

HALIFAX REGIONAL WATER COMMISSION

EMPLOYEES' PENSION PLAN

PLAN RULES

Amended and Consolidated (with amendments 1 through 8)

Effective January 1, 2011

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APPENDICES

INTRODUCTION

The Halifax Regional Water Commission was created on April 1, 1996, at the time of amalgamation of the Cities of Halifax and Dartmouth, the Town of Bedford, and the Municipality of the County of Halifax. The Halifax Regional Water Commission operates as a separate and distinct entity from the amalgamated Halifax Regional Municipality, and is a successor employer to the Halifax Water Commission.

Prior to April 1, 1996, the Halifax Water Commission sponsored a pension plan for its employees. On April 1, 1996, the Commission became the Halifax Regional Water Commission, and it acquired responsibility for water utilities in the former City of Dartmouth and Municipality of the County of Halifax. A number of employees from each of these utilities became employees of the Halifax Regional Water Commission.

From April 1, 1996 to June 1, 1998 pensions for former Halifax Water Commission employees continued to accrue under the Halifax Water Commission pension plan, while pensions of former employees of the Dartmouth and Halifax County water utilities continued to accrue under the Dartmouth and Halifax County pension plans, respectively. This also applied to a small number of employees who joined the Halifax Regional Water Commission from the former City of Halifax, who continued to accrue benefits during that period under the former City of Halifax Plan.

The Halifax Water Commission pension plan was amended and restated effective June 1, 1998 so as to provide pension benefits from that date onward to all Halifax Regional Water Commission employees and all employees were required to join the HRWC pension plan for all service beyond June 1, 1998.

Those employees who had accrued benefits in one of the prior municipal plans (i.e., the City of Dartmouth, City of Halifax, and County of Halifax plans) had an opportunity to transfer their benefits to the Halifax Regional Water Commission plan so that all accrued benefits would reside in one place. Such transfers took place on an actuarially equivalent basis.

The opportunity was also taken, as part of the amendment and restatement, to improve certain benefits that had been accrued to date by Halifax Water Commission employees. In particular, the formula for determining pension benefits has been revised to 2% of Best Average Earnings for each year of credited service, replacing the previous formula of 1.9% of earnings below the YMPE and 2% of earnings in excess of the YMPE. The restriction on lifetime pensions was also revised, in that the 35 year limit on benefit accruals was removed.

Amendment # 5: Adds a definition of a Common-law partner and includes such relationships under the definition of Spouse and includes references to Common law partner's entitlements in the distribution of pension benefit credits on divorce, annulment or separation.

Sections amended Section 1.6.1, 1.15, and 1.27.1 – Definitions
 Section 4.7 – Contributions
 Section 5.9 – Retirement Benefits
 Section 9.6 – Termination of Employment
 Section 13.1 – Explanation and Disclosure
 Section 16 – Pension Entitlement on Marriage Breakdown

Amendment # 6: Adds a provision to clarify plan provisions with respect to the portability of benefits

Sections amended Section 9.1 – Termination of Employment
 Section 10.1 – Portability of Benefits

Amendment # 7: Ensures the maximum member contribution may be waived upon application to the Minister of Revenue should this be necessary under plan funding conditions.

Sections amended Section 4.2 – Contributions

Amendment # 8: Adds a provision that deems a Member to have elected a deferred pension if they have not otherwise directed the Commission within 12 months of termination of employment

Sections amended Section 9.1 – Termination of Employment

1. DEFINITIONS

- 1.1 "Actuarial Equivalent" means having an equal value as determined by the Actuary.
- 1.2 "Actuary" means a Fellow of the Canadian Institute of Actuaries as appointed by the Commission to render actuarial services under the Plan.
- 1.3 "Administrator" means the Halifax Regional Water Commission.
- 1.4 "Beneficiary" means a person or estate to whom a benefit has become payable. Designation of a beneficiary shall be provided upon enrolment into the pension plan by providing written notification to the Administrator.
- 1.5 "Best Average Earnings" means the average of the best five consecutive years of Earnings paid to the Employee by the Commission.
- 1.6 "Commission" means the Halifax Regional Water Commission, or, where appropriate in the context, the Halifax Water Commission as it existed prior to April 1, 1996, and to which the Halifax Regional Water Commission is a successor employer for purposes of this plan. Any reference in the Plan to any action to be taken, consent, approval to be given or discretion or decision to be exercised by the Commission shall refer to the Halifax Regional Water Commission or any person or persons authorized by the Commission for the purposes of the Plan.
- 1.6.1 "Common-law partner" means another individual who has cohabited with the Member in a conjugal relationship for at least one year, neither being married to each other or to any other person.
- 1.7 "Commutated Value" of any benefit referred to in these Plan Rules means a single amount equal to the Actuarial Equivalent of the benefit to which the member would otherwise be entitled. The Commuted Value shall be determined using the mortality and interest assumptions used in the most recent valuation of the plan subject to the requirements of the Pension Benefits Act of Nova Scotia. Such commuted value shall not differentiate on the basis of the sex of the member.
- 1.8 "Compensation" has the same meaning as assigned in subsection 147.1 of the Income Tax Act.

- 1.8(a) "Conversion Account" means, in relation to an Employee who was an employee of the former City of Dartmouth prior to April 1, 1996 and who was a member of the pension plan for City of Dartmouth employees, and whose Credited Service includes Transferred Service, an amount calculated by an Actuary based on the difference between the Commuted Value of the Employee's accrued benefits under the City of Dartmouth Plan, and the accrued benefits under this Plan for the period of Transferred Service, the initial calculation of which is contained in Appendix C, and which, at any given point in time, is equal to the amount initially calculated, plus interest.
- 1.9 "Disabled" means, in relation to a Member, suffering from a physical or mental impairment that prevents the Member from performing the duties of the employment in which the Member was engaged prior to onset of the disability.
- 1.9(b) "Dependent Child", in respect of a Member means an unmarried child of the Member, who at the time of the Member's death, is both dependent upon the Member for support and:
- (a) is less than 18 years of age, or
 - (b) is 18 or more years of age but less than 23 years of age and is in full-time attendance at an educational institution the day on which the Member becomes disabled, or
 - (c) is dependent on the Member by reason of mental or physical infirmity.
- 1.10 "Earnings" means the basic annual or annualized (in the case of less than full-time employees) salary or wage rate of the member (not including special compensation such as overtime, bonuses or allowances) as at January 1 each year (with the exception of the year of entry, in which case the salary or wage rate in effect on the date of entry shall be used), as determined by the Administrator. Earnings for the purpose of determining benefits and contributions shall be inclusive of Prescribed Compensation.

The Administrator may make adjustments to a Member's Earnings to reflect changes in the basic salary or wage rate made during the Plan Year.

- 1.11 "Effective Date" means the effective date of the original pension plan for employees of the Halifax Water Commission, that being January 1, 1972.
- 1.12 "Employee" means any person including an officer, in full-time or less than full-time employment by the Commission and who is carried on the payroll of the Commission, but does not include persons employed on a retainer basis nor any person "connected" with the Commission as per the meaning assigned under Income Tax Regulation 8500.
- 1.13 "Interest" with respect to required contributions and with effect January 1, 1988 and each January 1 thereafter, shall not be less than the minimum rate prescribed by the Pension Benefits Act of Nova Scotia, which is the average yield of 5-year personal fixed term chartered bank deposit rates (CANSIM series B 14045) over the past year.

Interest with respect to Additional Voluntary Contributions shall mean a rate to be determined from year to year being the calculated net rate earned by the Fund.

Interest with respect to a Conversion Account shall mean a rate equal to that which is determined from year to year as being applicable to Additional Voluntary Contributions.

The net Fund rate of return allows for all interest, capital gains and losses earned in respect of assets held in the Fund net of investment management incurred in connection with the operation of the Fund.

- (1) The method of calculating Interest on Additional Voluntary Contributions for a full plan year shall be as follows:
- (a) Interest applied to employee contributions and interest earnings (hereinafter called the Member's Account) made during previous Plan Years shall be the Net Fund Rate earned for the current Plan Year multiplied by the balance of the Member's Account as of December 31st of the previous Plan Year.
 - (b) Interest applied to employee contributions made during a full Plan Year shall be one-half of the contribution made during the Plan Year multiplied by the Net Fund Rate earned for the current Plan Year.

- (2) The method of calculating Interest on Additional Voluntary Contributions for a portion of a Plan Year shall be as follows:
- (a) Interest applied to the Member's Account shall be the balance of the Member's Account as of December 31st of the previous year multiplied by the product of (i) and (ii) below:
- (i) For contributions ceasing during the first quarter of the Plan Year, the Net Fund Rate of Interest earned during the previous Plan year
- OR
- For contributions ceasing during the second through fourth quarter of the Plan Year the average of the annualized net Fund Rate for the first, second and third quarters (if applicable)
- (ii) the number of days for which contributions were made divided by the number of days in the Plan Year.
- (b) Interest applied to employee contributions made during a portion of the Plan Year shall be one-half of the contributions made during the Plan Year multiplied by the product of (a) and (b) as determined above.

Interest shall be credited to Member's contributions not less frequently than annually.

- 1.14 "Fund" means and includes all contributions paid by the Commission into the retirement fund referred to in Section 11.1 and all property in which said contributions may be invested and all proceeds thereof and the earnings and profits derived therefrom.
- 1.15 "Maximum Pension" means, in respect of any particular month, the amount determined by the following formula:

- (1) in respect of the annualized amount of lifetime retirement benefits payable to the Member for the calendar year in which the lifetime retirement benefits commence to be paid, an amount equal to the product of:
 - (a) the number of years of Pensionable Service of the Member, and
 - (b) the lesser of
 - (i) \$1,722 or any higher amount per the defined benefit limit as prescribed by the Income Tax Act, and
 - (ii) 2% of the average best three consecutive years of Compensation paid to the Employee

- (2) In respect of the amount of lifetime retirement benefits payable to the Member for a particular calendar year after the year in which the lifetime retirement benefits commence to be paid, an amount equal to the product of
 - (a) the amount determined under subparagraph (1) above, and
 - (b) the greatest of all amounts each of which is the ratio of
 - (1) the average Consumer Price Index for a calendar year not earlier than the calendar year in which the lifetime retirement benefits commence to be paid and not later than the payment year, to
 - (2) the average Consumer Price Index for the calendar year in which the lifetime retirement benefits commence to be paid.

This rule applies to all pension benefits, except those derived on a money purchase basis, including any distribution of surplus to members, and any amount paid out to the Member's Spouse as a result

of marriage breakdown, whether payable upon retirement, termination of employment or termination of Plan.

- (3) For lifetime retirement benefits purchased for past service in respect of pensionable service in a particular calendar year before 1990 and where the Member did not have pensionable service in a defined benefit provision of a registered pension plan during such calendar year, the maximum pension for such past service purchased is subject to the further condition that the amount (expressed on an annualized basis) of such lifetime retirement benefits payable to the member for a particular calendar year does not exceed the amount determined by the formula

$$\frac{2}{3} \times A \times B \times C$$

where

- A is the greater of \$1,725 and the defined benefit limit for the year in which the benefits commence to be paid,
- B is the aggregate of all amounts each of which is the duration (measured as a fraction of a year) of a period in the benefit year that is pensionable service of the member under the provision, and
- C is the greatest of all amounts each of which is the ratio of
- (i) the average Consumer Price Index for a calendar year not earlier than the calendar year in which the lifetime retirement benefits commence to be paid and not later than the payment year, to
 - (ii) the average Consumer Price Index for the calendar year in which the lifetime retirement benefits commence to be paid."

- 1.16 "Member" means an Employee who has been enrolled in the Plan and whose membership has not been terminated.
- 1.17 "Normal Retirement Date" means the first day of the month coincident with or next following the sixty-fifth birthday of a Member. Notwithstanding the above, for those Members listed in Appendix A, Normal Retirement Date means the first day of the month coincident with or next following the sixtieth birthday of the Member.
- 1.17(a) "Net Lump Sum of Money" means the lump sum of money transferred to this Plan in respect of employees who, prior to April 1, 1996, were employees of the former Cities of Halifax or Dartmouth, or the Municipality of the County of Halifax, and who were members of the respective pension plans sponsored by each of these employers (with the understanding that a separate Net Lump Sum of Money will be determined for each of these 3 plans, respectively), and who have elected to receive all pension and ancillary benefits from this Plan (as opposed to receiving a portion of their benefits from this Plan and a portion from the plan in which they were a member when employed by one of the aforementioned municipalities), *minus* a portion of the lump sum as identified in a report supporting the transfer (the "Transfer Report"), such report having been submitted to and approved by Superintendent of Pensions for Nova Scotia.
- 1.18 "Pension Adjustment" of a Member for a calendar year means the total of the Member's pension credits in respect of this Plan.
- 1.19 "Pension Credit" of a Member means the measure of benefits accruing to the Member in a calendar year as determined in accordance with Part LXXXIII of the Income Tax Regulations.
- 1.20 "Pensioner" means a person for whom a pension under this Plan has commenced.
- 1.21 "Plan" means the Pension Plan as set out on these and the following pages and as amended from time to time.
- 1.22 "Plan Year" means, for any year, the period between January 1st and December 31st.

- 1.23 "Prescribed Compensation" means an amount calculated in accordance with Income Tax Regulation 8507(2) in respect of a period of Temporary Leave of Absence which is a qualifying period as defined in 8507(3) or a period during which the Member is Disabled. The total of the eligible periods of Temporary Leave of Absence for which Compensation can be prescribed for a Member is limited to the equivalent of 5 years of remuneration plus the equivalent of an additional three years of remuneration for periods of parental leave occurring within the twelve months immediately after the birth or adoption of a child.
- 1.25 "Prior Pension Plan" means Group Retirement Annuity Policy No. G.P. 542, the Retirement Plan effective January 1, 1966, and the restated plan of January 1, 1992, all of the Halifax Water Commission. This Plan is a successor plan to each of the aforementioned prior plans.
- 1.26 "Retirement Date" means the date on which a Member's retirement is effective and is the date pension payments commence.
- 1.27.1 "Spouse" means
- (1) either of a man and woman who
 - (a) are married to each other,
 - (b) are married to each other by a marriage that is voidable and has not been annulled by a declaration of nullity,
 - (c) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement, or
 - (2) a Common-law partner
- 1.27.2 "Temporary Leave of Absence" of a Member with respect to the Commission, means a period after 1991 throughout which the Member does not render services to the Commission under any circumstance acceptable to the Commission and the

Minister of National Revenue, other than a period during which the Member is Disabled.

- 1.28 "Totally and Permanently Disabled" means, in relation to a Member means suffering from a physical or mental impairment that prevents the individual from engaging in any employment for which the individual is reasonably suited by virtue of the individual's education, training or experience, that can reasonably be expected to last the remainder of the individual's lifetime.
- 1.29 "Trustee" means the person or persons or corporation, including a trust company or insurance company, with whom the Commission has entered into an agreement for the purpose of establishing and maintaining the Fund and any successor agreement thereto.
- 1.30 "YMPE" means the Year's Maximum Pensionable Earnings as defined in the Canada Pension Plan.
- 1.31 Words importing the masculine include the feminine and words importing the singular include the plural, or vice versa, as the context requires. Defined terms are capitalized where they appear in the Plan for the convenience of the reader.

2. SERVICE

2.1 "Service" of an Employee means employment in Canada on a full-time or less than full-time basis with the Commission. It includes periods during which an Employee is on sick leave or is totally and permanently disabled and in receipt of Long Term Disability benefits, any periods during which an Employee is on annual vacation or paid leave of absence, and any periods during which the Member was on a Temporary Leave of Absence in respect of which the Member has made contributions under Sections 4.10 or 4.11 of the Plan, and additional service pursuant to Section 4.12. It also includes employment with the former Cities of Halifax or Dartmouth, or the Municipality of the County of Halifax, for any Employee who, prior to April 1, 1996, was an employee of one of these organizations and who became an Employee as a result of the amalgamation on April 1, 1996 that created the Halifax Regional Municipality.

2.2 "Continuous Service" means Service during a continuous period and employment shall be continuous notwithstanding:

- (1) Paid leave of absence (provided the Member continues to make Required Contributions) of definite duration by written permission of the Commission and any extension thereof, of defined period, granted in writing by the Commission at the request or with the consent of the Employee, provided employment by the Commission is resumed forthwith at the end thereof.
- (2) Periods of sick leave or periods of total and permanent disability provided contributions are being made on behalf of the Employee by the Commission for such periods.
- (3) Service in the Armed Forces of Her Majesty or Her Allies excluding periods of enlistment in peacetime, provided employment with the Commission is resumed within ninety days of the termination of said service or within such longer period as may be provided by law for the protection of employment rights following military service.
- (4) A lay-off for a period of less than seven months.

- 2.3 An employee whose employment with the Commission is terminated due to resignation, discharge or lay-off for a period of seven months or more, and who is re-employed by the Commission, shall not receive any Credited Service for employment prior to the date he is re-employed. This shall not be construed as alienating any previously granted benefits, however.
- 2.4 "Credited Service" means Service after a full-time Employee has become a Member of the Plan or Prior Plan. In the case of a less than full-time Employee, Credited Service shall mean the equivalent years of credit which are the fractions of years in respect of each year of less than full-time employment during which contributions were made to the pension plan prior to actual retirement date; each such fraction being determined by dividing the less than full-time Employee's regular salary by the corresponding salary that would be paid to a full-time Employee in exactly the same employment category as the Member.

Credited Service includes Transferred Service and Pensionable Service credited under Sections 4.10, 4.11, or 4.12.

In the case of Member joining the Plan prior to January 1, 2001 Credited Service also includes the lesser of Service attributable to Service during a waiting period for eligibility to join the Plan or three months.

- 2.5 "Transferred Service" means an amount of service calculated on behalf of an Employee who, prior to April 1, 1996, was an employee of the former City of Halifax, City of Dartmouth, or Municipality of the County of Halifax, was a member of a pension plan sponsored by one of these municipalities, and who became an Employee as a result of the amalgamation on April 1, 1996 that created the Halifax Regional Municipality.

The amount of service so calculated will be in relation to the Net Lump Sum of Money transferred to this Plan from the plan in which the benefits had been accruing at the time of amalgamation (the latter being referred to hereafter as the "previous plan", with the understanding that the previous plan will be interpreted to be whichever of the three plans referenced in the previous paragraph is appropriate in the particular circumstance).

The calculation of Transferred Service will be completed by an Actuary. In no case will the amount so calculated be allowed to exceed the amount of credited service that had accrued to the Employee under their previous plan as of the date the Net Lump Sum of Money is determined.

- 2.6 If the Net Lump Sum of Money transferred in accordance with Section 2.5 is not sufficient to provide each Employee covered by the Net Lump Sum of Money with an amount of Transferred Service equal to the amount of credited service that had accrued to the Employee under their previous plan as of the date the Net Lump Sum of Money is determined, then the Commission will deposit additional funds as recommended by the Actuary such that, when added to the Net Lump Sum of Money transferred in accordance with Section 2.5, will provide each Employee covered by the Net Lump Sum of Money with an amount of Transferred Service equal to the amount of credited service that had accrued to the Employee under their previous plan as of the date the Net Lump Sum of Money is determined.
- 2.7 If the Net Lump Sum of Money transferred in accordance with Section 2.5 is such that the amount of Transferred Service calculated by the Actuary in respect of each Employee covered by the Net Lump Sum of Money would, but for the limitation imposed by Section 2.5, exceed the amount of credited service that had accrued to the Employee under their previous plan, then the difference between the Net Lump Sum of Money transferred to this Plan and the amount that would have been required to provide each Employee with an amount of Transferred Service equal to the credited service that had accrued under their previous plan will be distributed to the Employees covered by the Net Lump Sum of Money. The distribution to each Employee will be proportionate to the commuted value of the benefit accrued by the Employee under their previous plan as of the effective date of the calculation of Transferred Service, as determined by the Actuary and subject to the approval of the Superintendent of Pensions for Nova Scotia.
- 2.8 "Pensionable Service" means Service for which a pension is being provided under this plan.

3. ELIGIBILITY AND MEMBERSHIP

- 3.1 Each full-time Employee who commenced employment with the Commission prior to the Effective Date will be eligible to become a Member of the Plan on the latter of the Effective Date or on the first day of the month coincident with or next following the date upon which he has completed three months of Continuous Service.
- 3.2 Each full-time Employee who commenced employment with the Commission on or after the Effective Date will be eligible to become a Member of the Plan on the first day of the month coincident with or next following the date upon which he has completed three months of Continuous Service.
- 3.3 Each less than full-time Employee who commenced employment with the Commission prior to July 1, 1984, will be eligible to become a Member of the Plan on the latter of July 1, 1984 or on the first day of the month coincident with or next following the date upon which he has completed eleven (11) months out of the previous twenty-four (24) months of Continuous Service.
- 3.4 Each less than full-time Employee who commences employment with the Commission after July 1, 1984 will be eligible to become a Member of the Plan on the first day of the month coincident with or next following the date upon which he has completed eleven (11) months out of the previous twenty-four (24) months of Continuous Service.
- 3.5 Membership in the Plan by an eligible full-time Employee shall be compulsory and each such eligible full-time Employee shall become a Member of the Plan (hereinafter called "Member") on the first day of the month coincident with or immediately following completion of the eligibility requirements.
- 3.6 Less than full-time Employees may elect to join the Pension Plan as of July 1, 1984 or when first eligible, if later. Membership in the Plan by an eligible less than full-time Employee hired after July 1, 1984 shall be compulsory and each such eligible less than full-time Employee shall become a Member of the Plan (hereinafter called "Member") on the first day of the month coincident with or immediately following completion of the eligibility requirements.

- 3.7 A less than full-time Member who moves to a full-time employment basis shall be required immediately to commence contributions as a full-time Member.
- 3.8 Upon becoming eligible to participate in the Plan, each Employee shall execute and deliver to the Commission such elections, enrolment cards, payroll deduction authorizations and other forms and documents as may be required by the Commission from time to time.
- 3.9 If the Continuous Service of an Employee is broken and he is re-employed by the Commission, he shall be deemed to be a new Employee for purposes of determining his future rights and benefits, if any, under this Plan.
- 3.10 No Member may withdraw from the Plan while still employed by the Commission.
- 3.11 Notwithstanding the foregoing provisions, any eligible employee must be permitted to join the pension plan.
- 3.12 Notwithstanding the foregoing provisions, any Employee who was employed by the former City of Halifax, City of Dartmouth, or Municipality of the County of Halifax prior to April 1, 1996, who was accruing pension benefits under a plan sponsored by one of these municipalities, and who became an Employee as a result of the amalgamation on April 1, 1996, that created the Halifax Regional Municipality, shall become a Member of this Plan as of June 1, 1998.
- 3.13 Notwithstanding Sections 3.1 through 3.4 each full-time or less than full-time Employee who commences employment with the Commission on or after January 1, 2001 will be eligible to become a Member of the Plan on the date of employment.

4. CONTRIBUTIONS

4.1 A Member's "Required Contributions" shall be such percentage of the Member's Earnings as is required to pay the cost of providing benefits as determined from time to time by the Actuary, on an equally shared basis with the Commission.

For purposes of determining "Required Contributions" for a less than full-time Employee, such contributions shall be based on actual earnings paid to the Employee during the year, as opposed to the annualized full-time Earnings, which are used in determining pension credits under Section 5 of these plan rules.

4.2 Notwithstanding Section 4.1, a Member's Required Contribution in respect of a calendar year after 1990 shall not exceed the lesser of

- (1) 9% of the total of the Member's compensation from the Employer, and
- (2) the total of \$1,000.00 and 70% of the total of all pension credits of a Member in respect of the Employer determined without regard for subsections 8302(2)(b) and 8302 (3)(g) of the Income Tax Regulations,

unless this condition has been waived by the Minister in accordance with subsection 8503(5) of the Income Tax Act Regulations.

4.3 A Member shall make Required Contributions to the Plan by payroll deduction in each pay period of an amount equal to that proportion of his annual rate of Required Contributions that his Earnings for the pay period bears to his annual rate of Earnings

4.4 A Member may make Additional Voluntary Contributions to the Plan by payroll deduction in respect of Service with the Commission in the year in such amounts as are permitted under the Income Tax Act and Regulations thereunder.

4.5 All Additional Voluntary Contributions made by a Member shall be accumulated with Interest and used to provide additional benefits for the Member in accordance with the provisions of Section 5 (Retirement Benefits). Such Additional Voluntary Contributions may be withdrawn while the Employee remains a Member of the Plan.

- 4.6 The Commission shall from time to time make contributions for deposit in the Fund of such amounts which are required to provide the normal cost of the benefits currently accruing in accordance with the provisions of the Plan, as determined by the Actuary, after taking into account the assets of the Fund and all other relevant factors, and to provide for the proper amortization of any previously unfunded liability or experience deficiency recognized under the Plan pursuant to the requirements of the Pension Benefits Act of Nova Scotia and any other applicable legislation as is now in effect or may hereafter be enacted.
For purposes of clarity, it is the Commission's intent to pay the cost of providing benefits on an equally shared basis with the Members.
- 4.7 Member's Required Contributions and Additional Voluntary Contributions shall be remitted to the Plan within 30 days following the month in which the contributions were received or deducted. Contributions required by the Commission shall be remitted to the Plan no later than 30 days following the month for which the contributions are payable.
- 4.8 Notwithstanding anything else contained herein, a Member's contributions made on or after January 1, 1988 shall not be used to provide more than 50 percent of the Commuted Value of the pension or deferred pension in respect of Pensionable Service after that date to which the Member is entitled under the Plan. In any situation where the Member's contributions made after that date (excluding Additional Voluntary Contributions) plus Interest exceeds one-half the Commuted Value of the Member's pension or deferred pension in respect of Pensionable Service since January 1, 1988, the Member is entitled to a refund of any excess contributions and Interest.
- 4.9 A contribution made under the plan by a Member or by the Employer may be returned to the person who made the Contribution to avoid revocation of the registration of the Plan under the Income Tax Act.
- 4.10 A Member who was on a Temporary Leave of Absence by reason of maternity leave or any other reason which is acceptable to the Commission for the purpose of this Section, which ceased on or before December 31, 1993, may elect to purchase Pensionable Service in respect of such period provided that the Member makes such election by December 31, 1994. Where the Member made an election to purchase such Service, the Member shall be required to pay an amount equal to the Required Contributions that would be payable at the time of the absence, had the Member

been permitted to make contributions in respect of such service at that time, plus interest at the net fund rate to December 31, 1993. In lieu of an immediate lump sum payment, payment may be made by installments commencing immediately with interest at the net fund rate or such lower rate as may be established by the Employer. The length of the term over which the installment payments may be made by the Member shall be subject to approval of the Employer. The employer shall remit to the Fund amounts equal to the Member's payments.

4.11 A member who is on a Temporary Leave of Absence by reason of maternity leave or any other reason which is acceptable to the Commission for the purpose of this Section, which ceased on or after January 1, 1994, may elect to purchase Pensionable Service in respect of such periods subject to the Prescribed Compensation requirements and Pension Adjustment limits. Such election must be made by February 15 of the year following the calendar year in which the Temporary Leave of Absence ceased. A Member who elects to purchase such Pensionable Service shall be required to pay an amount equal to the Member's Required Contributions determined in respect of such period plus interest at the net fund rate to the date of election. In lieu of an immediate lump sum payment, payment may be made by installments commencing immediately with interest at the net fund rate or such lower rate as may be established by the Employer from time to time. The length of the term over which the installment payments may be made by the Member shall be subject to approval of the Employer. The Employer shall remit to the Fund amounts equal to the Member's payments.

4.12 (1) A Member may elect to purchase additional periods of Pensionable Service attributable to Service during:

(a) a waiting period for eligibility to join the Plan, or

(b) other periods of Service not previously credited as Pensionable Service of the Plan as approved by the Commission.

The election to purchase additional Pensionable Service must be provided in writing by the Member, to the Commission, no later than April 30, 2001.

(2) Where a Member has elected to purchase additional Pensionable Service pursuant to this Section, the Actuary of the Plan will determine the single

amount required to purchase the additional service as at the effective date of the election. The Actuary of the Plan will base the calculations on the actuarial assumptions used in the December 31, 1999 actuarial valuation report.

- (3) Notwithstanding Subsection 4.12(2), the Member shall remit contributions according to the following:
 - (a) 50% of the single amount required to purchase additional service exceeding three months and up to eleven months pursuant to Section 4.12(1).
 - (b) 100% of the single amount required to purchase additional service in excess of eleven months pursuant to Section 4.12(1).
- (4) Where a Member has elected to purchase additional service pursuant to this Section, the Member has the following options with respect to payment of the required amount as determined under Subsection 4.12(3), as follows:
 - (a) By a single amount as at the effective date of the election, or
 - (b) By payroll deduction commencing with the first pay period following the effective date of the election, or
 - (c) By transfer of registered retirement savings plan benefits directly to the Plan, or
 - (d) By payment from the Member's Conversion Account balance per Appendix C, or
 - (e) By combination of lump sum payment(s), payroll deductions, registered retirement savings plan transfer(s), and Conversion Account benefits as approved by the Commission.
- (5) Subsection 4.8 in regards to the "50% rule" will not apply in respect of benefits purchased pursuant to Subsection 4.12(3)(b); however, on termination, death, or retirement, the Member will be entitled to a minimum of their past service

account balance with Interest. Locking-in will apply in respect of such benefits in accordance with the *Pension Benefits Act* of Nova Scotia.

5. RETIREMENT BENEFITS

5.1 A Member is eligible for retirement benefits upon retirement, as provided in this Section. Retirement benefits shall be paid in the form of a pension commencing on the Retirement Date and monthly thereafter in an amount equal to one-twelfth of the annual benefit described in the Sub-sections below. The annual benefit, however, excluding the benefit based on Additional Voluntary Contributions and the benefit based on a Conversion Account, shall not exceed the Maximum Pension. Monthly payments shall continue to be made so long as the Pensioner lives.

5.2 A Member may retire after his Normal Retirement Date, remaining in active employment for such period and upon such terms as specified by the Employer but not later than his sixty-ninth birthday. During the delayed period the Member shall continue to make Required Contributions and continue to earn pension credits.

5.3 (1) Each Member who retires on or after his Normal Retirement Date shall receive a pension of an amount equal to 2% of his Best Average Earnings for all years of Credited Service (on which the Member has made his Required Contributions).

(2) A Member may retire earlier than his Normal Retirement Date, providing he has attained at least age 55, anytime after the first day of the month following the date upon which the sum of his age plus years of Service with the Commission totals at least 85 (80 for those listed in Appendix A). He shall receive a pension of an annual amount as determined under (a) above.

The value of the pension payable to a Member at retirement, in respect of service prior to January 1, 1992, as a single life or a joint and last survivor annuity must not exceed the value of the Maximum Pension as specified in Paragraph 9 (g) of Information Circular 72-13R8 issued by Revenue Canada, payable as a single life annuity guaranteed for ten years or a 60% joint and last survivor annuity respectively, at the earliest of age 60, normal retirement age or age at date of disability.

5.4 A Member may retire within ten years prior to his Normal Retirement Date. Each Member may retire effective the first day of the month coincident with or next

following the date on which he submits notification to the Administrator of his intention to retire early.

- 5.5 The amount of pension payable to a Member who retires earlier than his Normal Retirement Date shall be the Actuarial Equivalent to the Benefit accrued to his Retirement Date and calculated in the same manner as outlined in Section 5.3 (a) above. The Actuarial Equivalent shall be determined by applying the reduction factors (in accordance with the table below) to the amount of pension outlined in Section 5.3 (a) above but only taking into account years of service up to and including the early Retirement Date.

Number of Years Prior to Date When First Eligible for Full Benefits	Adjustment Factor
0	1.00
1	.95
2	.90
3	.85
4	.82
5	.78
6	.75
7	.72
8	.69
9	.67
10	.64

- 5.6 A Member who is totally and permanently disabled and who elects to retire early in accordance with Section 7.6 shall be eligible to receive a pension equal to the pension accrued by the Member to actual Retirement Date calculated in accordance with Section 5.3 and reduced by $\frac{1}{4}$ of 1% for each month prior to the date the Member would have:

- (1) attained age 60,
- (2) completed 30 years or more of Continuous Service with the Commission, or
- (3) where the sum of the Member's attained age plus service would equal at least 80,

had the Member remained in employment with the Commission until that time.

- 5.7 (1) The amount of additional pension payable from the Plan based on a Member's Additional Voluntary Contributions, if any, shall be the amount that can be purchased by those contributions accumulated with Interest at the member's Retirement Date.
- (2) As an alternative to receiving additional pension payable from the Plan, the Member may elect as at Retirement Date to transfer his accumulated Additional Voluntary Contributions to a Registered Retirement Savings Plan, or to receive a cash refund of such accumulated Additional Voluntary Contributions.
- 5.8 The amount of additional pension payable from the Plan based on a Member's Conversion Account, if any, shall be the amount that can be purchased with the balance of the Conversion Account at the Member's Retirement Date.
- 5.9 If the amount of the pension payable at the Normal Retirement Date is less than 4% of the Yearly Maximum Pensionable Earnings in the year of termination or if the Commuted Value of the pension payable is less than 10% of the YMPE in the year of termination, the Administrator reserves the right to pay the pension less frequently than monthly but not less frequently than annually and the right to pay the Commuted Value of the pension payments in a lump sum.
- 5.10 Pensions in course of payment or deferred vested pension payments shall be adjusted on each January 1st by the lesser of 2% or the increase in the Consumer Price Index over the previous calendar year. Such adjustments shall not become payable to the Member before the later of the date the Member attains age 60 or the date of retirement or termination of the Member. Other increases may be

provided from time to time, subject to approval by the Commission and and in compliance with maximum pension limits as contained in the Income Tax Act.

6. NORMAL OR OPTIONAL FORMS OF RETIREMENT BENEFIT

6.1 The normal form of pension payable to a Member with a Spouse at the time of retirement is a pension payable monthly to Pensioner for life with a 60% survivor's pension continuing to the Spouse for life upon the Member's death. Except as provided under Section 6.5, the normal form of pension payable to a Member with a Spouse may be changed only in the event that the Member and the Spouse elect otherwise in writing in the prescribed form as regulated under the Pension Benefits Act of Nova Scotia.

6.2 The normal form of pension payable to a single Member, or a Member with a Spouse for whom the prescribed form waiving their entitlement to a joint and survivor pension as provided under Section 6.1 has been completed, is a pension payable as long as he shall survive with payments guaranteed for a period of ten (10) years. The amount of pension payable in respect of Service prior to January 1, 1992 shall be the Actuarial Equivalent of a pension payable to a Member with a Spouse under Section 6.1 above assuming that the Member's wife is three years younger or husband is three years older depending upon the case.

6.3 In lieu of the normal form of pension, a single Member, or a Member with a Spouse for whom the prescribed waiver form has been completed, may elect to receive any one of the optional forms of pension described below by submitting notification to the Administrator prior to the date such pension payments are to commence. The amount of the pension shall be the Actuarial Equivalent of the pension that would have been otherwise payable under Section 6.2. In the event a valid optional form of pension is elected, such optional form of pension and no other shall be applicable to such Member's benefit hereunder:

(1) Life - Guaranteed Five Years

An amount of pension that would be payable monthly during the Member's lifetime, with the guarantee that, should the Member die after his pension has commenced but before he has received sixty (60) monthly payments thereof, the payments shall be continued to his beneficiary or estate until sixty (60) monthly payments in all have been made.

(2) Life - Guaranteed Ten Years

An amount of pension that would be payable monthly during the Member's lifetime, with the guarantee that, should the Member die after his pension has commenced but before he has received one hundred and twenty (120) monthly payments thereof, the payments shall be continued to his beneficiary or estate until one hundred and twenty (120) monthly payments in all have been made.

(3) Life - Guaranteed Fifteen Years

An amount of pension that would be payable monthly during the Member's lifetime, with the guarantee that, should the Member die after his pension has commenced but before he has received one hundred and eighty (180) monthly payments thereof, the payments shall be continued to his beneficiary or estate until one hundred and eighty (180) monthly payments in all have been made.

(4) Joint and Survivorship Pension

A joint and survivorship pension payable monthly in a reduced amount with all, or a specified lesser percentage, of the reduced pension being continued after his death to his Spouse, or named contingent annuitant (if then living) providing that the contingent annuitant is a Dependant, for the remaining life-time of his Spouse or for the Eligible Survivor Period of the contingent annuitant. The payments to the Member and his Spouse or contingent annuitant shall be in equal amounts unless the Member shall otherwise specify. The amount of the adjusted pension will depend on the specified percentage of pension chosen to be continued to his Spouse or contingent annuitant after the death of the Member, the age and sex of the Member and the age and sex of the Spouse or contingent annuitant as well as all other factors which enter into a calculation of the said actuarial equivalent amount of pension. In the event the Spouse or selected contingent annuitant shall die before the Member's Retirement Date, the election of this option shall be void.

According to Revenue Canada, if the remainder of the guaranteed payments referred to in (1), (2) and (3) above are not payable to the Member's beneficiary, then such payments must be commuted and paid in a lump sum to the Member's estate.

- 6.4 There are other optional forms available to the Employee upon inquiry made to the Plan Administrator, in particular, integration with governmental programs and other minimum guaranteed periods.
- 6.5 Notwithstanding Sections 6.2 and 6.3 above, a prescribed waiver form shall not be required in respect of a Member with a Spouse at the time of retirement where the optional form of pension elected by the Member is a joint and survivorship pension, in which a lifetime survivors pension of not less than 60% of the pension paid to the Member during the joint lives of the Member and the Member's Spouse continues to the Spouse upon the Member's death. The amount of pension payable in the optional form, where the Member makes such an election, shall be the Actuarial Equivalent of the pension the Member would have been entitled to receive under Section 6.1 provided that the optional form of pension elected by the Member does not produce an amount which exceeds the amount of pension that would have been otherwise payable to the Member in the normal form under Section 6.1.
- 6.6 Notwithstanding anything else contained in Section 6, the normal and optional forms payable in respect of a Member who retired prior to January 1, 1992 shall be in accordance with the provisions in effect at the time of retirement.

7. DISABILITY BENEFITS

- 7.1 When a Member is Disabled and declared by the Commission to have incurred a Long-Term Disability, and the Member is to receive a salary continuance benefit under an insured plan to which the Commission contributes, the Member's Credited Service shall continue to accrue during the continuance of such disability and the Member's Required Contributions, if any shall cease. The Credited Service accrual shall continue to be based on the Member's Earnings in effect immediately prior to becoming Disabled and shall continue to accrue until the Member elects to receive benefits in accordance with Section 5. It is provided that any such accrual of Credited Service shall cease when the Member no longer qualifies as having a Long-Term Disability under the terms of the insured plan or ceases to be Disabled.
- 7.2 In respect of any Member who is Disabled in accordance with Section 7.1, the Commission shall make the Required Contributions to provide the benefits accrued on behalf of the Member during the continuance of such disability.
- 7.3 Benefits shall not be paid in respect of any period during which the Member was Disabled on or after January 1, 1992 unless the Administrator has received satisfactory written proof from a medical doctor, licensed to practice under the laws of a province of Canada or of the place where the member resides, that the Member was Disabled during that period.
- 7.4 Notwithstanding the foregoing, benefits and contributions under this Section in respect of Pensionable Service after January 1, 1992 shall be in accordance with the Prescribed Compensation requirements.
- 7.5 Notwithstanding anything to the contrary contained in Section 7.1 and 7.2, if the Member fails to or nor longer qualifies for Long-Term Disability under the terms of the insured plan and in the opinion of the Commission is unable to carry on the normal functions of his employment prior to such disability, the Member may be retired on a disability benefit, at any time, provided such Member meets the following qualifications:
- (1) He has completed ten years of continuous participation in the Plan.

- (2) He is not in receipt of a salary continuance benefit under an insured plan to which the Commission contributes
 - (3) He must be Totally and Permanently Disabled as certified in writing, to the satisfaction of the Administrator, by a medical doctor licensed to practice under the laws of a province of Canada or of the place where the member resides.
- 7.6 A totally and permanently disabled member who does not meet the requirement of subsection 7.5(3), but otherwise meets the terms of Section 7.5 is eligible to elect to retire early and receive an early retirement pension from the plan in accordance with Section 5.6.
- 7.7 The disability benefit referred to in Section 7.5 shall commence as of the expiration of the Member's Long Term Disability or sick leave benefits and shall be the amount of pension accrued as of the date of disability, or the date on which the Long Term Disability benefit expires based on the Credited Service and Earnings prior to such date.
- 7.8 Except in the case of a Member who has attained his Normal Retirement Date, continuance of the payment of a Disability Benefit shall be subject to evidence satisfactory to the Commission from time to time that the Member continues to be Totally and Permanently Disabled. Should a Member in receipt of a Disability Benefit under Section 7.5 recover from his disability prior to his Normal Retirement Date and not return to the employ of the Commission, payment of the Disability Benefit shall cease and he shall be eligible for the full accrued pension benefit payable from his Normal Retirement Date equal to that to which he was entitled as of the date of his disability retirement. Should a Member in receipt of a Disability Benefit under Section 7.5 recover from his disability prior to his Normal Retirement Date and return to the employ of the Commission, payment of the Disability Benefit shall cease and he shall resume accruing pension under the Plan in the normal manner with his benefits redetermined at the time of actual retirement.
- 7.9 Should a Member in receipt of a disability pension benefit die prior to his Normal Retirement Date, a spouse's pension or a refund of the Member's contributions with Interest will be payable in accordance with Section 8.

8. DEATH BENEFITS

8.1 In the event that a Member should die before attaining his Normal Retirement Date, then the following benefits will be provided:

(1) in respect of Credited Service prior to June 1, 1998,

(a) Married Members

A monthly pension shall be paid to the Member's surviving Spouse commencing on the first day of the month following the Member's death, and payable for the lifetime of the surviving spouse.

The amount of annual pension payable to a Spouse shall be 60% of the normal retirement benefit accrued by the Member as at the date of his death. The normal retirement benefit shall be the benefit as calculated in Section 5.3, but utilizing only Credited Service prior to June 1, 1998.

(b) Single Members

The Member's beneficiary shall be entitled to receive the total amount of the Member's Required Contributions, plus Interest computed annually to the end of the month in which the death occurs.

(2) In respect of Credited Service after June 1, 1998, the Commuted Value of the normal retirement benefit accrued by the member as at the date of his death shall be paid to the Member's Spouse. If the Member does not have a Spouse, the Commuted Value of the normal retirement benefit accrued by the member as at the date of his death shall be paid to his beneficiary or estate. The normal retirement benefit in this case shall be the benefit calculated as in Section 5.3, but utilizing only Credited Service between June 1, 1998 and the date of death.

If the Commuted Value calculated under this subsection is less than two times the Member's required contributions (made since the Effective Date), plus interest, then the excess of the Member's required contributions plus Interest over one-half of the Commuted Value will be paid in addition to the Commuted Value.

8.2 Notwithstanding the conditions outlined in Section 8.1 above, in the event there is no surviving Spouse, or if the Spouse dies while in receipt of the Spouse's pension benefit, such Spouse's pension benefit described above, shall be payable to any Dependant Children of the deceased Member up to such time as they are no longer classified as Dependant Children.

However, if the Spouse dies while in receipt of the Spouse's pension and there are no Dependant Children, and the total of the pension payments paid to the Spouse are less than the amount of the Member's required contributions (made prior to June 1, 1998) with Interest compounded annually to the earlier of the end of the month in which his death occurred or the Member's actual Retirement Date, the balance will be directed to the Spouse's estate.

8.3 In the event that a Member has made Additional Voluntary Contributions, or if the Member has a Conversion Account, then upon the death of the Member, his designated beneficiary would be entitled to the Member's accumulated Additional Voluntary Contributions, his Conversion Account, or both, with interest being credited to the end of the month in which death occurred.

8.4 In the event that a Member should die prior to actual Retirement Date but after having reached Normal Retirement Date, then the Member is deemed to have retired on the day immediately preceding the day of death and death benefits shall be payable in accordance with the applicable normal form of pension.

8.5 In the event that a Pensioner should die after commencement of his pension payments, then his death benefit will be in accordance with the normal or optional form of pension elected at the time of retirement.

8.6 In the event that a Pensioner had made Additional Voluntary Contributions and these contributions had been used to purchase additional pension then, upon the death of the Pensioner, his designated beneficiary would be entitled to an amount equal to:

- (1) The Member's Additional Voluntary Contributions used to purchase additional pension with Interest up to and including his actual Retirement Date,
minus

- (2) The total of the pension payments received up to the date of the Member's death (purchased by the Member's Additional Voluntary Contributions).

provided that the amount so calculated is positive.

- 8.7 In the event that any Member shall fail to designate a beneficiary to receive his death benefits or, having designated a beneficiary, shall have revoked such designation without having named another beneficiary, or in the event a designation shall fail by reason of the prior death of the designated beneficiary, said death benefits of such Member shall be payable on the death of the Member to the Member's estate. These death benefits shall be made in the form of a lump sum payment.

9. TERMINATION OF EMPLOYMENT

- 9.1 (1) In the event that a Member ceases employment with the Commission other than by disability, death or retirement, he shall be entitled to benefits in accordance with whichever of the options described below applies, subject to any applicable legislation.
- (2) Notwithstanding subsection 9.1(1), in the event that a Member ceases employment with the Commission and is within ten (10) years of his Normal Retirement Date he must elect a retirement benefit in accordance with Section 5.
- (3) Notwithstanding subsection 9.1(1), in the event that a Member ceases employment with the Commission and has not delivered a completed direction to the Commission within twelve months from the date of employment termination to have benefits transferred pursuant to Section 10 (Portability of Benefits), he is deemed to have elected Option I (deferred pension) under Section 9.3

9.2 Vesting

Eligibility for the various options described below is based on Service and attained age and may vary depending upon the years in which employment with the Commission occurred. The table below indicates the options available with respect to benefits other than those provided by Additional Voluntary Contributions.

**Years of Continuous Service or Plan Membership
(including membership in a Prior Plan) as of Date of Termination**

	Less than 2 years	2 years or more
Benefits in respect of Service before December 31, 1987:	Option III	Options I, II, or III
Benefits in respect of Service on and after January 1, 1988:	Option III	Option I

Notwithstanding the above, should the Member have attained age 45 and completed at least 10 years of Continuous Service with the Commission at time of termination, then the only options available in respect of benefits earned before December 31, 1987 are Options I and II.

9.3 Option I

A paid-up individual deferred pension which will entitle the Member on his Normal Retirement Date to a pension subject to the conditions stated hereunder:

- (1) The amount of his pension shall be as determined under Section 5 and shall be payable in the normal form as provided by the Plan at the time of the Member's termination subject to the requirements of the Nova Scotia Pension Benefits Act.
- (2) No further contribution shall be made to the Plan on his behalf.
- (3) His entitlement shall be subject to the same conditions as apply to payments made under this Plan and shall not be capable of being commuted, surrendered or assigned except as provided for under Option II.

9.4 Option II

A cash refund equal to 25% of the Commuted Value of his vested benefit under the Plan with the remainder "Locked in" to provide from the Plan a deferred pension in the amount of 75% of his entitlement under Option I above.

9.5 Option III

A cash refund equal to his own Required Contributions with Interest, including both those transferred into this Plan and those made after the Effective Date of this Plan.

9.6 Notwithstanding the above, if the amount of the pension payable at the Normal Retirement Date is less than 4% of the YMPE in the year of termination or if the Commuted Value of the deferred pension is less than 10% of the Yearly Maximum

- Pensionable Earnings in the year of termination, the Administrator reserves the right to pay the Commuted Value of the deferred pension in a lump sum.
- 9.7 A Member whose employment ceases by reason of an approved leave of absence, with or without pay, or disability leave with or without pay, shall not be deemed to have terminated employment for the purposes of this Section. He shall continue to be a member of the Plan, entitled to the rights and benefits under the Plan, with Credited Service being earned in accordance with the provisions of Section 2 (Service).
- 9.8 If a terminated Member to whom a deferred pension is payable under this Section dies before the date when such pension is to commence, payments shall be made to his designated beneficiary or estate in accordance with the provisions of Section 8 (Death Benefits).
- 9.9 A terminated Member shall receive a refund of all Additional Voluntary Contributions with Interest as defined in this Plan.

10. PORTABILITY OF BENEFITS

- 10.1 Any Member who ceases employment with the Commission and is not within ten years of his Normal Retirement Date may direct that the Commuted Value of any pension benefit to which he is entitled under Section 9 (Termination of Employment) may be transferred to the pension fund of another pension plan (if that plan permits), to a locked-in retirement account, or for the purchase of a deferred annuity subject to any limits imposed by the Income Tax Act and Regulations thereunder. For purposes of this subsection, if the Member has a Conversion Account, then the Commuted Value of any pension benefits that may be provided from the proceeds of the Conversion Account shall be deemed equal to the balance of the Conversion Account at the time of transfer.
- 10.2 In the event that such a Member elects to transfer the Commuted Value of his pension, such transfer shall be made only if the administrator receiving the transfer agrees to administer the funds transferred according to Section 50 of the Pension Benefits Act of Nova Scotia and the applicable regulations.
- 10.3 The Commission may enter into a reciprocal agreement with any other employer in Canada in order to permit the transfer of contributions between this Plan and the other employer's plan subject to any applicable governments' regulations relating to such agreements. All such reciprocal agreements shall be filed with the Superintendent of Pensions for the Province of Nova Scotia.
- 10.4 The Administrator of this Plan is authorized to accept transfers of funds from the pension plan of a new Member's former employer. In the absence of a reciprocal agreement between the Commission and such former employer, any such transfer shall be administered as if it was an Additional Voluntary Contribution made by the Member subject to the locking-in requirements of the former employer's pension plan and any applicable pension benefits legislation.
- 10.5 Notwithstanding subsection 10.4, where a transfer is accepted by the Administrator in respect of an Employee's service with the City of Halifax, City of Dartmouth, or Municipality of the County of Halifax, such transfer will be used to calculate Transferred Service in accordance with Section 2.

11. FUNDING AND INVESTMENT

- 11.1 The Commission shall make arrangements to establish a Fund to be administered by a Trustee for the accumulation and investment of all contributions made by Members and the Commission in accordance with the provisions of the Plan and any applicable legislation.
- 11.2 All benefits under the Plan shall be provided by this Fund.
- 11.3 All costs for administrative, investment, legal and actuarial services under the Plan shall be paid out of the Fund.

12. ADMINISTRATION

12.1 The Administrator of the Plan shall perform the following duties:

- (1) Administer the Plan in accordance with the provisions contained herein;
- (2) Decide all questions arising with respect to the interpretation and administration of the Plan;
- (3) Make recommendations to the Commission from time to time with regard to the appointment and reappointment of the Trustee;
- (4) Establish and guide, in conformity with the provisions of the Nova Scotia Pension Benefits Act and the regulations thereunder, the investment policy to be followed by the Trustee in administering the Fund;
- (5) Receive copies of all actuarial reports, financial statements and lists of investments pertaining to the Plan; and
- (6) Be responsible for reporting and explanations to be given to Members of the Plan from time to time.

12.2 The Commission may retain consultants and professionals to give advice to it with respect to any matters within its powers.

12.3 The Administrator may from time to time make recommendations to the Commission with respect to amendments to the Plan.

12.4 The Commission may appoint a Pension and Benefits Advisory Committee to receive information on behalf of, and provide advice to, the Administrator from time to time. The Pension and Benefits Advisory Committee shall be made up of the following members:

- one (1) Commissioner;
- two (2) representatives from management;
- two (2) representatives chosen by CUPE Local 1431;
- two (2) representatives chosen by CUPE Local 227; and
- two (2) non-union representatives;

- one (1) pensioner representative.

The Pension and Benefits Advisory Committee shall perform those duties as may be assigned to it from time to time by the Administrator.

13. EXPLANATION AND DISCLOSURE

13.1 The Administrator shall provide each Employee eligible for membership in the Plan with:

- (1) A written explanation of the terms and conditions of the Plan and any of its amendments applicable to him;
- (2) A written explanation of the rights and duties of the Employee with reference to the benefits available to him;
- (3) The Administrator shall annually provide each Member with a written statement containing the prescribed information in respect of the pension plan, the Member's entitlement to pension benefits and any ancillary benefits.
- (4) The Administrator shall provide to a former Member of the Plan or any other person who become entitled to a payment under the Pension Plan a written statement setting out the prescribed information in respect of the benefits, rights and obligations of the Member or other person.
- (5) On written request, the Administrator shall make available the prescribed documents and information in respect of the Pension Plan for inspection without charge by:
 - (a) a Member;
 - (b) a former Member;
 - (c) the Spouse of a Member or a former Member;
 - (d) any other person entitled to benefits under the Pension Plan;
 - (e) an agent authorized in writing by an individual referred to in clause (a), (b), (c), or (d) of this subsection;
 - (f) a representative of a trade union that represents Members of the Pension Plan;

- (g) any other person prescribed by the Pension and Benefits Act of Nova Scotia.

The Administrator shall permit the person making the inspection to make extracts from or to copy the prescribed documents or information.

- 13.2 On request, the Administrator shall provide the person making the inspection with copies of any of the prescribed documents or information upon payment to the Administrator of a reasonable fee.

14. AMENDMENT OR TERMINATION OF THE PLAN

- 14.1 The Commission intends to maintain the Plan in force indefinitely but necessarily reserves the right to amend or terminate the Plan, either in whole or in part, after prior consultation with the Members or a committee of the Members, subject always to the requirements of Revenue Canada and any applicable federal or provincial authority.
- 14.2 If the Plan is amended, a Member's entitlement to benefits in respect of Service prior to the date of amendment under the amended Plan shall not be less than the Member's entitlement to benefits at the date of amendment as provided under this Plan. Replacement of this Plan by another plan shall be considered as an amendment to the Plan.
- 14.3 Subject to the provisions of any relevant legislation, if the Plan is terminated and not replaced by a new plan, the assets of the Pension Fund as described in Section 11 (Funding and Investment) shall be used to provide the benefits to which the Members are entitled at the date of termination. Each Member shall be entitled to a pension, not to exceed the Maximum Pension, earned in respect of his Credited Service in the Plan, as described in Section 5 (Retirement Benefits), commencing on the first day of the month following the date of termination of the Plan if this is later.
- 14.4 If, after provision has been made for these benefits, there are any assets remaining in the Pension Fund, such assets shall be used to increase the benefits being provided to living Members of the Plan (including pensioners) and their beneficiaries to the extent permitted by the Income Tax Act and Regulations thereunder. Any balance remaining after such provision shall be returned to the Commission. However, no amount shall be paid out of the fund to the employer without prior approval of the Superintendent of Pensions.
- 14.5 In the event that the Plan is terminated and the assets then in the Pension Fund are insufficient to provide the benefits to which the Members are entitled, such benefits shall be payable to the extent below and in the following order or priority:

First, provision for pension benefits to:

- (1) Pensioners who are receiving pension payments and Members who have deferred their retirement;
- (2) Members who, at termination of the Plan, and former Members who, at termination of employment, had attained age 45 and completed ten years of continuous Plan membership; and

Second, provision for the balance of pension benefits to which Members and former Members are entitled.

- 14.6 The assets in the Pension Fund shall be allocated to provide in full the benefits of the first class before allocating any assets to the second class. If the assets or remaining assets are insufficient to provide in full the benefits in either class, the benefits in that class shall be reduced proportionately.
- 14.7 If the Plan is terminated in respect of a specific group of Members the assets of the Pension Fund shall be apportioned to this group of Members in the ratio that the liability for the benefits to which this group of Members is entitled to is the liability for all the benefits under the Plan. Such apportioned assets shall be allocated to the group of Members affected in accordance with the above provisions for Plan termination.
- 14.8 Notwithstanding the above, any improvements in benefits for Plan Members, shall be subject to the limitations imposed by Revenue Canada, Taxation.
- 14.9 Notwithstanding Section 14.2, this Plan may be amended at any time to reduce the benefits provided under this Plan in respect of a Member to avoid revocation of the registration of this Plan under the Income Tax Act, subject to the approval of the Superintendent of Pensions.

15. GENERAL

- 15.1 The establishment of the Plan shall not give any Employee or Member the right to be retained in the service of the Commission nor shall it prevent the Commission from discharging an Employee or Member at any time.
- 15.2 No benefits under the Plan may be attached by creditors or assigned or alienated by the recipients.
- 15.3 Notwithstanding Section 15.2, no right of a person under this Plan is capable of being assigned, charged, anticipated, given as security or surrendered and, for the purposes of this provision,
- (1) assignment does not include:
 - (a) assignment of the Pension Benefit Earned During Marriage (as defined in Section 16.1 of the Plan) pursuant to Section 16 of the Plan, or
 - (b) assignment by the legal representative of a deceased individual in the distribution of the person's estate, and
 - (2) surrender does not include a reduction in benefits to avoid revocation of the registration of the Plan under the Income Tax Act.
- 15.4 The Administrator shall have the right to require satisfactory proof of age prior to the commencement of any pension or annuity and proof of survival on the due date of each payment, in respect of the life or lives upon which the pension or annuity depends.
- 15.5 Subject to any applicable legislation, a Member may, by written notice satisfactory to the Administrator, designate a beneficiary or beneficiaries to receive any benefits payable under the Plan on his death and alter or revoke such a designation from time to time.
- 15.6 All contributions and benefit payments under this Plan shall be made in lawful currency of Canada.

- 15.7 Except as provided in Section 15.3, neither the deferred nor immediate pension benefit referred to in Section (17) of the Pension Benefits Act of Nova Scotia is capable of being surrendered or commuted during the lifetime of the employee or confers upon any employee or personal representative, dependant or other person any right or interest therein that is capable of being surrendered or commuted during the lifetime of the employee.
- 15.8 Notwithstanding any provision of the Plan to the contrary, if a Member is entitled to a pension or any other benefit under any other plan maintained by the Commission or any predecessor employer or to which the Commission or any predecessor employer contributes or has contributed, the actuarial equivalent of such pension or other benefit shall be offset against the pension or any other benefit otherwise payable hereunder to the extent required in order that there shall be no duplication of benefits in respect of any portion of such Member's Credited Service hereunder.
- 15.9 The treatment of surplus determined by the Actuarial Review as required under the Pension Benefits Act of Nova Scotia shall be decided upon by the Commission. However, no amount shall be paid out of the fund to the employer without prior approval of the Superintendent of Pensions.
- 15.10 The Pension Adjustment and Past Service Pension Adjustments in respect of this Act shall be determined in accordance with Part LXXXIII of the Income Tax Regulations and shall be appropriate with regard to that Part and the purpose for which the amount is determined.
- 15.11 The Pension Adjustment of a Member for a calendar year shall not exceed the lesser of:
- (1) the Money Purchase Limit for the year as defined in Section 147.1 of the Income Tax Act, and
 - (2) 18% of the Member's Compensation from the Employer for the year.
- 15.12 All past service benefits provided in respect of Service on or after January 1, 1992 under this Plan shall comply with Subsection 147.1 (10) of the Income Tax Act.
- 15.13 All benefits provided in respect of the Plan shall be in accordance with the provisions of this Plan

- 15.14 No contributions shall be made to this Plan except those made in accordance with Sections 3 and 10 of this Plan
- 15.15 There shall be no distributions made from this Plan except payments of benefits in accordance with the provisions of the Plan and transfers in accordance with Section 10 of the Plan, payments in accordance with subsections 11.3 and Section 14 of the Plan.

16. PENSION ENTITLEMENT ON MARRIAGE BREAKDOWN

16.1 Where a Member or former Member is entitled to a pension benefit and

- (1) a petition for divorce is filed;
- (2) an application is filed for a declaration of nullity; or
- (3) the Member or former Member and that person's Spouse have been living separate and apart and there is no reasonable prospect of the resumption of cohabitation,

The pension or pension benefit earned during the marriage or the cohabitation of Common-law partners may be divided in accordance with the Pension Benefits Act and Regulations of Nova Scotia.

16.2 Notwithstanding Section 16.1, the Spouse of the Member or former Member shall not receive more than one half of the pension or pension benefit earned during the marriage or cohabitation of Common-law partners.

APPENDIX A

Members whose Normal Retirement Date is the first day of the month coincident with or next following their 60th birthday.

<u>Certificate No.</u>	<u>Name of Member</u>
254	N. J. Dube
237	D. A. Hope
247	L. J. Inglis
253	V. Sheppard
182	E. J. Ferguson

Appendix B

Name	Retirement Date D/M/Y	Additional Lifetime Pension (per annum)	Adjusted Benefit Accrual Rate
H. Duggan	01/12/91	\$4,302.44	2.0000%
E. Casson	01/06/92	2,063.23	1.8203%
S. DeWolfe	01/06/92	548.83	1.6102%
A. Dunham	01/06/92	558.84	1.8625%
D. Hammond	01/11/92	4,201.36	2.0000%
M. MacKay	01/12/92	1,645.20	1.9913%
U. Forgeron	01/06/93	2,123.90	1.9000%
K. Szeto	01/10/93	3,067.40	2.0000%

Appendix C

Members with Conversion Accounts and the initial balance as of June 1, 1998:

Name	Initial Balance of Conversion Account as at June 1, 1998
Baker, Gary	1,997
Baxter, Stephen	1,137
Boyd, Scott R.	1,065
Bradstock, Thomas	1,820
Hiscock, David	6,207
Hopkins, Mansfield	14,143
Jensen, Peter	4,416
MacDonald, Margaret	16
Singer, Heather	1,147
Stanislow, Timothy	3,607
Staples, Terry	39
Young, Raymond	4,436
Total:	40,030