Normal Form of Retirement Benefits
The normal form is a monthly Formula Retirement Benefit commencing on the first day of the month following your retirement date. This benefit is payable to you for life and if applicable, upon your death, payable to your surviving spouse. You may select one of the following Formula Retirement Benefit options:

- **Joint and Last Survivor, reducing to 50% upon the member’s death.**
  - Payable for the life of the member and in the event the member dies, the surviving spouse will receive 50% of the member’s monthly Formula Retirement Benefit for life. If the member elects this benefit, the spouse must complete a prescribed waiver form. This form may be obtained from Human Resources.

- **Joint & Last Survivor, reducing to 50% upon the member’s death, guaranteed ten years.**
  - Payable for the life of the member and in the event the member dies, the surviving spouse will receive the same monthly pension for life. However, if both the member and the spouse die within the initial 10 years, there is nothing payable to the beneficiary.
  - If you are not married at retirement, your pension will be paid for your life only. However, you may elect a pension for your spouse for life, and guarantees that you and/or your beneficiary will receive at least 10 years of payments.

**Benefits at Normal Retirement Date**
If you retire on your normal retirement date your initial annual retirement benefit, payable monthly, will be a) plus b) as follows:

- **a) For service to December 31, 1989**
  - 2.13% of your average annual basic salary over 60 consecutive months of your highest earnings multiplied by the number of years of credited service at the University to December 31, 1989

- **b) For service to December 31, 1990**
  - 0.63% of your average maximum pensionable earnings under the Canada Pension Plan (YMPE) multiplied by your years of credited service at the University between January 1, 1966 and December 31, 1989

**Plus**
If you are between age 55 and 60 and have less than 10 years of credited service, your pension will be reduced by 5% per year for each year you retire before age 65. However, if the total of your age plus credited service equals 80 or more (“magic 80”), the 5% per year reduction is waived.

**Less:**
- 0.63% of your average maximum pensionable earnings under the Canada Pension Plan (YMPE) multiplied by your years of credited service at the University from January 1, 1990

For benefits earned after January 1, 1993:
- Lump sum can be paid as a taxable cash payment or transferred to your RRSP
- For benefits earned after January 1, 1993:
  - Lump sum can be transferred to your locked-in RRSP, Life Income Fund or used to purchase a life annuity

**Committed Value on Retirement**
Instead of receiving a lifetime monthly pension on retirement, you may elect to receive the committed value of the pension. The committed value will be paid as follows:

- **For benefits earned prior to December 31, 1992:**
  - Lump sum can be paid as a taxable cash payment or transferred to your RRSP

- **For benefits earned after January 1, 1993:**
  - Lump sum can be transferred to your locked-in RRSP, Life Income Fund or used to purchase a life annuity
Benefits on Death Prior to Retirement

If you should die before retirement, your beneficiary will receive the value of the Retirement Benefit (the commuted value) accrued to the date of your death. The commuted value will be paid in one of the following forms:

1) as a taxable lump sum;
2) as an annuity of a type acceptable to Canada Revenue Agency and the B.C. Pension Benefit Standards Act; or
3) as a transfer to an RRSP or another pension plan.

Options 2) and 3) are applicable only if the beneficiary is the spouse. The transfer under option 3) must be locked-in for benefits earned after January 1, 1993.

If you have made voluntary contributions, the value of your voluntary contributions shall be paid to your designated beneficiary or your estate.

In the event you have made voluntary contributions you may elect upon termination either:

(i) to receive as a taxable lump sum the amount of your voluntary contribution account as at your date of termination, or
(ii) to leave your voluntary contribution account in the pension fund to be used to purchase a lifetime annuity at your normal retirement date, or
(iii) to have the amount of your voluntary contribution account transferred to an RRSP or another registered pension plan.

An example of how your pension at Normal Retirement Age will be calculated

John Doe became a member of the Pension Plan July 1, 1981 when he was 35 years of age and remained employed by the University until his retirement 30 years later July 1, 2011. His average annual earnings during his highest five consecutive years was $55,000, and his average maximum pensionable earnings under the Canada Pension Plan (YMPE) when he retired was $48,533. Mrs. Doe is three years younger. His pension is calculated as follows:

\[
\text{Annual Pension (subject to annual cost of living adjustments) if 50% survivor benefit is elected:} \\
= \text{Less CPP adjustment} \times 0.0063 \times 8.5 \text{ yrs.} + \text{Plus} \times 0.0213 \times 8.5 \text{ yrs.} + \text{Money Purchase Account} \times 0.0213 \times 8.5 \text{ yrs.} \\
\]

Less CPP adjustment = $2,598.94
Plus = $20,102.50
Money Purchase Account = $5,217.30
Annual Pension = $14,885.20

The pension will be paid in monthly installments. This amount is payable to John Doe for his lifetime and if his wife survives him, she will receive a pension for her remaining lifetime equal to 50% of John Doe’s pension. If John Doe is not married, or his wife dies before he retires, his pension will cease with the payment made on the first day of the month in which his death occurs. In both cases, the pension is increased each year to a maximum of 3% in accordance with changes in the Consumer Price Index.

In addition to the pension calculated above, and any payments arising from voluntary contributions, John Doe can apply for Canada Pension Plan benefits and Old Age Security benefits.

Money Purchase Account

A money purchase account has been established for each plan member. If surplus is identified in a valuation report in excess of a prescribed amount, the excess is allocated to members’ money purchase accounts. Your money purchase account will be paid as a transfer to a locked-in RRSP when you terminate your employment or retire. Depending of the amount of money in your account, it may be possible for the funds to be paid as a taxable lump sum or transferred to a non locked-in RRSP. Surplus was allocated based on the results of the 1991, 1996, 1997 and 1998 valuations.