

**PENSION PLAN FOR
GENERAL LABOUR, TRADES & SERVICES EMPLOYEES OF
NEW BRUNSWICK SCHOOL DISTRICTS**

**Consolidated to
September 12, 2018**

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SECTION 1

PURPOSE OF THE PLAN

- 1.01** The purpose of the “Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts” as amended from time to time is to provide benefits to eligible employees in accordance with the specific terms and provisions set out herein.

SECTION 2

DEFINITIONS

For the purpose of the Plan the following words and phrases shall have the meanings specifically assigned to them in this section unless a different meaning is plainly required by the context.

- 2.01** “Accumulated Interest”, as per the *Pension Benefits Act*, means interest on a Member’s contributions determined as follows:
- (a) Prior to 1998, the rates of interest to be credited and the method of crediting such interest shall be in accordance with the rates and method adopted at the time under the provisions of the Plan then in effect.
 - (b) After 1997, the annual rate of interest to be credited as of December 31 of a given Plan Year, shall be calculated as the average of the annual yields of five year personal fixed term chartered bank deposits rates as determined from the Canadian Socio-Economic Information Management (CANSIM) Series B14045 published each month in the Bank of Canada Review. The average shall be calculated over the 12-month period which ends on the October 31 immediately preceding the December 31 as of which the interest rate is determined. Interest shall be calculated on Member’s contributions from the date they are paid into the Fund. Such interest for a given period shall be calculated in an approximate manner as if the contributions which were made to the Fund throughout the period were instead paid into the Fund in one lump sum at the mid-point of the period. Interest which is to be credited on a date other than December 31 shall be calculated using the annual rate of interest established on the December 31 immediately preceding the date in question.
- 2.02** “Actuarial Equivalent” of a given benefit is the amount of alternative benefit of the required form deemed by the Actuary to be equal in value to the given benefit on the basis of such actuarial assumptions and similar factors as may be adopted from time to time by the Pension Committee on the advice of the Actuary.
- 2.03** “Actuary” means a Fellow of the Canadian Institute of Actuaries, or a firm employing such a person, appointed by Board of Management for the purposes of the Plan.
- 2.04** “Average Consumer Price Index” means for a given year the average of the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act*, for each month over the twelve month period ending on June 30 of the immediately preceding year, except that the Average Consumer Price Index for years prior to 1982 shall be taken to be equal to the Average Consumer Price Index for 1982
- 2.05** “Break in Service” means a period not exceeding eighteen months between termination of employment of a Member with one Contributing School District and commencement

of employment of the Member with another Contributing School District or commencement of re-employment of the Member with the same Contributing School District. (Amended 1988).

- 2.06** "Basic Earnings" for any year means the annual amount of Earnings not in excess of the Year's Maximum Pensionable Earnings.
- 2.07** "Board of Management" means the Board of Management of the Province of New Brunswick.
- 2.08** "Collective Agreement" means any contractual agreement relating to Employees which may be in effect from time to time between Board of Management and any organization certified as bargaining agent under the *Public Service Labour Relations Act*.
- 2.09** "Commuted Value" of a specified benefit means the capital or lump sum value of the benefit determined in accordance with the minimum requirements of the "Recommendation for the Computation of Transfer Values from Registered Pension Plans" adopted by the Canadian Institute of Actuaries and effective September 1, 1993, as amended from time to time.
- 2.10** "Continuous Employment" means an unbroken period of employment as an Employee of a Contributing School District and for the purposes of the Plan Continuous Employment shall be deemed not to be interrupted by authorized vacations and leaves of absence (with or without pay), or by any Break in Service provided that for any period of employment prior to such Break in Service the Member did not elect a cash refund of his contributions to the Plan or to a Previous Plan.
- 2.11** "Contributing School District" means any School District in New Brunswick listed in Part II of the First Schedule under the *Public Service Labour Relations Act*, Chapter 88, Statutes of New Brunswick, 1968, including amendments thereto made after the Effective Date of the Plan.
- 2.12** "Defined Benefit Limit" for a calendar year means,
- (i) for years before 2005, \$1,722.22 and
 - (ii) for years after 2004, 1/9 of the money purchase limit for the year as established under the *Income Tax Act*, or
 - (iii) an amount as established under the *Income Tax Act*.
- 2.13** "Earnings" of a Member for any Plan Year means the basic annual rate of salary of the Member on the first day of the Plan Year before deductions, and exclusive of overtime premiums or other fluctuating emoluments. Effective January 1, 1986, earnings of a Member for any Plan Year means the earnings of the Member in the Plan Year before deductions and exclusive of overtime or other fluctuating emoluments.

- 2.14 "Effective Date" means March 1, 1974.
- 2.15 "Employee" means any person covered by a Collective Agreement between Board of Management and the New Brunswick Council of School District Unions, the Canadian Union of Public Employees, Local 1253 (General Labour, Trades & Services), who is employed by a Contributing School District on a full-time basis and who is not eligible for membership in any other pension plan to which his Employer contributes. The term "full-time" shall have the meaning assigned by the applicable Collective Agreement.
- 2.16 "Employer" with reference to any given Employee means the Contributing School District by which the said Employee is employed at the date in question.
- 2.17 "Fund" means the assets held in trust under the terms of the Plan and the Funding Contract to provide for the payment of benefits as described herein to Plan Members and their beneficiaries.
- 2.18 "Funding Agency" means any insurance company, trust company or investment counselor licensed to transact business in Canada with which Board of Management contracts under the terms of the Funding Contract to undertake such duties as may be specified therein.
- 2.19 "Funding Contract" means a contract between the Funding Agency and Board of Management relating to the management, investment and administration of the Fund.
- 2.20 "Income Tax Act" means the *Income Tax Act*, chapter 148 of the Revised Statutes of Canada, 1952, as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.
- 2.21 "Member" means an Employee who has joined the Plan and is entitled to benefits thereunder.
- 2.22 "Pension Benefits Act" means the *Pension Benefits Act*, chapter P-5.1 of the Acts of New Brunswick, 1987 and any amendments thereto or revisions thereof together with any regulations made thereunder from time to time.
- 2.23 "Pension Benefits Standards Act" means the *Pension Benefits Standards Act*, R.S.C. 1985, c.32 (2nd Supp.), and any amendments thereto or revisions thereof together with any regulations made thereunder from time to time.
- 2.24 "Pension Committee" means the Committee established in accordance with the provisions of section 15 of the Plan to perform certain administrative and interpretive functions specifically assigned to it hereunder with respect to the operation of the Plan.
- 2.25 "Pensionable Service" means:

- (i) the period of a Member's Continuous Employment after the Effective Date in respect of which the Member has paid the contributions required from time to time under 8.01, plus
- (ii) any period of Eligible Service as defined in 20.01 in respect of which the Member has paid the prescribed contributions in accordance with the provisions of Section 20, plus
- (iii) in the case of a Member who was actively employed by an Employer on May 5, 1994, the lesser of five years and the period of the Member's Continuous Employment prior to March 1, 1974.

2.26 "Pension Index" means:

- (1) For years up to and including 1982, the Average Consumer Price Index for 1982;
- (2) For the year 1983 and each following year, the Average Consumer Price Index for the year or 1.02 times the Pension Index for the preceding year, whichever is the lesser, except that, for any year in which this calculation yields a Pension Index that is less than 1.01 times the Pension Index for the preceding year, the Pension Index shall be taken as the Pension Index for the preceding year.

Whenever the Consumer Price Index for Canada is revised to a new time basis with a resulting percentage adjustment being made in the figures for such Index, a corresponding percentage adjustment shall be made in all values then existing of the Pension Index.

2.27 "Plan" prior to January 1, 1991, means the Pension Plan for Certain Employees of New Brunswick School Boards and after December 31, 1990 means the Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Boards. Effective April 1, 1998, Plan means the Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts.

2.28 "Plan Administrator" means the Public Service Employee Benefits Division (PSEBD) of the Office of Human Resources, or such other body or bodies as may be appointed by Board of Management from time to time to act on behalf of the Public Service Employee Benefits Division in discharging the duties and responsibilities specifically assigned herein to the Plan Administrator.

2.29 "Plan Year" means a twelve-month period commencing on January 1st, and ending on the following December 31st, except that the first Plan Year shall be the period commencing on the Effective Date, and ending on December 31, 1974.

2.30 "Previous Plan" means any pension plan for the employees of a Contributing School Board (including any individual pension arrangements for one or more of these

employees) which was in effect on and prior to the Effective Date and to which the said School District is contributing or has contributed.

2.31 “Spouse” means, at the time a determination is required, persons of the opposite sex, and effective April 23, 1998, includes persons of the same sex (not applicable for marriage breakdown provisions as stated under Section 18), who:

- (a) are married to each other,
- (b) are married to each other by a marriage that is voidable and has not been avoided by a declaration of nullity,
- (c) have gone through a form of marriage with each other in good faith that is void and have cohabited within the preceding year, or
- (d) not being married to each other, have cohabited:
 - (i) continuously for a period of not less than three years in a conjugal relationship in which one person has been substantially dependent upon the other for support, or
 - (ii) in a relationship of some permanence where there is a child born of whom they are the natural parents and have cohabited within the preceding year.

Where a payment or payments under the Plan is or are to be made to the Spouse of a Member and more than one person satisfies the definition of Spouse at the time a determination is required, and payments are required to be made to more than one Spouse, the total of the payments made to the Spouses shall in no case exceed the total payment which would be made to the Member’s Spouse if only one person satisfied the definition of Spouse.

2.32 “Year's Maximum Pensionable Earnings” shall have the meaning assigned by Section 17 of the Canada Pension Plan.

2.33 Words importing the masculine include the feminine and words importing the singular include the plural, and vice versa.

SECTION 3

ELIGIBILITY AND PARTICIPATION

- 3.01** An Employee who is a member of a Previous Plan on February 28, 1974 may remain a member of the Previous Plan, or he may join the Plan on the first (1st) day of any month within a period of three (3) months following the Effective Date provided that he does not receive or elect to receive under the terms of the Previous Plan a refund of contributions or other immediate benefit.
- 3.02** An Employee specified in 3.01 who elects to join the Plan shall automatically terminate his membership in the Previous Plan as from his effective date of membership in the Plan.
- 3.03** An Employee specified in 3.01 who does not elect to join the Plan shall continue to be a member of the Previous Plan, subject to the provisions of the said Previous Plan, and shall not be entitled to any benefits under this Plan.
- 3.04** An Employee who commenced employment with a Contributing School District prior to the Effective Date, is not a member of a Previous Plan on February 28, 1974 and, on the Effective Date, has attained the age of twenty-five (25) years but has not attained the age of fifty-five (55) years will be required to join the Plan on the first (1st) day of the month coincident with or next following the later of the Effective Date and the date on which he has completed two (2) years of Continuous Employment.
- 3.05** An Employee who commenced employment with a Contributing School District prior to the Effective Date, is not a member of a Previous Plan on February 28, 1974, and, on the Effective Date, has attained the age of fifty-five (55) years but has not attained the age of sixty-five (65) years may join the Plan on the first (1st) day of any month within a period of three (3) months following the later of the Effective Date and the date on which he has completed two (2) years of Continuous Employment.
- 3.06** An Employee who commenced Employment with a Contributing School District prior to the Effective Date, is not a member of a Previous Plan on February 28, 1974 and, on the Effective Date, has attained the age of twenty-one (21) years but has not attained the age of twenty-five (25) years may join the Plan on the first (1st) day of any month after the date on which he has completed two (2) years of Continuous Employment and prior to the date on which he will be required to join the Plan.
- 3.07** An Employee who commences employment with a Contributing School District on or after the Effective Date and prior to July 1, 1982 shall become a Member of the Plan on the first (1st) day of the month coincident with or next following the date on which he has attained the age of twenty-five (25) years and has completed two (2) years of Continuous Employment.

- 3.08** Notwithstanding 3.07, an Employee who commences employment with a Contributing School District on or after the Effective Date and prior to July 1, 1982 shall not be eligible to join the Plan if he has attained the age of fifty-five (55) years prior to the date of commencement of such employment.
- 3.09** An Employee who commences employment with a Contributing School District on or after the Effective Date and prior to July 1, 1982, has attained the age of twenty-one (21) years but not the age of twenty-five (25) years, and has completed at least two (2) years of Continuous Employment may join the Plan on the first (1st) day of any month prior to the date on which he will be required to join the Plan.
- 3.10** An Employee who commences employment with a Contributing School District on or after July 1, 1982 and prior to attaining the age of sixty (60) years is eligible and shall join the Plan effective the first (1st) day of the month coincident with or next following the later of the date on which the Employee completes his probationary period and his eighteenth (18th) birthday.
- 3.11** On or before his effective date of participation in the Plan an Employee shall be required to complete the prescribed enrollment form which shall include an authorization to his Employer to deduct from the Employee's Earnings the contributions required to be paid by a Member under the terms of the Plan.

SECTION 4

NORMAL RETIREMENT

- 4.01** For the purposes of the Plan the Normal Retirement Date of a Member shall be the first (1st) day of the month coincident with or next following the Member's sixty-fifth (65th) birthday.
- 4.02** A Member retiring on his Normal Retirement Date shall receive the Normal Retirement Pension described in Section 7, or such optional form of pension as he may elect in accordance with the provisions of Section 9.

SECTION 5

EARLY RETIREMENT

- 5.01** Subject to the provisions of any applicable Collective Agreement a Member may, with the approval of his Employer, retire at any time after his fifty-fifth (55th) birthday, provided he has completed at least five (5) years of Continuous Employment.
- 5.02** A Member retiring on or after July 1, 1982 but before his Normal Retirement Date shall receive an annual Early Retirement Pension payable in equal monthly installments commencing on the first (1st) day of the month coincident with or next following the Member's date of retirement and continuing thereafter during the lifetime of the Member or for sixty (60) months, whichever is the longer.
- 5.03**
- (i) The initial annual amount of Early Retirement Pension for a Member who retires in accordance with 5.02 shall, subject to (ii), (iii) and (iv) below, be equal to the annual amount of accrued Normal Retirement Pension described in 10.02(i)(a) or 10.02(i)(b)(1), whichever is greater, reduced by (5/12) of one (1) percent for each month by which the date of early retirement precedes the Member's Normal Retirement Date.
 - (ii) If the date of termination of a Member's Continuous Employment is on or after May 5, 1994 then the Member's accrued Normal Retirement Pension shall not be reduced if the Member is 63 years of age or over at his early retirement date and, if the Member is under 63 years of age at his early retirement date, the accrued Normal Retirement Pension shall, subject to (iii) below, be reduced by (5/12) of one (1) percent for each month by which the date of early retirement precedes the Member's sixty-third (63rd) birthday.
 - (iii) If the date of termination of the Member's Continuous Employment is on or after May 5, 1994 and before April 1, 1998, and if the Member is 60 years of age or over at the date of termination, and if the Member elects to retire before the later of September 6, 1994 and the date which is four months after the Member's sixtieth birthday, then the Member's accrued Normal Retirement Pension shall not be reduced. Notwithstanding the previous sentence the Employer, at its sole discretion, may extend the period during which a Member is entitled to elect an unreduced pension in accordance with this paragraph (iii).
 - (iv) If the date of termination of the Member's Continuous Employment is on or after April 1, 1998, and if the Member is 60 years of age or over at the date of termination, then the Member's accrued Normal Retirement Pension shall not be reduced. If at the date of termination the Member is under 60 years of age at his early retirement date, the accrued Normal Retirement Pension shall, be reduced by (3/12) of one (1) percent for each month by which the date of early retirement precedes the Member's sixtieth (60th) birthday.

- 5.03.01** The Early Retirement Pension for a Member who terminates Continuous Employment on or after May 5, 1994, but before April 1, 1998, and who is 63 years of age or over on termination of Continuous Employment, or who retires from active service in accordance with paragraph (iii) of 5.03 shall include an additional monthly amount equal to the number of years of the Member's Pensionable Service times \$10.00. In the normal form of payment, the last payment of this additional monthly amount shall be on the first (1st) day of the month which contains the Member's sixty-fifth (65th) birthday.
- 5.03.02** The Early Retirement Pension for a Member who terminates Continuous Employment on or after April 1, 1998, but before January 1, 2001, and who is either:
- (a) between the age of 55 and 60 on termination of Continuous Employment shall include an additional monthly amount equal to the number of years of the Member's Pensionable Service times \$15.00 and shall be reduced by (3/12) of one (1) percent for each month by which the date of early retirement precedes the Member's sixtieth (60th) birthday. Upon attaining his sixtieth (60th) birthday, this Member's additional monthly benefit will be adjusted to \$10.00, subject to the same reduction factor applied at his date of termination of Continuous Employment.
 - (b) between the age of 60 and 65 on termination of Continuous Employment shall include an additional monthly amount equal to the number of years of the Member's Pensionable Service times \$10.00.
- 5.03.03** The Early Retirement Pension for a Member who terminates Continuous Employment on or after January 1, 2001, and who is either:
- (a) between the age of 55 and 60 on termination of Continuous Employment shall include an additional monthly amount equal to the number of years of the Member's Pensionable Service times \$15.50. Upon attaining his sixtieth (60th) birthday, this Member's additional monthly benefit will be adjusted to \$11.00.
 - (b) between the age of 60 and 65 on termination of Continuous Employment shall include an additional monthly amount equal to the number of years of the Member's Pensionable Service times \$11.00.
- 5.03.04** In the normal form of payment, the last payment of the additional monthly amount as described above under 5.03.01, 5.03.02, 5.03.03 shall be on the first (1st) day of the month which contains the Member's sixty-fifth (65th) birthday.
- 5.04** In the case of a Member who entered the Plan prior to January 1, 1992 and has completed at least five (5) years of Continuous Employment and who was never a member of a Previous Plan, if such Member's annual Early Retirement Pension under 5.03 is less than one thousand five hundred dollars (\$1,500.00) the Member shall be entitled to a Supplementary Pension, payable from his date of early retirement in the same manner as the Early Retirement Pension described in 5.02 above.

The annual amount of the said Supplementary Pension shall be equal to 50% of the difference between one thousand five hundred dollars (\$1,500.00) and the Member's annual Early Retirement Pension as specified in 5.03 above.

In the case of any such Member, the Early Retirement Pension shall be the sum of the Early Retirement Pension in 5.03 and the said Supplementary Pension.

5.04.01 Section 5.04 above is not applicable in the case of a Member who entered the Plan on or after January 1, 1992.

SECTION 6

LATE RETIREMENT

- 6.01** Subject to the provisions of any applicable Collective Agreement a Member may, with the approval of his School District, continue his employment for a period of one (1) year beyond his Normal Retirement Date. Retirement may further be postponed for a similar period of one (1) year each year thereafter with the Employer's approval except that in no event shall the retirement of a Member be postponed beyond his sixty-ninth (69th) birthday.
- 6.02** Contributions to the Fund by the Member, and in respect of the Member by the Employer, shall cease on the Member's Normal Retirement Date, and Pensionable Service shall terminate on the Member's Normal Retirement Date.
- 6.03** A Member retiring after his Normal Retirement Date and on or after July 1, 1982 shall receive an annual Late Retirement Pension which is the Actuarial Equivalent of the pension to which the Member was entitled at Normal Retirement Date, or would have been so entitled if the provisions of Section 7 had applied at that time. The annual Late Retirement Pension shall be paid in equal installments commencing on the first (1st) day of the month coincident with or next following the Member's date of retirement and continuing thereafter during the lifetime of the Member or for sixty (60) months, whichever is the longer.

SECTION 7

NORMAL RETIREMENT PENSION

7.01 A Member retiring on his Normal Retirement Date shall be entitled to a Normal Retirement Pension payable in equal monthly installments commencing on his Normal Retirement Date and continuing thereafter during the lifetime of the Member or for sixty (60) months, whichever is the longer.

7.02 Subject to 7.03, the initial annual amount of Normal Retirement Pension for a Member who terminates Continuous Employment on or after July 1, 1982 but before December 1, 1990 and on or before the Member's Normal Retirement Date shall be equal to the product of:

- (i) The number of years of the Member's Pensionable Service; and
- (ii) The difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest; and
 - (b) 0.7% of the annual average of his Basic Earnings during the period referred to in (a).

7.02.01 Subject to 7.03, the initial annual amount of Normal Retirement Pension for a Member who terminates Continuous Employment on or after December 1, 1990 but before May 5, 1994 and on or before the Member's Normal Retirement Date shall be equal to the product of:

- (i) the number of years of the Member's Pensionable Service prior to January 1, 1991; and
- (ii) the difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest; and
 - (b) 0.5% of the annual average of his Basic Earnings during the period referred to in (a); and

plus the product of:

- (iii) the number of years of the Member's Pensionable Service after January 1, 1991; and
- (iv) the difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest; and
 - (b) 0.6% of the annual average of his Basic Earnings during the period referred to in (a).

7.02.02 Subject to 7.03, the initial annual amount of Normal Retirement Pension for a Member who terminates Continuous Employment on or after May 5, 1994 but before April 1, 1998 and on or before the Member's Normal Retirement Date shall be equal to the product of:

- (i) the number of years of the Member's Pensionable Service prior to January 1, 1995, and
- (ii) the difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest, and
 - (b) 0.5% of the annual average of his Basic Earnings during the period referred to in (a),

plus the product of:

- (iii) the number of years of the Member's Pensionable Service after December 31, 1994, and
- (iv) the difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest, and
 - (b) 0.6% of the annual average of his Basic Earnings during the period referred to in (a).

7.02.03 Subject to 7.03, the initial annual amount of Normal Retirement Pension for a Member who terminates Continuous Employment on or after April 1, 1998, but before January

1, 2001, and on or before the Member's Normal Retirement Date shall be equal to the product of:

- (i) the number of years of the Member's Pensionable Service prior to January 1, 1997, and
- (ii) 1.75% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and below the Year's Maximum Pensionable Earnings, and

plus the product of:

- (iii) the number of years of the Member's Pensionable Service prior to January 1, 1997, and
- (iv) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and above the Year's Maximum Pensionable Earnings,

plus the product of:

- (v) the number of years of the Member's Pensionable Service after January 1, 1997, and
- (vi) the difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest, and
 - (b) 0.6% of the annual average of his Basic Earnings during the period referred to in (a).

7.02.04 Subject to 7.03, the initial annual amount of Normal Retirement Pension for a Member who terminates Continuous Employment on or after January 1, 2001, but before April 1, 2005, and on or before the Member's Normal Retirement Date shall be equal to the product of:

- (i) the number of years of the Member's Pensionable Service prior to January 1, 2000, and
- (ii) 1.9% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and below the Year's Maximum Pensionable Earnings,

plus the product of:

- (iii) the number of years of the Member's Pensionable Service prior to January 1, 2000, and
- (iv) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and above the Year's Maximum Pensionable Earnings,

plus the product of:

- (v) the number of years of the Member's Pensionable Service after December 31, 1999, and
- (vi) the difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest, and
 - (b) 0.6% of the annual average of his Basic Earnings during the period referred to in (a).

7.02.05 Subject to subsection 7.03, the initial annual amount of Normal Retirement Pension for a Member who terminates Continuous Employment on or after April 1, 2005 and on or before the Member's Normal Retirement Date shall be equal to the product of:

- (i) the number of years of the Member's Pensionable Service prior to January 1, 2000, and
- (ii) 1.9% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and below the Year's Maximum Pensionable Earnings,

plus the product of:

- (iii) the number of years of the Member's Pensionable Service prior to January 1, 2000, and
- (iv) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and above the Year's Maximum Pensionable Earnings,

plus the product of:

- (v) the number of years of the Member's Pensionable Service after December 31, 1999 and before January 1, 2006, and

- (vi) 1.625% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and below the Year's Maximum Pensionable Earnings,

plus the product of:

- (vii) the number of years of the Member's Pensionable Service after December 31, 1999 and before January 1, 2006, and
- (viii) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest and above the Year's Maximum Pensionable Earnings,

plus the product of:

- (ix) the number of years of the Member's Pensionable Service after December 31, 2005, and
- (x) the difference between:
 - (a) 2.0% of the annual average of the Member's Earnings during the period of five (5) consecutive years during which such Earnings are highest, and
 - (b) 0.6% of the annual average of the Member's Basic Earnings during the period referred to in (a).

7.03 If in the case of a Member who entered the Plan prior to January 1, 1992 and has completed at least five (5) years of Continuous Employment and who was never a member of a Previous Plan, and his receiving the annual Normal Retirement Pension as specified in 7.02, 7.02.01, 7.02.02, 7.02.03, 7.02.04 or 7.02.05 is less than one thousand five hundred (\$1,500.00) the Member shall be entitled to a Supplementary Pension payable from Normal Retirement Date and in the same manner as his Normal Retirement Pension.

The annual amount of the said Supplementary Pension shall be fifty percent (50%) of the difference between one thousand five hundred (\$1,500.00) and the Member's annual Normal Retirement Pension as specified in 7.02, 7.02.01, 7.02.02, 7.02.03, 7.02.04 or 7.02.05 above.

In the case of any Member to whom this section 7.03 applies, the Normal Retirement Pension shall be the sum of the Normal Retirement Pension in 7.02, 7.02.01, 7.02.02, 7.02.03 7.02.04 or 7.02.05 and the said Supplementary Pension.

7.03.01 Section 7.03 above is not applicable in the case of a Member who entered the Plan on or after January 1, 1992.

7.04 Any Member who has terminated Continuous Employment on or before March 31, 1998 and who has retained the right to a benefit under provisions of Section 5, 6, 7 and 9 of this pension plan will receive a cost of living adjustment in their lifetime benefit. This adjustment will be equal to the difference between the past cost of living adjustment for years prior to 1998 and the full average increase in the Average Consumer Price Index for those same years. After the adjustment in the cost of living benefits a further increase of 5.1% will be applied to the lifetime pension. These adjustments are subject to Canada Custom Revenue Agency approval.

SECTION 8

EMPLOYEE AND EMPLOYER CONTRIBUTIONS

- 8.01** Each Member shall contribute to the Plan in any Plan Year:
- (i) For contributions before January 1, 2007, the lesser of:
 - (a) four and one-half percent (4.5%) of his Basic Earnings plus six percent (6%) of that portion of his Earnings which is in excess of his Basic Earnings,
 - (b) one thousand dollars (\$1,000) plus seventy percent (70%) of the Member's pension credit for the Plan Year, as defined in the *Income Tax Act*.
 - (ii) For contributions on or after January 1, 2007, five and one-half percent (5.5%) of the Member's Basic Earnings plus seven percent (7%) of that portion of the Member's Earnings which is in excess of the Member's Basic Earnings.

The Member's contributions shall be deducted from his Earnings by his Employer on a regular basis and shall cease as from the earliest of the following dates, namely, the Member's Normal Retirement Date, his date of early retirement, his date of death, and his date of termination of employment for any reason other than retirement or death.

- 8.02** Subject to 8.02.01 each Employer shall contribute to the Fund such amounts as, in the opinion of the Actuary, are necessary in addition to Member's contributions to provide the benefits stipulated under the plan in respect of Members employed by the Employer.
- 8.02.01** Notwithstanding the benefit levels provided under this Plan and in the determination of the required Employer contributions, the Actuary will consider the accrued surplus and any future surplus as an offset to required Employer contributions above 95% of Member contributions. In no event shall Employer required contributions be less than 95% of Member contributions
- 8.03** Each Employer shall pay into the Fund at regular intervals all required contributions deducted by him from Earnings of Members in accordance with 8.01 above, together with the Employer contributions specified in 8.02 above.
- 8.04** All contributions made by an Employer for the provision of benefits to Members of the Plan shall remain irrevocably vested in the Fund and no withdrawals from the Fund by an Employer shall be permitted.

SECTION 9

OPTIONAL FORMS AND INDEXING OF PENSIONS

9.01 At any time prior to the date on which his pension is due to commence, by written notice to his Employer a Member may elect one of the optional forms of pension described below in lieu of the normal form of pension. Under each of these optional forms of pension, payments shall be made monthly with the first (1st) payment on the same date as that on which the normal form of pension would have commenced, and the amount of the optional forms of pension shall be the Actuarial Equivalent of the amount of the normal form of pension.

(i) Life Pension With No Guaranteed Period

Under this optional form of pension, payments are made to the Member during his lifetime with the final payment being due on the first (1st) day of the month coincident with or immediately preceding the Member's date of death.

Under this optional form of payment, any additional pension payable under 5.03.01, 5.03.02 or 5.03.03 shall cease upon the Member's death, or, if later, when the Member attains age sixty-five (65).

(ii) Life Pension With Guaranteed Period of Ten Years

Under this optional form of pension, payments are made to the Member during his lifetime and, if the Member dies before receiving one hundred twenty (120) monthly installments, the payments are continued to his beneficiary until one hundred twenty (120) monthly installments have been paid. Should no designated beneficiary be named the Actuarial Equivalent of the unpaid balance of one hundred twenty (120) monthly installments shall be paid in a lump sum to his estate.

Under this optional form of payment, any additional pension payable under 5.03.01, 5.03.02 or 5.03.03 shall cease when the Member attains age sixty-five (65).

(iii) Joint Life and Last Survivor Pension

Under this optional form of pension, payments are made to the Member during his lifetime and if the Member predeceases his Spouse, payments are continued to the Spouse during the Spouse's lifetime at a level equal to the level of the pension paid to the Member, or at a reduced level, as dictated by the specific terms of the option elected.

Under this option, if the Spouse dies prior to attaining age sixty-five (65), any additional pension payable under 5.03.01, 5.03.02 or 5.03.03 shall continue at the same level, or at a reduced level depending on the specific terms of the option elected, and shall cease

upon the death of the Spouse or when the Member would have attained age sixty-five (65), whichever is earlier.

- 9.02** On the later of January 1, 1982 and the January 1 next following the date of commencement of a Member's pension, and on each subsequent January 1, the amount of the pension (including the amount payable in accordance with 5.03.01, 5.03.02 or 5.03.03, if any, and any monthly amount being paid to the Member's Spouse or beneficiary after the Member's death) shall be adjusted.

The monthly adjusted pension effective on any such January 1 shall be the total amount of monthly pension otherwise payable on the said January 1 multiplied by the ratio which the Pension Index for the year commencing on the said January 1 bears to the Pension Index for the immediately preceding year.

Notwithstanding the previous paragraph, if the ratio of the Average Consumer Price Index for the year commencing on the said January 1 to the Average Consumer Price Index for the year which includes the date of commencement of the Member's pension is less than the ratio of the Pension Index for the year commencing on the said January 1 to the Pension Index for the year which includes the date of commencement of the Member's pension, then the monthly adjusted pension effective on the said January 1 shall be the amount of monthly pension otherwise payable on the said January 1 multiplied by the ratio A to B where

- A. is the Average Consumer Price Index for the year commencing on the said January 1 divided by the Average Consumer Price Index for the year which includes the date of commencement of the Member's pension, and
- B. is the Pension Index for the year immediately preceding the said January 1 divided by the Pension Index for the year which includes the date of commencement of the Member's pension, or if less, is the Average Consumer Price Index for the year immediately preceding the said January 1 divided by the Average Consumer Price Index for the year which includes the date of commencement of the Member's pension.

SECTION 10

BENEFITS ON TERMINATION OF EMPLOYMENT

10.01 If the Continuous Employment of a Member who has less than five (5) years of such Continuous Employment is terminated on or after July 1, 1982 for any reason other than death or retirement the Member shall be entitled to a refund of the total amount of his contributions to the Plan with Accumulated Interest.

10.02 If the Continuous Employment of a Member who has five (5) or more years of such Continuous Employment is terminated on or after July 1, 1982 for any reason other than death or retirement he may elect to receive the benefits described in either (i) or (ii) below:

(i) In lieu of a refund of his own contributions to the Plan, an annual pension payable in monthly installments commencing on his Normal Retirement Date and continuing thereafter during the lifetime of the Member or for a period of sixty (60) months, whichever is the longer, equal to the greater of:

(a) A pension which is the Actuarial Equivalent of the Member's own contributions to the Plan with Accumulated Interest; and,

(b) The total of:

(1) The Member's Normal Retirement Pension accrued to his date of termination, based on contributions to that date, in accordance with the formula specified in 7.02, 7.02.01, 7.02.02, 7.02.03, 7.02.04 or 7.02.05, whichever is applicable, and

(2) The Supplementary Pension defined in 7.03, if applicable;

multiplied by the ratio which the Pension Index for the year which includes the Member's retirement date bears to the Pension Index for the year which includes the Member's date of termination of employment.

(ii) Provided the date of termination of employment precedes November 1, 1998, a refund of his own contributions to the Plan with Accumulated Interest.

In no case, however, shall the total percentage increase in the Member's pension over the period from termination until retirement exceed the total percentage increase in the average wage over the same period, where the term "average wage" has the meaning given in subsection 147.1(1) of the *Income Tax Act*.

10.03 Effective May 1, 1998, a Member who's Continuous Employment is terminated, other than by death or retirement, and who, upon termination, is entitled to a deferred pension under subsection 10.02(i)(b) may require the Plan Administrator

- (a) to direct that an amount equal to the Commuted Value of the deferred pension be transferred
 - (i) to another registered pension plan on a locked-in basis with the consent of the administrator of that plan, or
 - (ii) to any registered retirement savings arrangement to which such a transfer is allowed under the *Pension Benefits Act*, or
- (b) to direct that a deferred life annuity for the Member be purchased from an insurance company licensed to sell annuities in Canada, with the payments under the annuity to commence no earlier than ten years before the Member's Normal Retirement Date or the date of the Member's termination of Continuous Employment, if later.

The Commuted Value will be calculated as at the date of the Member's termination of Continuous Employment and interest will be accrued on the Commuted Value at the rate used in calculating the Commuted Value from the date of the Member's termination of Continuous Employment to the date of transfer of the Commuted Value is made. However, if the transfer is made more than 90 days after the Member's termination of Continuous Employment the Commuted Value may, at the sole discretion of the Administrator, be calculated as of the date of transfer.

If the Commuted Value of the deferred pension to which a Member is entitled under subsection 10.02(i)(b) upon termination of Continuous Employment is less than 10% of the YMPE in the year of termination, the Plan Administrator may require the Member to transfer the Commuted Value in accordance with item (a)(i) of this subsection 10.03.

Upon the transfer of a Commuted Value (with interest) in accordance with item (a) of this subsection 10.03 or the purchase of a deferred annuity in accordance with item (b) of this subsection 10.03, the Member has no entitlement to any further benefit from the Plan or payment from the Fund and ceases to be a Member of the Plan.

10.04 The transfer of Commuted Value or the purchase of a deferred annuity under subsection 10.03 shall not be done except upon receipt of evidence by the Plan Administrator that the transferred amount or the deferred annuity will be administered in accordance with the "locking-in" and other requirements of the *Pension Benefits Act*.

10.05 If a transfer of the Commuted Value or the purchase of a deferred annuity under subsection 10.03 will, or is likely to, result in the Fund failing to meet the solvency standard prescribed under the *Pension Benefits Act*, the Plan Administrator shall direct the transfer or purchase to be made only in the manner allowed under the *Pension Benefits Act*.

- 10.06** If the Member's contributions with interest accumulated up to the date of termination represents more than 50% of the Commuted Value then any Member contributions with interest in excess of 50% of the Commuted Value shall be refunded to the Member.
- 10.07** Effective January 1, 2007, a Member whose Continuous Employment is terminated, other than by death or retirement, and who, upon termination, is immediately eligible for the payment of an Early Retirement Pension under Section 5 or a Normal Retirement Pension under Section 7, is not entitled to elect a transfer of Commuted Value under paragraph 10.03(a).

SECTION 11

DEATH BENEFITS

11.01 In the case of a Member who dies prior to retirement, and before January 1, 1998, his designated beneficiary or his estate, as applicable, shall receive a refund of all contributions made by the Member with Accumulated Interest.

11.01.01 In the case of a Member who dies after December 31, 1997, and prior to the Member's pension commencement and before completing five years of Continuous Employment, his designated beneficiary or his estate, as applicable shall receive a refund of all contributions made by the Member with Accumulated Interest.

11.01.02 In the case of a Member who dies after December 31, 1997 and prior to the Member's pension commencement date and after completing either five or more years of Continuous Employment, the beneficiary or the estate of the Member, as applicable shall be paid an amount equal to item (a) plus item (b) below:

- (a) The Commuted Value as at the date of the Member's death of the deferred pension to which the Member would have been entitled under subsection 10.02(i)(b) had the Member's Continuous Employment terminated just prior to the Member's death.
- (b) The excess contributions described in subsection 10.06 to which the Member would have been entitled had the Member's Continuous Employment terminated just prior to the Member's death.
- (c) The excess, if any, of (i) the total contributions made by the Member to the Plan which have not already been refunded plus Accumulated Interest to the date of the Member's death, less the excess contributions described in item (b) above, over (ii) the amount described in item (a) above.

Payment of the amounts described above whichever is applicable, shall be made in cash (subject to any withholding of taxes as required by law) except that, if the Member's Spouse is entitled to the amount payable, then the Spouse may require the Administrator to direct that the amount be transferred:

- (i) to another registered pension plan with the consent of the administrator of that plan, or
- (ii) to any registered retirement savings arrangement to which such a transfer is allowed under the *Pension Benefits Act*.

Interest shall be accrued on the payment at the rate used in calculating the Commuted Value from the date of the Member's death to the first day of the month in which the payment or transfer is made.

- 11.02** In the case of a Member who is in receipt of the normal form of a pension and who dies after retirement but before receiving sixty (60) monthly installments of pension, the Actuarial Equivalent of the unpaid balance of sixty (60) monthly installments shall be paid in a lump sum to his designated beneficiary or to his estate as applicable.
- 11.03** In the case of a Member who is in receipt of the normal form of pension and who dies after retirement and after receiving sixty (60) monthly installments of pension, no death benefit is payable.
- 11.04** In the case of a Member who is in receipt of an optional form of pension under Section 9 and who dies after retirement, the death benefit shall be determined in accordance with the specific terms of the optional form of pension which the Member elected.

SECTION 12

DESIGNATION OF BENEFICIARY

- 12.01** Subject to the provisions of any applicable laws or regulations in effect from time to time, by written notice to the Employer a Member may designate a beneficiary or beneficiaries to receive any benefit which may be payable under the terms of the Plan on the Member's death, and by similar written notice may alter or revoke such designation.
- 12.02** If, on the death of a Member, there is no designated beneficiary or the designated beneficiary has predeceased the Member, any death benefits which are payable under the terms of the Plan shall be paid to the Member's estate.

If a Member designates a person other than the Member's Spouse as a beneficiary under subsection 12.01 and also elects a joint and last survivor pension with the Member's Spouse under the provisions of paragraph 9.01(iii), the entitlement of the Spouse to a pension under the provisions of paragraph 9.01(iii) shall supersede the entitlement of the designated beneficiary to a death benefit in accordance with subsection 12.01.

SECTION 13

TRANSFERS OF EMPLOYMENT

- 13.01** A Member may transfer his employment from one Contributing School District to another without disruption of his membership in the Plan provided there is no break in his Continuous Employment and provided also that the Member did not elect a cash refund of his contributions to the Plan.
- 13.02** An Employee who elected to remain a member of a Previous Plan who transfers from one Contributing School District to another shall become a Member of the Plan on the first (1st) day of the month coincident with or next following the date on which he commences employment with the Contributing School District to which he transfers provided there is no break in his Continuous Employment and provided also that the Member did not elect a cash refund of his contributions to the Previous Plan.
- 13.03** In the case of a transfer of employment which results in a Break in Service or in election of a cash refund of contributions to the Plan or to a Previous Plan, the Employee concerned shall be treated as a new Employee for all purposes of the Plan.

SECTION 14

RECIPROCAL TRANSFER AGREEMENT

14.01 In this section, "Approved Employer" means the government of Canada, the government of any province of Canada, a municipality as defined in the *Municipalities Act* S.N.B. 1966, C.20, or any authority which operates a university, a hospital or other public institution in New Brunswick, and includes an association of Approved Employers or the representatives of one or more Approved Employers.

14.02 Department of Finance may enter into a reciprocal agreement with any Approved Employer which operates a superannuation or pension fund or plan for its employees, whereby, in consideration of the agreement of that employer to pay into the Fund an amount determined in accordance with the provisions of the said reciprocal agreement in respect of any employee of that employer who becomes or has become employed by a Contributing School District, the Department of Finance will pay or arrange to be paid from the Fund to that employer for the purpose of any superannuation or pension fund or plan established for the benefit of employees of that employer, an amount similarly determined in accordance with the provisions of the said reciprocal agreement.

Notwithstanding the foregoing, the Department of Finance may also enter into a reciprocal agreement with any Approved Employer which does not require a transfer of funds provided that, in the opinion of the Department of Finance, such an alternate forms of reciprocal agreement will adequately protect the pension rights of transferring employees and will result in an equitable allocation of the cost of pension benefits of transferring employees between the Department of Finance and the Approved Employer.

14.03 The provisions of any reciprocal agreement entered into by the Department of Finance under this section shall include:

- (a) The basis of determination of the amount, if any, to be paid by the Department of Finance to the Approved Employer or to the Department of Finance by the Approved Employer.
- (b) The manner in which and the extent to which the prior pensionable service of a transferring employee will be credited to him after transfer, and the manner of computation of the benefits to which the transferring employee will be entitled in respect of such prior pensionable service.
- (c) The conditions, if any, under which an employee may make supplementary contributions in order to receive full credit for his prior pensionable service.
- (d) The disposition of contributions made by a transferring employee prior to his date of transfer.

- (e) The conditions under which the said reciprocal transfer agreement may be amended, suspended, replaced or terminated.
- (f) Any other provisions relevant to the intent of the agreement or necessary for the effective administration of the agreement.

14.04 Where a Member ceases to be employed by a Contributing School District to become employed by any Approved Employer with whom the Department of Finance has entered into a reciprocal agreement, the Department of Finance may pay or arrange to be paid to that Approved Employer, out of the Fund, in accordance with the provisions of the said agreement, all or any part of the required contributions made to the Fund by the Member in accordance with Section 8, such amount representing Employer contributions as the Department of Finance determines and such amount representing interest as the Department of Finance determines. However, no such payment or payments shall be made except with the written consent of the Member. Furthermore, no Member shall be subject to the provisions of any reciprocal agreement which does not require a transfer of funds, except with his written consent.

Where a Member ceases to be employed with an Approved Employer with whom the Department of Finance has entered into a reciprocal agreement to become employed by a Contributing School District, the Department of Finance or the Funding Agency, as appropriate, may receive and pay into the Fund such amount as is paid by the said Approved Employer in accordance with the provisions of the said reciprocal agreement.

14.05 Any reciprocal agreement entered into between this Plan and an Approved Employer shall be subject to the requirements of the *Income Tax Act*.

SECTION 15

ADMINISTRATION OF THE PLAN

15.01 The responsibility for the day-to-day administration and operation of the Plan shall be vested in the Plan Administrator.

15.02 The duties of the Plan Administrator shall include, but shall not be limited to, the following specific duties.

- (i) The establishment of rules and procedures for the day-to-day administration of the Plan, and the development of necessary forms.
- (ii) The establishment and maintenance of records of each Member's contributions, Accumulated Interest, Continuous Employment, Earnings and any other items required for the determination of a Member's eligibility for benefits or the amount of such benefits.
- (iii) The computation of the amount and form of benefits payable to Members and to their designated beneficiaries or estates, as applicable, and the provision of notification and authorization to the Funding Agency with respect to the payment of such benefits from the Fund.
- (iv) The preparation of an annual report showing in reasonable detail the assets of the Plan together with a brief account of the operation of the Plan during the preceding Plan Year, and the distribution of this report to Board of Management, to each member of the Pension Committee, to each Contributing School District and to the Deputy Minister of Education.
- (v) The preparation of a booklet or similar document for the information of Members describing in detail the terms and provisions of the Plan and rights and duties of Members thereunder, and the updating of this booklet or document to reflect any Plan amendments.
- (vi) To refer to the Pension Committee any disputes arising between a Member, a Contributing School District and the Plan Administrator, or any of them, which fall within the scope of the Pension Committee under the provisions of section 15.04 (iii) below.

In addition, the Plan Administrator shall undertake such other duties, consistent with the terms and provisions of the Plan, as may be necessary to ensure that the day-to-day administration of the Plan is performed in as effective a manner as possible.

15.03 The Pension Committee shall consist of ten (10) members appointed as follows:

- five (5) members, who shall be Members of the Plan, appointed by the New Brunswick Council of School District Unions, the Canadian Union of Public Employees, Local 1253,
- two (2) members, who shall be a resident of the Province of New Brunswick, appointed by the Department of Education,
- three (3) members, who shall be residents of the Province of New Brunswick, appointed by Board of Management.

A chairperson shall be selected from among the ten members by a majority vote of the members of the Pension Committee.

15.04 The duties of the Pension Committee shall be as follows:

- (i) To establish the rate of Accumulated Interest from time to time, subject to the applicable provisions of the Plan.
- (ii) To adopt the actuarial assumptions and similar factors to be used as the basis of computation of Actuarial Equivalents, subject to the applicable provisions of the Plan.
- (iii) In any case in which a dispute arises between a Member, a Contributing School District and the Plan Administrator, or any of them, with respect to the interpretation of Continuous Employment, Earnings, Employee, Employer, Members or Pensionable Service, or with respect to the computation of the amount of any benefit to which a Member may be or may claim to be entitled, to decide on the interpretation of the Plan in the case in question, and such decision shall be final and binding.
- (iv) To give advice and make recommendations to the Plan Administrator or to the Board of Management regarding any matters relating to the interpretation and operation of the Plan which are specifically referred to the Committee by the Plan Administrator or by Board of Management.
- (v) To the extent permitted by applicable laws and regulations, to determine such changes in plan provisions (other than changes in rates of employer contribution, or changes which would expand or decrease the employee group eligible for participation in the Plan) as may be desired to improve the benefits of any category of Members provided these changes can be paid for by existing plan surplus and/ or current rates of employee and employer contributions.

Any such changes may be made only following receipt by the Committee of a written report from the Actuary which contains an assessment of the long term financial implications of the proposed changes and an opinion that, following the proposed changes, the long term financial obligations of the Plan can be met

by the existing assets and by the established rates of the employer and employee contributions.

- (vi) To provide recommendations to Board of Management with respect to investments and selection of investment managers.

The members of the Pension Committee shall not be remunerated for the services which they render in carrying out the duties of the Committee but may be reimbursed for out-of-pocket expenses incurred in the performance of these duties on such a basis as may be established from time to time by Board of Management.

15.05 Meetings of the Pension Committee shall be convened at the request of the Plan Administrator or at the request of a majority of the members of the Committee

The Plan Administrator shall notify all members of the Pension Committee in writing regarding each meeting at least two (2) weeks in advance of the date on which the meeting is due to take place, and any meeting of the Pension Committee in respect of which such a period of notice is not given shall be deemed to be invalid and shall be of no effect with regard to the interpretation or operation of the Plan.

One (1) of the members of the Pension Committee appointed by Board of Management and any five (5) of the remaining nine (9) members shall constitute a quorum for the transaction of business at any meeting of the Pension Committee.

15.06 The duties of Contributing School Districts with respect to the administration of the Plan shall be as follows, with the responsibility of any given Contributing School District extending to all Employees for whom that School District is the Employer:

- (i) To provide to the Plan Administrator in the form prescribed by him complete and up-to-date information on all matters relating to age, service, eligibility or remuneration of Members, their retirement, death or termination of employment, and all other pertinent facts or information which the Plan Administrator may require for the operation and administration of the Plan;
- (ii) To communicate details of the Plan to Members, to inform Employees regarding eligibility requirements for participation in the Plan, and to ensure that all eligible Employees who desire to join the Plan, or who are required to do so, complete the prescribed enrollment form and become Members.

15.07 All expenses of plan administration, including the expenses of the Plan Administrator in the performance of his duties as outlined in 15.02 above and the out-of-pocket expenses incurred by members of the Pension Committee in the performance of their duties as outlined in 15.04 above, shall be paid either from the Fund or in such other manner as Board of Management may direct from time to time.

15.08 The Plan Administrator and the Pension Committee shall be entitled to reply upon all tables, valuation, certificates and reports furnished by the Actuary.

Neither the Plan Administrator nor any member of the Pension Committee shall be liable for any act or omission of his part, excepting only own willful misconduct.

SECTION 16

MAXIMUM PENSION

- 16.01** Notwithstanding any provisions to the contrary in this Plan, the total annual pension payable to a Member or Spouse from the Plan shall in no case exceed the limit on the amount of such pension imposed under provisions of the *Income Tax Act*.

SECTION 17

REQUIREMENTS RELATING TO INVESTMENT OF THE FUND

- 17.01** The Fund shall be invested and re-invested in accordance with the investment requirements of the *Pension Benefits Standards Act*.

SECTION 18

ASSIGNMENT OR COMMUTATION OF BENEFITS

18.01 No right of a person under the Plan is capable of being assigned, charged, anticipated, given as security or surrendered, and, for purposes of this condition,

- (i) assignment does not include
 - (a) assignment pursuant to a decree, order or judgment of a competent tribunal or a written agreement in settlement of rights arising as a consequence of the breakdown of a marriage or other conjugal relationship between an individual and the individual's Spouse or former Spouse, or
 - (b) assignment by the legal representative of a deceased individual on the distribution of the individual's estate, and
- (ii) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan.

18.02 If the amount of pension payable to a Member is less than such amount which is set from time to time by the Pension Committee which is in conformity with the requirements of the *Income Tax Act*, the *Pension Benefits Act* of the Province of New Brunswick and any other applicable legislation in effect from time to time, or if the Member established to the satisfaction of the Pension Committee, by a written statement from a duly qualified medical practitioner acceptable to the Committee, that his life expectancy is materially shorter than that shown for a person of the same age and sex in the latest published Canadian Life Tables, the Member may, on termination of Continuous Employment, elect in lieu of the said pension a lump-sum payment which is the Actuarial Equivalent of the said pension.

In no other event is a Member entitled to receive a commuted lump-sum benefit in lieu of a pension, except that the benefits of a Member may be divided between the Member and the Member's Spouse or former Spouse in accordance with the provisions of the *Pension Benefits Act* and the *Income Tax Act* pursuant to a decree, order or judgment of a competent Tribunal or a written agreement in settlement of rights arising as a consequence of the breakdown of marriage or other conjugal relationships between the Member and the Member's Spouse or former Spouse.

The division of pension under the *Pension Benefits Act* can be summarized as follows:

- the Member if not in receipt of a pension or if not entitled to a deferred pension is assumed to have terminated employment as at the date of separation

- the Commuted Value of the pension benefits accrued to the Member is calculated as at the date of separation
- the amount subject to division is based on the proportion of Pensionable Service while married to total Pensionable Service under the Plan
- the Member's pension will be reduced by the equivalent to the portion of the pension paid out to the former Spouse

The division of pension benefits described above applies to a written agreement, court orders and judgments dated January 1, 1997 or after.

Note: Same sex aspect of the definition of "Spouse" is not applicable under this section.

This summary is provided for information only. The actual calculations will be carried out in accordance with the provisions of the *Pension Benefits Act*.

SECTION 19

CHANGES IN EMPLOYMENT STATUS

- 19.01** If, without a break in Continuous Employment, a Member's employment status changes from bargaining to non-bargaining or the Member transfers from a bargaining unit whose members are eligible to participate in the Plan to a bargaining unit whose members are not so eligible, the Member shall cease contributing to the Plan and shall commence contributing to the pension plan applicable to the class of employees to which he transfers as from the first day to the monthly coincident with or next following his date of change of status. Such a Member shall remain a non-contributing Member of the Plan and shall retain his accrued rights and benefits based on Pensionable Service and Earnings to date of change of status.
- 19.02** Under no circumstances shall a Member be entitled to contribute to or accrue benefits under the Plan in respect of any period of employment during which he is entitled to contribute to or accrue benefits under any other pension plan to which his Employer is contributing.
- 19.03** In the case of a Member who changes employment status and thereby transfers from this Plan to another plan of the Employer, the Supplementary Pension described in sections 5.04 and 7.03 shall be reduced by 50% of the amount of pension by which the Member becomes entitled under the plan to which he transfers.

SECTION 20

PURCHASE OF ELIGIBLE SERVICE

20.01 "Eligible Service" means:

- (i) previously Pensionable Service under the Plan for which the Member or former Member received a refund, and
- (ii) pensionable or credited service under any pension plan other than this Plan covered by the Intra-Provincial Reciprocal Agreement for which the Member received a refund, and
- (iii) any period of leave from employment by an Employee after May 5, 1994 for maternity, unpaid parental, deferred salary or illness leave approved by the Employer, during which contributions were not made by the Member under the provisions of 8.01, and
- (iv) any period of Continuous Employment on a full-time basis occurring after March 1, 1974 and prior to the Member commencing contributions under 8.01.

20.02(1) Any Member may apply in writing to the Plan Administrator to purchase Eligible Service described in items (i), (ii), (iii) or (iv) of 20.01, provided that such Eligible Service is not already included in Pensionable Service of the Member in this Plan or in any other pension plan.

- (2) Any former Member who is currently accruing pensionable service in any pension plan other than this Plan covered by the Intra-Provincial Reciprocal Agreement may apply in writing to the Plan Administrator to purchase Eligible Service described in item (i) of 20.01, provided that such Eligible Service is not already included as Pensionable Service for the former Member in this Plan nor in the pensionable or credited service for the former Member in any other pension plan.

20.03(1) The cost to a Member purchasing Eligible Service in accordance with 20.02(1) shall be:

- (i) if the Eligible Service being purchased is described in item (i) of 20.01, the greater of:
 - (a) the gross amount of the refund received by the Member together with interest from the date of refund to the date of purchase at a rate or rates set by the Pension Committee, and

- (b) an amount equal to the number of years of Eligible Service being purchased multiplied by the annual contribution required under 8.01 based on the Member's Earnings at the date of purchase;
 - (ii) if the Eligible Service being purchased is described in item (ii) of 20.01, a lump sum amount which is the Actuarial Equivalent of the estimated amount of pension at the assumed retirement date of the Member in respect of the Eligible Service;
 - (iii) if the Eligible Service being purchased as described in item (iii) or (iv) of 20.01, an amount equal to the number of years of Eligible Service being purchased multiplied by the annual contribution required under 8.01 based on the Member's Earnings at the date of purchase.
- (2) The cost to a former Member purchasing Eligible Service in accordance with 20.02(2) shall be the greater of:
 - (i) the gross amount of refund received by the former Member together with interest from the date of refund to the date of purchase at a rate or rates set by the Pension Committee, and
 - (ii) an amount equal to the number of years of Eligible Service being purchased multiplied by the annual contribution that would be required under 8.01 if the former Member were a Member, based on the current rate of annual earnings of the former Member being paid by his or her current employer at the date of purchase.

20.04 Any amount required to be paid by a Member in accordance with 20.03 above may be paid by the Member or former Member either in a lump sum, at the date of election to purchase Eligible Service, or in installments over such period as the Member may elect, but not exceeding the period of Eligible Service being purchased. All amounts required to be paid must be actually paid prior to any benefits commencing to be paid to the Member or former Member.

In the event the Member or former Member elects to make payments by installments, additional interest will be charged on the outstanding balance from time to time in accordance with the rate or rates set by the Pension Committee.

Should a Member or former Member elect to have pension payments from the Plan commence prior to completing full payment for the full amount of Eligible Service he or she originally elected to purchase, the Member or former Member will be allowed to pay the missing amount of the full payment required in one lump sum. If the missing amount of full payment is not paid the amount of Eligible Service granted to the Member or former Member shall be adjusted on a pro-rata basis to reflect the portion of the full-required payment actually made to the date the pension commences, as determined by the Plan Administrator.

The purchase of post-1989 service is subject to the filing of a Past Service Pension Adjustment with the appropriate government authorities and to their approval of the purchase under the *Income Tax Act*. No benefits can be paid with respect to such Eligible Service prior to the receipt of such approval by the appropriate government authorities.

If the refunded Eligible Service being purchased was a period for which a commuted value refund was transferred to another registered pension plan or “locked-in” registered retirement savings arrangement (purchase of Eligible Service as per 20.01 (i) or 20.01 (ii)), the *Income Tax Act* requires that the purchase be paid for either with a direct transfer of funds from another registered pension plan or a registered retirement savings arrangement.

- 20.05** The Employer or the Member shall contribute to the Plan an amount equal to 95% of the amount the Member contributes to the Plan under item (iii) of 20.03(1). No Employer shall be required to contribute any amount to the Plan in respect of the amounts contributed by a Member under items (i) or (ii) of 20.03(1) nor by a former Member under 20.03(2).
- 20.06** The provisions of Section 20 do not apply to service of a Member or former Member prior to March 1, 1974.
- 20.07** The provisions of Section 20 are subject to the overall limits imposed by the *Income Tax Act* regarding the crediting of service in a pension plan.

SECTION 21

PLAN SURPLUS

- 21.01** Surplus funds shall not be withdrawn by the employer under any circumstances. Surplus funds will be held in reserve and set aside for separate accounting, not to be withdrawn or used in any way to lower Employer contributions below a contribution rate of 95% of the employee contributions. Any surplus (es) will not be taken into account for any purposes unless agreed to by both parties.

SECTION 22

AMENDMENT OR DISCONTINUANCE OF THE PLAN

- 22.01** Subject to the requirements of the *Income Tax Act* and to the provisions of any applicable Collective Agreement, the Plan may be amended by Board of Management from time to time, but no such amendment shall in any way operate to reduce retroactively the benefits earned by any Member in respect of Pensionable Service prior to the date of such amendment.
- 22.02** Board of Management hopes and expects to continue the Plan indefinitely. However, if unforeseen circumstances beyond the control of Board of Management result in the Plan being discontinued, the assets of the Fund shall be used in an equitable manner as determined by the Pension Committee on the recommendation of the Actuary, to provide benefits for Members and their beneficiaries, in accordance with the relevant provisions of the Plan.
- 22.03** This Plan shall be administered in accordance with the *Income Tax Act*, and in the event of a conflict between a provision of this Plan and a provision of the *Income Tax Act*, the latter prevails.