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 you have an eligible spouse, upon your death, 50% of the monthly payments continue to your surviving spouse for his/her lifetime. Alternatively, you may select one of the following Formula Retirement Benefit options:

- **Joint and Last Survivor**, reducing to 50% upon the member's death.
- **Joint & Last Survivor, reducing to 50% upon the member's death, guaranteed ten years**.
- **Joint & Last Survivor, reducing to 50% upon the member's death, guaranteed three years**.
- **Joint & Last Survivor, reducing to 50% upon the member's death, reduced by 5% per year**.

Voluntary Member Contributions
You may make voluntary contributions up to a maximum of 5% of earnings. These funds will be credited to an individual voluntary contribution account maintained for you. Each voluntary contribution account will be credited with investment earnings monthly at the net rate earned on the trust fund. You may withdraw these funds while employed or after termination or retirement. The funds may be:

- Applied to the purchase an annuity;
- Transferred to a preserved retirement savings plan (RRSP) or RRIF;
- Taken as a taxable lump sum

Your voluntary contributions are deductible from taxable earnings. If you wish to make additional contributions, please obtain the required forms from the Human Resources Department.

Retirement Dates
Your normal retirement date under the Plan is the first day of the month coincident with or next following your sixty-fifth birthday. You may elect an early retirement date starting from the first day of any month after your fifty-fifth birthday but before your normal retirement date. You may also elect a late retirement date after age 65.

Joint & Last Survivor 100%
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.

Joint & Last Survivor 100%, 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, the designated beneficiary will receive the monthly payments to the end of the 10 year period. If the member and/or the surviving spouse live beyond 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 that is paid for your lifetime, 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 on and after January 1, 1990 1.7% of your average annual basic salary over 60 consecutive months of your highest earnings multiplied by the number of your years of credited service at the University from January 1, 1990

Less:
0.63% of your average maximum pensionable earnings under the Canada Pension Plan (YMP) multiplied by your years of credited service.

PLUS:
- a) For service to December 31, 1992:
  - Lump sum can be paid as a taxable cash payment or transferred to your RRSP
  - Benefits earned prior to January 1, 1993: Lump sum can be transferred to your locked-in Retirement Account, Life Income Fund or used to purchase a life annuity, as permitted by Regulations.
Benefits on Termination Prior to Retirement
If your employment is terminated for reasons other than death or retirement you may elect to:

(i) Receive a deferred retirement benefit upon receipt of application after age 55. The pension payable at age 65 is equal to the retirement benefit which has accrued to your credit up to your date of termination. Deferred vested benefits will be indexed at 3% per year from age 45 or your age at date of termination, whichever is later, to your pension commencement date or age 65, whichever is earlier, or

(ii) Transfer the value of your retirement benefits (the commuted value) to an RRSP or to another registered pension plan. Pension benefits earned after January 1, 1993 are subject to locking-in legislation. If you elect the deferred retirement benefit, you may commence the pension as early as age 55. However, the pension will be reduced for early retirement. The pension at the early commencement date will be actuarially equivalent to the pension payable at age 65.

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 life 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.

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.

If you have a spouse, the commuted value will be paid to your spouse, in one of the following forms:

1) As a transfer to another pension plan;
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.

The transfer under option 3) must be locked-in for benefits earned after January 1, 1993. If you do not have a spouse, the commuted value will be paid as a lump sum to your beneficiary.

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

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 30 years of age and remained employed by the University until his retirement 35 years later July 1, 2016. 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 $53,667. Mrs. Doe is three years younger. His pension is calculated as follows:

\[
\text{Pension} = 0.0213 \times 55,000 \times 8.5 \times 0.0063\times 26.5 \times 17.957.75
\begin{align*}
\text{Less CPP adjustment} & = 0.003 \times 53,667 \times 8.5 \times 2,873.87 \\
\text{Plus} & = 0.017 \times 55,000 \times 26.5 \times 7,083.88 \\
\text{Less CPP adjustment} & = 0.005 \times 53,667 \times 26.5 \times 7,110.88 \\
\text{Annual Pension} & = 17,666.62
\end{align*}
\]

Annual Pension (subject to annual cost of living adjustments) if 50% survivor benefit is elected:

\[
\text{Pension} = 7,083.88 + 17,666.62 = 24,750.50
\]

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 Retirement Account 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.

Pension Plan Governs
This pamphlet outlines the main provisions of the Plan. Benefits and privileges are governed by the provisions of the official Trust Agreement and Pension Plan text which are on file and available for inspection in the Human Resources office. An annual statement will be provided outlining benefits accrued.

In the event of any conflict between the general description contained here and the text of the Trust Agreement or Pension Plan, the latter documents shall in all cases prevail.

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