

**SHARED RISK PLAN
FOR
CUPE EMPLOYEES
OF
NEW BRUNSWICK HOSPITALS**

**Amended
and Revised as at**

October 20, 2017

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ARTICLE I
BACKGROUND AND PURPOSE OF THE PLAN

- 1.1 This Shared Risk Plan for CUPE Employees of New Brunswick Hospitals is pursuant to an agreement between the Province of New Brunswick as represented by the Management Board and The Canadian Union of Public Employees and its Council of Hospital Unions, Local 1252. The parties are the sponsors of this plan.
- 1.2 The Union and the Province entered into a Memorandum of Understanding, dated May 18, 2012, pursuant to which they agreed to convert the Pension Plan for CUPE Employees of New Brunswick Hospitals to a shared risk plan effective July 1, 2012 subject to the *Pension Benefits Act* (New Brunswick).
- 1.3 Effective July 1, 2012, the Shared Risk Plan for CUPE Employees of New Brunswick Hospitals converts and replaces the Pension Plan for CUPE Employees of New Brunswick Hospitals. On the consent of the Union and the Province, effective July 1, 2012, the Shared Risk Plan for CUPE Employees of New Brunswick Hospitals, is amended and restated in its entirety.
- 1.4 From and after the Conversion Date, the plan shall be a shared risk plan which shall comply with and be subject to the Pension Benefits Act.
- 1.5 The primary purpose of this Shared Risk Plan for CUPE Employees of New Brunswick Hospitals is to provide pensions to eligible Employees after retirement and until death in respect of their service as Employees. The secondary purpose of this Shared Risk Plan for CUPE Employees of New Brunswick Hospitals is to provide secure benefits to members of the plan without an absolute guarantee but with a risk focused management approach delivering a high degree of certainty that Base Benefits will be payable in the vast majority of potential future economic scenarios. As a shared risk plan, all future cost of living adjustments for current and future retirees and other Ancillary Benefits under this Shared Risk Plan for CUPE Employees of New Brunswick Hospitals shall be provided only to the extent that funds are available for such benefits, as determined by the Board of Trustees in accordance with applicable laws and the plan's Funding Policy.

ARTICLE II DEFINITIONS

In this CUPE Shared Risk Plan, unless the context clearly indicates otherwise, the following terms shall have the following meanings.

- 2.1 “**Accumulated Interest**” means interest on a Member's contributions credited no less frequently than annually and determined as follows:
- (i) With respect to the period up to the Conversion Date, shall be “Accumulated Interest” as determined and defined under the CUPE Hospitals Plan accumulated on the Member’s contributions under the CUPE Hospitals Plan to the Conversion Date; and
 - (ii) From and after the Conversion Date, shall be the actual rate of return of the Fund (net of the administrative expenses paid by the Fund), whether positive or negative for the Plan Year. Interest shall be calculated on a Member’s contributions from the first of the month following the date they are paid into the Fund. Interest that 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 of the immediately preceding Plan Year and prorated for the applicable number of months.
- 2.2 “**Actuarial Equivalent**” means having an equal value when computed on the actuarial basis as approved by the Board of Trustees and which is in effect at the time such computation is made and which is acceptable under the Pension Benefits Act and Income Tax Act.
- 2.3 “**Actuary**” means Fellows of the Canadian Institute of Actuaries, or a firm employing such a person, appointed by the Board of Trustees for the purposes of the CUPE Shared Risk Plan.
- 2.4 “**Adjusted Termination Value**” means, for purposes of Article XXIV only, the termination value determined by the Actuary in accordance with the Pension Benefits Act, subject to the following: (i) the discount rate for the calculation of the funding policy liabilities is used; (ii) the value of the vested and non-vested Ancillary Benefits are included by using the expected retirement age which maximizes the termination value; and (iii) the termination value funded ratio applied shall be 1.0; provided that if the termination value funded ratio in the most recently filed funding policy valuation is greater than 1.0, such greater termination value funded ratio shall be applied.
- 2.5 “**Administrator**” means the Board of Trustees, the administrator for this CUPE Shared Risk Plan, as designated in Article XIV.
- 2.6 “**Ancillary Benefit**” has the same meaning as set out in the Pension Benefits Act.

- 2.7 “**Base Benefits**” means the annual amount of pension at any given time being paid to a retired Member, Pre-Conversion Retiree or Other Pre-Conversion CUPE Claimant or payable to a Member or Pre-Conversion Deferred Vested Member, as described under Articles V and VI (including the lifetime pension under Article V, COLA granted under Article VI up to the relevant time and vested Ancillary Benefits at the relevant time).
- 2.8 “**Beneficiary**” or “**Beneficiaries**” means that person or persons last designated by the Member, Pre-Conversion Retiree or Pre-Conversion Deferred Vested Member in accordance with Article IX.
- 2.9 “**Board of Trustees**” or “**Trustees**” means the Board of Trustees of the CUPE Shared Risk Plan and the individual members appointed pursuant to Section 14.2, that has the overall responsibility for the operation and administration of the plan and fund and those other duties, powers and responsibilities as outlined in the CUPE Shared Risk Plan, Funding Policy, Declaration of Trust and Pension Benefits Act, and for greater certainty, includes the CUPE Hospitals Plan Board of Trustees while acting as interim Trustees pursuant to Section 23.4.
- 2.10 “**Break in Service**” means a period not exceeding one year between termination of employment of a Member with one Contributing Employer and commencement of employment of the Member with another Contributing Employer or commencement of re-employment of the Member with the same Contributing Employer.
- 2.11 “**Bridge Benefit Amount**” means the monthly temporary benefit amount payable at any given time under Section 12.4 which amount shall be eighteen dollars (\$18.00) as of the Conversion Date, adjusted thereafter up to the Member’s Early Retirement Date by any COLA granted under Article VI and any changes required in accordance with Section 6.6.
- 2.12 “**Bridge Benefit Service**” means Pensionable Service except in respect of a Member who has periods of Part-Time or Other Than Full-Time or Part-Time employment with the Employer. Bridge Benefit Service in respect of any such periods of Part-Time or Other Than Full-Time or Part-Time employment with the Employer means such Member’s Pensionable Service before the adjustment in the final paragraph of Section 2.49.
- 2.13 “**Claimant**” means the Spouse or estate of the Member, or the Member’s Beneficiary, as the case may be, and, for greater certainty, includes Other Pre-Conversion CUPE Claimants, where the context requires.
- 2.14 “**COLA**” means cost of living adjustments.
- 2.15 “**Collective Agreements**” means the collective agreement covering employees in Part III of the *Public Service Labour Relations Act* of the Province of New Brunswick, represented by the bargaining units of the Union as follows:
- (i) The Certificate No. 011 HO 5a covering Institutional Services;
 - (ii) The Certificate No. 023 HO 5b covering Patient Services; and

- (iii) The Certificate No. 101 HO 4a covering Clerical, Stenographic and Office Equipment Group.
- 2.16 “**Continuous Employment**” means an unbroken period of employment as an Employee of a Contributing Employer and for the purposes of the CUPE Shared Risk Plan, Continuous Employment shall be deemed not to be interrupted by authorized vacations or leaves of absence (with or without pay), or by lay-off up to one year, or by work stoppages or 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 the Member’s contributions to the CUPE Shared Risk or the CUPE Hospitals Plan, or elect to transfer out the Termination Value (or commuted value).
- 2.17 “**Contributing Employer**” means Ambulance New Brunswick Inc., FacilicorpNB Ltd., New Brunswick Health Council, Regional Health Authority A and Regional Health Authority B.
- Effective October 1, 2015, as a result of the dissolving of FacilicorpNB Ltd. pursuant to the *Service New Brunswick Act*, Service New Brunswick is deemed a Contributing Employer for those Employees who meet the requirements of paragraph 2.29 (iii).
- 2.18 “**Contribution Holidays**” means the full or partial reduction of the contributions normally required to be paid by Employees and the Employer into the CUPE Shared Risk Plan where such reductions are shared in the same proportion as required contributions from the Employees and Employer, in accordance with the Funding Policy.
- 2.19 “**Conversion Date**” means July 1, 2012.
- 2.20 “**Conversion Date YMPE**” means, for Members who were contributing members of the CUPE Hospitals Plan anytime during the six (6) months immediately prior to the Conversion Date, the annual average of the YMPE on the Conversion Date together with the YMPE for the previous four (4) years. For Members who were not contributing members of the CUPE Hospitals Plan anytime during the six (6) months immediately prior to the Conversion Date and who had prior Pensionable Service under the CUPE Hospitals Plan, Conversion Date YMPE means the annual average of the YMPE on the date the Member ceased to accrue Pensionable Service under the CUPE Hospitals Plan together with the YMPE for the previous four (4) years. In either case, if an active Member has less than five (5) years of Pensionable Service as at the relevant date, the Conversion Date YMPE in respect of such Member shall be calculated as an average of the actual period of Pensionable Service of the Member.
- 2.21 “**CUPE Hospitals Plan Board of Trustees**” has the meaning provided in Section 23.4.
- 2.22 “**CUPE Hospitals Plan**” means the Pension Plan for CUPE Employees of New Brunswick Hospitals, Registration # 0385849 under the Income Tax Act.
- 2.23 “**CUPE Hospitals Plan Earnings**” means a Member’s “Earnings” as defined under the CUPE Hospitals Plan.

- 2.24 “**CUPE Shared Risk Plan**” means this Shared Risk Plan for CUPE Employees of New Brunswick Hospitals, as amended from time to time, which converts and replaces the CUPE Hospitals Plan as at the Conversion Date under the Pension Benefits Act.
- 2.25 “**Custodian**” means a trust or insurance company, designated by the Board of Trustees to hold the whole or a portion of the assets of the Fund at any time under the terms of the Funding Contract.
- 2.26 “**Declaration of Trust**” means the declaration of trust entered into by the Board of Trustees with respect to the CUPE Shared Risk Plan, as amended from time to time.
- 2.27 “**Early Retirement Date**” has the meaning provided in Section 12.1.
- 2.28 “**Earnings**” with respect to a Full-Time Member, means the annual rate of salary from the Employer of a Member before deductions and exclusive of overtime or other fluctuating emoluments. With respect to a Part-Time or Other Than Full-Time or Part-Time Member, means the amounts received in a given year by the Member from the Employer in respect of his or her employment while a Member of the Plan, and shall normally be his or her gross earnings excluding overtime or other fluctuating emoluments, up to full-time equivalent earnings.
- 2.29 “**Employee**” means a person employed by an Employer. For greater certainty, this includes:
- (i) Any regular Full-Time, Part-Time or Other Than Full-Time or Part-Time Employee who is a member of the Institutional Services bargaining unit, the Patient Service bargaining unit or the Clerical, Stenographic and Office Equipment Operation bargaining unit of the Canadian Union of Public Employees covered by New Brunswick Certification Order Numbers 011 HO 5a, 023 HO 5b and 010 HO 4a;
 - (ii) Any regular Full-Time, Part-Time or Other Than Full-Time or Part-Time person who occupies an excluded position with Ambulance New Brunswick Inc., FacilicorpNB Ltd., New Brunswick Health Council, Regional Health Authority A or Regional Health Authority B and whose position classification is included in the Collective Agreement; and
 - (iii) Any member of the Institutional Services, Patient Services or the Clerical, Stenographic and Office Equipment Operation bargaining units (represented by the Canadian Union of Public Employees, Local 1252) or a person who occupies an excluded position with FacilicorpNB Ltd. whose position classification is included in the CUPE 1252 Collective Agreement; who:
 - 1. Was a regular Full-Time, Part-Time or Other Than Full-Time or Part-Time employee of FacilicorpNB on September 30, 2015; and
 - 2. Was a Member of the CUPE Shared Risk Plan on September 30, 2015; and

3. Became an employee of Service New Brunswick effective October 1, 2015 pursuant to the *Service New Brunswick Act*; and
 4. Opted to continue contributions and participation in the CUPE Shared Risk Plan within the established deadline date.
- 2.30 “**Employer**” with reference to any given Employee means the Contributing Employer by which the said Employee is employed at the date in question.
- 2.31 “**Full-Time**” in relation to an Employee means a person who is hired by an Employer for an indeterminate period and who normally works the number of hours provided for in the Collective Agreements with respect to a full-time employee.
- 2.32 “**Fund**” means the assets held in trust under the terms of the CUPE Shared Risk Plan and the Funding Contract to provide for the payment of benefits as described in the CUPE Shared Risk Plan to Members, Pre-Conversion Retirees and other Claimants.
- 2.33 “**Funding Contract**” means a contract between the Custodian and the Board of Trustees relating to the management, investment and administration of the Fund.
- 2.34 “**Funding Policy**” means the funding policy for the CUPE Shared Risk Plan established in accordance with Article XVII and the Pension Benefits Act, as amended from time to time. For greater certainty, references to the Funding Policy shall mean the Initial Funding Policy until amended in accordance with Article XVII and the Pension Benefits Act.
- 2.35 “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985 c.1 (5th supplement), as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.
- 2.36 “**Initial Contributions**” has the meaning as set out in the Pension Benefits Act.
- 2.37 “**Initial Funding Policy**” means the initial funding policy established by the Parties in accordance with the Parameters in accordance with Article XVII and the Pension Benefits Act.
- 2.38 “**Investment Policy**” means the investment policy, as amended from time to time, established by the Board of Trustees for the CUPE Shared Risk Plan in accordance with Article XVI and the Pension Benefits Act.
- 2.39 “**Member**” means an Employee who has joined the CUPE Shared Risk Plan in accordance with Article III and who remains contingently or absolutely entitled to a benefit under the CUPE Shared Risk Plan.
- 2.40 “**Memorandum of Understanding**” means the Memorandum of Understanding regarding the CUPE Hospitals Plan entered into between the Union and the Province on May 18, 2012 pursuant to which they agreed to convert the CUPE Hospitals Plan to a Shared Risk Plan effective July 1, 2012, subject to the Pension Benefits Act.

- 2.41 “**Normal Form Pension**” means the normal form pension described under Article XI.
- 2.42 “**Normal Retirement Date**” means the normal retirement date of a Member as described in Section 10.1.
- 2.43 “**Other Than Full-Time or Part-Time**” in relation to an Employee means a person who is hired by an Employer and who is not Full-Time or Part-Time.
- 2.44 “**Other Pre-Conversion CUPE Claimants**” means eligible Claimants in receipt of a pension under the CUPE Hospitals Plan immediately prior to the Conversion Date and Pre-Conversion Deferred Vested Members immediately prior to the Conversion Date, but excluding Pre-Conversion Retirees.
- 2.45 “**Parameters**” means the parameters agreed by the Parties in establishing the Initial Funding Policy, as set out in Appendix A to the Initial Funding Policy (and the corresponding sections referenced in such Appendix A to the Initial Funding Policy).
- 2.46 “**Part-Time**” in relation to an Employee means a person who is hired by an Employer for an indeterminate period and who normally works on a scheduled basis at a lesser number of hours than a Full-Time Employee, provided that the Employee works fifty (50) hours or more within two (2) consecutive pay periods.
- 2.47 “**Part-Time Plan**” means The Pension Plan for Part-Time and Seasonal Employees of the Province of New Brunswick.
- 2.48 “**Party**” or “**Parties**” means the Union and/or the Province, as the context requires.
- 2.49 “**Pensionable Service**” means:
- (i) The period of the Member’s service up to the Conversion Date recognized as “Pensionable Service” under the CUPE Hospitals Plan;
 - (ii) The period of the Member’s Continuous Employment after the Conversion Date in respect of which the Member has paid the contributions required under Section 4.1 or 4.2; and
 - (iii) Any past service purchased under Article XXIV and any service transferred as part of a reciprocal transfer agreement approved by the Trustees under Section 25.1.

When a Member is employed on a Part-Time or Other Than Full-Time or Part-Time basis for any period, the Pensionable Service of that Member for that period shall be adjusted by the ratio of that Member’s Earnings over the Earnings the Member would have received had the Member been employed on a full-time basis.

- 2.50 “**Pension Benefits Act**” means the *Pension Benefits Act*, ch. P-5.1, as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.

- 2.51 “**Plan Year**” means the calendar year.
- 2.52 “**Postponed Retirement Date**” has the meaning provided in Section 13.2.
- 2.53 “**Pre-Conversion Deferred Vested Member**” means a former employee of the Employer who participated in the CUPE Hospitals Plan and had terminated employment prior to retirement and prior to the Conversion Date and had vested under the terms of the CUPE Hospitals Plan and as at the Conversion Date had not elected to transfer the Actuarial Equivalent value of the employee’s pension from the CUPE Hospitals Plan pension fund to another pension fund, a prescribed retirement arrangement under the Pension Benefits Act or for purchase of a deferred life annuity.
- 2.54 “**Pre-Conversion Retiree**” means a person who had been employed by the Employer and retired under the terms of the CUPE Hospitals Plan prior to the Conversion Date and was receiving a pension payable from the CUPE Hospitals Plan immediately prior to the Conversion Date.
- 2.55 “**Predecessor Plans**” means the CUPE Hospitals Plan, the Part-Time Plan and the Pension Plan for Employees of New Brunswick Hospitals, as applicable.
- 2.56 “**Previous Plan**” means any pension plan or arrangement for one or more employees of a Contributing Employer (including any such plan or arrangement which may be brought into effect on or after the Conversion Date) to which the Contributing Employer is required to contribute or has contributed.
- 2.57 “**Province**” means Her Majesty the Queen in Right of the Province of New Brunswick, as represented by Management Board.
- 2.58 “**Registered Investment Vehicle**” means a Registered Retirement Savings Plan, or other vehicle permitted under the Income Tax Act, as designated by a Member’s Spouse pursuant to Section 8.3.
- 2.59 “**Risk Management Framework**” means the risk management framework, as amended from time to time, established by the Board of Trustees in accordance with Article XVI and the Pension Benefits Act.
- 2.60 “**Shared Risk Plan**” means a shared risk plan as defined and described in the Pension Benefits Act.
- 2.61 “**Spouse**” means (i) a “common law partner”, which is a person who is not or was not married to the Member or Pre-Conversion Deferred Vested Member, as applicable, but is or was cohabiting in a conjugal relationship with the Member or Pre-Conversion Deferred Vested Member, as applicable, for a continuous period of at least two years immediately before the date in question; or (ii) a “spouse”, which is a person who is married to the Member or Pre-Conversion Deferred Vested Member, as applicable, provided that if the marriage is voidable, it has not been voided by a declaration of nullity, or if the marriage is void, it was gone through by each person in good faith and the persons have cohabited within the preceding year before the date in question. Providing he or she is otherwise eligible, a “spouse” (under (ii) of this provision) of a

Member or Pre-Conversion Deferred Vested Member, as applicable, shall be entitled to a right or benefit claim under this CUPE Shared Risk Plan over the competing claim of a “common law partner” (under (i) of this provision) of the Member or Pre-Conversion Deferred Vested Member, as applicable, unless such claim is barred by a valid domestic contract between the Member or Pre-Conversion Deferred Vested Member, as applicable and the “spouse” (under (ii) of this provision) or a decree, order or judgment of a competent tribunal.

- 2.62 **“Termination Value”** means the “termination value” determined in accordance with the Pension Benefits Act. For purposes of determining the Termination Value, the termination value funded ratio, as defined in the Pension Benefits Act, included in the most recent funding policy valuation required by the Pension Benefits Act and approved by the Board of Trustees shall be used unless otherwise required by subsection 18(2) of New Brunswick Regulation 2012-75 under the Pension Benefits Act.

Any Termination Value payable under this CUPE Shared Risk Plan shall be credited with interest at the Fund rate of return for the immediately prior Plan Year (net of administrative expenses paid by the Fund) from the date of a Member’s termination of employment, termination of membership, retirement or death, or the date payment is required as a result of marriage or common law partnership breakdown, as the case may be, to the date of payment or transfer.

- 2.63 **“Union”** means the Canadian Union of Public Employees and its Council of Hospital Unions, Local 1252.

- 2.64 **“Vesting Date”** means the date of completion of the earliest of (i) five (5) years of Continuous Employment, (ii) two (2) years of Pensionable Service, or (iii) two (2) years of membership in the CUPE Shared Risk Plan, including membership in any Predecessor Plans. Any Member who was vested under the CUPE Hospitals Plan as of the Conversion Date shall have attained the Vesting Date under this CUPE Shared Risk Plan

- 2.65 **“Year’s Maximum Pensionable Earnings”** or **“YMPE”** shall have the meaning assigned by section 18 of the *Canada Pension Plan*, R.S. 1985, c. C-8.

**ARTICLE III
ELIGIBILITY AND PARTICIPATION**

- 3.1 Each Employee who is a member of the CUPE Hospitals Plan as of the Conversion Date is eligible and shall automatically continue as a Member of the CUPE Shared Risk Plan.
- 3.2 Each Pre-Conversion Retiree and Other Pre-Conversion CUPE Claimant as of the Conversion Date, while not a Member, shall be entitled to benefits under the CUPE Shared Risk Plan in accordance with Section 5.2.
- 3.3 Each member of the Part-Time Plan who is an Employee employed by the Employer as of the Conversion Date shall be required to join the CUPE Shared Risk Plan and shall be a Member as of the Conversion Date.
- 3.4 Each Employee, other than an Other Than Full-Time or Part-Time Employee, who commences employment with an Employer on or after the Conversion Date shall be required to join the CUPE Shared Risk Plan as from the first day of the month coincident with or next following the Employee's date of employment; provided that any person who has attained the Normal Retirement Date and who becomes an Employee shall not be eligible to join the CUPE Shared Risk Plan.
- 3.5 On or after July 1, 2014, each Other Than Full-Time or Part-Time Employee shall be required to become a Member upon the date of completion of twenty-four (24) continuous months of employment with the Employer if that Employee has earned not less than thirty-five percent (35%) of the YMPE in each of the two (2) consecutive calendar years immediately before becoming a Member.
- 3.6 When an Employee becomes a Member, such Employee may not terminate membership except in accordance with the Pension Benefits Act.
- 3.7 Subject to Section 3.8, where a former Employee who has a benefit entitlement under the CUPE Hospitals Plan or the CUPE Shared Risk Plan for a prior period of employment with an Employer again becomes an Employee, such Employee will be treated as a new Employee for purposes of eligibility and participation in the CUPE Shared Risk Plan on and after the date of re-employment.
- 3.8 Where a Pre-Conversion Retiree, Pre-Conversion Deferred Vested Member or a Member who is receiving a pension under the CUPE Shared Risk Plan subsequently becomes an Employee required to join the CUPE Shared Risk Plan in accordance with Section 3.4 or Section 3.5, the following conditions shall apply:
 - (i) The re-hired Employee shall become an active Member of the CUPE Shared Risk Plan on the date the Member is required to join, provided the Employee has not attained age sixty-five (65);
 - (ii) Payment of the pension to the Pre-Conversion Retiree, Pre-Conversion Deferred Vested Member or Member shall be suspended, unless the Employee has attained age sixty-five (65);

- (iii) Upon becoming a Member, the Member shall commence contributions to the CUPE Shared Risk Plan under Article IV and shall accrue further Pensionable Service;
 - (iv) Upon subsequent termination of employment the Member's pension that was payable just before the Member re-joined the CUPE Shared Risk Plan shall recommence in the same form previously elected by the Member (but including any adjustments required according to Appendix C and any COLA provided under Article VI during the Member's re-employment period), and, where the Member's pension that was payable before the Member re-joined the CUPE Shared Risk Plan had been reduced for early payment, that portion of the Member's pension shall be adjusted upon re-commencement assuming the Member's age at re-commencement was equal to the Member's age at initial commencement plus the period of years and months that the pension was suspended, and, if the pension recommences after the Member's Normal Retirement Date the impact, if any, of Section 13.3 shall be included; and
 - (v) Upon subsequent termination of employment the pension accrued during the period of re-employment shall be determined in accordance with Article V and payable in accordance with Article X, XII or XIII, as applicable.
- 3.9 For greater certainty, a former employee of the Employer who participated in the CUPE Hospitals Plan and terminated employment prior to the Conversion Date and, upon such termination of employment, was not vested under the terms of the CUPE Hospitals Plan shall not be entitled to any benefit under this CUPE Shared Risk Plan and shall only be entitled to the benefit described in Section 10.01 of the CUPE Hospitals Plan, and set out in Schedule A hereto.

**ARTICLE IV
FUNDING**

- 4.1 The Employer, on its own behalf and on behalf of the Employees who are Members, will remit monthly contributions to the Fund as is required by the Board of Trustees from time to time, and within the time limits prescribed under the Pension Benefits Act, as described below.
- 4.2 The Initial Contributions required from Employees who are Members shall be, initially, 9% of Earnings. Thereafter contribution rates of Employees who are Members of the CUPE Shared Risk Plan shall be adjusted as may be required from time to time by the Board of Trustees, subject to the Income Tax Act and the triggering mechanism and limitations imposed by the Funding Policy, and shall be documented in Appendix B.
- 4.3 The Initial Contributions required from the Employer shall be, initially, not less than 10.1% of Earnings on behalf of all Employees who are Members. Thereafter contribution rates of the Employer shall be adjusted as may be required from time to time by the Board of Trustees, subject to the Income Tax Act and the triggering mechanism and limitations imposed by the Funding Policy, and shall be documented in Appendix B.
- 4.4 Contribution Holidays will only be permitted if required in accordance with the eligible contribution limitations under the Income Tax Act, will apply to both Employees and the Employer and will only be applied in the manner allowed under the Funding Policy.
- 4.5 Subject to the Funding Policy, all reasonable fees and expenses related to the administration of the CUPE Shared Risk Plan and the administration and investment of the Fund shall be paid from the Fund, including fees and expenses of the Board of Trustees and their agents.

**ARTICLE V
BASE BENEFITS**

5.1 The Base Benefits described in this Article V are the intended Base Benefits under this CUPE Shared Risk Plan. Notwithstanding any other provision of this CUPE Shared Risk Plan, the Funding Policy allows or requires the Board of Trustees to adjust the Base Benefits. Such adjustments may be positive or negative and will affect all classes of Members, Pre-Conversion Retirees, Other Pre-Conversion CUPE Claimants, Claimants and their beneficiaries under the CUPE Shared Risk Plan. Notwithstanding any other provision under this CUPE Shared Risk Plan, any adjustments to Base Benefits made pursuant to the Funding Policy shall be paramount for the time period required under the Funding Policy and shall affect the Base Benefits specified in this CUPE Shared Risk Plan. Any such adjustments shall be documented in Appendix C from time to time.

5.2 Subject to Article XX, for each Pre-Conversion Retiree and Other Pre-Conversion CUPE Claimant, the Base Benefits shall be the sum of (i) and (ii), adjusted where required according to Appendix C:

- (i) the amount of pension, including any COLA granted on a pension prior to the Conversion Date, paid or payable as at the Conversion Date, as determined under the CUPE Hospitals Plan, but without reference to future COLA, plus
- (ii) COLA as may be granted by the Board of Trustees from time to time in accordance with Article VI and the Funding Policy, as documented in Appendix A.

Such Base Benefits shall not include potential future COLA not yet granted.

5.3 Subject to Article XX, for each Member, the Base Benefits shall be the sum of (i), (ii) and (iii), adjusted where required according to Appendix C:

- (i) With respect to the Member's Pensionable Service, if any, under the CUPE Hospitals Plan prior to the Conversion Date, the amount determined pursuant to Section 5.4; plus
- (ii) With respect to the Member's Pensionable Service on or after the Conversion Date, the amount determined pursuant to Section 5.5; plus
- (iii) COLA as may be granted by the Board of Trustees from time to time, in accordance with Article VI and the Funding Policy, as documented in Appendix A.

Such Base Benefits shall not include potential future COLA not yet granted.

5.4 Base Benefits (prior to any adjustments required by Article XII or Appendix C) of a Member for purposes of paragraph 5.3(i) shall be equal to the sum of (i) and (ii):

- (i) The number of years (and fractions thereof) of the Member's Pensionable Service prior to January 1, 1997 multiplied by the sum of (a) and (b) as follows:
 - (a) 1.75% of the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years prior to July 1, 2012 during which such earnings are highest up to the Conversion Date YMPE; and
 - (b) 2% of the portion of the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years prior to July 1, 2012 during which such earnings are highest, that is in excess of the Conversion Date YMPE.

- (ii) The number of years (and fractions thereof) of the Member's Pensionable Service after December 31, 1996 and prior to July 1, 2012 multiplied by the sum of (a) and (b) as follows:
 - (a) 1.4% of the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years prior to July 1, 2012 during which such earnings are highest up to the Conversion Date YMPE; and
 - (b) 2.0% of the portion of the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years prior to July 1, 2012 during which such earnings are highest, that is in excess of the Conversion Date YMPE.

For the purposes of this Section 5.4, if a Member has less than five (5) years of Pensionable Service as at the Conversion Date, the annual average of the Member's CUPE Hospital Plan Earnings shall be calculated using the actual period of Pensionable Service of the Member as at the Conversion Date.

- 5.5 Base Benefits (prior to any adjustments required by Article XII or Appendix C) of a Member for purposes of paragraph 5.3(ii) shall for each year (or proportionate amount for part of a year) of the Member's Pensionable Service on and after the Conversion Date be equal to the sum of (a) and (b) as follows:
 - (a) 1.4% of the Member's annualized Earnings for the calendar year, up to the YMPE for the calendar year; and
 - (b) 2.0% of the portion of the Member's annualized Earnings for the calendar year that are in excess of the YMPE for the calendar year.

- 5.6 For greater certainty, any automatic increases in accrued pensions, deferred pensions, and pension benefits, either by formula or contingent on salary increases, under the CUPE Hospitals Plan no longer apply under the CUPE Shared Risk Plan as of the Conversion Date, as permitted under Section 100.52 of the Pension Benefits Act. Instead, future COLA may be granted by the Board of Trustees from time to time in accordance with Article VI.

**ARTICLE VI
COLA AND OTHER ANCILLARY BENEFITS**

- 6.1 COLA is an Ancillary Benefit and shall be granted annually in the month of January on a conditional basis in respect of all Base Benefits in payment on or accrued up to December 31 of the previous year. For greater certainty, COLA may be nil in a given year or years, as determined by the Board of Trustees in accordance with the Funding Policy. Each time COLA is granted to Base Benefits as described above, COLA shall be applied to increase the Bridge Benefit Amount.
- 6.2 Each year COLA shall be added to the Base Benefits in respect of past periods for Members, Pre-Conversion Retirees, Other Pre-Conversion CUPE Claimants and Claimants, only if sufficient funds are available in the CUPE Shared Risk Plan to provide such COLA as determined by the Board of Trustees in accordance with the Funding Policy. The Board of Trustees shall determine the amount of COLA to be granted in any given year in accordance with the Funding Policy.
- 6.3 COLA granted in any given year by the Board of Trustees in accordance with the Funding Policy shall be limited to the amount permitted under the Income Tax Act.
- 6.4 Once COLA is granted for a given year to a Member, a Claimant, a Pre-Conversion Retiree or Other Pre-Conversion CUPE Claimant in accordance with this Article VI and the Funding Policy, it becomes part of the Base Benefits under Article V for such Member, Claimant, Pre-Conversion Retiree or Other Pre-Conversion CUPE Claimant, as the case may be.
- 6.5 COLA granted under the CUPE Shared Risk Plan on and after the Conversion Date shall be documented in Appendix A.
- 6.6 The Ancillary Benefits in this CUPE Shared Risk Plan are the intended Ancillary Benefits. Notwithstanding any other provisions of this CUPE Shared Risk Plan, the Funding Policy allows or requires the Board of Trustees to make changes to the Ancillary Benefits. Such changes may be positive or negative and may affect all classes of Members, Claimants, Pre-Conversion Retirees and Other Pre-Conversion CUPE Claimants. Notwithstanding any other provision under this CUPE Shared Risk Plan, any changes to Ancillary Benefits made pursuant to the Funding Policy shall be paramount for the time period required under the Funding Policy. Any such changes shall be documented in Appendix C.
- 6.7 Once the Ancillary Benefits described in Section 12.6 are provided upon a Member becoming eligible for an immediate pension in accordance with Article XII and in accordance with the Funding Policy, such Ancillary Benefits become part of the Member's or Pre-Conversion Deferred Vested Member's Base Benefits under Article V.

**ARTICLE VII
BENEFITS ON TERMINATION OF EMPLOYMENT**

- 7.1 In the event of a Member's termination of employment with the Employer, other than through death, prior to the Member's Vesting Date, the Member is entitled to a refund of the Member's contributions to the CUPE Shared Risk Plan and the CUPE Hospitals Plan with Accumulated Interest. The Member may direct that such refund be paid in any of the following ways, or as otherwise permitted from time to time under the Pension Benefits Act and the Income Tax Act:
- (i) Paid as a lump-sum cash refund to the Member (less applicable withholding taxes);
 - (ii) Transferred to the Member's registered retirement savings plan, if the transfer is permitted under the Income Tax Act; or
 - (iii) Transferred to the Member's registered retirement income fund, if the transfer is permitted under the Income Tax Act.
- 7.2 In the event of a Member's termination of employment with the Employer, other than through death, on or after the Member's Vesting Date but before the Member is eligible for an immediate pension under Article XII, the Member is entitled to a deferred pension under the terms of this CUPE Shared Risk Plan. In lieu of a deferred pension, the Member is entitled to transfer the Termination Value under Section 7.3 (subject to Section 19.2). Within the time period prescribed under the Pension Benefits Act from time to time, the Board of Trustees shall provide the Member with the disclosure of information required to be provided under the Pension Benefits Act and an election form pursuant to which the Member may elect the transfer of his or her Termination Value under Section 7.3. For greater certainty, in the event of a Member's termination of employment, other than through death, after the Member's Vesting Date and after the Member has attained age fifty-five (55), such Member is entitled to a deferred pension under the terms of this CUPE Shared Risk Plan, but is not entitled to make an election to transfer a Termination Value under Section 7.3.
- 7.3 A Member who is entitled to transfer the Termination Value may direct the Board of Trustees to transfer the Termination Value:
- (i) To another pension plan with the consent of the administrator of that pension plan, or
 - (ii) To any other prescribed retirement savings arrangement to which such a transfer is permitted under the Pension Benefits Act.

Upon providing the direction to the Board of Trustees, if the Termination Value exceeds the transfer limit prescribed by the Income Tax Act, the excess of the Termination Value over the prescribed transfer limit shall be paid in a lump sum to the Member (less applicable withholding taxes).

The Member must provide this direction to the Board of Trustees within the time period prescribed under the Pension Benefits Act from time to time. If no such direction is provided within the time period prescribed under the Pension Benefits Act, the Member will be deemed to have elected to not make a transfer under this Section 7.3 and Section 7.4 shall apply.

- 7.4 Unless otherwise elected under Section 7.3 by the Member entitled to a deferred pension under Section 7.2, and subject to Article XX, such Member's accrued deferred pension under the CUPE Shared Risk Plan shall remain in the CUPE Shared Risk Plan and the Member shall be entitled to a deferred pension under the terms of this CUPE Shared Risk Plan until the Member's pension commencement, death or marriage or common law partnership breakdown (in circumstances where a payment to the Member's spouse or common-law partner or former spouse or former common-law partner from the CUPE Shared Risk Plan is required).
- 7.5 Upon the transfer of a Termination Value under Section 7.3 or a refund under Section 7.1, the Member has no entitlement to any further benefits or enhancements from the CUPE Shared Risk Plan or payment from the Fund and shall cease to be a Member.
- 7.6 Any Pre-Conversion Deferred Vested Members shall not be entitled to transfer in accordance with Section 7.3 or any other transfer from the CUPE Shared Risk Plan (unless provided under Article XIX) and shall remain in the CUPE Shared Risk Plan, entitled to a deferred pension under the terms of this CUPE Shared Risk Plan, until the Pre-Conversion Deferred Vested Member's pension commencement, death, or marriage or common law partnership breakdown (in circumstances where a payment to the Pre-Conversion Deferred Vested Member's spouse or common-law partner or former spouse or former common-law partner from the CUPE Shared Risk Plan is required).

**ARTICLE VIII
DEATH BENEFITS**

- 8.1 Upon the death of a Member who has not attained the Vesting Date, the Member's contributions to the CUPE Shared Risk Plan and the CUPE Hospitals Plan with Accumulated Interest shall be paid in a lump sum:
- (i) if there is a surviving Spouse at the date of death and a waiver under Section 19.6 is not in effect on that date, to the Member's surviving Spouse; or
 - (ii) if there is a surviving Spouse at the date of death and a waiver under paragraph 19.6(ii) is in effect on that date, to the Member's surviving Spouse and Beneficiary in the proportions indicated on the form prescribed for that purpose under the Pension Benefits Act; or
 - (iii) if there is no surviving Spouse at the date of death, or if there is a surviving Spouse at the date of death and a waiver under paragraph 19.6(i) is in effect on that date, to the Member's Beneficiary.
- 8.2 Upon the death of a Member who has attained the Vesting Date, including a Member who is entitled to a deferred pension under Section 7.2 or a Pre-Conversion Deferred Vested Member entitled to a deferred pension under Section 7.6, provided the Member or Pre-Conversion Deferred Vested Member has not commenced to receive his or her pension, the death benefit payable shall be the Termination Value for such Member or Pre-Conversion Deferred Vested Member calculated as at the Member's or Pre-Conversion Deferred Vested Member's date of death.
- The death benefit shall be paid in a lump sum:
- (i) if there is a surviving Spouse at the date of death and a waiver under Section 19.6 is not in effect on that date, to the Member's or Pre-Conversion Deferred Vested Member's surviving Spouse; or
 - (ii) if there is a surviving Spouse at the date of death and a waiver under paragraph 19.6(ii) is in effect on that date, to the Member's surviving Spouse and Beneficiary in the proportions indicated on the form prescribed for that purpose under the Pension Benefits Act; or
 - (iii) if there is no surviving Spouse at the date of death, or if there is a surviving Spouse at the date of death and a waiver under paragraph 19.6(i) is in effect on that date, to the Member's Beneficiary.
- 8.3 In the event that the death benefit under Section 8.1 or 8.2 is payable to the Member's or Pre-Conversion Deferred Vested Member's surviving Spouse, such surviving Spouse may direct that such death benefit be transferred to his or her designated Registered Investment Vehicle, as permitted under the Income Tax Act.

- 8.4 Death benefits, if any, payable after a Member's or Pre-Conversion Deferred Vested Member's pension commencement date shall be in accordance with Article XI and the elections made by the Member or Pre-Conversion Deferred Vested Member at the time of pension commencement.
- 8.5 Upon payment or transfer under Section 8.1 or 8.2, the Member or Pre-Conversion Deferred Vested Member (including the Member's or Pre-Conversion Deferred Vested Member's Spouse, Beneficiary or estate) has no entitlement to any further benefits or enhancements from the CUPE Shared Risk Plan or payment from the Fund.

**ARTICLE IX
DESIGNATION OF A BENEFICIARY**

- 9.1 Subject to the provisions of any applicable laws or regulations in effect from time to time, by written notice to the Board of Trustees a Member may designate a Beneficiary or Beneficiaries to receive any benefit that may be payable to a Beneficiary or Beneficiaries under the terms of the CUPE Shared Risk Plan on the Member's death, and by similar written notice may alter or revoke such designation.
- 9.2 If, on the death of a Member, there is no designated Beneficiary or the Beneficiary has predeceased the Member, any death benefits that are payable under the terms of the CUPE Shared Risk Plan to the Member's Beneficiary shall be paid to the Member's estate.
- 9.3 The provisions of this Article IX also apply to Other Pre-Conversion CUPE Claimants and Pre-Conversion Retirees with the necessary modifications.

**ARTICLE X
NORMAL RETIREMENT**

10.1 For the purposes of the CUPE Shared Risk 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.

10.2 A Member who terminates employment with the Employer on the Member's Normal Retirement Date, provided that the Member has attained the Vesting Date, shall commence receipt of Base Benefits pension payments on Normal Retirement Date calculated in accordance with Article V and shall receive the Normal Form Pension described in Section 11.1 or Section 11.2, as applicable, or such optional form of pension as the Member may elect in accordance with the provisions of Section 11.4, and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

If the Member has Pensionable Service prior to the Conversion Date, the Member must commence receipt of both the portion of the pension accrued before and after the Conversion Date at the same date.

10.3 A Member who terminates employment before the Member's Normal Retirement Date and after the Member's Vesting Date, and who did not elect a transfer under Section 7.3 or early payment under Article XII, shall commence receipt of the Member's Base Benefits pension calculated in accordance with Article V on the Member's Normal Retirement Date, and shall receive the Normal Form Pension described in Section 11.1 or Section 11.2, as applicable, or such optional form of pension as the Member may elect in accordance with the provisions of Section 11.4, and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

If the Member has Pensionable Service prior to the Conversion Date, the Member must commence receipt of both the portion of the pension accrued before and after the Conversion Date at the same date.

**ARTICLE XI
FORMS OF PENSION BENEFITS**

- 11.1 Subject to Section 11.2, the Normal Form Pension benefit payable to a Member upon his or her Early Retirement Date, Normal Retirement Date or Postponed Retirement Date, as applicable, is a pension payable in equal monthly instalments commencing on the Member's Normal Retirement Date, Early Retirement Date or Postponed Retirement Date, as applicable, and payable for the lifetime of the Member with a guaranteed payment period of sixty (60) months (including COLA granted under Article VI and any adjustments required according to Appendix C). In the event the Member dies before the expiration of the guarantee period, the remaining payments shall be paid to the Member's Beneficiary, or in a lump sum to the Member's estate. For greater certainty, the Normal Form Pension benefit does not include the Member's annual bridge benefit, if any, described in Section 12.4.
- 11.2 Notwithstanding Section 11.1, for a Member who has a Spouse on the date on which pension payments commence, and the Member and the Spouse have not waived the right to a survivor pension in accordance with Section 11.3, the Normal Form Pension benefit is a joint and a survivor pension which is payable in equal monthly instalments commencing on the Member's Normal Retirement Date, Early Retirement Date or Postponed Retirement Date, as applicable, and payable for the life of the Member and payable after the Member's death to such Spouse for his or her life in equal monthly instalments equal to sixty percent (60%) of the amount paid to the Member at the time of death (including COLA granted under Article VI and any adjustments required according to Appendix C) (for greater certainty, a Member may elect an optional form under Section 11.4, provided that, where required, the Member and the Spouse have waived the right to a survivor pension). The joint and survivor pension under this Section 11.2 shall be the Actuarial Equivalent of the Normal Form Pension described in Section 11.1. For greater certainty, the Normal Form Pension benefit does not include the Member's annual bridge benefit, if any, described in Section 12.4.
- 11.3 A Member who has a Spouse at the time of pension commencement may elect a Normal Form Pension described in Section 11.1 or an optional form described in Section 11.4 that provides a survivor benefit of less than sixty percent (60%) to the Spouse, or no survivor benefit at all, if:
- (i) The Member delivers to the Board of Trustees, within the 12 month period immediately preceding the date upon which payment of the pension is to commence, the written waiver by the Member and the Member's Spouse in the form prescribed under the Pension Benefits Act; and
 - (ii) This waiver is not revoked prior to the commencement of the pension.
- 11.4 In lieu of the Normal Form Pension payable under Section 11.1 or Section 11.2, as applicable, and subject to the restriction under Section 11.3, a Member may elect, before pension commencement, to receive pension payments in one of the following optional forms of pension. The pension payable under an optional form to a Member without a

Spouse, or for which a waiver is required and provided under Section 11.3, shall be the Actuarial Equivalent of the pension otherwise payable to the Member under Section 11.1. The pension payable under an optional form to a Member with a Spouse for which a waiver is not required under Section 11.3 shall be the Actuarial Equivalent of the pension otherwise payable to the Member under Section 11.2.

- (i) **Life Pension With Guaranteed Period of Ten Years** – Under this optional form of pension, payments are payable to the Member in equal monthly instalments commencing on the Member's Normal Retirement Date, Early Retirement Date or Postponed Retirement Date, as applicable, and payable during the Member's lifetime and, if the Member dies before receiving one hundred twenty (120) monthly instalments, payments are continued to the Member's Beneficiary or to the Member's estate (in a lump sum) as applicable, until in total one hundred twenty (120) monthly instalments have been paid (including COLA granted under Article VI and any adjustments required according to Appendix C).
- (ii) **Joint and Survivor Pension – 75%** – Under this optional form of pension, payments are payable to the Member in equal monthly instalments commencing on the Member's Normal Retirement Date, Early Retirement Date or Postponed Retirement Date, as applicable, and payable during the Member's lifetime and, if the Member predeceases the Member's Spouse at the date of pension commencement, payments are continued to such Spouse for his or her life in equal monthly instalments equal to seventy-five percent (75%) of the amount paid to the Member at the time of death (including COLA granted under Article VI and any adjustments required according to Appendix C).
- (iii) **Joint and Survivor Pension – 100%** – Under this optional form of pension, payments are payable to the Member in equal monthly instalments commencing on the Member's Normal Retirement Date, Early Retirement Date or Postponed Retirement Date, as applicable and payable during the Member's lifetime and, if the Member predeceases the Member's Spouse at the date of pension commencement, payments are continued to such Spouse for his or her life in equal monthly instalments equal to one hundred percent (100%) of the amount paid to the Member at the time of death (including COLA granted under Article VI and any adjustments required according to Appendix C).
- (iv) **Other Optional Forms as determined by the Trustees** - Such other optional forms of pension as are determined from time to time by the Board of Trustees, and which comply with the Pension Benefits Act and the Income Tax Act.

For greater certainty, any optional form of pension does not apply to the Member's annual bridge benefit, if any, described in Section 12.4.

- 11.5 Sections 11.1, 11.2, 11.3 and 11.4 apply to a Member whose pension commencement date is on or after the Conversion Date and to all Pre-Conversion Deferred Vested Members who had not started their pension at the Conversion Date. For Pre-Conversion Retirees and Other Pre-Conversion CUPE Claimants in receipt of a pension at the Conversion Date, the provisions applicable to the form of payment of such pensions

under the CUPE Hospitals Plan at the Conversion Date continue to apply under the CUPE Shared Risk Plan, except that COLA granted under Article VI and any adjustments required by Appendix C shall apply.

**ARTICLE XII
EARLY RETIREMENT**

12.1 A Member may elect to start to receive his or her pension payments on the first day of any month coincident with or following the Member's termination of employment with the Employer, after having attained the Vesting Date and having attained the age of fifty-five (55). Such date shall be the Member's Early Retirement Date.

If the Member has Pensionable Service prior to the Conversion Date, the Member must elect to commence receipt of both the portion of the pension accrued before and after the Conversion Date on the Member's Early Retirement Date.

12.2 Upon his or her Early Retirement Date, a Member shall receive a Base Benefits pension calculated in accordance with Article V, including any COLA provided under Article VI before pension commencement and subject to reduction for early payment in accordance with Section 12.3, plus a bridge benefit calculated in accordance with Section 12.4. The Member shall receive the adjusted Base Benefits pension in the Normal Form Pension described in Section 11.1 or Section 11.2, as applicable, or such optional form of pension as the Member may elect under Section 11.4. The Member shall receive the bridge benefit payable in equal monthly instalments from the Member's Early Retirement Date to the month of the Member's death or attainment of age sixty-five (65), if earlier. The provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

12.3 Subject to a change being made pursuant to the Funding Policy (which changes, if any, shall be documented in Appendix C from time to time), the Member's Base Benefits pension shall be permanently reduced for early payment as follows:

- (i) with respect to Pensionable Service prior to the Conversion Date by one quarter of one percent (0.25%) for each month (3% per year) between the Member's attainment of age sixty (60) and the Member's attained age at the Member's Early Retirement Date; and
- (ii) with respect to Pensionable Service on or after the Conversion Date, by five-twelfths of one percent (5/12%) for each month (5% per year) between the Member's attainment of age sixty-five (65) and the Member's attained age at the Member's Early Retirement Date.

12.4 A Member's monthly bridge benefit shall be equal to:

- (i) the Bridge Benefit Amount multiplied by the Member's Pensionable Service prior to July 1, 2012; plus
- (ii) the Bridge Benefit Amount multiplied by the Member's Bridge Benefit Service on and after the Conversion Date.

The provisions of Article VI and any adjustments required according to Appendix C apply thereafter. Notwithstanding the foregoing, a Member's annual bridge benefit

payable at the Member's Early Retirement Date shall not exceed that permitted under paragraph 8503(2)(b) of the Income Tax Act.

- 12.5 Each Pre-Conversion Deferred Vested Member who was eligible for a deferred pension and had terminated employment with the Employer before being eligible to receive an immediate pension under the CUPE Hospitals Plan, may elect to commence receipt of pension payments on the first day of any month coincident with or following attainment of age fifty-five (55), in which event the Pre-Conversion Deferred Vested Member's Base Benefits pension including COLA granted after the Conversion Date shall be permanently reduced for early payment by three percent (3%) per year or one-quarter of one percent (1/4 of 1%) for each month between the Pre-Conversion Deferred Vested Member's attainment of age sixty (60) and the Pre-Conversion Deferred Vested Member's attained age at pension commencement. No reduction applies if the Pre-Conversion Deferred Vested Member is age sixty (60) or older at his or her pension commencement date.
- 12.6 The amount by which a reduction of a Member's or Pre-Conversion Deferred Vested Member's Base Benefits pension for early payment or no reduction for early payment in this Article XII is less than an Actuarial Equivalent reduction from the Member's Normal Retirement Date or Pre-Conversion Deferred Vested Member's attainment of age sixty-five (65) is an Ancillary Benefit for purposes of Article VI. In addition, a Member's or Pre-Conversion Deferred Vested Member's bridge benefit payable under this Article XII is an Ancillary Benefit for purposes of Article VI. Upon a Member's or Pre-Conversion Deferred Vested Member's attainment of age fifty-five (55), such Ancillary Benefits become part of the Member's or Pre-Conversion Deferred Vested Member's Base Benefits.

**ARTICLE XIII
POSTPONED RETIREMENT**

- 13.1 In the event that a Member continues in employment with the Employer beyond the Member's Normal Retirement Date, contributions to the Fund by the Member, and in respect of the Member by the Employer, shall cease and Pensionable Service shall cease to accrue on the Member's Normal Retirement Date.
- 13.2 In the event that a Member continues in employment beyond the Member's Normal Retirement Date, the Member shall start his or her Base Benefits pension on the first of the month coincident with or next following termination of employment with the Employer, but in no event shall the pension commencement date of a Member be postponed beyond the date prescribed by paragraph 8502(e) of the regulations under the Income Tax Act. Such pension commencement date shall be the Member's Postponed Retirement Date.
- 13.3 Upon a Member's Postponed Retirement Date, a Member's Base Benefits pension shall be calculated in accordance with Article V, then increased by six-tenths of one percent (0.6%) for each month (or seven and two-tenths percent (7.2%) per year) that the Member's Postponed Retirement Date is delayed beyond the Member's Normal Retirement Date and the Member shall receive the Normal Form Pension described in Section 11.1 or Section 11.2, as applicable, or such optional form of pension as the Member may elect under Section 11.4, and the provisions of Article VI and any adjustments required according to Appendix C apply thereafter. Notwithstanding the foregoing, if any portion of the period between the Member's Normal Retirement Date and Postponed Retirement Date is before the Conversion Date, the increase for the portion of the Base Benefits pension that is in respect of Pensionable Service before the Conversion Date is replaced by an Actuarial Equivalent increase.

**ARTICLE XIV
ADMINISTRATION**

- 14.1 A Board of Trustees constituted in accordance with this Article XIV shall be the Administrator of the CUPE Shared Risk Plan.
- 14.2 The Board of Trustees shall consist of eight (8) members. The Union shall appoint four (4) Trustees. The secretary of the Board of Management of the Province shall appoint four (4) Trustees.
- 14.3 In the event of a tie vote among the Board of Trustees, the Board of Trustees shall appoint a facilitator to cast a deciding vote in accordance with the Declaration of Trust.
- 14.4 Appointments to the Board of Trustees shall be for a term of not less than three (3) years and not greater than five (5) years, as determined by the Party appointing the Trustee. Such appointments to the Board of Trustees may be renewed.
- 14.5 The Board of Trustees shall have all the powers, duties and responsibilities set forth in the Declaration of Trust and under the Pension Benefits Act and the Income Tax Act. Without limiting the generality of the foregoing, the Board of Trustees shall be responsible for:
- (i) All measurements and reporting required by the Pension Benefits Act, including annual funding policy valuations and stochastic modelling of the assets and liabilities of the CUPE Shared Risk Plan;
 - (ii) Establishing the Investment Policy (which is subject to annual review by the Board of Trustees);
 - (iii) Administering and investing the CUPE Shared Risk Plan and Fund in accordance with the Pension Benefits Act, the Income Tax Act, this CUPE Shared Risk Plan and the Funding Policy; and
 - (iv) All other requirements of an administrator under the Pension Benefits Act.
- 14.6 The Board of Trustees may enact rules and regulations relating to the administration of the CUPE Shared Risk Plan and the investment of the Fund to carry out the terms hereof and may amend such rules and regulations from time to time. Such rules and regulations shall not conflict with any provision of this CUPE Shared Risk Plan, the Funding Policy, the Declaration of Trust, the Pension Benefits Act or the Income Tax Act.
- 14.7 The Board of Trustees may appoint one or more agents (including, for greater certainty, the Province) to carry out any act or transaction required for the administration and management of the CUPE Shared Risk Plan and Fund or may retain advisors. Every agent appointed by the Board of Trustees shall report to and be subject to the direction and continuing supervision of the Board of Trustees.

- 14.8 The Board of Trustees shall be entitled to rely upon all statements and reports furnished by an actuary, an accountant, an appraiser, a lawyer or other professional advisor retained by the Board of Trustees.
- 14.9 The members of the Board of Trustees shall act independently of the person who appointed him or her.
- 14.10 Wherever the records of the Employer are used for the purposes of the CUPE Shared Risk Plan, such records shall be conclusive of the facts with which they are concerned.
- 14.11 In the absence of actual notice to the contrary, the Board of Trustees shall make payment in accordance with information provided by the Member, or other Claimant, as applicable. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of a benefit, or where a person makes a claim that is inconsistent with information provided by the Member, or other Claimant, as applicable, the Board of Trustees may obtain court directions and the costs thereof may be paid from the Fund in accordance with Section 4.5, or may, in the discretion of the Board of Trustees, be charged to the person entitled to the benefit to be paid.
- 14.12 Every eligible Employee shall furnish to the Board of Trustees, when required to do so, proof of age satisfactory to the Board of Trustees.
- 14.13 The duties of Contributing Employers with respect to the administration of the CUPE Shared Risk Plan shall be as follows, with the responsibility of any given Contributing Employer extending to all Employees for whom that Contributing Employer is the Employer:
- (i) To provide to the Board of Trustees in the form prescribed by the Trustees complete up-to-date information on all matters relating to age, service, eligibility or remuneration of Members, their dates of retirement, death or termination of employment, and all other pertinent facts or information which the Board of Trustees may require for the operation and administration of the CUPE Shared Risk Plan; and
 - (ii) Where reasonably requested by the Board of Trustees, to communicate details of the CUPE Shared Risk Plan to Members, to inform Employees regarding eligibility requirements for participation in the CUPE Shared Risk Plan, and to assist with the distribution and collection of the prescribed enrollment form for eligible Employees who are required to join the CUPE Shared Risk Plan.

**ARTICLE XV
DISCLOSURE**

- 15.1 Within the period prescribed by the Pension Benefits Act, the Board of Trustees shall provide to each Employee who becomes eligible for membership in the CUPE Shared Risk Plan (including, for greater certainty, those Members who became eligible as a result of the conversion of the CUPE Hospitals Plan and the Pre-Conversion Retirees and Other Pre-Conversion CUPE Claimants), a written description of the CUPE Shared Risk Plan. Such description shall explain the terms and conditions of the CUPE Shared Risk Plan applicable to the Employee, Pre-Conversion Retiree, Other Pre-Conversion CUPE Claimant, or Claimant, as applicable, and the rights and obligations of such persons in respect of the CUPE Shared Risk Plan. Such description shall include disclosure of the fact that the CUPE Shared Risk Plan is a Shared Risk Plan for the purposes of the Pension Benefits Act. In addition, the disclosure will set out the purposes and characteristics of a Shared Risk Plan in accordance with the Pension Benefits Act.
- 15.2 Within the period required under the Pension Benefits Act, the Board of Trustees shall provide a written explanation of each amendment to the CUPE Shared Risk Plan to each Member, Pre-Conversion Retiree or other Claimant affected by the amendment.
- 15.3 The Board of Trustees shall permit a Member, or such person as is required to be permitted under the Pension Benefits Act, to inspect, to make extracts from or to copy the CUPE Shared Risk Plan text and any other related documents required to be made available under the Pension Benefits Act at such time and places as may be required under the Pension Benefits Act.
- 15.4 To the extent required under the Pension Benefits Act, the Board of Trustees shall provide, on request, a Member, or such person as is required to be permitted under the Pension Benefits Act, with copies of any of the documents required to be made available under the Pension Benefits Act upon payment to the Board of Trustees of a reasonable fee.
- 15.5 Within the period prescribed under the Pension Benefits Act, the Board of Trustees shall provide each Member a written statement describing the benefits the Member has earned to date and such other information as required under the Pension Benefits Act.
- 15.6 Upon termination of employment of a Member or upon cessation of the Member's active membership in the CUPE Shared Risk Plan, the Board of Trustees shall provide to the Member (or the Member's Spouse or other person entitled to benefits in the event of the Member's death) within the period prescribed under the Pension Benefits Act, a written statement containing the information prescribed under the Pension Benefits Act in respect of the benefits and options to which the Member or other person is entitled.
- 15.7 Within the time period prescribed under the Pension Benefits Act from time to time, the Board of Trustees shall provide the Employer, the Members, Pre-Conversion Retirees and other Claimants and the Union the following information, in addition to any other information as may be required under the Pension Benefits Act from time to time:

- (i) The open group funded ratio and the termination value funded ratio, as such terms are defined in the Pension Benefits Act, of the CUPE Shared Risk Plan;
 - (ii) The investment performance of the Fund;
 - (iii) The funding policy liabilities, as defined in the Pension Benefits Act;
 - (iv) The results of the testing performed using the asset liability model, including the probabilities associated with the risk management goals;
 - (v) The Board of Trustees' assessment of the need to reduce benefits or the opportunity to increase benefits, including a description of the risk factors affecting the plan;
 - (vi) A summary of the Funding Policy; and
 - (vii) A description of how Member, Pre-Conversion Retiree and other Claimant benefits would be calculated if the CUPE Shared Risk Plan were terminated.
- 15.8 The Board of Trustees or the Employer shall provide such other information regarding the CUPE Shared Risk Plan, statistical or otherwise, as is required under the Pension Benefits Act and the Income Tax Act.
- 15.9 Such explanation, statement or right of disclosure of the CUPE Shared Risk Plan text and other documents provided shall have no effect on the rights or obligations of any person under the CUPE Shared Risk Plan, and shall not be referred to in interpreting or giving effect to the provisions of the CUPE Shared Risk Plan. None of the Board of Trustees, each individual Trustee, the Employer, the Union, nor any agent thereof, shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

**ARTICLE XVI
GOVERNANCE AND RISK MANAGEMENT**

- 16.1 The Board of Trustees shall establish the Investment Policy.
- 16.2 The following considerations shall be utilized in the establishment of the Investment Policy:
- (i) The purpose of the Investment Policy, which is to ensure that the desired security for the Base Benefits and the Ancillary Benefits is achieved;
 - (ii) Sophisticated stochastic financial and economic models that meet stringent statistical reliability criteria must be used to set investment allocations, including target investment durations, from time to time; and
 - (iii) The Investment Policy must reflect relevant factors including the maturity of the CUPE Shared Risk Plan, the expected contributions into the CUPE Shared Risk Plan, the expected benefits payable from the CUPE Shared Risk Plan, the Funding Policy and the CUPE Shared Risk Plan's current funded status.
- 16.3 The Board of Trustees shall review, and amend as required, the Investment Policy at least once per year. With respect to each such review, the Board of Trustees shall ensure that the considerations under Section 16.2 are applied.
- 16.4 The Board of Trustees shall establish a Risk Management Framework for the CUPE Shared Risk Plan. Such Risk Management Framework shall:
- (i) Establish the risk management goals and risk management procedures required by the Pension Benefits Act for the CUPE Shared Risk Plan; and
 - (ii) Contain the requirements set out in the Pension Benefits Act.
- 16.5 The Board of Trustees shall review, and amend as required, the Risk Management Framework at least once per year. With respect to each such review, the Board of Trustees shall ensure that the considerations under Section 16.4 are applied.
- 16.6 In the administration and investment of the CUPE Shared Risk Plan and the Fund, the Board of Trustees shall adhere to the Investment Policy and the Risk Management Framework.

**ARTICLE XVII
FUNDING POLICY**

- 17.1 The Parties shall establish, and the Board of Trustees shall adopt, an Initial Funding Policy in accordance with the Parameters.
- 17.2 The Initial Funding Policy and the Funding Policy, from time to time, shall at a minimum contain the following:
- (i) A clear statement of the funding goals, which shall meet or exceed the minimum set out in the Pension Benefits Act;
 - (ii) A description of the cost sharing between the Employees and Employer;
 - (iii) A description of the required contributions and what changes to contributions shall be permitted, or required, under various conditions;
 - (iv) A clear statement as to responsibility for expenses of the CUPE Shared Risk Plan and Fund, which shall provide that all expenses are to be paid by the CUPE Shared Risk Plan unless otherwise agreed;
 - (v) A deficit recovery plan that shall contain both the priority order and the level of changes permitted. The deficit recovery plan shall be such that reduction of Base Benefits would occur as a last step in the deficit recovery plan in accordance with the Pension Benefits Act;
 - (vi) A funding excess utilization plan in accordance with the Parameters and the Pension Benefits Act;
 - (vii) A description of the financial measurement basis adopted by the CUPE Shared Risk Plan; and
 - (viii) Any other requirements prescribed under the Pension Benefits Act.
- 17.3 The Board of Trustees shall review, and amend as required, the Funding Policy at least once per year, in accordance with the Funding Policy, the Parameters and the Pension Benefits Act.
- 17.4 By agreement of the Union and the Province the Parameters in the Initial Funding Policy may be amended.
- 17.5 In the administration of the CUPE Shared Risk Plan, the Board of Trustees shall adhere to the Funding Policy.

**ARTICLE XVIII
TRANSFERS OF EMPLOYMENT**

- 18.1 A Member may transfer employment from one Contributing Employer to another Contributing Employer without disruption of the Member's membership in the CUPE Shared Risk Plan provided there is no break in the Member's Continuous Employment and provided also that the Member did not elect a refund (in the form of a transfer, a cash payment or otherwise) of the Member's contributions to the CUPE Shared Risk Plan or to the CUPE Hospitals Plan, or did not elect at any time the transfer of the Termination Value.
- 18.2 An Employee who elected to remain a member of a Previous Plan who transfers from one Contributing Employer to another Contributing Employer shall become a Member of the CUPE Shared Risk Plan on the first (1st) day of the month coincident with or next following the date on which the Employee commences employment with the Contributing Employer to which the Employee transfers provided there is no break in the Member's Continuous Employment and provided also that the Member did not elect a refund (in the form of a transfer, a cash payment or otherwise) of the Member's contributions to the Previous Plan.
- 18.3 In the case of a transfer of employment which results in a Break in Service or in the election of a refund (in the form of a transfer, a cash payment or otherwise) of contributions to the CUPE Shared Risk Plan or to a Previous Plan, or the election to receive the Termination Value or the purchase of a deferred annuity, the Employee concerned shall be treated as a new Employee for all purposes of the CUPE Shared Risk Plan.

ARTICLE XIX
ASSIGNMENT AND COMMUTATION OF BENEFITS

- 19.1 Upon a Member's termination of employment with the Employer after having attained the Vesting Date and where the Termination Value of the Member's deferred pension is less than ten percent (10%) of the YMPE for the calendar year of termination of employment, or such other amount prescribed under the Pension Benefits Act from time to time, the Board of Trustees may require the Member to direct a transfer of the Termination Value in accordance with Section 7.3.
- 19.2 Upon a Member's termination of employment after having attained the Vesting Date, the Member may elect, in lieu of the deferred pension, to receive a lump-sum payment (less applicable withholding taxes) equal to the Member's Termination Value if the adjusted Termination Value, determined in accordance with subsection 34(2) of the Pension Benefits Act, is less than forty percent (40%) of the YMPE for the calendar year of termination of employment, or such other amount prescribed under the Pension Benefits Act from time to time, provided that if the Member has a Spouse, the Member has provided the Board of Trustees with a written waiver by the Spouse of any rights the Spouse may have under the CUPE Shared Risk Plan or under the Pensions Benefits Act in the Fund in the form prescribed under the Pension Benefits Act.
- 19.3 Subject to approval of the Board of Trustees, and based on conditions that the Board of Trustees may establish from time to time, and subject to the Pension Benefits Act, a Member who has attained the Vesting Date upon termination of employment with the Employer may elect in lieu of the deferred pension payable hereunder, to receive a lump-sum payment (less applicable withholding taxes) equal to the Member's Termination Value if the Member and the Member's Spouse are not Canadian citizens and are not resident in Canada for purposes of the Income Tax Act and the Member's Spouse, if any, waives on the form prescribed under the Pension Benefits Act any right the Spouse may have under the CUPE Shared Risk Plan or under the Pension Benefits Act in the Fund and provides such form to the Board of Trustees.
- 19.4 Upon the transfer or payment of a Termination Value in accordance with Section 19.1, 19.2 or 19.3, the Member has no entitlement to any further benefits from the CUPE Shared Risk Plan or payment from the Fund and ceases to be a Member of the CUPE Shared Risk Plan.
- 19.5 Except as otherwise provided by the Pension Benefits Act,
- (i) A transaction that purports to assign, charge, anticipate or give as security any interest in or under the CUPE Shared Risk Plan is void; and
 - (ii) Any interest under the CUPE Shared Risk Plan and money payable thereunder are exempt from execution, seizure or attachment or other process of law;

Except that the benefits of a Member, Pre-Conversion Retiree or Pre-Conversion Deferred Vested Member may be divided between the Member, Pre-Conversion Retiree or Pre-Conversion Deferred Vested Member and such person's spouse or common-law partner or former spouse or former common-law partner in accordance with the provisions of the Pension Benefits Act and the Income Tax Act pursuant to:

- (iii) A decree, order or judgment of a court of competent jurisdiction in relation to the division of a benefit under the CUPE Shared Risk Plan on the breakdown of a marriage or common law relationship; or
- (iv) If a domestic contract provides for the division of benefits under the CUPE Shared Risk Plan as a consequence of the breakdown of marriage or common-law relationship of the Member or Pre-Conversion Retiree or Pre-Conversion Deferred Vested Member and that person's spouse or common-law partner;

And except that money payable under the CUPE Shared Risk Plan is subject to execution, seizure or attachment or other process of law in satisfaction of an order for support or maintenance enforceable in New Brunswick but, other than in the case of a refund of the Member's contributions with Accumulated Interest, to a maximum of fifty percent (50%) of the payment unless otherwise ordered by a court of competent jurisdiction.

A transaction that purports to commute or surrender a pension is void.

19.6 Subject to Section 19.7, a Member's or Pre-Conversion Deferred Vested Member's Spouse may waive all or a portion of the Spouse's entitlement to a death benefit under Article VIII providing that:

- (i) the surviving Spouse is not entitled to the death benefit under Article VIII, if the Member or Pre-Conversion Deferred Vested Member delivers to the Board of Trustees, prior to the Member's or Pre-Conversion Deferred Vested Member's death, the written waiver by the Member's or Pre-Conversion Deferred Vested Member's Spouse in the form prescribed under the Pension Benefits Act indicating a waiver of the full entitlement to the pre-retirement death benefit; or
- (ii) the surviving Spouse is not entitled to a portion of the death benefit under Article VIII, if the Member or Pre-Conversion Deferred Vested Member delivers to the Board of Trustees, prior to the Member's or Pre-Conversion Deferred Vested Member's death, the written waiver by the Member's or Pre-Conversion Deferred Vested Member's Spouse in the form prescribed under the Pension Benefits Act indicating a waiver of a portion of the entitlement to the pre-retirement death benefit.

19.7 The Member or Pre-Conversion Deferred Vested Member and the Member's or Pre-Conversion Deferred Vested Member's Spouse may jointly revoke a waiver provided in accordance with Section 19.6 if the Member or Pre-Conversion Deferred Vested Member delivers to the Board of Trustees, prior to the Member's or Pre-Conversion Deferred Vested Member's death, a written revocation of the waiver in the form prescribed under the Pension Benefits Act.

**ARTICLE XX
MAXIMUM PENSION**

20.1 Notwithstanding any provision to the contrary in this CUPE Shared Risk Plan and the Funding Policy, the annual lifetime pension payable to any Member under this CUPE Shared Risk Plan, determined at the time of pension commencement, including any benefit payable to a Member's spouse or former spouse or common-law partner or former common-law partner as a result of the breakdown of a marriage or common law relationship, shall not exceed the Member's Pensionable Service multiplied by the lesser of:

- (i) The defined benefit limit, as defined in the Income Tax Act (being \$2,696.67 for pension commencement dates in 2013); and
- (ii) Two percent (2%) of the Member's highest average indexed compensation (as defined under the Income Tax Act) in any three (3) non over-lapping periods of twelve (12) months,

and such maximum amount shall be reduced, if the pension commencement date precedes the earlier of the day on which:

- (i) The Member attains age sixty (60);
- (ii) The Member's age plus early retirement eligibility service (as defined in the Income Tax Act) would have equalled eighty (80); and
- (iii) The Member would have completed thirty (30) years of early retirement eligibility service (as defined in the Income Tax Act) with the Employer,

by one-quarter of one percent ($\frac{1}{4}$ of 1%) for each month by which the pension commencement date precedes such earliest date assuming the Member had continued in employment with the Employer to that date.

This section shall not apply to additional benefits resulting from any increase, not greater than an increase on an Actuarially Equivalent basis, due to deferral of pension commencement after age sixty-five (65) under Article XIII.

20.2 The bridge benefit provided under Section 12.4, if any, shall not exceed the public pension benefits payable to individuals aged sixty-five (65), determined at the Member's pension commencement date as the sum of:

- (i) the maximum Old Age Security benefit payable to individuals age sixty-five (65); and
- (ii) the maximum benefit payable under the Canada Pension Plan to individuals age sixty-five (65), multiplied by the ratio (not to exceed one) of the Member's

highest earnings in three calendar years to the total YMPE for those three (3) years.

If the Member has not attained age sixty (60) at the Member's pension commencement date, the maximum bridge benefit determined above shall be reduced by one quarter of one percent ($\frac{1}{4}$ of 1%) for each month by which the Member's pension commencement date precedes the Member's attainment of age sixty (60). Also, if the Member has not completed ten (10) years of Pensionable Service at the time of pension commencement, the maximum bridge benefit shall be prorated by the ratio of the Member's years of Pensionable Service to ten (10) years.

- 20.3 The bridge benefit payable under Section 12.4, if any, and reduced according to Section 12.3, combined with the annual Base Benefits pension payable to a Member, determined at the time of pension commencement, shall not exceed the sum of:
- (i) The amount determined by multiplying the defined benefit limit, as defined in the Income Tax Act, by the Member's Pensionable Service; plus
 - (ii) Twenty-five percent (25%) of the average of the YMPE for the year in which payments commence plus the YMPE for the two (2) immediately preceding years multiplied by the Member's Pensionable Service (maximum thirty-five (35) years).
- 20.4 Subsequent to a Member's pension commencement date, the maximum annual lifetime pension, maximum bridge benefit and maximum combined lifetime pension and bridge benefit determined under this Article XX shall be indexed annually according to increases in the Consumer Price Index for Canada as published by Statistics Canada or its successor, over the twelve (12) month period ending October of the immediately preceding Plan Year. For greater certainty, such indexation calculation is solely for the purposes of determining the maxima under this Article XX.
- 20.5 The provisions of this Article XX also apply, with the necessary modifications, to each Pre-Conversion Deferred Vested Member upon commencement of pension payments under this CUPE Shared Risk Plan.

**ARTICLE XXI
CHANGES IN EMPLOYMENT STATUS**

- 21.1 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 CUPE Shared Risk Plan to a bargaining unit whose members are not so eligible, the Member shall cease contributing to the CUPE Shared Risk Plan and shall commence contributing to the pension plan applicable to the class of employees to which the Member transfers as from the first day of the month coincident with or next following the Member's date of change of status. Such a Member shall remain a non-contributing Member of the CUPE Shared Risk Plan and shall retain the Member's accrued rights and benefits.
- 21.2 Under no circumstances shall a Member be entitled to contribute to or accrue benefits under the CUPE Shared Risk Plan in respect of any period of employment during which the Member is entitled to contribute to or accrue benefits under any other pension plan to which the Member's Employer is contributing.

**ARTICLE XXII
AMENDMENT OR DISCONTINUANCE OF THE PLAN**

- 22.1 Subject to Section 22.2, the CUPE Shared Risk Plan may be amended by the Board of Trustees from time to time.
- 22.2 Amendments to the CUPE Shared Risk Plan related to the following, or which may affect any of the following, may only be made by the Province and Union:
- (i) Participation or eligibility requirements for the CUPE Shared Risk Plan;
 - (ii) Composition and powers of the Board of Trustees; and
 - (iii) Parameters of the Initial Funding Policy (subject to amendments required to comply with a law or regulation as set out in the Funding Policy).
- 22.3 The Province and the Union intend and expect to continue the CUPE Shared Risk Plan indefinitely. However, if unforeseen circumstances beyond the control of the Province and the Union result in the discontinuance of the CUPE Shared Risk Plan by the Province and the Union, the assets of the Fund shall be used to provide benefits for Members, Pre-Conversion Retirees, Other Pre-Conversion CUPE Claimants, Claimants and their beneficiaries in accordance with the relevant provisions of the CUPE Shared Risk Plan and the Pension Benefits Act.
- 22.4 In the event of the termination of the CUPE Shared Risk Plan, all Members shall be deemed to be vested in their accrued benefits for all purposes, whether or not such Members have attained the Vesting Date.
- 22.5 Upon discontinuance of the CUPE Shared Risk Plan, in whole or in part, any assets of the Fund shall first be used to discharge all liabilities under the plan for the accrued Base Benefits, as adjusted in accordance with Appendix C, of the affected Members, Pre-Conversion Retirees, Other Pre-Conversion CUPE Claimants, Claimants and their beneficiaries in accordance with the Pension Benefits Act and the Funding Policy. If there are additional assets, these may be used to provide Ancillary Benefits in accordance with the Pension Benefits Act and the Funding Policy. If there are surplus assets remaining after the discharge of liabilities for the accrued Base Benefits and any Ancillary Benefits, such assets shall be distributed to the Members, Pre-Conversion Retirees, Other Pre-Conversion CUPE Claimants, Claimants and their beneficiaries, in accordance with the Funding Policy and the Pension Benefits Act. If, upon the discontinuance of the CUPE Shared Risk Plan the assets of the Fund are insufficient to discharge all liabilities under the CUPE Shared Risk Plan for the accrued Base Benefits, as adjusted in accordance with Appendix C, of the affected Members, Pre-Conversion Retirees, Other Pre-Conversion CUPE Claimants, Claimants and their beneficiaries, such Base Benefits shall be reduced in accordance with the Funding Policy and the Pension Benefits Act.

**ARTICLE XXIII
CONVERSION DETAILS**

- 23.1 The CUPE Shared Risk Plan shall be effective from and after the Conversion Date. All conversion benefit calculations will be made as of that date without regard to any administrative changes required to effect the conversion.
- 23.2 Benefits accrued under the CUPE Hospitals Plan shall be converted effective the Conversion Date in accordance with the provisions hereof and the Pension Benefits Act.
- 23.3 Effective as of the Conversion Date, no person who has any entitlement under the terms of the CUPE Shared Risk Plan shall have any entitlement or claim under or with respect to the CUPE Hospitals Plan.
- 23.4 From the Conversion Date until such time as the newly constituted Board of Trustees is established in accordance with Article XIV, the Board of Trustees for the CUPE Hospitals Plan (the “**CUPE Hospitals Plan Board of Trustees**”) shall be the acting Board of Trustees and the administrator of the CUPE Shared Risk Plan and shall be vested with all the rights, powers and duties of the Board of Trustees hereunder and under the Pension Benefits Act.
- 23.5 Once the newly constituted Board of Trustees is established in accordance with Article XIV the CUPE Hospitals Plan Board of Trustees shall cease to act as trustees of the CUPE Shared Risk Plan and shall not have any further powers, duties, responsibilities or liabilities hereunder or under the Pension Benefits Act.
- 23.6 This CUPE Shared Risk Plan is subject to the Pension Benefits Act and the Income Tax Act.

**ARTICLE XXIV
PURCHASE OF PAST SERVICE**

- 24.1 For the period from the Conversion Date until December 31, 2013, the purchase of past service rules under Section 21 of the CUPE Hospitals Plan shall apply for all purchases of past service. As of January 1, 2014 the purchase of past service rules under this Article XXIV shall apply.
- 24.2 Subject to any requirements under the Income Tax Act, a Member may apply to the Board of Trustees to purchase past service for:
- A period of absence from employment authorized by the Employer, including maternity leaves, where the Member was a member of the CUPE Hospitals Plan or CUPE Shared Risk Plan immediately prior to commencing such period of absence from employment (“**Approved Leave of Absence Period**”);
 - The waiting period between the Member’s date of hire with the Employer and the date of joining the CUPE Hospitals Plan or CUPE Shared Risk Plan, if any, provided that the Member was not a member of another pension plan sponsored by the Employer during such period (the “**Waiting Period**”); and
 - Previous periods of service under the CUPE Hospitals Plan or the CUPE Shared Risk Plan for which the Member previously received a refund of contributions or transfer of the commuted value or termination value, as applicable (“**Previously Refunded Service**”).

Where the cost to purchase such past service under Sections 24.3 through 24.9 is determined based on “the Member’s rate of Earnings in effect at the date of application to purchase”, such rate of Earnings means the annualized Earnings determined on a full-time basis for any Member who is working less than Full-Time for the Employer at the time of the application.

- 24.3 A Member who is an Employee may purchase past service for an Approved Leave of Absence Period within one (1) year of the date of returning to employment following such period. The cost to purchase such past service under the CUPE Shared Risk Plan is equal to the required Member contributions for the Approved Leave of Absence Period being purchased calculated using the Member’s full-time equivalent percentage at the beginning of such period and the CUPE Shared Risk Plan Member contribution rate and the Member’s rate of Earnings both in effect at the date of application to purchase.
- 24.4 A Member who is an Employee may purchase past service for an Approved Leave of Absence Period after one (1) year of the date of returning to employment following such period. The cost to purchase such past service under the CUPE Shared Risk Plan is the greater of:
- (i) The amount determined under Section 24.3; and

- (ii) The Adjusted Termination Value of such past service as at the date of application to purchase the past service calculated using the Member's full-time equivalent percentage at the beginning of such period and the Member's rate of Earnings in effect at the date of application to purchase the past service, minus the Employer cost determined under Section 24.5.
- 24.5 Where a Member purchases past service for an Approved Leave of Absence Period under Section 24.3 or 24.4, the Contributing Employer will be required to contribute an amount to the Fund equal to the amount paid by the Member under Section 24.3, or calculated in respect of the Member under paragraph 24.4(i), in respect of the Member's purchase of an Approved Leave of Absence Period.
- 24.6 A Member who is an Employee may purchase past service for the Waiting Period under this Section 24.6. The cost to purchase such past service under the CUPE Shared Risk Plan shall be the greater of:
- (i) The required Member contributions for the Waiting Period being purchased, calculated using the full-time equivalent employment service during the Waiting Period, the CUPE Shared Risk Plan Member contribution rate and the Member's rate of Earnings both in effect at the date of application to purchase; and
 - (ii) The Adjusted Termination Value of such past service as at the date of application to purchase the past service calculated using the Member's full-time equivalent employment service during such period and the Member's rate of Earnings in effect at the date of application to purchase the past service.

There shall be no required Employer contributions for the purchase of such past service.

- 24.7 A Member who is an Employee may purchase past service for Previously Refunded Service under this Section 24.7. The cost to purchase such past service under the CUPE Shared Risk Plan shall be the greatest of:
- (i) The gross amount of the transfer (including the value of any excess contributions that may have been payable under the CUPE Hospitals Plan) received by the Employee at the time of termination from the CUPE Hospitals Plan or the CUPE Shared Risk Plan, as applicable, together with interest equal to the CUPE Hospitals Plan and CUPE Shared Risk Plan Fund rate of return (net of the administrative expenses paid by the Fund) from the date of transfer to the date of application to purchase the Previously Refunded Service;
 - (ii) The required Member contributions for the Previously Refunded Service being purchased, calculated using the Member's full-time equivalent employment service during the period, the CUPE Shared Risk Plan Member contribution rate and the Member's rate of Earnings both in effect at the date of application to purchase; and

- (iii) The Adjusted Termination Value of such past service as at the date of application to purchase the past service calculated using the Member's full-time equivalent employment service during the period and the Member's rate of Earnings in effect at the date of application to purchase the past service.

There shall be no required Employer contributions for the purchase of such past service.

- 24.8 Any amount required to be paid by a Member in accordance with Sections 24.3, 24.4, 24.6, and 24.7 above may be paid by the Member either in a lump sum at the time of making the election to purchase the past service, or in instalments over such period as the Member may elect but not exceeding the period of past service in respect of which the election to purchase has been made. All amounts required to be paid must be actually paid prior to any benefits commencing. In the event the Member elects to make payments by instalment, additional interest will be charged on the outstanding balance at the discount rate used to calculate Adjusted Termination Values from time to time.
- 24.9 The Board of Trustees shall have the power to determine additional rules regarding purchases of service as Pensionable Service under the CUPE Shared Risk Plan, which rules must be based on the principles underlying the CUPE Shared Risk Plan and be subject to the limitations prescribed under the Income Tax Act. For greater certainty, no such rules may impact Employer contributions.
- 24.10 Subject to such rules and conditions as may be approved by the Board of Trustees from time to time, an Employee who becomes a Member in accordance with Section 3.3 may elect to transfer the Employee's money-purchase account from the Part-Time Plan to the CUPE Shared Risk Plan in order to purchase a period of Pensionable Service in respect of the Employee's employment with the Employer prior to the Conversion Date, subject to the limitations prescribed under the Income Tax Act and subject to the certification of any past service pension adjustment required by the Income Tax Act. The amount of Pensionable Service to be purchased shall be determined based on the Employee's Earnings in effect on the date of the application and shall be subject to such rules and conditions as may be approved by the Board of Trustees from time to time based on the principles underlying the CUPE Shared Risk Plan. For the purposes of such determination in respect of an Employee who is working less than Full-Time for the Employer at the time of the election, "Earnings in effect on the date of the application", means annualized Earnings determined on a full-time basis.
- 24.11 Once past service is purchased in accordance with this Article XXIV, the provisions of Article VI and any adjustments required according to Appendix C apply thereafter.

**ARTICLE XXV
MISCELLANEOUS**

- 25.1 The Board of Trustees may, in its discretion, from time to time, enter into reciprocal agreements with the sponsors of other pension plans. Such agreements may provide for the transfer of funds in respect of an employee who transfers from one pension plan to the other and may also provide for the transfer of some or all, of the employee's credited service.
- 25.2 If the Board of Trustees receives notice that any person entitled to receive benefits under the CUPE Shared Risk Plan is physically or mentally incapable of managing his or her affairs, the Board of Trustees may instruct the Funding Agent, or other person responsible for the payment of benefits, to pay the benefits for such person to the legally appointed representative or power of attorney of the intended recipient and such payment shall act as a full discharge thereof to the Board of Trustees and the CUPE Shared Risk Plan.
- 25.3 If any provision of the CUPE Shared Risk Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the CUPE Shared Risk Plan and the CUPE Shared Risk Plan shall be construed and enforced as if such provision had not been included therein.
- 25.4 Any provision of the Funding Contract that is inconsistent with the terms of the CUPE Shared Risk Plan shall, to the extent of the inconsistency, be of no force or effect.
- 25.5 Any determination made by the Board of Trustees with regard to any question of construction or interpretation arising under or in connection with the CUPE Shared Risk Plan, Declaration of Trust and Funding Policy shall be binding and conclusive on all persons affected thereby.
- 25.6 Participation in the CUPE Shared Risk Plan shall not enlarge nor diminish nor establish any rights to employment with an Employer which the Member did or did not formerly possess as an Employee of the Employer.
- 25.7 The CUPE Shared Risk Plan shall be governed and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein.
- 25.8 Any benefits payable hereunder shall be subject to any tax withholdings required by applicable law.
- 25.9 All benefits payable under the CUPE Shared Risk Plan shall be paid in the lawful currency of Canada.
- 25.10 All pension payments shall be paid on the first day of the month for which they are due and shall cease with the payment made on the first day of the month in which the Member, Claimant, Pre-Conversion Retiree, Other Pre-Conversion CUPE Claimant or surviving Spouse, as applicable, dies.

**APPENDIX A
COLA GRANTED UNDER ARTICLE VI**

<u>Date</u>	<u>COLA Granted</u>
January 1, 2013	2%
January 1, 2014	0.4% (COLA that was not paid for January 1, 2013), plus 0.96%
January 1, 2015	1.43%
January 1, 2016	1.49%
January 1, 2017	1.40%
January 1, 2018	1.47%

APPENDIX B
CONTRIBUTION RATE ADJUSTMENTS

**APPENDIX C
BENEFIT ADJUSTMENTS**

Date	Benefit Adjustment Granted
January 1, 2015	<p>An increase in the total Base Benefits determined under Section 5.3 of each Member who is not in receipt of pension payments as of December 31, 2013 equal to ninety-five percent (95%) of the difference arising from (i) minus (ii) below, but not less than zero:</p> <p>(i) the Base Benefits determined as of December 31, 2013 according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that</p> <p>(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using:</p> <p>(1) the annual average of the Member's Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2014 during which such Earnings were highest <u>instead of</u> the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and</p> <p>(2) the average of the YMPE for the five (5) years up to December 31, 2013 <u>instead of</u> the Conversion Date YMPE; and</p> <p>(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to January 1, 2014, such amounts shall be determined using:</p> <p>(1) the annual average of Member's Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2014 during which such Earnings were highest <u>instead of</u> the Member's annualized Earnings for each such calendar year; and</p> <p>(2) the average of the YMPE for the five (5) years up to December 31, 2013 <u>instead of</u> the YMPE for each such calendar year; and</p> <p>(ii) the Base Benefits determined as of December 31, 2013 according to Section 5.3 without regard to (i) above but including COLA granted up to and including January 1, 2014;</p> <p>and, in the event such increase in the total Base Benefits of a Member would result in a reduction of the Member's Base Benefits in respect of Pensionable Service on and after the Conversion Date, the Member's Base Benefits in respect of Pensionable Service on and after the Conversion Date shall not be reduced and the amount of any such reduction that would otherwise have applied shall be used to reduce the amount of the increase applied to the Member's Base Benefits in respect of Pensionable Service prior to the Conversion Date.</p>

Date	Benefit Adjustment Granted
January 1, 2016	<p data-bbox="370 254 1437 394">“Funding Policy Step II Increase” – An increase in the total Base Benefits determined under Section 5.3 of each Member who is not in receipt of pension payments as of December 31, 2014 equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero:</p> <ul style="list-style-type: none"> <li data-bbox="378 426 1437 495">(i) the Base Benefits determined as of December 31, 2014 according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that <ul style="list-style-type: none"> <li data-bbox="435 527 1437 596">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using: <ul style="list-style-type: none"> <li data-bbox="492 627 1437 877">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2015 during which such Earnings were highest <u>instead of</u> the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and <li data-bbox="492 909 1437 978">(2) the average of the YMPE for the five (5) years up to December 31, 2014 <u>instead of</u> the Conversion Date YMPE; and <li data-bbox="435 1010 1437 1115">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to January 1, 2015, such amounts shall be determined using: <ul style="list-style-type: none"> <li data-bbox="492 1146 1437 1325">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2015 during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and <li data-bbox="492 1356 1437 1430">(2) the average of the YMPE for the five (5) years up to December 31, 2014 <u>instead of</u> the YMPE for each such calendar year; and <li data-bbox="378 1461 1437 1598">(ii) the Base Benefits determined as of December 31, 2014 (which includes the Benefit Adjustment Granted on January 1, 2015) according to Section 5.3 without regard to (i) above but including COLA granted up to and including January 1, 2015; <p data-bbox="370 1629 1437 1879">and, in the event such increase in the total Base Benefits of a Member would result in a reduction of the Member’s Base Benefits in respect of Pensionable Service on and after the Conversion Date, the Member’s Base Benefits in respect of Pensionable Service on and after the Conversion Date shall not be reduced and the amount of any such reduction that would otherwise have applied shall be used to reduce the amount of the increase applied to the Member’s Base Benefits in respect of Pensionable Service prior to the Conversion Date.</p>

Date	Benefit Adjustment Granted
January 1, 2016	<p data-bbox="370 254 1433 432">“Funding Policy Step III Increase” – Payable effective January 1, 2016, an increase in the total Base Benefits determined under Section 5.3 of each Member who commenced pension between July 1, 2012 and December 31, 2014 under Article X, XII, or XIII, equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero, adjusted by (iii) below:</p> <p data-bbox="375 464 1429 569">(i) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that</p> <p data-bbox="431 600 1429 667">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using:</p> <p data-bbox="488 699 1429 989">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the annual average of the Member’s CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and</p> <p data-bbox="488 1020 1429 1125">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the Conversion Date YMPE; and</p> <p data-bbox="431 1157 1429 1262">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to the Member’s date of termination of employment with the Employer, such amounts shall be determined using:</p> <p data-bbox="488 1293 1429 1503">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and</p> <p data-bbox="488 1535 1429 1640">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the YMPE for each such calendar year; and</p> <p data-bbox="375 1671 1429 1818">(ii) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to (i) above but including COLA granted up to the Member’s date of termination of employment with the Employer.</p>

Date	Benefit Adjustment Granted
	<p>(iii) The difference arising from (i) and (ii) above shall be adjusted by:</p> <ul style="list-style-type: none"><li data-bbox="435 317 1442 386">(a) if the Member elects a form of pension under Section 11.2 or 11.4, the applicable Actuarial Equivalent factor; and<li data-bbox="435 415 1442 596">(b) if the Member elects to commence pension under Article XII, a reduction factor based on the applicable reduction factors under Section 12.3(i) and 12.3(ii) determined proportionally based on the Member's pensionable service prior to the Conversion Date and the Member's pensionable service on and after the Conversion Date respectively; and<li data-bbox="435 625 1442 695">(c) if the Member elects to commence pension under Article XIII, the applicable adjustment factor under Section 13.3; and<li data-bbox="435 724 1442 793">(d) any COLA granted following the Member's date of termination of employment with the Employer up to and including January 1, 2016.

Date	Benefit Adjustment Granted
January 1, 2016	<p data-bbox="370 254 1433 470">“Funding Policy Step IV Increase” – A lump sum payment representing the increase in the total Base Benefits determined under Section 5.3 of each Member who commenced pension between July 1, 2012 and December 31, 2014 under Article X, XII, or XIII, equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero, adjusted by (iii) and further adjusted and accumulated for the lump sum payment under (iv) below:</p> <p data-bbox="370 499 1433 604">(i) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that</p> <p data-bbox="435 634 1433 701">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using:</p> <p data-bbox="490 730 1433 1024">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the annual average of the Member’s CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and</p> <p data-bbox="490 1054 1433 1159">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the Conversion Date YMPE; and</p> <p data-bbox="435 1188 1433 1293">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to the Member’s date of termination of employment with the Employer, such amounts shall be determined using:</p> <p data-bbox="490 1323 1433 1533">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and</p> <p data-bbox="490 1562 1433 1667">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the YMPE for each such calendar year; and</p> <p data-bbox="370 1705 1433 1852">(ii) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to (i) above but including COLA granted up to the Member’s date of termination of employment with the Employer.</p>

Date	Benefit Adjustment Granted
	<p>(iii) The difference arising from (i) and (ii) above shall be adjusted by:</p> <ul style="list-style-type: none"> (a) if the Member elects a form of pension under Section 11.2 or 11.4, the applicable Actuarial Equivalent factor; and (b) if the Member elects to commence pension under Article XII, a reduction factor based on the applicable reduction factors under Section 12.3(i) and 12.3(ii) determined proportionally based on the Member's pensionable service prior to the Conversion Date and the Member's pensionable service on and after the Conversion Date respectively; and (c) if the Member elects to commence pension under Article XIII, the applicable adjustment factor under Section 13.3. <p>(iv) The amount determined following the adjustment of (iii) above on the difference arising from (i) and (ii) above shall be accumulated for each month, adjusted by the applicable cumulative COLA granted from the Member's pension commencement date to January 1, 2016 under Appendix A applicable to that month, from the Member's pension commencement date to December 31, 2015.</p>

Date	Benefit Adjustment Granted
January 1, 2016	<p data-bbox="370 254 1433 394">“Funding Policy Step V Increase” – An increase in the total Base Benefits determined under Section 5.3 of each Member who is not in receipt of pension payments as of December 31, 2014 equal to one-hundred percent (100%) of the amount arising from the following formula:</p> <p data-bbox="370 432 967 464">(i) less (ii) less (iii), but not less than zero; and</p> <p data-bbox="370 501 1008 533">(iv) less (v) less (vi), but not less than zero where:</p> <p data-bbox="370 571 1433 674">(i) is the Base Benefits determined as of December 31, 2014 according to Section 5.4 except that in determining the amounts therefor under Section 5.3(iii), such amounts shall be determined using:</p> <p data-bbox="435 711 1433 779">(a) for COLA granted January 1, 2014 under Appendix A, 2.57% instead of “0.4% (COLA that was not paid for January 1, 2013), plus 0.96%”; and</p> <p data-bbox="435 816 1433 884">(b) for COLA granted January 1, 2015 under Appendix A, 2.06% instead of 1.43%; and</p> <p data-bbox="435 921 1433 989">(c) for COLA granted January 1, 2016 under Appendix A, 2.45% instead of 1.49%; and</p> <p data-bbox="370 1026 1433 1129">(ii) is the Base Benefits determined as of December 31, 2014 according to Section 5.4 including COLA granted under Appendix A up to and including January 1, 2016; and</p> <p data-bbox="370 1167 784 1199">(iii) is the sum of the following:</p> <p data-bbox="435 1236 1433 1377">(a) the portion of the Benefit Adjustment Granted for January 1, 2015 under Appendix C which has been credited to the Member’s Base Benefit in respect of Pensionable Service prior to the Conversion Date, including COLA granted under Appendix A on January 1, 2016; and</p> <p data-bbox="435 1415 1433 1518">(b) the portion of the “Funding Policy Step II Increase” under Appendix C which has been credited to the Member’s Base Benefit in respect of Pensionable Service prior to the Conversion Date; and</p> <p data-bbox="370 1556 1433 1659">(iv) is the Base Benefits determined as of December 31, 2014 according to Section 5.5 except that in determining the amounts therefor under Section 5.3(iii), such amounts shall be determined using:</p> <p data-bbox="435 1696 1433 1764">(a) for COLA granted January 1, 2014 under Appendix A, 2.57% instead of “0.4% (COLA that was not paid for January 1, 2013), plus 0.96%”; and</p> <p data-bbox="435 1801 1433 1869">(b) for COLA granted January 1, 2015 under Appendix A, 2.06% instead of 1.43%; and</p>

Date	Benefit Adjustment Granted
	<p>(c) for COLA granted January 1, 2016 under Appendix A, 2.45% instead of 1.49%; and</p> <p>(v) is the Base Benefits determined as of December 31, 2014 according to Section 5.5 including COLA granted under Appendix A up to and including January 1, 2016; and</p> <p>(vi) is the sum of the following:</p> <ul style="list-style-type: none"> (a) the portion of the Benefit Adjustment Granted for January 1, 2015 under Appendix C which has been credited to the Member's Base Benefit in respect of Pensionable Service on and after the Conversion Date, including COLA granted under Appendix A on January 1, 2016; and (b) the portion of the "Funding Policy Step II Increase" under Appendix C which has been credited to the Member's Base Benefit in respect of Pensionable Service on and after the Conversion Date.

Date	Benefit Adjustment Granted
<p>January 1, 2017</p>	<p><u>“Funding Policy Step II Increase”</u> – An increase in the total Base Benefits determined under Section 5.3 of each Member who is not in receipt of pension payments as of December 31, 2015 equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero:</p> <ul style="list-style-type: none"> (i) the Base Benefits determined as of December 31, 2015 according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that <ul style="list-style-type: none"> (a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using: <ul style="list-style-type: none"> (1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2016 during which such Earnings were highest <u>instead of</u> the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and (2) the average of the YMPE for the five (5) years up to December 31, 2015 <u>instead of</u> the Conversion Date YMPE; and (b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to January 1, 2016, such amounts shall be determined using: <ul style="list-style-type: none"> (1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2016 during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and (2) the average of the YMPE for the five (5) years up to December 31, 2015 <u>instead of</u> the YMPE for each such calendar year; and (ii) the Base Benefits determined as of December 31, 2015 (which includes the Benefit Adjustment Granted on January 1, 2016) according to Section 5.3 without regard to (i) above but including COLA granted up to and including January 1, 2016; <p>and, in the event such increase in the total Base Benefits of a Member would result in a reduction of the Member’s Base Benefits in respect of Pensionable Service on and after the Conversion Date, the Member’s Base Benefits in respect of Pensionable Service on and after the Conversion Date shall not be reduced and the amount of any such reduction that would otherwise have applied shall be used to reduce the amount of the increase applied to the Member’s Base Benefits in respect of Pensionable Service prior to the Conversion Date.</p>

Date	Benefit Adjustment Granted
January 1, 2017	<p data-bbox="370 254 1438 436">“Funding Policy Step III Increase” – Payable effective January 1, 2017, an increase in the total Base Benefits determined under Section 5.3 of each Member who commenced pension between January 1, 2015 and December 31, 2015 under Article X, XII, or XIII, equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero, adjusted by (iii) below:</p> <p data-bbox="378 464 1438 569">(i) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that</p> <p data-bbox="435 600 1438 667">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using:</p> <p data-bbox="492 699 1438 989">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the annual average of the Member’s CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and</p> <p data-bbox="492 1020 1438 1125">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the Conversion Date YMPE; and</p> <p data-bbox="435 1157 1438 1262">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to the Member’s date of termination of employment with the Employer, such amounts shall be determined using:</p> <p data-bbox="492 1293 1438 1503">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and</p> <p data-bbox="492 1535 1438 1640">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the YMPE for each such calendar year; and</p> <p data-bbox="378 1671 1438 1818">(ii) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to (i) above but including COLA granted up to the Member’s date of termination of employment with the Employer.</p>

Date	Benefit Adjustment Granted
	<p>(iii) The difference arising from (i) and (ii) above shall be adjusted by:</p> <ul style="list-style-type: none"><li data-bbox="435 317 1442 386">(a) if the Member elects a form of pension under Section 11.2 or 11.4, the applicable Actuarial Equivalent factor; and<li data-bbox="435 417 1442 596">(b) if the Member elects to commence pension under Article XII, a reduction factor based on the applicable reduction factors under Section 12.3(i) and 12.3(ii) determined proportionally based on the Member's pensionable service prior to the Conversion Date and the Member's pensionable service on and after the Conversion Date respectively; and<li data-bbox="435 627 1442 697">(c) if the Member elects to commence pension under Article XIII, the applicable adjustment factor under Section 13.3; and<li data-bbox="435 728 1442 798">(d) any COLA granted following the Member's date of termination of employment with the Employer up to and including January 1, 2017.

Date	Benefit Adjustment Granted
January 1, 2017	<p data-bbox="370 254 1435 470">“Funding Policy Step IV Increase” – A lump sum payment representing the increase in the total Base Benefits determined under Section 5.3 of each Member who commenced pension between January 1, 2015 and December 31, 2015 under Article X, XII, or XIII, equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero, adjusted by (iii) and further adjusted and accumulated for the lump sum payment under (iv) below:</p> <p data-bbox="375 506 1435 611">(i) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that</p> <p data-bbox="435 646 1435 716">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using:</p> <p data-bbox="488 751 1435 1037">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and</p> <p data-bbox="488 1073 1435 1178">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the Conversion Date YMPE; and</p> <p data-bbox="435 1213 1435 1325">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to the Member’s date of termination of employment with the Employer, such amounts shall be determined using:</p> <p data-bbox="488 1360 1435 1570">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and</p> <p data-bbox="488 1606 1435 1711">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the YMPE for each such calendar year; and</p> <p data-bbox="375 1747 1435 1892">(ii) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to (i) above but including COLA granted up to the Member’s date of termination of employment with the Employer.</p>

Date	Benefit Adjustment Granted
	<p>(iii) The difference arising from (i) and (ii) above shall be adjusted by:</p> <ul style="list-style-type: none"><li data-bbox="435 321 1435 394">(a) if the Member elects a form of pension under Section 11.2 or 11.4, the applicable Actuarial Equivalent factor; and<li data-bbox="435 426 1435 604">(b) if the Member elects to commence pension under Article XII, a reduction factor based on the applicable reduction factors under Section 12.3(i) and 12.3(ii) determined proportionally based on the Member's pensionable service prior to the Conversion Date and the Member's pensionable service on and after the Conversion Date respectively; and<li data-bbox="435 636 1435 709">(c) if the Member elects to commence pension under Article XIII, the applicable adjustment factor under Section 13.3. <p>(iv) The amount determined following the adjustment of (iii) above on the difference arising from (i) and (ii) above shall be accumulated for each month, from the Member's pension commencement date to December 31, 2016.</p>

Date	Benefit Adjustment Granted
January 1, 2018	<p data-bbox="370 254 1433 394">“Funding Policy Step II Increase” – An increase in the total Base Benefits determined under Section 5.3 of each Member who is not in receipt of pension payments as of December 31, 2016 equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero:</p> <ul style="list-style-type: none"> <li data-bbox="370 426 1433 495">(i) the Base Benefits determined as of December 31, 2016 according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that <ul style="list-style-type: none"> <li data-bbox="435 527 1433 596">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using: <ul style="list-style-type: none"> <li data-bbox="492 627 1433 877">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2017 during which such Earnings were highest <u>instead of</u> the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and <li data-bbox="492 909 1433 978">(2) the average of the YMPE for the five (5) years up to December 31, 2016 <u>instead of</u> the Conversion Date YMPE; and <li data-bbox="435 1010 1433 1115">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to January 1, 2017, such amounts shall be determined using: <ul style="list-style-type: none"> <li data-bbox="492 1146 1433 1320">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to January 1, 2017 during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and <li data-bbox="492 1352 1433 1421">(2) the average of the YMPE for the five (5) years up to December 31, 2016 <u>instead of</u> the YMPE for each such calendar year; and <li data-bbox="370 1453 1433 1596">(ii) the Base Benefits determined as of December 31, 2016 (which includes the Benefit Adjustment Granted on January 1, 2017) according to Section 5.3 without regard to (i) above but including COLA granted up to and including January 1, 2017; <p data-bbox="370 1627 1433 1877">and, in the event such increase in the total Base Benefits of a Member would result in a reduction of the Member’s Base Benefits in respect of Pensionable Service on and after the Conversion Date, the Member’s Base Benefits in respect of Pensionable Service on and after the Conversion Date shall not be reduced and the amount of any such reduction that would otherwise have applied shall be used to reduce the amount of the increase applied to the Member’s Base Benefits in respect of Pensionable Service prior to the Conversion Date.</p>

Date	Benefit Adjustment Granted
January 1, 2018	<p data-bbox="370 254 1433 432">“Funding Policy Step III Increase” – Payable effective January 1, 2018, an increase in the total Base Benefits determined under Section 5.3 of each Member who commenced pension between January 1, 2016 and December 31, 2016 under Article X, XII, or XIII, equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero, adjusted by (iii) below:</p> <p data-bbox="375 464 1429 569">(i) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that</p> <p data-bbox="431 600 1429 667">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using:</p> <p data-bbox="488 699 1429 989">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the annual average of the Member’s CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and</p> <p data-bbox="488 1020 1429 1125">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the Conversion Date YMPE; and</p> <p data-bbox="431 1157 1429 1262">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to the Member’s date of termination of employment with the Employer, such amounts shall be determined using:</p> <p data-bbox="488 1293 1429 1503">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and</p> <p data-bbox="488 1535 1429 1640">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the YMPE for each such calendar year; and</p> <p data-bbox="375 1671 1429 1818">(ii) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to (i) above but including COLA granted up to the Member’s date of termination of employment with the Employer.</p>

Date	Benefit Adjustment Granted
	<p>(iii) The difference arising from (i) and (ii) above shall be adjusted by:</p> <ul style="list-style-type: none"><li data-bbox="435 317 1435 386">(a) if the Member elects a form of pension under Section 11.2 or 11.4, the applicable Actuarial Equivalent factor; and<li data-bbox="435 417 1435 596">(b) if the Member elects to commence pension under Article XII, a reduction factor based on the applicable reduction factors under Section 12.3(i) and 12.3(ii) determined proportionally based on the Member's pensionable service prior to the Conversion Date and the Member's pensionable service on and after the Conversion Date respectively; and<li data-bbox="435 627 1435 697">(c) if the Member elects to commence pension under Article XIII, the applicable adjustment factor under Section 13.3; and<li data-bbox="435 728 1435 798">(d) any COLA granted following the Member's date of termination of employment with the Employer up to and including January 1, 2018.

Date	Benefit Adjustment Granted
January 1, 2018	<p data-bbox="370 254 1433 470">“Funding Policy Step IV Increase” – A lump sum payment representing the increase in the total Base Benefits determined under Section 5.3 of each Member who commenced pension between January 1, 2016 and December 31, 2016 under Article X, XII, or XIII, equal to one-hundred percent (100%) of the difference arising from (i) minus (ii) below, but not less than zero, adjusted by (iii) and further adjusted and accumulated for the lump sum payment under (iv) below:</p> <p data-bbox="375 506 1429 611">(i) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to any COLA granted under paragraph 5.3(iii) except that</p> <p data-bbox="435 646 1429 716">(a) in determining the amounts therefor under Section 5.4, such amounts shall be determined using:</p> <p data-bbox="488 751 1429 1041">(1) the annual average of the Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the annual average of the Member's CUPE Hospitals Plan Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to July 1, 2012 during which such earnings are highest; and</p> <p data-bbox="488 1077 1429 1182">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the Conversion Date YMPE; and</p> <p data-bbox="435 1218 1429 1323">(b) in determining the amounts therefor under Section 5.5 for each calendar year (or part thereof) up to the Member’s date of termination of employment with the Employer, such amounts shall be determined using:</p> <p data-bbox="488 1358 1429 1568">(1) the annual average of Member’s Earnings during the period of five (5) consecutive years (or the average of the actual years if less than five (5)) prior to the Member’s date of termination of employment with the Employer during which such Earnings were highest <u>instead of</u> the Member’s annualized Earnings for each such calendar year; and</p> <p data-bbox="488 1604 1429 1709">(2) the average of the YMPE for the five (5) years up to the Member’s date of termination of employment with the Employer <u>instead of</u> the YMPE for each such calendar year; and</p> <p data-bbox="375 1745 1429 1892">(ii) the Base Benefits determined as of the Member’s date of termination of employment with the Employer according to Section 5.3 without regard to (i) above but including COLA granted up to the Member’s date of termination of employment with the Employer.</p>

Date	Benefit Adjustment Granted
	<p>(iii) The difference arising from (i) and (ii) above shall be adjusted by:</p> <ul style="list-style-type: none"><li data-bbox="435 321 1435 394">(a) if the Member elects a form of pension under Section 11.2 or 11.4, the applicable Actuarial Equivalent factor; and<li data-bbox="435 426 1435 604">(b) if the Member elects to commence pension under Article XII, a reduction factor based on the applicable reduction factors under Section 12.3(i) and 12.3(ii) determined proportionally based on the Member's pensionable service prior to the Conversion Date and the Member's pensionable service on and after the Conversion Date respectively; and<li data-bbox="435 636 1435 709">(c) if the Member elects to commence pension under Article XIII, the applicable adjustment factor under Section 13.3. <p>(iv) The amount determined following the adjustment of (iii) above on the difference arising from (i) and (ii) above shall be accumulated for each month, from the Member's pension commencement date to December 31, 2017.</p>

SCHEDULE A
SECTION 10.01 OF CUPE HOSPITALS PLAN

- 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 January 1, 1981 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 and to the Predecessor Plan with Accumulated Interest.