29. "Participation Date" means the date an Employer joins the Pension Plan.
30. "Pension" means an annual pension benefit payable to an individual in accordance with the Pension Plan.
31. "*Pension Benefits Act, 1997*" means the *Pension Benefits Act, 1997*, SNL 1996, c P-4.01 and the regulations issued thereunder, as amended from time to time.
32. "Pensionable Earnings" means wages, salary and other amounts that may be prescribed by the Administrator prior to February 14, 2020 for an Employer in accordance with the Employer's practice, paid in relation to hours, weeks, or other specific periods of time for which a Member is employed and that form a regular part of the Member's remuneration and, where applicable, includes prescribed amounts under the definition of "compensation" in subsection 147.1 of the *Income Tax Act* that are related to an eligible period of reduced pay and an eligible period of temporary absence, each as defined in section 8500 of the *Income Tax Regulations* under the *Income Tax Act*.

Pensionable Earnings do not include overtime pay, payments made on a fee basis, any payments excluded by the Administrator prior to February 14, 2020 for an Employer in accordance with the Employer's practice, and amounts which would not qualify under the definition of "compensation" mentioned above.

33. "Pensionable Service" means a Member's period of employment with an Employer during which time the Member receives Pensionable Earnings, and during which time required contributions are made to the Pension Plan either by the Member or on the Member's behalf. Pensionable Service is calculated in years and months which shall be taken into

account under the Pension Plan for the purpose of determining whether a Member has qualified for the award of a Pension and the amount of the Pension.

Pensionable Service includes eligible periods of past service for which an individual has paid the required costs and any service transferred into the Pension Plan in accordance with section 11.

If a Member contributes to the Pension Plan for a fraction of a month, that month will count towards the Member's Pensionable Service.

For greater clarity, the following rules will apply when determining a Member's Pensionable Service:

- a) For new Members, Pensionable Service accrues from the date of enrolment in the Pension Plan. Credit is given for the entire month in which the Employee is enrolled;
 - b) Pensionable Service does not accrue for any month in respect of which the required contributions are not made to the Pension Plan;
 - c) Since retirement occurs at the end of the last day of the month, Pensionable Service will include the month in which retirement occurs; and
 - d) In the event of a Member's death or termination prior to retirement, Pensionable Service will include the entire month in which death or termination occurred.
34. "Pensioner" means a person in receipt of a Pension or Disability Pension under this Pension Plan, including a Principal Beneficiary or Child who is in receipt of a Pension under this Pension Plan. A Pensioner shall not include a Deferred Pensioner.
35. "Pension Plan" or "Plan" means this Public Service Pension Plan.
36. "Post-December 31, 2014 Pensionable Service" means Pensionable Service that is not Pre-January 1, 2015 Pensionable Service.
37. "Pre-January 1, 2015 Pensionable Service" means Pensionable Service that was accrued before December 31, 2014 and includes Pensionable Service which has either been purchased or transferred into the Pension Plan if and only if the application to recognize this additional service was received by the Administrator on or prior to December 31, 2014.
38. "Principal Beneficiary" means the Spouse of a Member, Deferred Pensioner or Pensioner, or where the Member, Deferred Pensioner or Pensioner has a Cohabiting Partner, their Cohabiting Partner.
39. "PSPP Act" means the *Public Service Pensions Act, 2019*, SNL 2019, c P-44.01 and the regulations issued thereunder, as amended from time to time.

40. "Seasonal Employee" means a Full-Time Employee whose services are of a seasonal but recurring nature.
41. "Sponsor Body" has the meaning defined in the Joint Sponsorship Agreement.
42. "Spouse" means, except in section 18, a person who:
 - a) is married to the Member, Deferred Pensioner or Pensioner;
 - b) is married to the Member, Deferred Pensioner or Pensioner by a marriage that is voidable and has not been voided by a judgment of nullity; or
 - c) has gone through a form of a marriage with the Member, Deferred Pensioner or Pensioner, in good faith, that is void and is cohabiting or has cohabited with the Member, Deferred Pensioner or Pensioner within the preceding year.
43. "Supplementary Account" means the Public Service Supplementary Plan Account continued under the PSPP Act.
44. "Survivor Benefit" means a Pension payable to the Principal Beneficiary or Child of the Member, Deferred Pensioner or Pensioner.
45. "Temporary Employee" means a Full-Time Employee who is employed for a period not exceeding 3 months.
46. "Transitional Period" means the period of five (5) years beginning on January 1, 2015.
47. "Vested" means that the Member is entitled to either a deferred or immediate Pension as a result of accumulating at least 5 years of Pensionable Service.
48. "YBE" means the Year's Basic Exemption as defined under the *Canada Pension Plan*, RSC 1985, c C-8.
49. "YMPE" means the Year's Maximum Pensionable Earnings as defined under the *Canada Pension Plan*, RSC 1985, c C-8.

In this Pension Plan text, unless the context requires otherwise, words in the singular shall be construed as including words in the plural, words in the plural shall be construed as including words in the singular, and words importing the feminine sex shall be construed as including the masculine sex and vice versa.

The captions, headings and table of contents of this Pension Plan text are inserted for convenience only and are not to be construed as part of the Pension Plan.

SECTION 2 – ENROLMENT

2.1 Enrolment

Any Full-Time Employee hired by an Employer on or after the Employer's Participation Date is required to join the Pension Plan on the date of hire and to complete an enrolment form in the form and manner prescribed by the Administrator.

Despite the above, any Full-Time Employee hired by an Employer before the Employer's Participation Date may join the Pension Plan upon the Participation Date or on any subsequent date.

Temporary Employees and Contractual Employees are not permitted to join the Pension Plan.

2.2 Re-Employment

1) Re-Enrolment

In the case where an individual ceased to be a Member and received a refund of their contributions with Interest or other payout of their entitlement, and who is subsequently hired by an Employer, the individual shall be treated as a new employee for the purposes of enrolling in the Pension Plan without any prior Pensionable Service.

In the case where an individual ceased to be a Member and did not receive a refund of their contributions with Interest or other payout of their entitlement, and who is subsequently hired by an Employer, the individual shall be treated as a Member of the Pension Plan with the prior period of Pensionable Service included.

2) Hiring a Pensioner

A Pensioner who is hired by an Employer and is eligible to join the Pension Plan must suspend their Pension and re-enrol in the Pension Plan, in which case the Member shall start contributing to the Pension Plan in accordance with subsection 3.1 on the first day of the next month following their last Pension payment. Upon subsequent retirement, their Pension shall be subject to the conditions set out in subsection 6.3.

Notwithstanding the foregoing, a Pensioner who is hired by an Employer cannot become a Member of the Pension Plan if they have reached the age at which a pension benefit is required to begin under the *Income Tax Act*.

2.3 Change in Full-Time Employment Status

Should the employment status of a Member change such that they are working on a less than full-time basis and no longer qualify as a Full-Time Employee, their contributions to and accrual of Pensionable Service under the Pension Plan will be suspended. Should the individual subsequently return to full-time employment and qualify as a Full-Time Employee, the provisions of subsection 2.2(1) will apply.

SECTION 3 – REQUIRED CONTRIBUTIONS

3.1 Required Contributions by Members

1) Member Required Contributions

Effective January 1, 2015, each Member shall be required to contribute to the Pension Plan by payroll deduction as follows, unless otherwise directed by the Administrator in accordance with the Joint Sponsorship Agreement:

- a) 10.75% of that portion of their Pensionable Earnings up to the YBE;
- b) 8.95% of that portion of their Pensionable Earnings in excess of the YBE and up to and including the YMPE; and
- c) 11.85% of the portion of their Pensionable Earnings in excess of the YMPE.

2) Required Contributions for a Provincial Court judge

Notwithstanding subsection 3.1(1) above, each Member who is a Provincial Court judge shall be required to contribute to the Pension Plan by payroll deduction as follows:

- a) 8.6% of that portion of their Pensionable Earnings up to the YBE;
- b) 6.8% of that portion of their Pensionable Earnings in excess of the YBE and up to and including the YMPE; and
- c) 8.6% of the portion of their Pensionable Earnings in excess of the YMPE.

3) Contribution Maximums

The amount of a Member's contributions to the Pension Plan for any calendar year shall not exceed such limit as is permitted under the *Income Tax Act* or by the Canada Revenue Agency.

3.2 Contributions during Leave

- 1) A Member who has a period of Leave may receive credit for that period as Pensionable Service, provided:
 - a) the Member makes contributions in accordance with subsection 3.1;
 - b) the Member elects to purchase the period of Leave as Pensionable Service within the earlier of ninety (90) days after returning from Leave or prior to the date of termination of employment;
 - c) the contributions must be based on the rate of Pensionable Earnings the Member was earning immediately prior to the commencement of the Leave;
 - d) the periods during which a Member may make the contributions are limited to a maximum of five years plus up to three twelve-month absences for a period of parenting when an individual gives birth to or adopts a Child; and
 - e) the contributions must be made in accordance with the *Income Tax Act*.
- 2) Should the Member fail to elect to purchase the Pensionable Service in accordance with subsection 3.2(1), terminate before the expiration of 90 days and later be re-employed by an Employer and become a Member, the Member may elect to purchase the Pensionable Service within the same ninety (90) day period of the date of hire as if the Member had continued to be employed with the previous Employer, such that the Member has had a total of 90 days while employed to make an election.
- 3) A Member continuously employed as a Temporary Employee for a period immediately prior to becoming a Member may receive credit for that period as Pensionable Service provided the Member elects to do so within ninety (90) days of becoming a Member and pays contributions in accordance subsections 3.2(1)(a), (c) and (e).
- 4) Notwithstanding the above, Pensionable Service for a Leave may be purchased at any time after the ninety (90) day expiration period in accordance with section 12 at a cost that may be prescribed by the Administrator in consultation with the actuary. No matching contributions will be required by the previous or current Employer.
- 5) All Employer matching contributions required under this subsection 3.2 shall be paid by the Employer who authorized the Leave.

3.3 Contributions for the Period April 1, 1993 to March 31, 1996

Where the Employer's contribution was reduced under the Pension Plan during the period between April 1, 1993 and March 31, 1996, a Member may elect to contribute an amount that is the actuarial cost of the related benefit which, if paid, would restore the accrual rate to 2.0% for those periods of service in subsection 6.1.

3.4 Required Contributions by Employers

Each Employer shall make contributions to the Pension Plan in an amount equal to the Members' contributions unless otherwise directed by the Administrator.

Employer contributions to the Pension Plan shall not exceed such limits as is permissible under the *Income Tax Act* or by the Canada Revenue Agency.

3.5 Special Payments by Government

The Government has issued a fully enforceable promissory note to the Administrator that amortizes \$2,685,000,000 over 30 years in quarterly instalments beginning on March 31, 2015.

The present value of the residual payments, discounted at six percent (6%), shall be considered an asset of the Pension Plan. This asset is a non-investment asset which is non-marketable and non-transferrable and which shall be used solely for the purpose of determining the funded ratio of the Pension Plan in accordance with the Funding Policy.

3.6 Overpayments

Subject to any requirements of the *Income Tax Act*, any payments made by an Employer in a calendar year in excess of the amount required under subsection 3.4 or in excess of the amount permitted under the *Income Tax Act* will be returned to the Employer out of the Fund.

Subject to any requirements of the *Income Tax Act*, any contributions made by a Member in a calendar year in excess of the amount required to be contributed under subsection 3.1 will be returned to the Member out of the Fund.

3.7 Contributions Payable to the Supplementary Account

Any Member required contributions made in accordance with subsection 3.1 in a calendar year which are in excess of the amount permitted under the *Income Tax Act* will not be payable to the Fund and will instead be payable to the Supplementary Account.

Any Employer required contributions made in accordance with subsection 3.4 which relate to Member contributions in excess of the amount permitted under the *Income Tax Act* will not be payable to the Fund and will instead be payable to the Supplementary Account.

3.8 No Additional Voluntary Contributions

In no case shall a Member make additional voluntary contributions to the Pension Plan.

SECTION 4 – RETIREMENT DATES

4.1 General

A Member or Deferred Pensioner who wishes to retire under the terms of the Pension Plan must apply in the form and manner prescribed by the Administrator through their Employer or, if they are not employed, directly to the Administrator.

A Member must be Vested to be eligible to retire.

All retirement dates are at the end of the month. Pensions shall be first payable in the following month in equal semi-monthly instalments at the middle and the end of the month, or such other regular and periodic instalments as may be prescribed by the Administrator.

4.2 Normal Retirement Date

A Member or Deferred Pensioner may elect to retire with an unreduced pension on or after their normal retirement date, which is the end of the month in which they turn 65.

4.3 Early Unreduced Retirement Date

A Member or Deferred Pensioner may elect to retire with an unreduced pension at or subsequent to their early unreduced retirement date, which is the earlier of:

- 1) The end of the month in which they attain both 30 years of Pensionable Service and age 58; and
- 2) The end of the month in which they attain both 10 years of Pensionable Service and age 60.

Notwithstanding the above, the following criteria apply for an individual who was a Member, or re-enrolled in the Pension Plan, during the period from January 1, 2015 to December 31, 2019:

- 1) The early unreduced retirement date for an individual who, on or before December 31, 2019, has 30 years of Pensionable Service is the end of the month in which they turn 55.
- 2) The early unreduced retirement date for an individual who, on or before December 31, 2019, is a Designated Employee, has reached age 55, and has at least 25 years of Pensionable Service, is the end of any future month.
- 3) The early unreduced retirement date for an individual who, on or before December 31, 2019, has reached age 60, and has at least 5 years of Pensionable Service, is the end of any future month.

In the case of a Member who is a Provincial Court judge, the early unreduced retirement date is the earlier of:

- 1) The end of the month in which they attain both 25 years of Pensionable Service and age 55; and
- 2) The end of the month in which they attain both 5 years of Pensionable Service and age 60.

4.4 Early Reduced Retirement Dates

A Member or Deferred Pensioner may elect to retire with a reduced pension at or subsequent to the following early reduced retirement dates:

- 1) The end of the month in which they attain both 30 years of Pensionable Service and age 53; or
- 2) The end of the month in which they attain a minimum age of 58 and a combination of age plus Pensionable Service of at least 88.

4.5 Early Actuarially Reduced Retirement Date

A Member or Deferred Pensioner who does not satisfy subsections 4.3 or 4.4 may elect to retire with an Actuarially Reduced Pension on or after the date they reach age 55.

4.6 Postponed Retirement Date

A Member or Deferred Pensioner may elect to retire after their normal retirement date. If the individual is still a Member of the Pension Plan, they will continue to make required contributions and to accrue Pensionable Service in the normal fashion.

A Member or Deferred Pensioner electing to retire after their normal retirement date must retire by November 30th of the year in which they attain age 71, or such later date as permitted by the *Income Tax Act*.

SECTION 5 – RETIREMENT DATES DURING THE TRANSITIONAL PERIOD

5.1 General

During the Transitional Period, Members and Deferred Pensioners who were either Members, Deferred Pensioners, or Pensioners on or before December 31, 2014, may elect to retire in accordance with the retirement provisions as they existed prior to January 1, 2015. In addition, where an individual ceased to be a Member on or before December 31, 2014 and did not receive a refund of their contributions with Interest or other payout of their entitlement and becomes re-employed in accordance with subsection 2.2(1), such Member may elect to retire in accordance with the retirement provisions as they existed prior to January 1, 2015. These provisions are described below.

A Member or Deferred Pensioner who wishes to retire under the terms of the Pension Plan must apply in the form and manner prescribed by the Administrator through their Employer or, if they are not employed, directly to the Administrator.

If a Member or Deferred Pensioner retires during the Transitional Period in accordance with this section 5 and is subsequently re-hired in accordance with subsection 2.2(2), the Member will be eligible to retire under the provisions of this section 5 at all future dates.

A Member must be Vested to be eligible to retire.

All retirement dates are at the end of the month. Pensions shall be first payable in the following month in equal semi-monthly instalments at the middle and the end of the month, or such other regular and periodic instalments as may be prescribed by the Administrator.

5.2 Normal Retirement Date

A Member or Deferred Pensioner may elect to retire with an unreduced pension at their normal retirement date, which is the end of the month in which they turn 65.

5.3 Early Unreduced Retirement Date

A Member or Deferred Pensioner may elect to retire with an unreduced pension at or subsequent to their early unreduced retirement date, which is the earlier of the following, if they qualify during the Transitional Period:

- 1) The end of the month in which they attain both 30 years of Pensionable Service and age 55; and
- 2) The end of the month in which they attain both 5 years of Pensionable Service and age 60.

Notwithstanding the above, a Member who, on or before December 31, 2014 was a "Designated Employee" and who accumulates 25 years of Pensionable Service and

reaches age 55 by December 31, 2019 will be eligible to retire with an unreduced Pension on or after the date they qualify. For the purposes of this subsection, a "Designated Employee" means a deputy minister of a Government department or a head of a crown agency who was granted deputy minister status as a condition of employment.

5.4 Early Reduced Retirement Dates

A Member or Deferred Pensioner may elect to retire with a reduced pension at or subsequent to the following early reduced retirement dates, if they qualify during the Transitional Period:

- 1) The end of the month in which they attain both 30 years of Pensionable Service and age 50; or
- 2) The end of the month in which they attain a minimum age of 55 and a combination of age plus Pensionable Service of at least 85.

5.5 Early Actuarially Reduced Retirement Date

A Member or Deferred Pensioner who does not satisfy subsections 5.3 or 5.4 may elect to retire with an Actuarially Reduced Pension at age 55. During the Transitional Period, the determination of the Actuarially Reduced Pension will be based on the retirement provisions as shown in this section 5.

5.6 Postponed Retirement Date

A Member or Deferred Pensioner may elect to retire after their normal retirement date. If the individual is still a Member of the Pension Plan, they will continue to make required contributions and to accrue Pensionable Service in the normal fashion.

A Member or Deferred Pensioner electing to retire after their normal retirement date must retire by November 30th of the year in which they attain age 71, or such later date as permitted by the *Income Tax Act*.

SECTION 6 – RETIREMENT BENEFITS

6.1 Unreduced Retirement Pension

A Member or Deferred Pensioner who retires from the Pension Plan at their normal retirement date, early unreduced retirement date, or postponed retirement date will receive a Pension equal to 2.0% of their Highest Average Earnings multiplied by their post-April 1, 1967 Pensionable Service.

Notwithstanding the above, where an Employer's contribution to the Pension Plan was reduced under the PSPP Act between the period of April 1, 1993 and March 31, 1996, and the Member or Deferred Pensioner affected by the reduction does not make a compensating contribution as required under subsection 3.3, the formula set out above shall be adjusted to reduce the Member or Deferred Pensioner's award of Pension proportionately.

The Pension determined above shall be reduced on the first of the month following the month in which the individual turns 65, or immediately if the individual is already 65 at the date of retirement, by 0.6% of the lesser of their Highest Average Earnings and the Average YMPE, multiplied by their Pensionable Service accrued after March 31, 1967 and subject to a maximum of 35 years.

6.2 Early Reduced Retirement Pension

The Pension and reduction at age 65 determined under subsection 6.1 for a Member or Deferred Pensioner who elects to retire at an early reduced retirement date shall be reduced by 0.5% for each month that the early reduced retirement date precedes the early unreduced retirement date. For greater certainty, for persons who were Members or re-enrolled in the Plan during the Transitional Period the early retirement reduction will be based on the retirement provisions as they existed prior to January 1, 2015, and as described in section 5.

Subject to the requirements of the *Income Tax Act*, a Member may elect to pay an amount, as determined by the Administrator, to either fully or partially reinstate the early retirement reduction.

6.3 Restarting a Pension (after suspending it)

Upon the subsequent retirement of a Member who suspended their Pension in accordance with subsection 2.2(2), the Member's new Pension will be determined in accordance with sections 4 or 5, as applicable, and this section 6 as if the initial retirement had not occurred. The new Pension will include Pensionable Service earned prior to the initial retirement date and after returning as an active Member.

SECTION 7 – TERMINATION

7.1 Non-Vested Termination

On termination of employment, a non-Vested Member is entitled to receive a lump sum refund of their required contributions with Interest payable either:

- 1) in a lump sum cash amount; or
- 2) transferred to a registered retirement savings plan, as permitted under the terms of the *Income Tax Act*.

Notwithstanding the foregoing, if the Member does not receive or transfer their entitlement under (1) or (2) above and is subsequently hired by an Employer, then their entitlement will be treated in accordance with subsection 2.2(1).

7.2 Vested Termination

On termination of employment, a Vested Member shall be entitled to receive a deferred Pension determined in accordance with sections 4 or 5, as applicable, and section 6.

In lieu of such deferred Pension, a Vested Member who is not eligible to retire with an unreduced pension may, within 180 days of the date of termination, elect one of the following options:

- 1) transfer the Commuted Value of their deferred Pension:
 - i. to another registered pension plan, provided that the administrator of the other pension plan agrees to accept the transfer; or
 - ii. to another locked-in retirement savings arrangement that meets the requirements of the PSPP Act; or
 - iii. to an insurance company licensed to transact business in Canada to be applied to purchase a deferred life annuity, provided that the payment of the annuity will not start prior to the age the individual would have been eligible to retire under the Pension Plan;

or

- 2) elect a return of the contributions made by the Member with Interest for periods of Pensionable Service credited:
 - i. Before January 1, 1987, and
 - ii. Before January 1, 1997 where the Member had less than 10 years of Pensionable Service and is less than 45 years of age,

and a transfer of the Commuted Value of their deferred Pension entitlement based on the remaining periods of Pensionable Service to one of the options listed in subsection 7.2(1) above.

In default of an election within 180 days of the date of termination, the Member is considered to have elected to receive a deferred Pension. A Member who elects or is considered to have elected to receive a deferred Pension may revoke that election and elect a transfer under subparagraph (1) of the preceding paragraph, calculated at the date of election.

A transfer made under this subsection shall not be less than the contributions made by the Member with Interest.

A transfer or purchase under this subsection 7.2 shall not be permitted unless the Administrator is satisfied that the transfer of funds is in accordance with the PSPP Act and the *Income Tax Act*.

That part of the Commuted Value that does not exceed the maximum transfer amount prescribed under the *Income Tax Act* may be transferred from the Pension Plan to one of the options offered under this subsection 7.2(1) as applicable. Any excess amount shall be paid to the Member as a lump sum cash amount, in accordance with the provisions of the *Income Tax Act*.

SECTION 8 – DEATH

8.1 Beneficiaries

A Member is not permitted to designate a beneficiary. Any death benefits shall be payable in accordance with this section 8.

8.2 Non-Vested Members

If a Member dies and they are not Vested, a lump sum payment of the Member's contributions with Interest is payable to the Member's estate.

8.3 Pre-Retirement Death of a Vested Member or Deferred Pensioner

1) Vested Member or Deferred Pensioner with a Surviving Principal Beneficiary

If a Vested Member or Deferred Pensioner dies before their pension payments start, their surviving Principal Beneficiary may elect:

- a) to receive a Survivor Benefit equal to 60% of the Member's or Deferred Pensioner's Pension, commencing on the first day of the month following the death of the Member or Deferred Pensioner; or
- b) to receive a lump sum cash payment equal to the greater of:
 - i. the Commuted Value of the Survivor Benefit, or
 - ii. the Commuted Value of the Member's or Deferred Pensioner's Pension entitlement, calculated assuming termination of employment at the date of death; or
- c) to transfer the lump sum described in b) above:
 - i. to the Principal Beneficiary's registered retirement savings plan in accordance with the *Income Tax Act*; or
 - ii. in the manner provided for the Member's Pension under subsection 7.2(1).

Where the Pension has not been reduced under subsection 6.1, 60% of the reduction shall be applied to the Survivor Benefit on the first day of the month following the month in which the Pensioner would have reached 65 years of age.

Should the Principal Beneficiary die while in receipt of a Survivor Benefit, the Survivor Benefit shall be paid to or for the benefit of any surviving Children of the Member while they are under the age of 18 years or under the age of 24 years if they are in full-time attendance at a recognized school or post-secondary institution.

If there is more than one surviving Child, the Survivor Benefit shall be allocated equally between them such that at any point in time while at least one Child remains eligible to receive the Survivor Benefit the total payable to all Children is equal to 60% of the Pensioner's Pension.

2) Vested Member or Deferred Pensioner without a Surviving Principal Beneficiary

If a Vested Member or Deferred Pensioner dies before their pension payments start and they do not have a surviving Principal Beneficiary, the Commuted Value of the Member's or Deferred Pensioner's entitlement, calculated assuming termination of employment at the date of death, shall be paid to the Member's or Deferred Pensioner's estate.

8.4 Post-Retirement Death

1) Death of a Pensioner with a Principal Beneficiary

Where a Pensioner has a surviving Principal Beneficiary on the Pensioner's date of death, their Principal Beneficiary shall receive a Survivor Benefit equal to 60% of the Pensioner's Pension, commencing on the first day of the month following the death.

Where the Pension has not been reduced under subsection 6.1, 60% of the reduction shall be applied to the Survivor Benefit on the first day of the month following the month in which the Pensioner would have reached 65 years of age.

Should the Principal Beneficiary die while in receipt of a Survivor Benefit, the Survivor Benefit shall be paid to or for the benefit of any surviving Children of the Member while they are under the age of 18 years or under the age of 24 years if they are in full-time attendance at a recognized school or post-secondary institution.

If there is more than one surviving Child, the Survivor Benefit shall be allocated equally between them such that at any point in time while at least one Child remains eligible to receive the Survivor Benefit the total payable to all Children is equal to 60% of the Pensioner's Pension.

2) Death of a Pensioner without a Principal Beneficiary

Where a Pensioner does not have a surviving Principal Beneficiary on the Pensioner's date of death, the Survivor Benefit shall be paid to or for the benefit of any surviving Children of the Pensioner while they are under the age of 18 years or under the age of 24 years if they are in full-time attendance at a recognized school or post-secondary institution.

If there is more than one surviving Child, the Survivor Benefit shall be allocated equally between them such that at any point in time while at least one Child remains eligible to receive the Survivor Benefit the total payable to all Children is equal to 60% of the Pensioner's Pension.

8.5 Residual Death Benefit

If the aggregate amount of the Pension payments and Survivor Benefit payments made to or in respect of a Member, Deferred Pensioner or Pensioner is less than the sum of all contributions made by the Member, Deferred Pensioner or Pensioner with Interest at the date of the earlier of death or retirement, the Member's estate, shall receive a lump sum amount equal to the residual amount.

8.6 Termination of Pension Payment

Pension payments shall cease at the end of the month in which the death of the Pensioner or person receiving the Survivor Benefit occurs, or at the end of the month in which the last surviving Child ceases to be eligible.

SECTION 9 – DISABILITY PENSION

9.1 Disability Pension

A Vested Member who has made required contributions under the Pension Plan and is subsequently determined to have a Disability may apply for a Disability Pension.

9.2 Application for Disability Pension

A Disabled Member may apply for a Disability Pension in the form and manner prescribed by the Administrator. Such application must be approved by the Administrator for the Member to qualify for a Disability Pension.

9.3 Disability Pension Benefit Payment

A Disability Pension shall be calculated in accordance with subsection 6.1, which shall be payable in equal semi-monthly instalments, or such other regular and periodic instalments as may be prescribed by the Administrator.

9.4 Termination by Reason of Redundancy

A Vested Member whose employment is terminated while on sick leave by reason of redundancy, who has not used up all their sick leave benefits, and who meets the requirements of this section shall be retired from the date the employee's employment is terminated.

SECTION 10 – INDEXING

10.1 Pension Benefit Increases

1) Pre-January 1, 2015 Benefits

All Pensions payable in respect of Pre-January 1, 2015 Pensionable Service, including a Survivor Benefit, are subject to an annual inflation protection increase commencing on October 1 of the year following the date the Pensioner turns or would have turned age 65. This increase is calculated at the rate of 60% of the preceding year's rate of increase in the Consumer Price Index, up to a maximum Consumer Price Index increase of 2%. For greater certainty, the maximum possible increase in an annual Pension or Survivor Benefit in a given year is 1.2%.

In no event will the amount of Pension or Survivor Benefit decrease as a result of the application of this section.

Notwithstanding the foregoing, the Administrator shall, at the direction of the Sponsor Body in accordance with the Funding Policy and based on the advice of the actuary, provide an increase in the Pension beyond the annual inflation protection increase above, subject to the limits of the *Income Tax Act*. Granting an increase in any year in excess of the guaranteed increase described above does not mean that such excess increase will be granted in any subsequent year.

2) Post-December 31, 2014 Benefits

The Administrator shall, at the direction of the Sponsor Body in accordance with the Funding Policy and based on the advice of the actuary, increase the Pension or Survivor Benefit payable in respect of Post-December 31, 2014 Pensionable Service, subject to the limits of the *Income Tax Act*.

In no event will the amount of Pension or Survivor Benefit decrease as a result of the application of this section.

Granting an increase in any year does not mean that such an increase will be granted in any subsequent year.

SECTION 11 – BENEFIT TRANSFERS

11.1 Asset Transfer Agreements

The Administrator may, in its sole discretion, enter into an agreement with any organization or pension plan, other than a pension plan that is the subject of a reciprocal transfer agreement under subsection 11.2, to permit the receipt of funds in respect of a group of pension plan members that transfer into the Pension Plan from such pension plan or organization.

Likewise, the Administrator may, in its sole discretion, enter into an agreement with any organization or pension plan, to permit the transfer out of funds in respect of a group of Pension Plan Members who transfer out of the Pension Plan to such pension plan or organization.

11.2 Reciprocal Transfer Agreements

The Administrator may, in its sole discretion, enter into a reciprocal transfer agreement with any pension plan or organization to permit the payment or receipt of funds for any qualifying Member.

Such agreement shall set out the relevant details with regard to time limits, the amounts to be transferred and the determination of benefits. Any reciprocal transfer agreement may be amended from time to time with the approval of the Administrator.

11.3 Commuted Value Transfers

Where a Member has terminated their membership in a former pension plan and has not received a termination benefit from the former pension plan, the Member may irrevocably elect to transfer into the Pension Plan the benefit amount to which they are entitled by reason of service in a former registered pension plan, provided the former plan allows the transfer.

The transferred benefit amount will be administered by the Pension Plan in accordance with the *Income Tax Act*. The Member shall be credited with Pensionable Service under the Pension Plan that represents the transferred benefit amount but which cannot exceed the Member's pensionable service recognized under the prior registered pension plan. This Pensionable Service shall be determined with reference to the actuarial cost of the Pensionable Service at the date of the election as calculated by the Pension Plan's actuary.

If the transferred lump sum amount is insufficient to finance the actuarial present value of the full period of Pensionable Service the Member desired to transfer to the Pension Plan, the Pensionable Service transferred shall be the portion that is financed, unless the Member elects to pay an increased amount to make up all, or a portion of, the deficiency.

11.4 Transfer from Government Money Purchase Pension Plan

The Administrator shall accept the transfer of funds from the Government Money Purchase Pension Plan created by the *Government Money Purchase Pension Plan Act*, RSNL 1990, c G-6 and the regulations issued thereunder, as amended from time to time, and establish the amount of related Pensionable Service in accordance with the terms and conditions that may be prescribed by the Administrator.

SECTION 12 – PAST SERVICE PURCHASE

12.1 Eligible Periods of Past Service

A Member who is currently contributing to the Pension Plan may elect to purchase eligible periods of past service as defined under the *Income Tax Act*. Such periods will be credited to such Member as additional Pensionable Service. The following periods of past service are eligible for purchase:

1) Prior Service

- a) Any eligible period of employment with an Employer; and
- b) Any eligible period of employment with a predecessor employer of an Employer, as defined in the *Income Tax Act*;

2) Former Pensionable Service in the Pension Plan

The period of Pensionable Service representing a previous entitlement under the Pension Plan for which the Member received a termination benefit provided the Member transferred their benefit in accordance with subsection 7.2(1)(ii), is hired by an Employer and enrolls in the Pension Plan;

3) Leave

A period during which a Member was on a Leave;

4) Former service in another pension plan sponsored by Government

A period where a Member was formerly covered under a pension plan established under either:

- a) The *Teachers' Pensions Act*, RSNL 1990, c T-2;
- b) The *Members of the House of Assembly Pensions Act*, RSNL 1990, c M-6;
- c) The *Memorial University Pensions Act*, RSNL 1990, c M-8;
- d) The *Uniformed Services Pensions Act, 1991*, SNL 1991, c 19; or
- e) An Act or pension plan which replaces one of the above listed pension plans, and the period of service representing a previous entitlement under the pension plan for which the Member received a termination benefit.

Any purchases of past service in this subsection 12.1 shall be subject to the limits in the *Income Tax Act*.

12.2 Purchase Price

The purchase price of eligible periods of past service, as described in subsection 12.1 above shall be determined by the Administrator, on the advice of the actuary.

Upon receipt of information in respect of the cost of the eligible periods of past service, a Member who elects to purchase eligible periods of past service shall make payment in the form and manner prescribed by the Administrator.

In the event that the employment status of a Full-Time Employee changes to part-time, the part-time employee will have the option of continuing to make payments in accordance with the existing purchase contract.

12.3 Limitations

No person shall acquire more than one period of Pensionable Service per calendar year in respect of the same period of time in the Pension Plan.

A period of employment service cannot be recognized as Pensionable Service if the period of employment service continues to be recognized as pensionable service in another pension plan.

SECTION 13 – INCOME TAX ACT MAXIMUMS**13.1 Maximum Pension**

For the purposes of this section, "Pensionable Service" means Pensionable Service as defined under the *Income Tax Act*.

For the purposes of this section, "Early Retirement Eligibility Service" means Pensionable Service plus other periods that qualify as Early Retirement Eligibility Service under the *Income Tax Act*.

1) Maximum Lifetime Retirement Benefit

The annual Lifetime Retirement Benefit payable in respect of Pensionable Service accrued after August 31, 1991 as determined at the time the Pension starts shall not exceed the years of the Member's or Deferred Pensioner's Pensionable Service multiplied by the lesser of:

- a) \$2,944.44 or such greater amount permitted under the *Income Tax Act*; and
- b) 2% of the Member's or Deferred Pensioner's highest average indexed compensation (as defined under the *Income Tax Act*) in any three non-overlapping periods of 12 consecutive months,

and, if the Pension start date precedes the earlier of the following:

- c) the date the Member or Deferred Pensioner attains age 60;
- d) the date the Member's or Deferred Pensioner's age plus Early Retirement Eligibility Service is equal to 80, assuming they had remained in employment with the Employer;
- e) the date the Member or Deferred Pensioner would attain 30 years of Early Retirement Eligibility Service, assuming they had remained in employment with the Employer; and
- f) the date the Member becomes Disabled,

the pension benefit shall be reduced by $\frac{1}{4}$ of 1% for each month by which the pension start date precedes that day.

2) Maximum Bridging Benefit

The Bridging Benefit payable shall not exceed the amount of benefits payable under the *Canada Pension Plan*, RSC 1985, c C-8 and under the *Old Age Security Act*, RSC 1985, c O-9 assuming the Member or Deferred Pensioner is:

- a) 65 years of age;

- b) entitled to receive the maximum Old Age Security benefits; and
- c) entitled to that proportion, not exceeding 1, of the maximum benefits payable under the *Canada Pension Plan RSC 1985, c C-8* that the total of the Member's or Deferred Pensioner's remuneration for the 3 calendar years in which the remuneration is the highest is of the total of the YMPE,

reduced proportionately in the case of a Member or Deferred Pensioner who has completed less than 10 years of Pensionable Service and further reduced by $\frac{1}{4}$ of 1% for each month by which the pension commencement date precedes the attainment of age 60. However, the age and service restrictions described herein do not apply to a Member who is Disabled.

3) Post-1991 Combined Bridging Benefit and Lifetime Retirement Benefit Maximum

The total initial Pension payable in respect of Pensionable Service accrued after August 31, 1991, including both the Lifetime Retirement Benefit and Bridging Benefit, may not exceed the sum of:

- a) \$2,944.44 or such greater amount permitted under the *Income Tax Act*, multiplied by the number of years of Pensionable Service accrued after August 31, 1991; plus
- b) 25% of the average of the YMPE in the current year and the two preceding calendar years, divided by 35, and multiplied by the number of years of Pensionable Service accrued after August 31, 1991 to a maximum of 35.

13.2 Pension Adjustment

The Pension benefit accrued to a Member in a Pension Plan year and payable from the Pension Plan shall not result in a Pension Adjustment (as defined under the *Income Tax Act*) which exceeds the limits prescribed by the *Income Tax Act*.

SECTION 14 – THE FUND

14.1 The Fund

The Fund is established for the purpose of the Pension Plan. The Fund will be maintained and administered in accordance with the terms of the Joint Sponsorship Agreement.

14.2 Contributions to the Fund

Contributions of the Members and Employers made to the Pension Plan shall be paid to the Fund and shall be held in trust in accordance with the Joint Sponsorship Agreement, including the Trustee Corporation Framework in Appendix "B" to the Joint Sponsorship Agreement.

14.3 Benefits and Other Expenditures

All benefits, operating costs, and expenditures related to the operation of the Pension Plan will be paid out of the Fund. All benefits paid or to be paid under the terms of the Pension Plan shall constitute settlement in full satisfaction of the rights of any Member, Deferred Member, Pensioner, Principal Beneficiary or any other person receiving a benefit under the Pension Plan, and the said individuals shall have no further claim upon the Pension Plan or the Fund in respect of the employment of the Member with the Employer to the date of the Member's termination, death or retirement.

14.4 Investments and Pooling

Assets of the Fund shall be invested in accordance with the Statement of Investment Policies and Procedures ("SIP&P"), the terms of the Joint Sponsorship Agreement, including the Trustee Corporation Framework in Appendix "B" to the Joint Sponsorship Agreement, the *Income Tax Act* and any other applicable legislation.

The Fund may pool assets with the assets of other pension plans for investment purposes, in accordance with the SIP&P and the terms of the Joint Sponsorship Agreement.

14.5 Fiscal Year

The fiscal year of the Fund is a calendar year.

14.6 Joint Sponsorship Agreement

Any provisions of the Pension Plan that are inconsistent with the terms of the Joint Sponsorship Agreement shall, to the extent of the inconsistency, be of no force and effect. The Pension Plan is subordinate to the Joint Sponsorship Agreement.

14.7 Funding Policy

Amongst other things, the Joint Sponsorship Agreement provides for the joint responsibility of the funding of the Pension Plan. All surpluses and deficits are to be

shared equally between Government and Pension Plan Members, Deferred Pensioners and Pensioners, such that 50% is allocated to Government and 50% is allocated to Pension Plan Members, Deferred Pensioners and Pensioners. The Funding Policy provides details of the funding of the Pension Plan, and specifies the parameters relating to funding decisions.

SECTION 15 – EMPLOYER PROVISIONS

15.1 Employer Participation

1) Application to Participate

An Employer who is or becomes an agent of Government or any other entity that meets the criteria established by the Administrator and who wishes to join the Pension Plan shall apply in the form and manner prescribed by the Administrator.

2) Employer Agreement

Upon approval of an application by the Administrator, an Employer shall enter into a participation agreement with the Administrator in the form and manner prescribed by the Administrator, setting out the terms under which the Employer shall participate in the Pension Plan.

3) Amending a Participation Agreement

If an Employer should wish to amend the terms of its participation agreement, the Employer shall apply in the form and manner prescribed by the Administrator.

If the Administrator agrees to an amendment proposed by an Employer, the Employer shall enter into an amended participation agreement in writing with the Administrator setting out the revised terms under which the Employer shall continue to participate in the Pension Plan. Until the amended participation agreement is signed by the Employer and the Administrator, the original participation agreement shall continue in effect.

15.2 Remittance of Contributions

Employers shall forward all required contributions made by them and the Members to the Administrator by the 10th working day following the day the contributions were deducted from the Members. The Administrator shall hold the contributions in trust in the Fund.

15.3 Late Remittance of Contributions

1) Interest Charges and Penalties

Where an Employer has failed to remit required contributions to the Administrator in accordance with subsection 15.2, such Employer shall be liable for a penalty upon the amount of that contribution as prescribed by the Administrator, which may include interest and all reasonable costs of collection, including reasonable legal fees.

15.4 Information

1) Information to Members and Deferred Pensioners

An Employer shall provide each Member and Deferred Pensioner with such information in writing with respect to the Pension Plan, including but not limited to their obligation or right to join the Pension Plan, the manner in which contributions will be deducted, and such other information as the Administrator shall determine, in the form and manner prescribed by the Administrator, and in accordance with the *Income Tax Act*.

2) Information to Administrator

Each Employer shall provide to the Administrator such information relating to Members and Deferred Pensioners as may be required to calculate and pay benefits, within the time established by the Administrator, and in accordance with the *Income Tax Act*.

15.5 Employer Records

Wherever the records of the Employer are used for the purposes of the Pension Plan, such records shall be conclusive of the facts with which they are concerned, unless and until they are proven to be in error.

15.6 No Right in Employer Contributions

Contributions made by an Employer shall not constitute an enlargement of the amount of any benefit defined in the Pension Plan and shall not at any time create for any person any right, title or interest in the assets of the Employer or the Fund.

SECTION 16 – ADMINISTRATION

16.1 Responsibility for Administration

The Administrator shall interpret the Pension Plan and decide any and all matters arising from it, unless the Joint Sponsorship Agreement or PSPP Act expressly directs otherwise. The Administrator shall ensure that the Pension Plan and the Fund are administered in accordance with the *Income Tax Act*, the Joint Sponsorship Agreement, the PSPP Act, and with any documents filed with the applicable regulatory authorities. The Administrator, in consultation with any other party as may be directed under the Joint Sponsorship Agreement, may adopt such procedures, policies, rules and regulations to give effect to the purpose and administration of this Pension Plan, including appeals in matters related to, connected with or arising out of a person's entitlement to, or payment of, a Pension or other money under this Pension Plan, and shall perform the duties as may be expressly conferred upon the Administrator under the Joint Sponsorship Agreement or PSPP Act.

16.2 Costs of Administration

All costs of administering the Pension Plan and the Fund, including reasonable legal, actuarial and other reasonable fees and expenses shall be paid from the Fund.

16.3 Disclosure to Members

The Administrator, through an Employer or directly, shall provide each employee, Member, Deferred Pensioner, Pensioner and Principal Beneficiary with information concerning the Pension Plan and their rights and obligations under the Plan as follows, with contents and time periods for delivery as prescribed by the Administrator:

1) Notice of Eligibility

After a Full-Time Employee's eligibility for membership, they shall receive a notice explaining their rights and obligations in respect of the Plan, and an explanation of the terms and conditions and any subsequent amendments of the Plan applicable to the person.

2) Notice of Amendment

After any amendment to the Plan that may affect a Member, Deferred Pensioner or Pensioner's rights or obligations under the Plan, such person will receive notice and explanation of the amendment.

3) Member Statement

Members and Deferred Pensioners will receive, on an annual basis, annual statements with respect to their entitlements under the Plan.

4) Notice of Retirement Options

A Member who retires or reached retirement age will receive a statement of any options respecting payment of the pension benefit available to the Member under the Plan and any time limits to exercise such options.

5) Termination Statements

After a Member retires or ceases membership in the plan, the Member will receive, or if a Member dies, after the Administrator receives notice of the death, the Member's Principal Beneficiary will receive, a statement.

16.4 Information from Members and Principal Beneficiaries

Before starting the payment of a Pension or other payment under the Pension Plan, an individual claiming entitlement shall provide the Administrator with the information needed to calculate and pay the amount.

16.5 Notices, Elections, Statements and Other Records

Notices, elections, statements and other records provided to any Member, Deferred Pensioner, Pensioner or any other person entitled to benefits under the Pension Plan, may be given, made, or communicated, as the case may be, in writing and in such manner as the Administrator shall determine, including electronic means provided that electronic notice shall be subject to first obtaining the individual's consent.

Any electronic notice shall be deemed to have been given 2 days after the transmission of such notice. Any notice mailed shall be deemed to have been given 5 days after the mailing of such notice. Any notice sent by facsimile shall be deemed to have been given on the day that the sending facsimile machine confirms that the facsimile has been sent. It will be the responsibility of any person entitled to a benefit under the Pension Plan to notify the Administrator of their mailing or e-mail address and subsequent changes of mailing or email address.

SECTION 17 – FUTURE OF THE PENSION PLAN

17.1 Right to Amend the Pension Plan

The Administrator and Sponsor Body expect and intend to maintain this Pension Plan in force indefinitely. The Sponsor Body, pursuant to the terms of the Joint Sponsorship Agreement, reserves the right, to amend, modify, alter or terminate the Pension Plan, either in whole or in part, or change the funding method or media, subject always to the requirements of law and the Joint Sponsorship Agreement, including the requirement to consult the required parties set out in the Joint Sponsorship Agreement. The Administrator may also recommend to the Sponsor Body any modifications, alterations or amendments to this Pension Plan necessary to obtain and retain such approval of the Canada Revenue Agency and other appropriate regulatory bodies as is required in order to establish the qualified status of the Pension Plan for registration, and the deductibility for income tax purposes of contributions to the Fund.

17.2 Amendment to the Pension Plan

No amendments to the Plan shall be effective unless made in accordance with the provisions contained in the Joint Sponsorship Agreement, unless otherwise required by the *Income Tax Act*.

17.3 Termination of the Pension Plan

Any decision to terminate or wind-up the Pension Plan, in whole or in part, or to convert the Pension Plan from a jointly sponsored defined benefit pension plan to any other type of pension plan shall require the unanimous approval of the Government and each of the unions, as identified in the Joint Sponsorship Agreement.

17.4 Excess Assets on Termination of the Pension Plan

Upon termination and wind-up of the Pension Plan in accordance with the Joint Sponsorship Agreement, the assets of the Fund shall be used to meet the Accrued Benefits of Members, Deferred Pensioners, Pensioners and any other person entitled to a benefit under the Pension Plan before any other distribution may be made.

The remaining surplus, being the excess of the assets of the Fund over the amount required to secure the Accrued Benefits of Members, Deferred Pensioners, Pensioners and any other person entitled to a benefit under the Pension Plan, will be shared equally between Government and Pension Plan Members, Deferred Pensioners and Pensioners, such that 50% is allocated to Government and 50% is allocated to Pension Plan Members, Deferred Pensioners and Pensioners on a pro-rated basis, based on the actuarial present value of the Accrued Benefits of those persons as of the date of the wind-up.

17.5 Deficit on Termination of the Pension Plan

Where the assets of the Fund are insufficient to secure the Accrued Benefits of Members, Deferred Pensioners, Pensioners and any other person entitled to a benefit under the Pension Plan, the assets of the Fund shall be allocated to Members, Deferred Pensioners, Pensioners and any other persons entitled to a benefit under the Pension Plan on a pro-rated basis, based on the actuarial present value of the Accrued Benefits of those persons as of the date of the wind-up, and distributed in a manner determined by the Administrator.

Neither the Government, Members, Deferred Pensioners, Pensioners, nor Employers are required to pay any additional amount to the Pension Plan in respect of a shortfall in the Fund upon the wind-up of the Pension Plan. Notwithstanding the foregoing, this does not affect in any way the Government's obligation to continue to make payments under subsection 3.5 in the manner contemplated in that subsection.

SECTION 18 – MARRIAGE BREAKDOWN

18.1 Definitions

In this section:

- 1) "Date of Marriage Breakdown" means the date of separation or other date specified in a court order or separation agreement as the date on which matrimonial property of the Member, Deferred Pensioner or Pensioner is to be divided;
- 2) "Proportionate Share" means the fraction of the pension benefits related to a Member, Deferred Pensioner or Pensioner that are payable to a Spouse under the Pension Plan and calculated in accordance with subsection 18.5;
- 3) "Limited Member" means a Spouse of a Member, Deferred Pensioner or Pensioner who elects to receive a Separate Pension in respect of their Proportionate Share of a Member's, Deferred Pensioner's or Pensioner's pension benefits;
- 4) "Separate Pension" means a pension that is payable from the Pension Plan for the life of a Limited Member, in accordance with subsection 18.7.
- 5) "Spouse" means a spouse as defined in the *Family Law Act* of a Member, Deferred Pensioner or Pensioner, and includes a former Spouse of a Member, Deferred Pensioner or Pensioner.

18.2 Request for Division of Pension Benefits

1) Application Process

A Member, Deferred Pensioner, Pensioner or a Spouse of a Member, Deferred Pensioner or Pensioner may, after the Date of Marriage Breakdown, submit an application in the form and manner prescribed by the Administrator for a division of the pension benefits earned by the Member, Deferred Pensioner or Pensioner during the marriage, provided that:

- a) a court has made an order for the division of matrimonial property under the *Family Law Act* or a similar order of a court outside the province enforceable in the province; or
- b) a separation agreement has been entered into within the meaning of the *Family Law Act* to divide matrimonial property.

Where an application is filed jointly by the Member, Deferred Pensioner or Pensioner, and their Spouse, the Administrator shall, subject to subsection 18.3, comply with the joint direction of the Spouse and Member, Deferred Pensioner or Pensioner, or court order regarding the division of pension benefits.

Where an application is not filed jointly by the Member, Deferred Pensioner or Pensioner, and their Spouse, upon receiving an application for the division of pension benefits from one party, the Administrator shall provide a copy of the application to the other party, and shall provide both parties with a notice of spousal entitlement containing the following information:

- a) in the case of a Member who is not Vested at the Date of Marriage Breakdown, the value of the Member's contributions with Interest as of the Date of Marriage Breakdown;
- b) in the case of a Vested Member, Deferred Pensioner or Pensioner, the Commuted Value of the pension benefits available for division as of the effective date that the Spouse's Proportionate Share is determined;
- c) the transfer options available to the Spouse, if any;
- d) the option to take a Separate Pension from the Pension Plan, if available; and
- e) a copy of the last annual statement sent to the Member, Deferred Pensioner or Pensioner, as applicable.

Following receipt of the notice of spousal entitlement, the Spouse shall be required to deliver a completed election form in the form and manner prescribed by the Administrator indicating the option chosen by the Spouse for the division of pension benefits.

2) Notice of Objection

A Member, Deferred Pensioner or Pensioner may object to the Spouse's application for division of pension benefits from the Pension Plan on one or more of the following grounds:

- a) the court order or separation agreement has been varied or is of no force or effect;
- b) the terms of the court order or separation agreement have been or are being satisfied by other means; or
- c) proceedings have been commenced in a court of competent jurisdiction in Canada to appeal or review the court order or to challenge the terms of the separation agreement.

Where a Member, Deferred Pensioner or Pensioner objects to the division of pension benefits, they shall deliver to the Administrator a notice of objection in the form and manner prescribed by the Administrator, and include with the notice any relevant documentary evidence relied upon for the objection.

3) Division

Subject to subsection 18.3, the Administrator shall divide a Member's, Deferred Pensioner's or Pensioner's pension benefit following receipt of all information required by the Administrator, and provided that:

- a) the aggregate of the Commuted Value of the pension benefits payable to the Member, Deferred Pensioner or Pensioner and to the Spouse following the division does not exceed the Commuted Value of the pension benefits that would have otherwise been payable had the marriage breakdown not occurred; and:
- b) the Commuted Value of the Member's, Deferred Pensioner's or Pensioner's pension benefits, once divided, is not less than 50% of the Member's, Deferred Pensioner's or Pensioner's Commuted Value before division.

The Administrator shall also provide an accounting to both the Member, Deferred Pensioner or Pensioner and the Limited Member with respect to the recalculation of the pension benefits.

Upon division of the pension benefit, the Spouse or Limited Member, as applicable, shall have no further claim or entitlement to a further benefit under the Pension Plan as a Spouse except those that apply to a Limited Member, as applicable. Neither the Administrator nor the Pension Plan shall be liable to any person by reason of having complied with a court order or separation agreement mentioned herein.

18.3 Clarification or Objection

Notwithstanding subsection 18.2, where the Administrator reasonably believes that a court order or separation agreement relating to the division of pension benefits is incomplete or does not provide clear or sufficient direction to administer the division, or where the Administrator has received a notice of objection in accordance with subsection 18.2, the Administrator shall not effect a division of the pension benefits. The Administrator shall give written notice of the inability to comply to the Member, Deferred Pensioner or Pensioner, and their Spouse, and:

- 1) require that the matter be determined by a court; or
- 2) require that the matter be determined between the parties, as evidenced by filing with the Administrator a written agreement between the Member, Deferred Pensioner or Pensioner, and their Spouse; or
- 3) apply to the court for directions.

18.4 Election of a Spouse

1) Options Available to a Spouse

A Spouse will be entitled to the following options:

- a) in the case of a Member who is not Vested at the Date of Marriage Breakdown, a lump sum payment equivalent to the Spouse's Proportionate Share of the Member's contributions with Interest, paid in cash or, at the option of the Spouse, transferred directly to a registered retirement savings plan or other registered savings arrangement allowed under the *Income Tax Act*,
- b) in the case of a Vested Member or a Deferred Pensioner, either:
 - i. a transfer of the Spouse's Proportionate Share of the Commuted Value to the same retirement arrangements available to a Member or Deferred Pensioner under subsection 7.2(1); or
 - ii. to become a Limited Member and receive a Separate Pension, payment of which is deferred until the Member or Deferred Pensioner is eligible to retire under subsections 4.2 or 4.3, or, as applicable, 5.2 or 5.3, or to a later date, but no later than the date upon which the Member's Pension becomes payable;
- c) in the case of a Pensioner in receipt of a Disability Pension, and provided such Pensioner would not have been eligible to retire under subsections 4.2 or 4.3, or, as applicable, 5.2 or 5.3, had the Pensioner not been Disabled, either:
 - i. a transfer of the Spouse's Proportionate Share of the Commuted Value to the same retirement arrangements available to a Member or Deferred Pensioner under subsection 7.2(1); or
 - ii. to become a Limited Member and receive a Separate Pension, payment of which is deferred until the Disabled Pensioner is eligible to retire under subsections 4.2 or 4.3, or, as applicable, 5.2 or 5.3;
- d) in the case of a Pensioner in receipt of a Disability Pension, and provided such Pensioner would have been eligible to retire under subsections 4.2 or 4.3, or, as applicable, 5.2 or 5.3, had the Pensioner not been Disabled, the Spouse's Proportionate Share of the Commuted Value, payable as a Separate Pension immediately;
- e) in the case of a Pensioner, except a Pensioner in receipt of a Disability Pension, the Spouse's Proportionate Share of the Commuted Value, payable as a Separate Pension immediately.

Where a Spouse elects to receive a Separate Pension, the Spouse shall be designated as a Limited Member under the Pension Plan.

Where a Spouse fails to make an election within the time required by the Administrator, the Spouse shall be deemed to have elected to receive a Separate Pension and shall be designated as a Limited Member under the Pension Plan.

2) Revocation of Election

Where a Spouse elects, or is deemed to have elected, to receive a Separate Pension and becomes a Limited Member under the Pension Plan, the Spouse may, before the commencement of the Separate Pension and prior to the Member's or Deferred Pensioner's retirement date or, in the case of a Pensioner in receipt of a Disability Pension, prior to the date such Pensioner would have been eligible to retire under subsections 4.2 or 4.3, or, as applicable, 5.2 or 5.3, had the Pensioner not been Disabled, revoke the election and elect to transfer the Proportionate Share of the Commuted Value in accordance with subsection 18.4(1)(b)(i) or 18.4(1)(c)(i), as applicable.

The value of the Spouse's Proportionate Share of the Commuted Value available upon re-election is the Proportionate Share of the Commuted Value calculated at the date of re-election.

Upon transfer of the Spouse's Proportionate Share of the Commuted Value from the Pension Plan, the Spouse ceases to be a Limited Member.

3) Payment of Commuted Value to a Member or Deferred Pensioner

Where a Member or a Deferred Pensioner elects a transfer of the Commuted Value of their pension benefits, the Spouse may only receive a transfer of their Proportionate Share of the Commuted Value in accordance with 18.4(1)(b)(i) above.

18.5 Spouse's Proportionate Share

The Spouse's Proportionate Share of a pension benefit shall be determined in accordance with the following formula:

$$\text{Proportionate Share} = P(A/B),$$

where:

A = Pensionable Service accumulated by the Member, Deferred Pensioner or Pensioner from the date of marriage to the Date of Marriage Breakdown, excluding any Pensionable Service for that period purchased by and credited to the Member, Deferred Pensioner or Pensioner after the Date of Marriage Breakdown;

B = total Pensionable Service accumulated by the Member, Deferred Pensioner or Pensioner to the effective date that the Spouse's Proportionate Share is determined;

P = percentage of the pension benefits to be credited to the Spouse under the court order or separation agreement.

18.6 Limited Members

1) Rights of a Limited Member

Unless otherwise stated herein, a Limited Member has all the same rights as a Member, Deferred Pensioner or Pensioner under the Pension Plan.

2) Information Provided to Limited Member

A Spouse, who has filed an application in accordance with subsection 18.2, or a Limited Member is entitled to receive from the Administrator at the time of marriage breakdown and, on an annual basis, the same information in respect of the Pension Plan as a Member or Deferred Pensioner, as applicable, is entitled to receive. A Spouse is no longer entitled to information under this subsection when the Spouse has received a transfer of their Proportionate Share from the Pension Plan.

The Administrator shall give a Limited Member, until the Limited Member begins receipt of a Separate Pension under the Pension Plan, 30 days' advance written notice of any transaction relating to the Member's or Deferred Pensioner's pension benefits by reason of the retirement or death of the Member or Deferred Pensioner, or a direction given to the Administrator by the Member or Deferred Pensioner.

When a Limited Member begins receipt of a Separate Pension, the Limited Member shall be treated as a Member, Deferred Pensioner or Pensioner, as applicable, of the Pension Plan for information, disclosure and reporting purposes, and is no longer entitled to information under this subsection regarding the pension benefits of the Member or Deferred Pensioner.

3) Commutation of Benefits

- a) Where the Limited Member's annual Separate Pension payable is less than 4% of the YMPE for the calendar year in which the Spouse's Proportionate Share is determined, the Limited Member is entitled to receive a lump sum payment instead of a Separate Pension under subsection 18.7.
- b) Where the Commuted Value of a Limited Member's Separate Pension is less than 10% of the YMPE for the calendar year in which the Spouse's Proportionate Share is determined, the Limited Member is entitled to receive a lump sum payment instead of the Separate Pension under subsection 18.7.

- c) A Separate Pension may be commuted and paid in a lump sum at the discretion of the Limited Member if the Limited Member establishes, prior to beginning the payment of the Separate Pension, that they have a mental or physical disability that is likely to shorten considerably their life expectancy that has been verified in writing by a medical practitioner to the satisfaction of the Administrator.

18.7 Separate Pension of a Limited Member

The Separate Pension payable to a Limited Member shall be based on the form of pension benefits payable to a Pensioner who does not have a Principal Beneficiary or Child at their date of death. For greater certainty, no Survivor Benefit will be payable in respect of the Limited Member's Separate Pension.

The Administrator shall make separate source deductions as required under the *Income Tax Act* for the Limited Member's Separate Pension.

18.8 Death of a Limited Member or of a Member or Deferred Pensioner

1) Death of a Member or Deferred Pensioner

Where a Member or Deferred Pensioner dies before a Limited Member, and before the Limited Member is entitled to begin a Separate Pension, the Limited Member is entitled to a Proportionate Share of the Commuted Value of the Member's or Deferred Pensioner's Pension entitlement payable under subsection 8.3(1)(b)(ii) or 8.3(2).

Where a Member or Deferred Pensioner dies before a Limited Member, and after the Limited Member is entitled to begin, or has begun, a Separate Pension, no pre-retirement death benefit is payable to the Limited Member.

2) Death of a Limited Member

Where a Limited Member dies prior to receipt of a Separate Pension, the Administrator shall provide for payment of the Limited Member's Proportionate Share of the Commuted Value of the pension benefits to the estate of the Limited Member.

Where a Limited Member dies while in receipt of a Separate Pension, any amount by which the Limited Member's Proportionate Share of the contributions with Interest exceeds the aggregate amount of the Separate Pension payments made to the Limited Member shall be paid in a lump sum to the Limited Member's estate.

18.9 Adjustment of a Member's, Deferred Pensioner's or Pensioner's Pension Benefits

Where a Member's, Deferred Pensioner's or Pensioner's pension benefits have been divided and the Spouse's Proportionate Share has been transferred to the benefit of the Spouse or Limited Member, the Member's, Deferred Pensioner's or Pensioner's Pensionable Service shall be reduced by the following amount of service:

$$R = P \times S,$$

where

R = the amount by which total service is to be reduced when calculating the Member's, Deferred Pensioner's or Pensioner's pension benefits after the transfer or division;

P = the Proportionate Share; and

S = the total service of the Member, Deferred Pensioner or Pensioner including service before, during and after the marriage.

An adjustment under this subsection does not affect the Member's or Deferred Pensioner's eligibility in relation to a pension benefit under the Pension Plan.

Notwithstanding the above, where the pension benefits of a Pensioner in receipt of a Disability Pension have been divided and the Spouse's Proportionate Share has been transferred to the benefit of the Spouse or Limited Member, the Pensioner's Pensionable Service shall not be adjusted for purposes of the Disability Pension.

18.10 Adjustment of a Member's, Deferred Pensioner's or Pensioner's Contributions with Interest

Where a Member's, Deferred Pensioner's or Pensioner's pension benefits have been divided and the Spouse's Proportionate Share has been transferred to the benefit of the Spouse or Limited Member, the Member's, Deferred Pensioner's or Pensioner's contributions with Interest shall be reduced by the following amount:

$$R = P \times S,$$

where

R = the amount by which total contributions with Interest are to be reduced when calculating the Member's, Deferred Pensioner's or Pensioner's contributions with Interest after the transfer or division;

P = the Proportionate Share; and

S = the total contributions with Interest of the Member, Deferred Pensioner or Pensioner including contributions made before, during and after the marriage.

18.11 Fees

The Spouse and the Member, Deferred Pensioner or Pensioner shall pay to the Pension Plan the required fees, as set by the Administrator from time to time, for the division of pension benefits on marriage breakdown.

18.12 *Family Law Act* prevails

If a provision of this Pension Plan conflicts with a provision of the *Family Law Act*, the *Family Law Act* shall prevail.

SECTION 19 – GENERAL PROVISIONS

19.1 Non-Assignment of Benefits

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

19.2 Commutation of Benefits

1) Small Pensions

- a) Where, after reflecting the reduction in Pension applicable at age 65 and provided for in subsection 6.1, the Member or Deferred Pensioner's annual Pension payable is less than 4% of the YMPE for the calendar year in which employment is terminated, the Member or Deferred Pensioner is entitled to receive a lump sum payment instead of a deferred Pension under subsection 7.2.
- b) Where the Commuted Value of a Member or Deferred Pensioner's Pension is less than 10% of the YMPE for the calendar year in which employment is terminated, the Member or Deferred Pensioner is entitled to receive a lump sum payment instead of the deferred Pension under subsection 7.2.

2) Shortened Life Expectancy

- a) A Pension may be commuted and paid in a lump sum at the discretion of the Member or Deferred Pensioner if the Member or Deferred Pensioner establishes that they have a mental or physical disability that is likely to shorten considerably their life expectancy that has been verified in writing by a medical practitioner to the satisfaction of the Administrator.
- b) If the Member or Deferred Pensioner has a Principal Beneficiary, the Principal Beneficiary must waive their entitlement to their Survivor Benefit in a manner that is satisfactory to the Administrator.

Notwithstanding any other provisions or requirements under the Pension Plan, Members or Deferred Pensioners who satisfy the conditions set out above and who elect to receive a lump sum payment under this subsection 19.2 herein will be deemed to have terminated employment, as applicable, for plan administration purposes and, upon payment of their benefit under this provision, shall forfeit all rights and obligations of the Pension Plan upon payment of their benefit under this provision.

19.3 Overpayments and Underpayments

The Administrator may adjust or cancel a Pension or other benefit which has been awarded or paid as a result of error or misrepresentation and, where such an overpayment of a Pension has been made, the Administrator may reduce, suspend or withdraw future payments of the Pension until the amount has been recovered subject to the *Income Tax Act*.

Where a Pension or other benefit has been underpaid or unusual delays in payments have occurred, the Administrator may make payments in rectification in those cases, subject to the requirements of the *Income Tax Act*.

19.4 Severability

If any provision of the Pension Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Pension Plan, and the Pension Plan shall be construed and enforced as if such provision had not been included in the Pension Plan.

19.5 Construction

Notwithstanding subsection 19.7, the *Pension Benefits Act, 1997* does not apply to the Pension Plan.

19.6 Governing Law

The Pension Plan shall be governed by and construed in accordance with the laws of the province of Newfoundland and Labrador and the applicable laws of Canada.

19.7 Conflict

Any provision of the Pension Plan that is inconsistent with the terms of the Joint Sponsorship Agreement shall, to the extent of the inconsistency, be of no force or effect. The Pension Plan is subordinate to the Joint Sponsorship Agreement.

19.8 No Liability

Neither the Administrator nor any person authorized to act under the Joint Sponsorship Agreement is liable for loss or damage suffered by another person because of anything done or omitted to be done under or in the exercise or supposed exercise of the powers conferred by this Pension Plan, where those powers have been exercised if:

- a) the person acted honestly and in good faith;
- b) in the case of a Director or employee of the Corporation, the person acted with a view to the best interests of the Pension Plan; and

- c) in the case of a criminal, regulatory or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that their conduct was lawful.

19.9 No Right to Employment and No Right to Employer Contributions

Participation in this Pension Plan does not confer on any Member any rights that they did not otherwise possess as an employee, except to such benefits as may specifically accrue to the Member under the terms of the Pension Plan. Nothing herein contained may be deemed to give any employee the right to be accepted, retained or reinstated in the employment of the Employer or to interfere with the right of the Employer to discharge any employee at any time without regard to the effect which such discharge might have upon the employee as a Member under the Plan. When a Member has received all of the benefits to which they are entitled hereunder, the Member will thereupon cease to be a Member of the Plan.

APPENDIX A – EMPLOYERS

The following is a list of Employers who participate in the Pension Plan, as may be amended from time to time by the Administrator:

Employers	
Government of Newfoundland and Labrador	Board of Commissioners of Public Utilities
C.A. Pippy Park Commission	Newfoundland and Labrador Housing Corporation
Nalcor Energy	Newfoundland and Labrador Liquor Corporation
Provincial Information & Library Resources Board	Workplace NL
Newfoundland and Labrador Arts Council	Provincial Advisory Council on the Status of Women Newfoundland and Labrador
Newfoundland and Labrador Legal Aid Commission	Canada-Newfoundland and Labrador Offshore Petroleum Board
Municipal Assessment Agency	Newfoundland and Labrador Film Development Corporation
Newfoundland and Labrador Foster Families Association	Iris Kirby House
Heritage Foundation of Newfoundland and Labrador	Labrador Group Home
Nain Group Home	Provident ¹⁰
Central Regional Health Authority	Eastern Regional Health Authority
Newfoundland and Labrador Centre for Health Information	Western Regional Health Authority
Labrador-Grenfell Regional Health Authority	Bay St. George Residential Support Board
Central Residential Services Board	Grace Sparkes House
Eastern Residential Support Board	Waypoints
College of the North Atlantic	Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador
Newfoundland and Labrador English School District	College of Registered Nurses of Newfoundland & Labrador
Newfoundland and Labrador Association of Public and Private Employees	Public Service Credit Union

College of Licensed Practical Nurses of Newfoundland and Labrador	Registered Nurses' Union of Newfoundland and Labrador
Aramark Canada Ltd.	

In addition to the above Employers, the Administrator may authorize other employers to participate in the Pension Plan as an Employer through appropriate action under the Joint Sponsorship Agreement.

The Administrator may, with retroactive effect if necessary, prescribe the terms and conditions upon which prior service with a board, agency, commission, corporation, association, government or private home for special care referred to above may be counted as Pensionable Service and may provide for matters relating to the prior service, and all persons so included shall be considered to be Members for the purposes of paying contributions to and participating in the Pension Plan.