



---

**BANK OF CANADA**  
**PENSION PLAN**  
**(BY-LAW 15)**

This document is a consolidated version of the Bank of Canada Pension Plan (By-law 15). It incorporates into the text of the Plan all amendments made to date. The previous consolidation included the amendments which had been published in the *Canada Gazette* on June 24, 2017. This consolidation includes the latest set of amendments which were published in the *Canada Gazette* on May 2, 2020.

**May 2020**



# TABLE OF CONTENTS

---

<b>INTRODUCTION</b>	<b>1</b>
<b>SECTION ONE - INTERPRETATION</b>	<b>2</b>
1.1 Definitions	
1.2 Pensionable Service	
1.2.1 Eligible Service	
1.2.2 Temporary Periods of Reduced Pay or Services	
1.2.3 Limitations	
1.3 Credited Service	
1.4 Retirement	
1.5 Disabled Members	
1.5.1 Employment Status	
1.5.2 Cessation of Period of Disability	
<b>SECTION TWO - MEMBERSHIP</b>	<b>12</b>
2.1 Eligibility	
2.1.1 Regular Employees	
2.1.2 Temporary Employees	
2.1.3 Decrease in Income	
2.2 Cessation of Membership	
2.2.1 Prohibited While an Employee	
2.2.2 Date	
2.3 Re-employed Member	
2.3.1 Surrender of Deferred Pension Benefits	
2.3.2 Suspension of Immediate Pension Benefits	
2.3.3 Suspended Benefits - Actuarial Adjustment	
2.3.4 No Reduction in Benefits or Rights	
2.4 Deemed Membership	
<b>SECTION THREE - CONTRIBUTIONS</b>	<b>15</b>
3.1 Permissible Contributions	
3.2 Member Required Contributions	
3.2.1 Current Service	
3.2.2 Past Service	
3.2.3 Maximum Member Contributions	
3.3 No Withdrawal of Member Contributions	
3.4 Employer Contributions	
3.4.1 Amount	
3.4.2 Actuary's Advice	
3.5 Reduction of Contributions	

## **SECTION FOUR - MEMBER'S CONTRIBUTION ACCOUNT**

20

### 4.1 Net Contribution Account

### 4.2 Interest

#### 4.2.1 Rate

#### 4.2.2 Accrual

#### 4.2.3 Crediting

## **SECTION FIVE - RETIREMENT BENEFITS**

22

### 5.1 Retirement at Pensionable Age

#### 5.1.1 Eligibility

#### 5.1.2 Amount of Lifetime Pension Benefit

#### 5.1.3 Amount of Bridge Pension Benefit

### 5.2 Retirement After Pensionable Age

#### 5.2.1 Eligibility

#### 5.2.2 Amount of Pension Benefits

### 5.3 Retirement Before Pensionable Age

#### 5.3.1 Eligibility

#### 5.3.2 Amount of Pension Benefits B Actuarial Reduction

#### 5.3.3 Alternate Reduction

#### 5.3.4 Minimum Reduction

### 5.4 Retroactive Adjustments to Lifetime Pension Benefits

### 5.5 Split-Service Member

## **SECTION SIX - BENEFITS ON TERMINATION OF EMPLOYMENT FOR ANY REASON OTHER THAN RETIREMENT OR**

27

### **DEATH**

### 6.1 Deferred Pension Benefit

#### 6.1.1 Eligibility

#### 6.1.2 Amount of Pension Benefits

#### 6.1.3 Early Commencement

#### 6.1.4 Benefits While Disabled

### 6.2 Transfer of a Pension Benefit Credit

#### 6.2.1 Optional Transfer

#### 6.2.2 Mandatory Transfer

#### 6.2.3 Solvency Restriction

#### 6.2.4 Optional Transfer if Entitled to an Immediate Pension

### 6.3 Refunds

#### 6.3.1 Less Than Two Years of Membership

#### 6.3.2 Pensionable Service From October 1, 1967 to December 31, 1986

#### 6.3.3 Pensionable Service Prior to October 1, 1967

### 6.4 Time Limit for Benefit Election



6.5 Unpaid Leave

**SECTION SEVEN - DEATH BENEFITS**

**31**

7.1 Pre-Retirement Survivor Benefits

7.1.1 Eligibility

7.1.2 Amount of Spouse's Lifetime Pension Benefit

7.1.3 Minimum Spouse's and Dependant's Pension Benefit Credit

7.1.4 Transfer of Spouse's Pension Benefit Credit

7.1.5 Amount of Dependant's Pension Benefit

7.2 Post-Retirement Survivor Benefits

7.2.1 Eligibility

7.2.2 Amount of Spouse's Lifetime Pension Benefit

7.2.3 Amount of Spouse's Bridge Pension Benefit

7.2.4 Amount of Dependants' Pension Benefits

7.3 Optional Post-Retirement Spouse's Benefits

7.3.1 One Hundred Percent Spouse's Pension

7.3.2 Adjustment to Member's Pension Benefits

7.4 Deemed Retirement

7.5 Residual Payment

7.6 Retroactive Adjustment to Survivor Benefits

**SECTION EIGHT - ADJUSTMENT OF PENSION BENEFITS**

**39**

8.1 Application

8.2 Amount of Adjustment

8.2.1 Initial Adjustment

8.2.2 First January 1 Adjustment

8.2.3 Subsequent January 1 Adjustments

8.3 No Reduction in Pension Benefits

**SECTION NINE - MAXIMUM PENSION BENEFITS**

**41**

9.1 Lifetime Pension Limits

9.1.1 Initial Limit

9.1.2 Limit When Benefits Become Payable

9.2 Bridge Pension Limits

9.2.1 Initial Limit

9.2.2 Limit When Benefits Become Payable

9.3 Application

<b>SECTION TEN - PAYMENT OF PENSION BENEFITS</b>	<b>45</b>
10.1 Pension Benefits in Monthly Instalments	
10.2 Commutation of Small Benefits	
<b>SECTION ELEVEN - ASSIGNMENT OF BENEFITS</b>	<b>46</b>
11.1 Assignment of Rights	
11.2 Marriage Breakdown	
11.2.1 Application	
11.2.2 Assignment to Spouse	
11.2.3 Non-application of PBSA	
11.2.4 Adjustment of Joint and Survivor Pension Benefit	
11.3 Assignment and Unlocking for Non-Residents	
<b>SECTION TWELVE - PENSION FUND</b>	<b>48</b>
12.1 Trust Agreement	
12.2 Trust Fund Vested in Trustees	
12.3 Payments Into and Out of Trust Fund	
12.3.1 Contributions	
12.3.2 Distributions	
12.4 Investments	
<b>SECTION THIRTEEN - ADMINISTRATION</b>	<b>50</b>
13.1 Administrator	
13.1.1 Interpretation	
13.1.2 Responsibilities	
13.1.3 Delegation	
13.2 Determination of Amounts	
13.3 Information to Members	
13.3.1 Explanation to Active Members and to Their Spouses	
13.3.2 Statements	
13.3.3 Rights to Examine Documents	
13.4 Pension Council	
13.5 Confidential Information	

**SECTION FOURTEEN - AMENDMENT OR TERMINATION** **53**

- 14.1 Right to Amend or Termination
- 14.2 No Reduction in Benefits
- 14.3 Withdrawal of Surplus While Plan Remains in Force
- 14.4 Withdrawal of Surplus on Plan Termination
- 14.5 Partial Wind-up of the Plan
- 14.6 Report to Superintendent
- 14.7 Pensionable Service, Credited Service and Average Salary on Plan Termination

**SECTION FIFTEEN - MISCELLANEOUS** **55**

- 15.1 Change in Consumer Price Index
- 15.2 Agreements with Other Employers
- 15.3 Indemnification
- 15.4 Provision for Regulations
- 15.5 Incapacity to Receive a Benefit

**SECTION SIXTEEN - OUTSOURCING OF RETAIL DEBT OPERATIONS** **56**

- 16.1 Introduction
- 16.2 Definitions and Application
  - 16.2.1 Additional Definitions
  - 16.2.2 Application
- 16.3 Modifications and Clarifications of Existing Provisions
  - 16.3.1 General Modifications
  - 16.3.2 Definitions
  - 16.3.3 Pensionable Service
  - 16.3.4 Credited Service
  - 16.3.5 Member Required Contributions
- 16.4 Amendments Applicable to the Affected Member

**SECTION SEVENTEEN - PRE-CHANGE PLAN TERMS** **60**

- 17.1 Introduction and Application
  - 17.1.1 Introduction
  - 17.1.2 Application
  - 17.1.3 Modification
  - 17.1.4 No Duplication



- 17.2 Member Required Contribution
  - 17.2.1 Current Service
  - 17.2.2 Past Service
- 17.3 Bridge Pension Benefit
- 17.4 Death Benefits
  - 17.4.1 Amount of Spouse's Lifetime Pre-Retirement Survivor Benefit
  - 17.4.2 Residual Payment

## INTRODUCTION

---

The Bank of Canada Pension Plan (the "*Plan*") was established by the Bank of Canada (the "*Bank*") for its eligible employees.

The *Plan* was amended, effective January 1, 2012, to (among other things) change the *pensionable age* and *member* contribution rate, to remove the *bridge pension benefit* and to change the provisions relating to pre-retirement death benefits and post-retirement death benefits. These changes apply to *members* of the *Plan* whose employment by the *Bank* commences on or after January 1, 2012, unless an exception applies. Generally, an individual who was, at the relevant time, an *active member*, or a *regular employee* within the first sixty *continuous* months of his or her employment with the *Bank* and who had not elected to become a *member* of the *Plan*, or a *temporary employee*, was given a one-time option to elect whether the *pre-change Plan terms* or the *post-change Plan terms* apply to his or her obligations and entitlements under the *Plan* in respect of his or her *pensionable service* and *credited service* accrued on and after January 1, 2012. In the case of an individual who does not exercise the one-time option to elect for the *post-change Plan terms* to apply, the *pre-change Plan terms* will apply or continue to apply to the individual in respect of his or her *pensionable service* and *credited service* accrued on and after January 1, 2012. For greater certainty, these *Plan* amendments do not apply to an *affected member* (as defined in paragraph 16.2.1), nor to the determination of *pension benefits*, *pension benefit credits*, *pensionable service* and *credited service* accrued prior to January 1, 2012, unless otherwise specifically provided by the *Plan* and permitted by the *PBSA*.

The *Plan* was once again amended, effective January 1, 2012 (except where another effective date is specifically provided by the *Plan*), to (among other things) change certain provisions relating to pre-retirement death benefits, make adjustments to *pensionable age* provisions for *split-service members*, make sundry changes required as a result of amendments to the *PBSA* pursuant to the provisions of Bill C-9 and Bill C-47 and which come into effect on various dates, and to make changes to plan termination provisions. For greater certainty, these *Plan* amendments do not apply to the determination of *pension benefits*, *pension benefit credits*, *pensionable service* and *credited service* accrued prior to January 1, 2012, unless otherwise specifically provided by the *Plan* and permitted by the *PBSA* (among other things, the references throughout the *Plan* to partial wind-ups of the *Plan* by the *Bank* were removed effective July 12, 2010.) Unless stated otherwise, the amount or the value of the *pension benefit* or *pension benefit credit* of *members* whose *pensionable service* or *credited service* terminated before January 1, 2012 are determined by the terms of the *Plan* that were in effect at the time of that event.

The *Plan* is once again amended, effective June 24, 2017 (except where another effective date is specifically provided by the *Plan*), to (among other things) change member contribution rates as of April 1, 2018 and April 1, 2019, change the unpaid leave of absence provisions and incorporate the early retirement reduction factors in the *Plan*.

The *Plan* shall be interpreted in the context of this "INTRODUCTION" Section.

## SECTION ONE INTERPRETATION

---

### 1.1 DEFINITIONS

In this *Plan*

"*actuary*" means a Fellow of the Canadian Institute of Actuaries;

"*active member*" means a *member* who has not *retired*, terminated employment with the *Bank* or died;

"*Administrator*" has the meaning assigned by subsection 13.1;

"*average YMPE*" means the average of the *Year's Maximum Pensionable Earnings* for the calendar year in which a *member* ceases to be an *active member* and for each of the four preceding calendar years;

"*average salary*" means

- (a) one-fifth of the aggregate of a *member's full-time salary* for any *continuous* five year period of membership in the *Plan*, or
- (b) if a *member* for less than a *continuous* five year period, the average annual *full-time salary* for the period of membership in the *Plan*;

"*Bank*" means the Bank of Canada;

"*Board*" means the Board of Directors or the Executive Committee of the *Bank*;

"*bridge*", in relation to a *pension benefit*, means

- (a) a *pension benefit* which once the periodic payments commence to be paid to a *member* will continue to be paid until the *member* attains age sixty-five years or dies, whichever occurs first, or
- (b) a *pension benefit* which, once the periodic payments commence to be paid to a *member's spouse* or *dependant*, will continue to be paid until the earlier of
  - (i) the date the *member* would have attained age sixty-five years, and
  - (ii) the date of death of the *spouse* or *dependant* or the date the *dependant* ceases to be a *dependant*, whichever is applicable;

"*change option*" means the one-time option granted by the *Bank* to its employees as at December 31, 2011 (other than those employed as Governor or Senior Deputy Governor of the *Bank*) to elect, in the manner and within the time prescribed by the *Bank*, whether the *pre-change Plan terms* or the *post-change Plan terms* apply to the obligations and entitlements in respect of their *pensionable service* and *credited service* accrued on and after January 1, 2012, subject to the terms set out in the option;

"*compensation*" has the meaning assigned by Section 147.1 of the *Income Tax Act*;

"*continuous*", in relation to membership in the *Plan* or to employment, is not affected by periods of temporary interruption of membership or employment;

"*credited service*" has the meaning assigned by subsection 1.3 and shall be used for the purpose of

- (a) calculating a *pension benefit*, and
- (b) limiting the period for which a *member* may contribute to the *Plan*;

"*deemed salary*", in relation to a *period of disability* or a *temporary period of reduced pay or services* of a *member*, means the amount that, in the opinion of the *Administrator*, would reasonably be the *paid salary* of an individual performing similar duties as the *member's* position with the *Bank* immediately prior to the start of such period, less the *member's paid salary* in respect of services rendered to the *Bank* during such period;

"*deferred*", in relation to a *pension benefit*, means a *pension benefit* other than an *immediate pension benefit*;

"*defined benefit limit*" means the amount which is the defined benefit limit determined at the relevant time under the *Income Tax Act*;

"*dependant*" means a natural child, stepchild, or adopted child of a *member* who at the date of death of the *member* is dependent on the *member* and is

- (a) less than nineteen years of age throughout the calendar year in which the *member* dies,
- (b) in full-time attendance at an educational institution and less than age twenty-five years, or
- (c) mentally or physically infirm

and such person shall cease to be a dependant at the later of

- (d) the end of the calendar year in which age eighteen years is attained, and
- (e) the date the person ceases to be a full-time student at an educational institution, but not later than the date age twenty-five years is attained, and
- (f) at the end of the period of mental or physical infirmity, if a dependant by reason of mental or physical infirmity;

"*disabled*" means suffering from a mental or physical impairment that prevents a *member* from performing the duties of employment in which the *member* was engaged before the start of the impairment;

"*full-time employment*" means, except as provided for in subsection 1.5, being engaged to work throughout the year for the normally scheduled hours of work established for persons in that class of employment;

"*full-time salary*", in relation to any period, means the amount, at least equal to a *member's paid salary*, that in the opinion of the *Administrator* would reasonably be the *salary* of an individual in *full-time employment* performing similar duties as the *member's* position for such period;

"*grandfathered member*" means a *member* who

- (a) was
  - (i) an *active member* as at December 31, 2011, or
  - (ii) a *temporary employee* as at December 31, 2011,and
  - (iii) does not fall within subparagraph (c) below,and
  - (iv) has not exercised the *change option* or has exercised the *change option* by electing the *pre-change Plan terms* to continue to apply in respect of his or her *pensionable service* and *credited service* accrued on and after January 1, 2012;
- (b) was a *regular employee* but not an *active member*, as at December 31, 2011, and who does not fall within subparagraph (c) below, other than an individual who objects to becoming a *member* because of his or her religious beliefs; or
- (c) was Governor or Senior Deputy Governor of the *Bank* as at December 31, 2011, in respect of his or her *pensionable service* until termination of his or her employment with the *Bank* (for greater certainty, such *pensionable service* includes his or her *pensionable service* not as Governor or Senior Deputy Governor of the *Bank* prior to such termination); or
- (d) is an individual who is or was, at any time after 2011, employed as Governor or Senior Deputy Governor of the *Bank* (and who does not fall within paragraph (c)) but only in respect of his or her *pensionable service* as Governor or Senior Deputy Governor of the *Bank*, unless otherwise specifically provided in the *Plan*;

and, for greater certainty, an individual may be a *grandfathered member* under more than one of subparagraphs (a), (b), (c) and (d) in respect of different periods of the individual's *pensionable service* but not within more than one of subparagraphs (a), (b), (c) and (d)

for the same period of *pensionable service*;

"*immediate*", in relation to a *pension benefit*, means a *pension benefit* that is to commence within one month after a *member*, *member's spouse* or *dependant* is entitled to it;

"*Income Tax Act*" means the *Income Tax Act*, S.C. 1970-71-72, c.63, and the Regulations thereunder, each as amended;

"*interest*" has the meaning assigned by subsection 4.2;

"*lifetime*", in relation to a *pension benefit*, means a *pension benefit* which once the periodic payments commence to be paid to a *member* or *member's spouse* will continue to be paid until the death of such person unless the benefit is suspended or commuted prior to that time;

"*Long Term Disability Plan*" means the Bank of Canada Long Term Disability Plan or such other similar plan, other than this *Plan*, as may be established by the *Bank* for the purposes of providing long term disability benefits;

"*member*" means a person who has a right to receive a benefit under the *Plan* other than a person whose right to a benefit exists

(a) by virtue of the *pensionable service* of another person, or

(b) solely by virtue of a period of *pensionable service* prior to January 1, 1987;

"*net contribution account*" has the meaning assigned by subsection 4.1;

"*paid salary*", in relation to any period, means a *member's* regular salary or wages from the *Bank* that is required under the *Income Tax Act* to be included in income for such period, including temporary assignment and performance pay but excluding all other allowances;

"*part-time employment*" means, except as provided for in subsection 1.5, being employed to work at less than *full-time employment*;

"*PBSA*" means the *Pension Benefits Standards Act, 1985*, R.S.C. 1987, c.90, and the Regulations and Directives made thereunder, each as amended;

"*pension benefit*" means a periodic amount to which a *member* or the *member's spouse* or *dependant* is or may become entitled under the *Plan*;

"*pension benefit credit*" means the aggregate value at the date of calculation of a person's *pension benefits* and other benefits under the *Plan*, calculated as *prescribed* under the *PBSA* or similar provincial legislation, as applicable, but which shall be not less than the sum of

- (a) the *member's net contribution account* in respect of the *pensionable service* for which the *pension benefit* and other benefits are payable, and
- (b) accrued *interest* up to the beginning of the month that includes the date of calculation;

"*pension index*", with respect to a calendar year after 1969, means the average of the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act*, for each month in the twelve month period ending on the thirtieth day of September of the immediately preceding calendar year;

"*pensionable age*" means, except as provided under paragraph 6.1.4, the earliest age at which a *member* is entitled to an unreduced *immediate pension benefit*, which shall be,

- (a) for a *member* (A) who is a *grandfathered member* not by virtue only of his or her becoming Governor or Senior Deputy Governor of the *Bank* after 2011, or (B) who commenced his or her employment with the *Bank* after 2011 and was employed solely as Governor or Senior Deputy Governor of the *Bank* for the entire period of his or her employment, the lesser of
  - (i) age sixty years, and
  - (ii) age fifty-five years or greater having attained thirty years of *pensionable service*; and
- (b) for a *member*, other than a *member* described in subparagraph (a), the lesser of
  - (i) age sixty-five years, and
  - (ii) age sixty years or greater having attained thirty years of *pensionable service*;

"*pensionable service*" means the period or periods described under subsection 1.2 recognized for the purpose of providing a *pension benefit* and for calculating the maximum permissible *pension benefits*;

"*pensioner*" means a person who is in receipt of a *pension benefit*;

"*period of disability*" means a period throughout which a *member* is *disabled* and either receiving or eligible to receive benefits under the *Long Term Disability Plan*;

"*period of parenting*" means the portion of a leave of absence or period of reduced pay that is within the twelve month period following the birth or adoption of a child;

"*Plan*" means the Bank of Canada Pension Plan as described herein and as may be amended from time to time;

"*post-change Plan terms*" means Sections One to Fifteen of the *Plan* in effect as at January 1, 2012, and as amended or replaced thereafter;

"*pre-change Plan terms*" means the terms of the *Plan* in effect as at December 31, 2011;

"*prescribed*" means prescribed by regulation under the *PBSA* or the *Income Tax Act*;

"*regular employee*" means

- (a) a person employed by the *Bank* in a *continuous* capacity, or
- (b) a person appointed as an officer of the *Bank* by the *Board* with the approval of the Governor in Council;

"*retire*" has the meaning assigned by subsection 1.4;

"*salary*" means the sum of

- (a) a *member's paid salary*,
- (b) the *member's deemed salary*, if during a *period of disability*, and
- (c) an amount determined by the *Administrator* not exceeding the *member's deemed salary*, if during a temporary period of reduced pay or services and, in relation to a period of employment with an employer other than the *Bank* in respect of which *pensionable service* is recognized under paragraph 1.2.1, *salary* shall be determined in a substantially similar manner;

"*split-service member*" means a *member* with part of his or her *pensionable service* governed by the *pre-change Plan terms* and part of his or her *pensionable service* governed by the *post-change Plan terms*;

"*spouse*" means, except in subsection 11.2,

- (a) if there is no person described in subparagraph (b) a person who is party to a marriage, including a void marriage with the *member*, or
- (b) a person who establishes to the satisfaction of the *Administrator* that at the relevant date such person is cohabiting with the *member* in a conjugal relationship having so cohabited with the *member* for at least one year;

"*Superintendent*" means the Office of the Superintendent of Financial Institutions;



"*temporary employee*" means a person employed by the *Bank* other than a *regular employee*;

"*temporary period of reduced pay or services*" means a period, other than a *period of disability*, throughout which a *member's paid salary* is less, in the opinion of the *Administrator*, than it is reasonable to expect the *member* would have received had services been rendered to the *Bank* throughout the period on a basis and a rate of pay consistent with the *member's paid salary* immediately before the period;

"*totally and permanently disabled*" means a state of physical or mental impairment which prevents a *member* from regularly engaging in any employment for which the *member* is reasonably suited by virtue of education, training, or experience and from which there is no reasonable expectation that the *member* will recover;

"*Trust Fund*" means the Pension Fund established as of March 12, 1936, in accordance with the provisions of the *Bank of Canada Act, 1934*, and as subsequently amended;

"*Trustees*" means the persons or person (including a trust company) appointed by the *Bank* to act as trustee of the *Trust Fund* and holding office as such from time to time pursuant to the terms of the agreement entered into between the *Bank* and the *Trustees* as provided in subsection 12.1 hereof;

"*wage index*", with respect to a calendar year, means one-twelfth of the aggregate of the wage measures for each month in the twelve month period ending on the thirtieth day of June of the preceding calendar year and for this purpose, the wage measure for a month is the average weekly wages and salaries of the Industrial Aggregate for Canada for that month as published by Statistics Canada;

"*Year's Maximum Pensionable Earnings*" has the same meaning assigned to that term under the Canada Pension Plan.

## **1.2 PENSIONABLE SERVICE**

### **1.2.1 Eligible Service**

Subject to subsection 14.7, *pensionable service* includes

- (a) the period of the *member's* employment by the *Bank* since last becoming a *member*, other than *temporary periods of reduced pay or services*, and for which the *member* receives remuneration from the *Bank*,
- (b) the whole or any part of a period or periods of employment by the *Bank* prior to last becoming a *member* for which *member* contributions, determined according to paragraph 3.2.2 and/or paragraph 17.2.2 (for a *grandfathered member*), are made to the *Plan*,
- (c) the whole or any part, of the *member's* pensionable service under another registered pension plan, determined in accordance with a reciprocal transfer agreement pursuant to subsection 15.2,

- (d) the whole or any part of the *member's* pensionable service under another registered pension plan, other than a plan for which pensionable service is recognized under subparagraph (c), for which *member* contributions, determined according to paragraph 3.2.2, are made to the *Plan*,
- (e) any period that is acceptable to the Minister of National Revenue and the *Board* throughout which the *member* was employed outside Canada and in respect of which the *member* surrenders pension rights with a previous employer at the date of becoming a *member* and for which *member* contributions, determined according to paragraph 3.2.2, are made to the *Plan*,
- (f) any *period of disability*, and
- (g) the whole or any part of a *temporary period of reduced pay or services* of the *member*, as described under paragraph 1.2.2.

### **1.2.2 Temporary Periods of Reduced Pay or Services**

Subject to subsection 14.7, the *pensionable service* of a *member* in respect of a *temporary period of reduced pay or services* shall equal the sum of

- (a) the portion of such period which is a period of reduced pay,
- (b) the portion of such period which is a *period of parenting*, and
- (c) all or part, as determined by the *Administrator*, of the portion of such period which is a temporary period of reduced or nil services throughout which the *member's paid salary* is nil.

### **1.2.3 Limitations**

- (a) No period will be included in a *member's pensionable service* after a *member* has attained thirty-five years of *credited service*.
- (b) No period or part thereof after 1989 described under subparagraphs 1.2.1(b), 1.2.1(c) or 1.2.1(d) will be included in a *member's pensionable service* until the relevant certification, in writing, has been made by the Minister of National Revenue.
- (c) No period will be included in *pensionable service* for which a *member* remains entitled to a *pension benefit* under another registered pension plan and no period will be included in *pensionable service* either directly or indirectly more than once.

### 1.3 CREDITED SERVICE

Subject to subsection 14.7, the *credited service* for any period equals the *pensionable service* in respect of such period multiplied by the ratio of a *member's salary* for the period to the *member's full-time salary* for the period, except that

- (a) in relation to a complete *temporary period of reduced pay or services* that commences after 1989 and within thirty-six months after a *member's* date of employment by the *Bank*, other than a period of temporary absence acceptable to the Minister of National Revenue, *credited service* shall equal the *pensionable service* multiplied by the ratio of the *member's paid salary* to the *member's full-time salary* for the period,
- (b) in relation to a *period of parenting* after 1989, or part thereof, the aggregate of the *credited service* resulting from the *member's deemed salary* shall not exceed three years, and
- (c) in relation to a *temporary period of reduced pay or services* after 1989, or part thereof, other than described in (a) and (b), the aggregate of the *credited service* resulting from the *member's deemed salary* shall not exceed five years.

### 1.4 RETIREMENT

For the purposes of the *Plan*, a *member* shall be deemed to *retire* on commencing to receive an *immediate pension benefit*, whether the *member's* employment with the *Bank* has terminated or not.

### 1.5 DISABLED MEMBERS

#### 1.5.1 Employment Status

During a *period of disability* a *member* shall be deemed, for purposes of the *Plan*, to be

- (a) in *full-time employment*, if the *member* was in *full-time employment* immediately prior to becoming *disabled*, or
- (b) in *part-time employment*, if the *member* was in *part-time employment* immediately prior to becoming *disabled*

except that if the *member* became *disabled* during a *temporary period of reduced pay or services* that commenced not more than sixty months prior to the date of disability, then the *member* may be deemed by the *Administrator* to be in *full-time employment* for the purposes of the *Plan*.

## **1.5.2 Cessation of Period of Disability**

A *member* who is not employed by the *Bank* upon the cessation of a *period of disability* shall be deemed to have *retired* or terminated employment with the *Bank* as of the date of cessation of the *period of disability* and shall be entitled to a benefit under Section Five or Section Six, as applicable, as modified by Section Seventeen.

## SECTION TWO MEMBERSHIP

---

### 2.1 ELIGIBILITY

#### 2.1.1 Regular Employees

- (a) A *regular employee* whose employment by the *Bank* commences prior to April 15, 2005, shall become a *member* of the *Plan* on the commencement of his or her employment by the *Bank* except for an employee who objects to becoming a *member* because of his or her religious beliefs.
- (b) A *regular employee* whose employment by the *Bank* commences on or after April 15, 2005, shall, on the commencement of his or her employment by the *Bank*, elect in writing to the *Administrator*, whether or not to become a *member* of the *Plan*.
- (c) A *regular employee* who elects to become a *member* of the *Plan* in the manner provided in subparagraph 2.1.1(b) shall become a *member* of the *Plan* on the commencement of his or her employment by the *Bank*.
- (d) A *regular employee* who elects not to become a *member* of the *Plan* in the manner provided in subparagraph 2.1.1(b):
  - (i) may, at any time during the first sixty *continuous* months of his or her employment by the *Bank*, elect in writing to the *Administrator* to become a *member* of the *Plan*, effective the date of election; and
  - (ii) shall, if he or she has not made an election under subparagraph 2.1.1(d)(i), become a *member* of the *Plan* on the date that the *regular employee* completes sixty *continuous* months of employment with the *Bank* except for an employee who objects to becoming a *member* because of his or her religious beliefs.

#### 2.1.2 Temporary Employees

On application in writing to the *Administrator*, a *temporary employee* may elect to become a *member* on or after the date that the employee

- (a) completes twenty-four *continuous* months of *full-time employment* with the *Bank*, or
- (b) completes twenty-four *continuous* months of employment with the *Bank*, of which at least a portion is *part-time employment*, provided that the employee's *compensation* from the *Bank* equals at least thirty-five percent of the *Year's Maximum Pensionable Earnings* in each of two consecutive calendar years after 1984.

### **2.1.3 Decrease in Income**

*A member shall not cease to be a member by reason only of the member's compensation from the Bank being less than thirty-five percent of the Year's Maximum Pensionable Earnings in a calendar year.*

## **2.2 CESSATION OF MEMBERSHIP**

### **2.2.1 Prohibited While an Employee**

*A member shall not cease to be a member during a continuous period of employment by the Bank.*

### **2.2.2 Date**

*A member shall cease to be a member on the earlier of the date of death of the member and the date the last payment of any benefit in respect of the member's credited service is made to the member.*

## **2.3 RE-EMPLOYED MEMBER**

### **2.3.1 Surrender of Deferred Pension Benefits**

*A member entitled to a deferred pension benefit under the Plan who*

- (a) is re-employed by the Bank, and
- (b) becomes an *active member* pursuant to subsection 2.1

*shall forfeit the entitlement to such benefit upon becoming an active member. The pensionable service and credited service upon which the pension benefit is based shall be included with the pensionable service and credited service of the member accrued after again becoming an active member.*

### **2.3.2 Suspension of Immediate Pension Benefits**

*A member entitled to an immediate pension benefit under the Plan who*

- (a) is re-employed by the Bank, and
- (b) elects, by notice in writing to the Administrator, to suspend the payment of such pension benefit

*shall be deemed not to have retired. The pensionable service and credited service upon which the pension benefit is based shall be included with the pensionable service and credited service of the member accrued after again becoming an active member.*

### **2.3.3 Suspended Benefits - Actuarial Adjustment**

If a *member* suspends *immediate pension benefits* pursuant to paragraph 2.3.2 and subsequently *retires* after age sixty-five years, the *pension benefits* payable in respect of the *credited service* of the *member* prior to the date of re-employment by the *Bank* shall not be less than the actuarial equivalent of the *pension benefits* that would be payable at age sixty-five years if the *member* had not been re-employed.

### **2.3.4 No Reduction in Benefits or Rights**

- (a) In no event shall the *pension benefits* in respect of the *credited service* of a *member* prior to the date of re-employment by the *Bank* be less than the *pension benefit* that would be payable if the *member* had not been re-employed.
- (b) If a *member* suspends *immediate pension benefits* pursuant to paragraph 2.3.2, the *member's spouse* at the date such *pension benefits* commenced to be paid, if any, shall have the same rights as if the suspension of benefits had not occurred.

### **2.3.5 Pre-Change Plan Terms Pensionable Service, Credited Service and Pension Benefit**

For greater certainty and notwithstanding any other provisions of the *Plan* (other than paragraph 2.3.4), the *pension benefit* in respect of the *pensionable service* and *credited service* accrued under the *pre-change Plan terms* of a *member* re-employed by the *Bank* and who becomes an *active member* under paragraph 2.3.1 or of a *member* re-employed by the *Bank* and who elects to suspend payment under paragraph 2.3.2, shall be determined according to the *pre-change Plan terms*.

## **2.4 DEEMED MEMBERSHIP**

A *member* shall be deemed to have been a *member* for any period or periods of the *member's pensionable service*, as recognized under paragraph 1.2.1, prior to last becoming a *member*.

## SECTION THREE CONTRIBUTIONS

---

### 3.1 PERMISSIBLE CONTRIBUTIONS

No contribution or gift may be made to the *Plan* except pursuant to

- (a) this Section, or
- (b) an agreement with another employer as described under subsection 15.2.

### 3.2 MEMBER REQUIRED CONTRIBUTIONS

#### 3.2.1 Current Service

- (a) Subject to paragraph 17.2.1 (for a *grandfathered member*), each *active member*, other than a person who has

- (i) attained in a prior year age seventy-one years or such other age as prescribed by the *Income Tax Act* from time to time, or
  - (ii) attained thirty-five years *credited service*,

is required to contribute to the *Plan*, by deduction from *salary*:

up to March 31, 2018, the sum of

- (iii) five percent of the portion of *salary*, expressed in terms of an annual rate, that is less than the *Year's Maximum Pensionable Earnings*, and
    - (iv) six and one-half percent of the portion of *salary*, expressed in terms of an annual rate, that is greater than the *Year's Maximum Pensionable Earnings*.

from April 1, 2018 to March 31, 2019, the sum of

- (v) six and one-half percent of the portion of *salary*, expressed in terms of an annual rate, that is less than the *Year's Maximum Pensionable Earnings*, and
      - (vi) eight and one-half percent of the portion of *salary*, expressed in terms of an annual rate, that is greater than the *Year's Maximum Pensionable Earnings*.

as of April 1, 2019, subject to any required approval by the Canada



Revenue Agency, the sum of

- (vii) eight percent of the portion of *salary*, expressed in terms of an annual rate, that is less than the *Year's Maximum Pensionable Earnings*, and
  - (viii) ten and one half percent of the portion of *salary*, expressed in terms of an annual rate, that is greater than the *Year's Maximum Pensionable Earnings*.
- (b) During a *period of disability*, *member* contributions on the *member's deemed salary* shall be waived.
- (c) During a *temporary period of reduced pay or services*, the amount of *member* contributions on the *member's deemed salary* and the manner of payment shall be determined by the *Administrator*.

### 3.2.2 Past Service

- (a) An *active member* may elect by written notice to the *Administrator* within ninety days of becoming a *member* to contribute to the *Plan* in respect of the whole or any part of the *member's* prior *pensionable service* with the *Bank* described in subparagraph 1.2.1(b). In this case, subject to paragraph 17.2.2 (for a *grandfathered member*), the *member* shall be required to contribute to the *Plan* the sum of
- (i) the *member* contributions that were required to be paid into the *Plan* for the relevant period, calculated based on the *post-change Plan terms*, determined according to paragraph 3.2.1, irrespective of whether the relevant period is before or after January 1, 2012, and
  - (ii) accrued *interest*, at such rates as determined by the *Administrator* from time to time, on such contributions from the date they would have been paid into the *Plan*

and if the *member* elects to contribute for part only of such *pensionable service*, it shall be that part which is most recent.

- (b) An *active member* who fails to make an election pursuant to subparagraph (a) may elect by written notice to the *Administrator* at any time thereafter while employed by the *Bank* to contribute to the *Plan* in respect of the whole or any part of the eligible *pensionable service* described in subparagraph 1.2.1(b). In this case, subject to paragraph 17.2.2 (for a *grandfathered member*), the *member* shall be required to contribute to the *Plan* the greater of
- (i) the amount determined pursuant to subparagraph (a), and
  - (ii) the sum of

- A. the *member* contributions that are required to be paid into the *Plan* as described under paragraph 3.2.1 calculated based on the *post-change Plan terms* and the *member's salary* at the date of election and the years of *pensionable service* for which the *member* has elected to contribute, irrespective of whether the period of eligible *pensionable service* elected is before or after January 1, 2012; and
  - B. accrued *interest*, at such rates as determined by the *Administrator* from time to time, on such contribution from the date they would have been paid into the *Plan*.
- (c) An *active member* may elect to contribute to the *Plan* according to a reciprocal transfer agreement, if any, entered into between the *Bank* and the *member's* prior employer pursuant to subsection 15.2.
- (d) An *active member* may elect by written notice to the *Administrator* to transfer into the *Plan*, in respect of the *member's pensionable service* with a prior employer as described in subparagraph 1.2.1 (d), an amount equal to
  - (i) the entire funds associated with the *pension benefits* accrued prior to 1990 under the prior plan, and
  - (ii) the lesser of
    - A. the *pension benefit* credit under the prior plan in respect of *pension benefits* accrued after 1989 under the prior plan, and
    - B. the amount computed according to a basis determined by the *Administrator* that is required to fund the *pension benefits* under the *Plan* in respect of such *pensionable service* after 1989

in this case,
  - (iii) the amount of *pensionable service* shall be determined by the *Administrator* based on the amount of funds transferred into the *Plan*, but shall not exceed the *pensionable service* with the prior employer, and
  - (iv) if the *pensionable service* under clause (iii) is less than the *pensionable service* with the prior employer, the *member* may elect at any time while employed by the *Bank* to contribute to the *Plan*, according to a basis determined by the *Administrator*, in respect of such period.
- (e) An *active member* may elect by written notice to the *Administrator* to contribute to the *Plan* in respect of the *member's pensionable service* outside Canada, as described in subparagraph 1.2.1(e). In this case, the amount of *member* required contributions shall be determined by the *Administrator*.
- (f) Subject to subparagraph 17.2.2(b) (for a *grandfathered member*), the minimum *member* contribution required in respect of an *active member* who elects to contribute to the *Plan* pursuant to subparagraph (a) or (b)

shall equal the sum of

- (i) the *pension benefit credit*, if any, received by the *member* in respect of the relevant period of prior service, calculated (or recalculated, as the case may be) based on the *post-change Plan terms*, and
  - (ii) accrued *interest*, at such rates as determined by the *Administrator* from time to time, on such *pension benefit credit* from the date of receipt of such *pension benefit credit*.
- (g) No contributions may be made to the *Plan* in respect of *pensionable service* after 1989 until the relevant certification, in writing, has been made by the Minister of National Revenue.
- (h) Past service contributions described in subparagraphs (a) to (e) may be made
- (i) in a single payment at the date of election, or
  - (ii) in periodic payments for an amount and period as the *Administrator* may determine.

### 3.2.3 Maximum Member Contributions

- (a) After June 30, 2002, *member* current service contributions in respect of a year that does not include a *temporary period of reduced pay or services* shall not exceed the amount calculated according to paragraph 3.2.1 or paragraph 17.2.1 (for a *grandfathered member*) based on a *salary* equal to the sum of
- (i) an amount equal to fifty times the amount of the *defined benefit limit* for the year, and
  - (ii) five-twentieths of the *Year's Maximum Pensionable Earnings*.
- (b) *Member* current service contributions in respect of a year that includes a *temporary period of reduced pay or services* shall be determined using a method consistent with that used to determine current service contributions in respect of other years, except that a *member* may be required to make larger contributions in respect of such periods, if such contributions do not exceed the amount that is, in the opinion of the *Administrator*, reasonably necessary to fund the benefits provided in respect of such periods.
- (c) *Member* past service contributions determined according to subparagraphs 3.2.2(d) and 3.2.2(e) shall not exceed an amount that is, in the opinion of the *Administrator*, reasonably necessary to fund the past service benefits provided to the *member* in respect of the *pensionable service* for which such contributions are made.

### **3.3 NO WITHDRAWAL OF MEMBER CONTRIBUTIONS**

An *active member* shall not withdraw any part of the *member's net contribution account* except if

- (a) required to avoid revocation of the registration of the *Plan* under the *Income Tax Act*, or
- (b) the *Plan* is terminated or wound-up.

### **3.4 EMPLOYER CONTRIBUTIONS**

#### **3.4.1 Amount**

The *Bank* shall make contributions to the *Plan* at least equal to an amount required to comply with the tests and standards for funding and solvency pursuant to the *PBSA* but not greater than permitted pursuant to the *Income Tax Act*.

#### **3.4.2 Actuary's Advice**

Subject to paragraph 3.4.1, the *Bank* shall contribute to the *Plan* amounts which, in the opinion of an *actuary*, shall be sufficient together with the aggregate of the *members'* contributions to the *Plan* and the income of the *Trust Fund* to provide for

- (a) the benefits under the *Plan* which accrue or have accrued to *members*,
- (b) special payments to liquidate any unfunded liabilities, as *prescribed*, and
- (c) reasonable expenses of the *Bank*, *Administrator* or other person that are incurred in the operation of the *Plan* or *Trust Fund* and which are paid from the *Trust Fund*.

### **3.5 Reduction of Contributions**

The *Board* may from time to time and for a period of time reduce the contribution that an *active member* would otherwise be required to make to the *Plan* in respect of *Bank service* by an amount which is less than or equal to the maximum *member* current service contribution calculated pursuant to subparagraph 3.2.3 (a). All contributions made by such *member* in excess of the reduced contribution shall be refunded to the *member* or, if the *member* is deceased, to the *member's* designated beneficiary or estate.

## SECTION FOUR MEMBER'S CONTRIBUTION ACCOUNT

---

### 4.1 NET CONTRIBUTION ACCOUNT

- (a) The *net contribution account* of a *member* is equal to the sum of
- (i) all contributions made to the *Plan* by the *member* or that would have been made but for a reduction by the *Board* under subsection 3.5,
  - (ii) amounts transferred into the *Plan* on behalf of the *member* from a registered retirement savings plan, deferred profit sharing plan or registered pension plan in respect of the *pensionable service* of a *member* prior to last becoming a *member*, and
  - (iii) *interest* on the outstanding positive balance of the *member's net contribution account* from time to time
- less the sum of
- (iv) all payments under the *Plan* that are in respect of the *pensionable service* of the *member*, whether single or periodic amounts, and
  - (v) *interest* on the outstanding negative balance of the *member's net contribution account* from time to time.
- (b) The amount included in a *member's net contribution account* in respect of a transfer from a registered pension plan shall not exceed the greater of
- (i) the *member's* contributions and interest under such plan, and
  - (ii) the locked-in *pension benefit credit* under such plan
- in respect of the *pensionable service* for which the funds are transferred into the *Plan*.

### 4.2 INTEREST

#### 4.2.1 Rate

*Interest* shall be computed on the balance in a *member's net contribution account* at a rate determined from time to time by the *Board*. The rate applicable for a calendar year shall not be less than the average of the twelve monthly values of CANSIM Series V122515 (formerly B14045), or such other series as may be in effect in replacement of such series, for the preceding year, or such greater rate fixed in advance by the *Superintendent*.

"CANSIM Series V122515", or such other series as may be in effect in replacement of such series, means the average of the yields of five year personal fixed-term chartered bank deposit rates, published regularly by the Bank of Canada.

#### **4.2.2 Accrual**

*Interest* shall accrue daily from

- (a) the preceding thirty-first day of December in respect of the *member's net contribution account* at that date,
- (b) the first day of the month following the month in which a *member's* contributions pursuant to subsection 3.2, as modified by subsection 17.2 (for a *grandfathered member*), are deducted from *salary*, and
- (c) the date on which any other addition or reduction in the *member's net contribution account* is made

until credited to a *member's net contribution account*.

#### **4.2.3 Crediting**

Accrued *interest* shall be credited to a *member's net contribution account* annually on the thirty-first day of December.

## SECTION FIVE RETIREMENT BENEFITS

---

### 5.1. RETIREMENT AT PENSIONABLE AGE

#### 5.1.1 Eligibility

An *active member* may elect to *retire* at the *member's pensionable age* and will be entitled upon retirement at such age to an *immediate pension benefit* computed according to paragraph 5.1.2 and paragraph 5.1.3 (when applicable).

#### 5.1.2 Amount of Lifetime Pension Benefit

The annual *lifetime pension benefit* payable to a *member* pursuant to paragraph 5.1.1 shall, subject to subsection 5.5 (if applicable) and the limits imposed by Section Nine, equal the difference between

- (a) two percent of the *member's highest average salary* multiplied by the *member's* years and part years of *credited service*, and
- (b) After June 30, 2002, five-tenths of one percent of the lesser of
  - (i) the *member's highest average salary*, and
  - (ii) the *average YMPE*,

multiplied by the *member's* years and part years of *credited service* in respect of *pensionable service* after 1965.

#### 5.1.3 Availability and Amount of Bridge Pension Benefit

- (a) The annual *bridge pension benefit* is payable only to a *split-service member* and a *grandfathered member*.
- (b) For a *split-service member* who is not a *grandfathered member*, after June 30, 2002, the annual *bridge pension benefit* payable shall, subject to the limits imposed by Section Nine, equal five-tenths of one percent of the lesser of
  - (i) the *split-service member's highest average salary*, and
  - (ii) the *average YMPE*,

multiplied by the *split-service member's* years and part years of *credited service* in respect of *pensionable service* after 1965 but before 2012.

Notwithstanding the foregoing, no *bridge pension benefit* is payable in respect of the *credited service* relating to *pensionable service* bought back by a *member* after 2011 under paragraph 3.2.2, irrespective of whether

such *pensionable service* is before or after January 1, 2012.

- (c) For a *grandfathered member*, the annual *bridge pension benefit* payable shall be determined in the manner set out in subsection 17.3.

## **5.2. RETIREMENT AFTER PENSIONABLE AGE**

### **5.2.1 Eligibility**

An *active member* may elect to *retire* after the *member's pensionable age* but prior to the end of the calendar year in which the *member* attains age seventy-one years or such other age as prescribed by the *Income Tax Act* from time to time and will be entitled upon retirement to an *immediate pension benefit* computed according to paragraph 5.2.2.

### **5.2.2 Amount of Pension Benefits**

The annual *lifetime pension benefit* and *bridge pension benefit*, if any, payable to a *member* pursuant to paragraph 5.2.1 shall, subject to the limits imposed by Section Nine, equal the greater of

- (a) the amount determined by the *Administrator* to result in the largest *pension benefit* that would have been payable to the *member* had retirement occurred at any age on or after the *member's pensionable age* but prior to the *member's* age at retirement, and
- (b) the *pension benefit* computed at the *member's* retirement date according to paragraph 5.1.2 and paragraph 5.1.3 (when applicable).

## **5.3 RETIREMENT BEFORE PENSIONABLE AGE**

### **5.3.1 Eligibility**

A *member* may elect to *retire* at any time in the ten year period preceding the *member's pensionable age*, where such *pensionable age* is determined at the date of retirement, and will be entitled upon retirement at such date to an *immediate pension benefit* computed according to

- (a) paragraph 5.3.2 or 5.3.3, and
- (b) paragraph 5.3.4.

### **5.3.2 Amount of Pension Benefits - Reduction for Retirement prior to Pensionable Age**

The annual *lifetime pension benefit* and *bridge pension benefit* (if any) payable to a *member* pursuant to paragraph 5.3.1 shall, subject to subsection 5.5 (if applicable) and the limits imposed by Section Nine, equal the amounts computed at the *member's* retirement date according to paragraph 5.1.2 and paragraph 5.1.3 (when applicable), reduced by five percent per year for the first five years preceding *pensionable age* and by three and sixth-



tenths percent per year for the period beyond the first five years preceding *pensionable age*. The reduction applicable to part of a year will be prorated based on the number of days of early retirement for that year.

Notwithstanding any other provision of the *Plan* with the exception of paragraph 5.3.4, in no event will such a *lifetime pension benefit* and *bridge pension benefit* (if any) payable to a *member* be reduced to less than the actuarial equivalent of the *lifetime pension benefit* and *bridge pension benefit* (if any) that would otherwise have been payable to the *member* at his or her *pensionable age*.

### **5.3.3 Alternate Reduction**

In lieu of the reduction factor described in paragraph 5.3.2 and subject to subsection 5.5 (if applicable), the *Board* may approve an alternate reduction factor provided that such factor results in an increase in the *member's* annual *lifetime pension benefit* payable according to paragraph 5.3.2 (subject to subsection 5.5, if applicable).

### **5.3.4 Minimum Reduction**

The reduction to a *member's* annual *lifetime pension benefit* computed according to paragraph 5.3.2 or 5.3.3 shall at least equal the early retirement reduction *prescribed* under the *Income Tax Act*.

## **5.4 RETROACTIVE ADJUSTMENTS TO LIFETIME PENSION BENEFITS**

*Pension benefits* payable after June 30, 2002 as a result of the retirement, termination of employment or death of a *member*, including a *member* or *contributor* as defined in the *Plan* provisions applicable before January 1, 1987, where such event occurred between January 1, 1966 and June 30, 2002, shall be recalculated as described in this subsection.

For *contributors* whose retirement, termination of employment or death occurred between January 1, 1966 and December 3, 1967, *pension benefits* shall be recalculated on the basis that the words "divided by fifty" at the end of rule 4(1) of the then applicable *Plan* provisions had read "divided by seventy".

For *contributors* whose retirement, termination of employment or death occurred between December 4, 1967 to March 31, 1968, *pension benefits* shall be recalculated on the basis that the words "2% of an amount equal to 35%" in Rule 3 (ii) of the then applicable *Plan* provisions had read "2% of an amount equal to 25%".

For *contributors* whose retirement, termination of employment or death occurred between April 1, 1968 to December 31, 1986, *pension benefits* shall be recalculated on the basis that the words "thirty-five one hundredths" at the beginning of paragraph (b) of Rule 3 of the then applicable *Plan* provisions had read "twenty-five one hundredths".

For *members* whose retirement, termination of employment or death occurred between January 1, 1987 and December 31, 1991, *pension benefits* shall be recalculated on the basis that the words "0.7% of the Average Salary" in Rules 3.1 (ii) (a) and 3.1 (ii) (b) of the then applicable *Plan* provisions had read "0.5% of the Average Salary".

For *members* whose retirement, termination of employment or death occurred between January 1, 1992 and June 30, 2002, *pension benefits* shall be recalculated on the basis that the words "seven-tenths of one percent" in subparagraph 5.1.2 (b) and in paragraph 5.1.3 of the then applicable Plan provisions had read "five-tenths of one percent".

For greater certainty, the purpose of the preceding five paragraphs is to recalculate the *pension benefits* payable after the *member* attains age sixty-five years on the basis of the formula described in paragraph 5.1.2 as amended on July 1, 2002, where the terms highest *average salary*, *average YMPE*, *credited service*, *pension benefits*, and *pensionable service* shall have the same meaning as the terms used for the same purpose under the *Plan* provisions in effect upon the *member's* retirement, termination of employment or death in service, as applicable.

The *pension benefits* recalculated as per this subsection are payable under the same terms and conditions applicable to the *pension benefits* originally determined including, but not limited to, any provisions related to early retirement reduction, survivor benefits, indexing and the maximum permissible *pension benefits*.

The adjustments to *pension benefits* resulting from the application of this subsection will be reflected in pension payments payable after June 30, 2002 and, for greater certainty, will not affect pension payments made before July 2002.

## 5.5 SPLIT-SERVICE MEMBER

For the sole purpose of determining the actuarial reduction factor or factors for computing the *pension benefit* and *pension benefit credit* of a *split-service member* under Sections Five, Six and Seven (and for no other purpose):

- (a) the *split-service member's* attaining the lesser of
  - (i) age sixty years, and
  - (ii) age fifty-five years or greater having attained thirty years of *pensionable service*,

shall be deemed as if it were the *split-service member's pensionable age* in respect of his or her *pension benefit* and *pension benefit credit* for his or her *pensionable service* and *credited service* prior to January 1, 2012; and

- (b) the *split-service member's* attaining the lesser of
  - (i) age sixty-five years, and
  - (ii) age sixty years or greater having attained thirty years of *pensionable service*,

shall be deemed as if it were the *split-service member's pensionable age* in respect of his or her *pension benefit* and *pension benefit credit* for his or her *pensionable service* and *credited service* after December 31, 2011.

Notwithstanding the foregoing,

- (c) for a *split-service member* who became Governor or Senior Deputy Governor of the *Bank* at any time after December 31, 2011, the *pensionable age* for computing such *split-service member's pension benefit* and *pension benefit credit* and the actuarial reduction factor or factors under Sections Five, Six and Seven (and for no other purpose) in respect of his or her *pensionable service* prior to termination of employment as Governor or Senior Deputy Governor of the *Bank*, shall be determined in accordance with paragraph (a) above (read with substitution of "prior to January 1, 2012" by "as Governor or Senior Deputy Governor of the *Bank*"); and
- (d) for a *split-service member* who has made an election after 2011 under paragraph 3.2.2, the *pensionable age* for determining his or her *pension benefit* and *pension benefit credit* and actuarial reduction factor or factors under Sections Five, Six and Seven (and for no other purpose) in respect of *pensionable service* bought back shall be deemed as if it were the *split-service member's* attaining the lesser of
  - (i) age sixty-five years; and
  - (ii) age sixty years or greater having attained thirty years of *pensionable service*,irrespective of whether the period of *pensionable service* bought back is before or after January 1, 2012.
- (e) for a *split-service member* electing *retirement* before *pensionable age* in accordance with subsection 5.3, eligibility to an *immediate pension benefit* as described in paragraph 5.3.1 is attained at any time in the ten-year period preceding the *split-service member's* deemed *pensionable age* described in subparagraph 5.5(a) with respect to all of his *pensionable service* and *credited service*. However, notwithstanding the foregoing, the actuarial reduction factor specified in paragraphs 5.3.2 and 5.3.3 will apply using the *pensionable age* described in subparagraph 5.5(a) for *pensionable service* and *credited service* prior to January 1, 2012, and using the *pensionable age* described in subparagraph 5.5(b) for *pensionable service* and *credited service* after December 31, 2011.

## **SECTION SIX            BENEFITS ON TERMINATION OF EMPLOYMENT FOR ANY REASON OTHER THAN RETIREMENT OR DEATH**

---

### **6.1      DEFERRED PENSION BENEFIT**

#### **6.1.1    Eligibility**

Upon the termination of employment with the *Bank* for reasons other than retirement or death, a *member* will be entitled to a *deferred pension benefit* computed according to paragraph 6.1.2 and payable at the *member's pensionable age*.

#### **6.1.2    Amount of Pension Benefits**

The annual *deferred lifetime pension benefit* and *deferred bridge pension benefit* (if any) to which a *member* is entitled pursuant to paragraph 6.1.1 shall equal the amounts computed at the *member's* termination date according to paragraph 5.1.2 and paragraph 5.1.3 (when applicable), subject to subsection 5.5 (if applicable).

#### **6.1.3    Early Commencement**

A *member* entitled to a *deferred pension benefit* pursuant to paragraph 6.1.1 may elect, subject to subsection 5.5 (if applicable), in lieu of the *pension benefits* otherwise payable at *pensionable age*, that the *pension benefits* commence to be paid at any time in the ten year period preceding the *member's pensionable age* and will be entitled upon retirement to the *pension benefits* computed according to paragraph 5.3.2 or 5.3.3.

#### **6.1.4    Benefits While Disabled**

A *member* entitled to a *deferred pension benefit* pursuant to paragraph 6.1.1 who last became a *member* prior to September 15, 1990 and who, in the opinion of the *Administrator* and as certified in writing by a medical doctor licensed to practice under the laws of a province of Canada or the place that the *member* resides, is *totally and permanently disabled* is entitled during the period the *member* is *totally and permanently disabled*, in lieu of the *deferred pension benefit*, to an *immediate pension benefit* computed assuming the *member* had *retired* at *pensionable age*. If a *member* was in receipt of an *immediate pension benefit* under this paragraph as at December 31, 2011, during the period in which the *member* is *totally and permanently disabled*, the amount of *immediate pension benefit* computed for that period shall not be affected by the exercise of the *change option* (if applicable) by the *member*.

### **6.2      TRANSFER OF A PENSION BENEFIT CREDIT**

#### **6.2.1    Optional Transfer**

A *member* entitled to a *deferred pension benefit* pursuant to subsection 6.1 who is not eligible for an *immediate pension benefit* pursuant to Section Five may elect, in lieu of the benefits otherwise payable, that the *member's pension benefit credit* be transferred to

- (a) the pension fund of another registered pension plan for the benefit of the *member*, if the other plan accepts such payment,
- (b) a locked-in registered retirement savings arrangement for the *member* of the kind *prescribed*, or
- (c) a corporation authorized to undertake life insurance in Canada to purchase for the *member* a *lifetime pension benefit* of the kind *prescribed* that will commence to be paid prior to the end of the year in which the *member* attains age seventy-one years or such other age as prescribed by the *Income Tax Act* from time to time.

Notwithstanding the foregoing, a *split-service member* entitled to a *deferred pension benefit* pursuant to subsection 6.1 may elect, in lieu of the benefits otherwise payable, that the *split-service member's pension benefit credit* be transferred to one of the vehicles in subparagraphs (a), (b) or (c) above up to age fifty-five at the time of termination of employment or age fifty having attained thirty years of *pensionable service* at the time of termination of employment, whichever occurs first, even if the *split-service member* is eligible for an *immediate pension benefit* pursuant to Section Five.

## **6.2.2 Mandatory Transfer**

For transfers occurring before December 15, 2010, if the *member's pension benefit credit* upon termination of employment with the *Bank* for reasons other than retirement or death is less than ten percent of the *Year's Maximum Pensionable Earnings* at that date, the *member* must transfer the *member's pension benefit credit* according to the options described in paragraph 6.2.1.

## **6.2.3 Solvency Restriction**

No transfer will be made out of the *Trust Fund* under subsection 6.2 without the consent of the *Superintendent* if the transfer would impair the solvency of the *Plan*.

## **6.2.4 Optional Transfer if Entitled to an Immediate Pension**

After June 30, 2002, a *member* entitled to an *immediate pension benefit* pursuant to section Five may elect, in lieu of the benefits otherwise payable, that the *member's pension benefit credit* be transferred to the pension fund of another registered pension plan for the benefit of the *member*, if the other plan accepts such payment.

## **6.3 REFUNDS**

### **6.3.1 Less Than Two Years of Membership**

- (a) Notwithstanding paragraph 6.2.1, effective July 1, 2011, a *member* entitled to a *deferred pension benefit* pursuant to subsection 6.1 who has not been a *member* of the *Plan* for at least two years at the date of termination of employment may elect, in lieu of the benefits otherwise payable under the *Plan*, to receive a single payment equal to the *member's pension benefit credit*.

- (b) If any portion of the *member's pension benefit credit* is comprised of locked-in funds transferred into the *Plan* and the *member* elects to receive a single payment pursuant to subparagraph (a), then
  - (i) the single payment shall exclude the portion of the *pension benefit credit* in respect of the locked-in funds, and
  - (ii) the *member* must transfer the portion of the *pension benefit credit* in respect of the locked-in funds according to the options described in paragraph 6.2.1.

### **6.3.2 Pensionable Service from October 1, 1967 to December 31, 1986**

Up to June 30, 2011, a *member* entitled to a *deferred pension benefit* pursuant to subsection 6.1 who at the date of termination of employment

- (a) has not been a *member* or has not been employed by the *Bank* for a *continuous* period of at least ten years, or
- (b) has not attained forty-five years of age may elect, in lieu of the benefits otherwise payable in respect of the *member's pensionable service* for the period from October 1, 1967, to December 31, 1986, inclusive, to receive a single payment equal to the sum of the *member's net contribution account* in respect of such period and accrued *interest* up to the beginning of the month in which such payment is made.

### **6.3.3 Pensionable Service Prior to October 1, 1967**

Up to June 30, 2011, a *member* entitled to a *deferred pension benefit* pursuant to subsection 6.1 may elect, in lieu of the benefits otherwise payable in respect of the *member's pensionable service* prior to October 1, 1967, to receive a single payment equal to the sum of the *member's net contribution account* in respect of such period and accrued *interest* up to the beginning of the month in which such payment is made.

## **6.4 TIME LIMIT FOR BENEFIT ELECTION**

An election pursuant to subsection 6.2 or 6.3 must be made in writing to the *Administrator* in the form *prescribed* within ninety days of termination of employment, or later at the discretion of the *Administrator*.

## 6.5 UNPAID LEAVE

Subject to the following, for the purposes of the *Plan*, a *member* shall be deemed to have terminated employment with the *Bank* at the date of commencement of a complete period of unpaid leave of absence from the *Bank* if

- (a) the *member* does not contribute to the *Plan* according to paragraph 3.2.1 or paragraph 17.2.1 (for a *grandfathered member*) in respect of the period, and
- (b) the *member* does not return to the service of the *Bank* upon the completion of the period.

Notwithstanding the foregoing, in the case of a period of unpaid leave of absence from the *Bank* that begins on or after June 24, 2017, for the purposes of the *Plan*, a *member* who does not return to the service of the *Bank* upon the completion of the period shall be deemed to have terminated employment with the *Bank* at the date of commencement of the complete period of unpaid leave of absence from the *Bank*.

**7.1 PRE-RETIREMENT SURVIVOR BENEFITS****7.1.1 Eligibility**

For a death occurring on or after July 1, 2011, upon the death of a *member* prior to the date the *member retires*, the *member's spouse* and each *dependant* of the *member*, not exceeding three *dependants* at any point in time, shall be entitled to an *immediate pension benefit* computed according to paragraphs 7.1.2 (or paragraph 17.4.1, for a *grandfathered member*), 7.1.3 and 7.1.5, subject to the limitations and exclusions set out in paragraph 7.1.5 as well as any *prescribed* limitations.

**7.1.2 Amount of Spouse's Lifetime Pension Benefit**

Subject to paragraph 17.4.1 (for a *grandfathered member*),

- (a) if the *member* was an *active member* at the date of death, the annual *lifetime pension benefit* payable to the *member's spouse* pursuant to paragraph 7.1.1 shall be equal to the greater of
  - A. the sum of
    - (I) sixty percent of the amount computed at the *member's* date of death according to subparagraph 5.1.2(a) in respect of the *member's pensionable service* prior to 1992, and
    - (II) sixty-six and two-thirds percent of the *member's* annual *lifetime pension benefit* computed at the *member's* date of death according to paragraph 5.1.2 in respect of the *member's pensionable service* after 1991; and
  - B. sixty-six and two-thirds percent of the projected annual *lifetime pension benefit* that would be payable to the *member* upon retirement at age sixty-five years, but not exceeding the *Year's Maximum Pensionable Earnings* for the year of death of the *member*, had the *member* remained in employment with the *Bank* to that age and had the *member's salary*, expressed as an annual rate, not increased; and
- (b) if the *member* was not an *active member* at the date of death, the annual *lifetime pension benefit* payable to a *member's spouse* pursuant to



paragraph 7.1.1 shall be equal to the sum of

- (i) sixty percent of the amount computed at the *member's* date of death according to subparagraph 5.1.2(a) in respect of the *member's pensionable service* prior to 1992; and
- (ii) sixty-six and two-thirds percent of the *member's* annual *lifetime pension benefit* computed at the *member's* date of death according to paragraph 5.1.2 in respect of the *member's pensionable service* after 1991.

### **7.1.3 Minimum Spouse's and Dependant's Pension Benefit Credit**

For a death occurring on or after July 1, 2011, the *pension benefits* computed according to paragraph 7.1.2, paragraph 7.1.5 or paragraph 17.4.1 (for a *grandfathered member*) will be increased, if necessary, so that the *spouse's pension benefit credit* or, where there is no *spouse*, the total *pension benefit credit* payable to the *dependant(s)*, will equal the *member's pension benefit credit* computed as if the *member* had terminated employment at the *member's* date of death and had not died.

### **7.1.4 Transfer of Spouse's Pension Benefit Credit**

For a death occurring on or after July 1, 2011, the *member's spouse* may elect, in lieu of the *spouse's lifetime pension benefit* otherwise payable, to transfer an amount equal to the *member's pension benefit credit*, computed as if the *member* had terminated employment at the *member's* date of death and not died, to

- (a) the pension fund of another registered pension plan for the benefit of the *spouse*, if the other plan accepts such payment,
- (b) a locked-in registered retirement savings plan for the *spouse* of the kind *prescribed*, or
- (c) a corporation authorized to undertake life insurance in Canada to purchase for the *spouse* a *lifetime pension benefit* of the kind *prescribed* that will commence to be paid prior to the end of the year in which the *spouse* attains age seventy-one years or such other age as prescribed by the *Income Tax Act* from time to time.

### **7.1.5 Amount of Dependant's Pension Benefit**

- (a) For a death occurring on or after July 1, 2011, the *pension benefit* payable to each *dependant* pursuant to paragraph 7.1.1 shall equal one-sixth of the amount of the *pension benefit* to which a *spouse* is entitled, computed according to paragraph 7.1.2 (or paragraph 17.4.1, for a *grandfathered member*) or 7.1.3, as applicable, or if there is not a *spouse*, twice the amount otherwise payable, subject to the limitations and exclusions set out in paragraph 7.1.5 and any other *prescribed* limitation.

- (b) If a *member* is survived at any point in time by more than three *dependants*, a *dependant's* entitlement at that time to a *pension benefit* shall be according to the order of birth, from first to last born.
- (c) A *dependant* entitled to a *pension benefit* shall cease to be entitled to such *pension benefit* at the earlier of the date of death of the *dependant* or the date on which the *dependant* ceases to be a *dependant*.
- (d) For the death of a *member* occurring on or after July 1, 2011, and prior to the date the *member* retires, notwithstanding anything to the contrary in this paragraph and in the *Plan*, if the *spouse's* *pension benefit* is increased pursuant to paragraph 7.1.3, and the *member* has at least one *dependant* as of the date of death, a *pension benefit* shall be paid to the *dependant* in the manner described in this paragraph 7.1.5, but only if the surviving *spouse's* adjusted *pension benefit* does not exceed sixty-six and two-thirds percent of the greater of (i) and (ii)
  - (i) the lesser of
    - A. the *lifetime pension benefit* that could reasonably be expected to have accrued to the *member* to the day on which the *member* would have attained 65 years of age if the *member* had survived to that day and continued in employment and if the *member's* rate of *salary* had not increased after the *member's* date of death; and
    - B. one hundred fifty percent of the *Year's Maximum Pensionable Earnings* for the calendar year in which the *member* dies;
  - (ii) the *lifetime pension benefit* accrued by the *member*, on the date of his death.
- (e) For the death of a *member* occurring on or after July 1, 2011, and prior to the date the *member* retires, notwithstanding anything to the contrary in this paragraph 7.1.5 and in the *Plan*, in the event a *member* dies without a *spouse* and the *member* has solely designated one or several of his *dependant(s)* as beneficiary(ies), if such beneficiary's (ies') *pension benefit* is increased pursuant to paragraph 7.1.3, a *pension benefit* shall be paid to such *dependant(s)* (subject to the maximum set out in paragraph 7.1.5(b)) in the manner described in this paragraph 7.1.5, but only if each *dependant's* adjusted *pension benefit* does not exceed sixty-six and two-thirds percent of the greater of (i) and (ii), and where there is more than one *dependant*, the total of the *dependants'* adjusted *pension benefits* does not exceed one hundred percent of the greater of (i) and (ii):
  - (i) the lesser of
    - A. the *lifetime pension benefit* that could reasonably be expected to have accrued to the *member* to the day on which the *member* would have attained 65 years of age if the *member* had survived to that day and continued in employment and if the *member's* rate of *salary* had not increased after the *member's* date of death; and

- B. one hundred fifty percent of the *Year's Maximum Pensionable Earnings* for the calendar year in which the *member* dies;
- (ii) the *lifetime pension benefit* accrued by the *member*, on the date of his death.

Such *dependant(s)* may elect, in lieu of the *pension benefit*, to receive an amount equal to their respective share of the *member's pension benefit credit* in the form of a lump sum payment.

## **7.2 POST-RETIREMENT SURVIVOR BENEFITS**

### **7.2.1 Eligibility**

The *spouse* of a *member* who was such at the date the *member* retires, if alive upon the death of the *member*, and each *dependant* of the *member*, not exceeding three *dependants* at any point in time, shall be entitled to an *immediate pension benefit* computed according to paragraphs 7.2.2, 7.2.3 and 7.2.4.

### **7.2.2 Amount of Spouse's Lifetime Pension Benefit**

The annual *lifetime pension benefit* payable to a *member's spouse* pursuant to paragraph 7.2.1 shall equal the sum of

- (a) sixty percent of the amount computed at the *member's* date of death according to subparagraph 5.1.2(a) in respect of the *member's pensionable service* prior to 1992, and
- (b) sixty-six and two-thirds percent of the annual *lifetime pension benefit* in respect of the *member's pensionable service* after 1991 that would be payable to the *member*, if alive.

### **7.2.3 Amount of Spouse's Bridge Pension Benefit**

The *bridge pension benefit* (if any) payable to a *member's spouse* pursuant to paragraph 7.2.1 shall equal sixty-six and two-thirds percent of the *bridge pension benefit* in respect of the *member's pensionable service* after 1991 that would be payable to the *member*, if alive.

### **7.2.4 Amount of Dependent's Pension Benefits**

- (a) The *pension benefit* payable to each *dependant* pursuant to paragraph 7.2.1 shall equal one-sixth of the sum of the amount of the *pension benefit* computed according to paragraphs 7.2.2 and 7.2.3, or if there is not a *spouse*, twice the amount otherwise payable.
- (b) If a *member* is survived at any point in time by more than three *dependants*, a *dependant's* entitlement at that time to a *pension benefit* shall be according to the order of birth, from first to last born.

- (c) A *dependant* entitled to a *pension benefit* shall cease to be entitled to such *pension benefit* at the earlier of the date of death of the *dependant* or the date on which the *dependant* ceases to be a *dependant*.

### **7.3 OPTIONAL POST-RETIREMENT SPOUSE'S BENEFITS**

#### **7.3.1 One Hundred Percent Spouse's Pension**

In lieu of the *spouse's pension benefits* described in paragraphs 7.2.2 and 7.2.3, a *member* may elect that the *spouse's pension benefits* shall equal one hundred percent of the *pension benefits* that would be payable to the *member*, if alive.

An election shall be made in writing to the *Administrator* on or before the date the *member retires*. If a *member's spouse* dies prior to the date the *member retires*, such election shall be void.

#### **7.3.2 Adjustment to Member's Pension Benefits**

The annual *lifetime pension benefit* payable to a *member* who has made an election pursuant to paragraph 7.3.1 shall equal the amount otherwise payable multiplied by an actuarial factor, determined by the *Administrator* on the advice of an *actuary*, which ensures that the *member's pension benefit credit* is not affected by such election.

### **7.4 DEEMED RETIREMENT**

For the purposes of this Section, a *member* who is eligible to *retire* pursuant to Section Five but who has not *retired* prior to the *member's* date of death shall be deemed to have *retired* immediately prior to such date if the *spouse's pension benefit credit* under subsection 7.2 exceeds the *spouse's pension benefit credit* under subsection 7.1.

### **7.5 RESIDUAL PAYMENT**

#### **7.5.1 For Pre-Retirement Survivor Benefits**

For deaths occurring on or after July 1, 2011, subject to subparagraph 17.4.2(b) (for a *grandfathered member*),

- (a) if no *pension benefit* is payable under paragraph 7.1.1, a single payment, equal to the aggregate of

- (i) the sum of the deceased *member's net contribution account*, if positive, in respect of the deceased *member's pensionable service* prior to 2012 (other than *pensionable service* bought back by the deceased *member* after 2011 under paragraph 3.2.2, irrespective of whether the *pensionable service* is before or after January 1, 2012), and accrued *interest* up to the beginning of the month in which such payment is made; and
- (ii) the deceased *member's pension benefit credit* at the time of the *member's* death computed as if the *member* had terminated employment at the deceased *member's* date of death and had not died, in respect of the *member's pensionable service* after 2011 (and in respect of *pensionable service* bought back by the deceased *member* after 2011 under paragraph 3.2.2, irrespective of whether the *pensionable service* bought back is before or after January 1, 2012);

will be paid as soon as practicable to the deceased *member's* designated beneficiary or estate, as applicable. The sum payable under this paragraph 7.5.1(a) will be increased, if necessary, so that it is equal to the *member's pension benefit credit* computed as if the *member* had terminated employment at the *member's* date of death and had not died; and

- (b) if all *pension benefits* which have been or could become payable under paragraph 7.1.1 arising out of the *pensionable service* of a deceased *member* have ceased, a single payment will be paid as soon as practicable to the *member's* designated beneficiary or estate, as applicable, equal to the sum of the *member's net contribution account*, if positive, in respect of all of the deceased *member's pensionable service*, which includes, for greater certainty, *pensionable service* prior to 2012 and after 2011, and accrued *interest* up to the beginning of the month in which such payment is made.

## 7.5.2 For Post-Retirement Survivor Benefits

Subject to subparagraph 7.4.2(b) (for a *grandfathered member*), if no *pension benefit* is payable or if all *pension benefits* which have been or could become payable have ceased, in each case under section 7.2, a single payment will be paid as soon as practicable to the deceased *member's* designated beneficiary or estate, as applicable, equal to

- (a) if the deceased *member* dies after 60 monthly payments of *pension benefits* are made, the sum of the deceased *member's net contribution account*, if positive, in respect of all of the *pensionable service* of the *member* which includes, for greater certainty, *pensionable service* prior to 2012 and after 2011, and accrued *interest* up to the beginning of the month such payment is made; or

- (b) if the deceased *member* dies before 60 monthly payments of *pension benefits* are made, the aggregate of
  - (i) the sum of the deceased *member's net contribution account*, if positive, in respect of the deceased *member's pensionable service* prior to 2012 (other than *pensionable service* bought back by the deceased *member* after 2011 under paragraph 3.2.2, irrespective of whether the *pensionable service* is before or after January 1, 2012) and accrued *interest* up to the beginning of the month such payment is made; and
  - (ii) the greater of
    - A. the present value of the remainder of the 60 monthly payments, in respect of the deceased *member's pensionable service* after 2011 (and in respect of *pensionable service* bought back by the deceased *member* after 2011 under paragraph 3.2.2, irrespective of whether the *pensionable service* bought back is before or after January 1, 2012), which are not yet paid; and
    - B. the sum of the deceased *member's net contribution account*, if positive, in respect of the deceased *member's pensionable service* after 2011 (and in respect of *pensionable service* bought back by the deceased *member* after 2011 under paragraph 3.2.2, irrespective of whether the *pensionable service* bought back is before or after January 1, 2012), and accrued *interest* up to the beginning of the month in which such payment is made.

## 7.6 RETROACTIVE ADJUSTMENT TO SURVIVOR BENEFITS

The annual *pension benefits* payable after June 30, 2002 to a *member's spouse* or a *member's dependant*, as applicable, upon the death of a *member* who *retired* before 1987, terminated employment before 1987 or died before 1987 while in the service of the *Bank*, shall be recalculated as described in this subsection.

- (a) The annual *lifetime pension benefit* payable to the *member's spouse* shall equal the greater of
  - (i) The annual *lifetime pension benefit* payable to the *member's spouse* as calculated according to the *Plan* provisions in effect upon the *member's* retirement, termination of employment or death in service, as applicable,
  - (ii) 1.2 percent of the *member's* highest average salary multiplied by the *member's* years and part years of credited service, and

- (iii) where the member died in service, the amount resulting from the formula in (ii) based on the member's years of credited service projected to the earlier of the date the member would have attained 30 years of pensionable service or age 60, or age 65 if the member joined the Plan before 1973.
- (b) The annual *pension benefit* payable to each *member's dependant*, to a maximum of four *dependants*, shall equal the greater of
  - (i) The annual *pension benefit* payable to the *member's dependant* as calculated according to the *Plan* provisions in effect upon the *member's* retirement, termination of employment or death in service, as applicable,
  - (ii) 21 percent, or 42 percent if there is no surviving *spouse*, multiplied by the annual *pension benefit* calculated according to subparagraph 7.6 (a)(ii), and
  - (iii) where the *member* died in service, 21 percent, or 42 percent if there is no surviving *spouse*, multiplied by the annual *pension benefit* calculated according to subparagraph 7.6 (a)(iii).

For the purpose of this subsection 7.6, the terms *highest average salary*, *credited service*, *dependant*, *lifetime pension benefit*, *member*, *pension benefit*, *pensionable service* and *spouse* shall have the same meaning as the terms used for the same purpose under the *Plan* provisions in effect upon the *member's* retirement, termination of employment or death in service, as applicable.

The *pension benefits* recalculated as per this subsection are payable under the same terms and conditions applicable to the *pension benefits* originally determined including, but not limited to, provisions related to indexing and the maximum permissible *pension benefits*.

The adjustments to *pension benefits* resulting from the application of this subsection will be reflected in pension payments payable after June 30, 2002 and, for greater certainty, will not affect pension payments made before July 1, 2002.

**8.1 APPLICATION**

The *pension benefits* payable as a result of the retirement, termination of employment or death of a *member*, all as provided pursuant to Sections Five, Six, Seven or Seventeen shall be adjusted as described in this Section.

**8.2 AMOUNT OF ADJUSTMENT****8.2.1 Initial Adjustment**

On the date a *member retires*, terminates employment with the *Bank* or dies, whichever occurs first, the *pension benefits* otherwise accrued or payable will be increased by the percentage increase, if any, in the *pension index* at that date over the *pension index* for the preceding year.

**8.2.2 First January 1 Adjustment**

On the first day of January immediately following the date a *member retires*, terminates employment with the *Bank* or dies, whichever occurs first, the *pension benefits* otherwise accrued or payable, including the initial adjustment pursuant to paragraph 8.2.1, will be increased by an amount equal to A multiplied by B

where

- A is the percentage increase, if any, in the *pension index* for the year in which the adjustment occurs over the *pension index* for the preceding year, and
- B is the ratio, not exceeding three-quarters, obtained by dividing the number of complete quarters of a year after the date the *member retires*, terminates employment with the *Bank* or dies, whichever occurs first, by four. For this purpose, a quarter of a year means the three month period commencing on either of the first day of January, April, July or October.

**8.2.3 Subsequent January 1 Adjustments**

On the first day of January of each year subsequent to the first January adjustment described under paragraph 8.2.2, the *pension benefits* otherwise accrued or payable pursuant to Sections Five, Six, Seven or Seventeen and the adjustments pursuant to paragraphs 8.2.1 and 8.2.2 will be multiplied by the ratio obtained by dividing A by B

where

- A is the *pension index* for the year in which the adjustment occurs, and
- B is the *pension index* for the year immediately following the date the *member retires*, terminates employment with the *Bank* or dies, whichever occurs first.



### **8.3 NO REDUCTION IN PENSION BENEFITS**

The amount of any prior adjustment to a *pension benefit* shall not be decreased as a result of a decrease in the *pension index*.

## SECTION NINE    MAXIMUM PENSION BENEFITS

---

### 9.1    LIFETIME PENSION LIMITS

#### 9.1.1    Initial Limit

- (a)    The annual *lifetime pension benefit* to which a *member* is entitled upon retirement, termination of employment, or death of the *member*, whichever occurs first, including the initial adjustment computed according to paragraph 8.2.1, shall not exceed the product of the lesser of
- (i)    two percent of the *member's* highest average *compensation* at such time, and
  - (ii)   the defined benefit limit at such time

multiplied by the *member's* years and part years of pensionable service, and reduced, if necessary, by the early retirement reduction *prescribed* under the *Income Tax Act*.

- (b)    If subparagraph (a) limits the *pension benefit* otherwise payable, the initial adjustment computed according to paragraph 8.2.1 and the amount computed according to subparagraph 5.1.2(a) shall be reduced for the purposes of the *Plan* to give effect to subparagraph (a).

#### 9.1.2    Limit When Benefits Become Payable

- (a)    The annual *lifetime pension benefit* to which a *member* is entitled when payment of a *deferred pension benefit* commences as a result of the retirement or death of the *member*, including the aggregate of any prior adjustments computed according to Section Eight and paragraph 9.1.1, shall not exceed the lesser of
- (i)    the limit, computed according to paragraph 9.1.1, at the date the *pension benefits* commence to be paid, and
  - (ii)   the product of A multiplied by B

where

A    is the limit, computed according to paragraph 9.1.1, at the date the *member* ceases to be an *active member*, and

B    is the ratio obtained by dividing the *pension index* for the year of retirement or death of the *member*, as applicable, by the *pension index* for the year in which the *member* ceases to be an *active member*.

- (b)    If subparagraph (a) limits the *pension benefits* otherwise payable, the adjustments pursuant to paragraphs 8.2.2 and 8.2.3 shall be reduced for the purposes of the *Plan* to give effect to subparagraph (a).

## 9.2 BRIDGE PENSION LIMITS

### 9.2.1 Initial Limit

- (a) The *bridge pension benefit* to which a *member* is entitled upon retirement, termination of employment, or death of the *member*, whichever occurs first, including the initial adjustment computed according to paragraph 8.2.1, shall not exceed the public pension benefits the *member* would receive if the *member* were age sixty-five years at that date.

For this purpose, public pension benefits are assumed to be equal to

- (i) the maximum basic pension payable under the *Old Age Security Act*, and
- (ii) the proportion of the maximum retirement pension payable under the Canada Pension Plan based on the ratio, not exceeding one, of the *member's* highest aggregate remuneration, as *prescribed* under the *Income Tax Act*, for any three calendar years to the aggregate of the *Year's Maximum Pensionable Earnings* for those years.
- (b) Provided the *member* is not *totally and permanently disabled*,
- (i) if the *member* has less than ten years of *pensionable service*, the amount otherwise determined according to subparagraph (a) shall be multiplied by the ratio obtained by dividing the *member's pensionable service* by ten, and
- (ii) if the *member* is less than age sixty years, the amount otherwise determined according to subparagraph (a) and clause (b)(i) shall be reduced by one-quarter of one percent for each month that the *member's pensionable age*, or age at retirement if earlier, is less than age sixty years.
- (c) The aggregate *pension benefits* to which a *member* is entitled upon retirement, termination of employment, or death of the *member*, whichever occurs first, including the initial adjustment computed according to paragraph 8.2.1, shall not exceed an amount equal to the product of the *member's* years and part years of *pensionable service* multiplied by the sum of
- (i) the defined benefit limit at such time, and
- (ii) seven-tenths of one percent of the *average YMPE*.
- (d) If subparagraphs (a), (b) or (c) limit the *pension benefit* otherwise payable, the initial adjustment computed according to paragraph 8.2.1 and the amounts computed according to paragraph 5.1.3 or subsection 17.3 (for a *grandfathered member*) shall be reduced to give effect to subparagraphs (a), (b) or (c), as applicable.

### 9.2.2 Limit When Benefits Become Payable

- (a) The *bridge pension benefit* to which a *member* is entitled when payment of a *bridge pension benefit* commences as a result of the retirement or death of the *member*, including the aggregate of any prior adjustments computed according to Section Eight and paragraph 9.2.1, shall not exceed the lesser of
  - (i) the limit, computed according to paragraph 9.2.1, at the date the *pension benefits* commence to be paid, assuming the *member* ceases to be an *active member* at such date, and
  - (ii) the product of A multiplied by B

where

  - A is the limit, computed according to paragraph 9.2.1, at the date the *member* ceases to be an *active member*, and
  - B is the ratio obtained by dividing the *pension index* for the year of retirement or death of the *member*, as applicable, by the *pension index* for the year in which the *member* ceases to be an *active member*.
- (b) If subparagraph (a) limits the *pension benefits* otherwise payable, the adjustments pursuant to paragraphs 8.2.2 and 8.2.3 shall be decreased to give effect to subparagraph (a).

### 9.3 APPLICATION

In this Section

- (a) the *pension benefits* to which a *member* is entitled upon retirement, termination of employment or death shall be determined assuming the *member retired at pensionable age* at such time (subject to subsection 5.5, if applicable);
- (b) a *member's "highest average compensation"* means one-third of the *member's indexed compensation* for the three non-overlapping twelve month periods of highest indexed *compensation*, and for this purpose
  - (i) the "*indexed compensation*" for a month is the *compensation* for the month, herein the *compensation month*, multiplied by the ratio obtained by dividing the *wage index* for the year in which the *member* ceases to be an *active member* or when the payment of a *pension benefit* commences as a result of the retirement or death of a *member*, as applicable, by the *wage index* for the later of 1986 and the year including such *compensation month*, and
  - (ii) if a *member* has less than three years of service with any employer for which *pensionable service* is granted under paragraph 1.2.1, the highest average *compensation* shall equal twelve times the average monthly indexed *compensation* for such shorter period.



**10.1 PENSION BENEFITS IN MONTHLY INSTALMENTS**

- (a) *Pension benefits* equal to one-twelfth of the annual amount payable will be paid in monthly instalments
- (i) at the end of the month in which a *member retires* or dies, as applicable, and
  - (ii) at the end of each calendar month thereafter provided that the *pensioner* is alive and continues to be entitled to the *pension benefit* at the beginning of such month;
- (b) The first monthly *pension benefit* to which a *pensioner* is entitled as a result of the retirement of a *member* or the death of a *member* prior to retirement will be multiplied by the ratio obtained by dividing A by B
- where
- A is the number of days in the month of payment that follow the *member's* retirement or death, as applicable, and
- B is the number of days in the month of payment.
- (c) A *spouse* or *dependant* of a retired *member* shall not be entitled to a *pension benefit* payment for the month in which the *member* dies.

**10.2 COMMUTATION OF SMALL BENEFITS**

For transfers occurring on or after January 1, 2012, if the *member's pension benefit credit* is less than twenty percent of the *Year's Maximum Pensionable Earnings* for the calendar year in which the *member* terminates employment other than by retirement or by death, the *pension benefit credit* will be paid to the *member*, or surviving *spouse* and *dependants* in the event of death, in lieu of any other benefits under the *Plan*.

For transfers occurring on or after January 1, 2012, if the *member's pension benefit credit* is less than twenty percent of the *Year's Maximum Pensionable Earnings* for the calendar year in which the *member* terminates employment by retirement or by death, the *member* may elect to receive the *pension benefit credit* in lieu of any other benefits under the *Plan*.

**11.1 ASSIGNMENT OF RIGHTS**

Unless permitted in this Section or subsection 11.3, a person's rights under the *Plan* are not capable of being assigned, charged, anticipated, given as security or surrendered. Such rights may be

- (a) assigned pursuant to paragraph 11.2.2,
- (b) assigned by the legal representative of a deceased person on the distribution of the person's estate, or
- (c) surrendered if the surrender consists of a reduction in benefits or a refund of contributions to avoid the revocation of the registration of the *Plan* by the Minister of National Revenue.

A commutation of a *pension benefit* as permitted under the *Plan* shall not be considered a surrender of benefits.

**11.2 MARRIAGE BREAKDOWN****11.2.1 Application**

In this subsection, "*spouse*" has

- (a) in relation to a court order, the same meaning that it has in the applicable provincial property law, regardless of whether the provincial property law uses the word "*spouse*" or another expression, except if such meaning is inconsistent with the definition "*spouse*" in the *Income Tax Act*; or
- (b) in relation to an assignment or agreement referred to in this subsection, the same meaning as in the definition "*spouse*" in subsection 1.1.

**11.2.2 Assignment to Spouse**

A *member* may, pursuant to a decree, order or judgement of a competent tribunal or in accordance with a written separation agreement relating to a division of property between the *member* and his or her *spouse* or former *spouse*, assign all or part of the *member's pension benefit, pension benefit credit* or other benefits under the *Plan* to that person's *spouse* or former *spouse*, effective as of divorce, annulment or separation.

In the event of such an assignment the *spouse* or former *spouse* will, in respect of the assigned portion of the *pension benefit, pension benefit credit* or other benefit, be deemed to have been a *member* and to have ceased to be a *member* as of the effective date of the assignment, but a subsequent *spouse* of that *spouse* is not entitled to a *pension benefit, pension benefit credit* or other benefit under the pension *Plan* in respect of that assigned portion.

### 11.2.3 Non-application of PBSA

If *pension benefits, pension benefit credits* or other benefits under the *Plan* have accrued to a *member* at the effective date of assignment under this subsection 11.2, the distribution of such credits or benefits is

- (a) subject to the applicable provincial property law, and
- (b) the joint and survivor *pension benefits* otherwise payable may be split into a *pension benefit* for each of the *member* and *member's spouse* or former *spouse* provided that the aggregate of the actuarial present value of the two *pension benefits* is not greater than the actuarial value of the joint and survivor *pension benefit*.

"Joint and survivor", in relation to a *pension benefit*, means a *pension benefit* which once the periodic payments commence to a *member* will continue to be paid until the death of the *member* or the death of the *member's spouse* or former *spouse*, whichever occurs last.

### 11.2.4 Adjustment of Joint and Survivor Pension Benefit

Effective July 12, 2010, in the event that no part of a *pension benefit* of a *member* is required to be distributed to that person's *spouse* or former *spouse* in accordance with paragraph 11.2.2, a joint and survivor *pension benefit* in pay pursuant to paragraph 7.3.1 may be adjusted so that it becomes payable to the *member* at the date of adjustment as though the *member* had not had a *spouse* on the *pension benefit* commencement date.

## 11.3 ASSIGNMENT AND UNLOCKING FOR NON-RESIDENTS

- (a) Notwithstanding subsection 11.1, when a *member* or retired *member* has ceased to be a resident of Canada for at least two calendar years and has ceased employment with the *Bank*, the *pension benefits* or *pension benefit credits* of such *member* or retired *member* are exempted from the prohibitions set out in subsection 11.1. In addition, such *member* or retired *member* may elect, in lieu of the benefits that are otherwise payable or that are otherwise transferable pursuant to subsection 6.2, to withdraw such *member's* or retired *member's pension benefits* or *pension benefit credits* from the *Plan*.
- (b) For the purposes of subparagraph (a), a *member* or retired *member* is deemed to have been a resident of Canada throughout a calendar year if that *member* or retired *member* has sojourned in Canada in the year for a period of, or periods the total of which is, 183 days or more.



## SECTION TWELVE PENSION FUND

---

### 12.1 TRUST AGREEMENT

Subject to this Section, the *Bank* shall enter into an agreement with the *Trustees* which will set out the rights and responsibilities of the *Trustees* and the terms and conditions under which the *Trustees* are to hold and administer the *Trust Fund*. The *Bank* will determine the form and terms of the agreement, and may modify its terms at such time or times as may be necessary to accomplish the purposes of the *Plan* and will be responsible for the selection of the *Trustees* and may appoint successor or further *Trustees*, including a trust company, as, in its sole discretion, may be necessary or desirable for the purposes of the *Plan*.

### 12.2 TRUST FUND VESTED IN TRUSTEES

The *Trust Fund* shall be vested in the *Trustees*, and will be maintained and administered by the *Trustees* in accordance with the terms of the agreement entered into between the *Bank* and the *Trustees*.

### 12.3 PAYMENTS INTO AND OUT OF TRUST FUND

#### 12.3.1 Contributions

- (a) *Member* contributions pursuant to subsection 3.2 and subsection 17.2, other than contributions paid directly to the *Plan*, shall be paid by the *Bank* into the *Trust Fund* within thirty days following the period for which they are deducted from the *member's salary* or received from the *member*.
- (b) *Bank* contributions pursuant to subsection 3.4 shall be paid into the *Trust Fund* not less frequently than monthly and not later than thirty days after the end of the period in respect of which the instalment is paid.
- (c) The *Trustees* shall have no responsibility for the collection of contributions required to be made into the *Trust Fund*.

#### 12.3.2 Distributions

The *Bank* shall direct the *Trustees* to make payments from the *Trust Fund* to the *Bank* for the purpose of enabling the *Bank* to pay

- (a) the benefits under the *Plan*
- (b) all reasonable expenses incurred in the operation of the *Plan* and *Trust Fund*, unless payment of such expenses is assumed by the *Bank*, or
- (c) other payments authorized by the terms of the *Plan*.

## 12.4 INVESTMENTS

Notwithstanding the restrictions on holding certain assets as may be applicable to the *Bank*, the *Trust Fund* shall be invested in assets in which funds of a registered pension plan may be invested under the *Income Tax Act* and the *PBSA*, except that direct investments in the securities of any member of the Canadian Payments Association is not permitted.

The *Bank* may name one or more Investment Advisors who may, but need not be, employees of the *Bank*, to direct the investment of all or any portion of the *Trust Fund*, within investment guidelines set from time to time by the *Bank*.

## SECTION THIRTEEN ADMINISTRATION

---

### 13.1 ADMINISTRATOR

#### 13.1.1 Interpretation

For the purposes of the *Income Tax Act* and the *PBSA*, the *Bank* is the *Administrator* of the *Plan*.

#### 13.1.2 Responsibilities

The *Administrator* shall

- (a) conclusively decide all matters relating to the interpretation and application of the *Plan's* provisions,
- (b) provide for the keeping of records necessary for the administration of the *Plan*, and
- (c) perform any other act required of it according to the *Plan* or as *prescribed*.

#### 13.1.3 Delegation

The *Bank* shall act as *Administrator* through such of its agents, officers and employees as it may designate and empower so to act.

### 13.2 DETERMINATION OF AMOUNTS

Except as specifically provided for under the *Plan*, amounts determined in connection with the administration of the *Plan* shall be determined using such reasonable assumptions as are acceptable to the *Superintendent* and the Minister of National Revenue and, if actuarial principles are applicable to the determination, in accordance with generally accepted actuarial principles.

Actuarial factors used to calculate *pension benefit credits* and other entitlements under the *Plan* shall be neutral as to gender.

### 13.3 INFORMATION TO MEMBERS

#### 13.3.1 Explanation to Active Members and to their Spouses

Effective December 15, 2010, the *Administrator* will provide to *active members* and their *spouses*, and to each employee who is eligible to join the *Plan*, a written explanation of the provisions of the *Plan*, and any applicable amendments thereto, delivered within the prescribed period of the adoption of such amendment.

Any such written explanation required to be provided to the *active member* and to the *active member's spouse* shall be addressed to both of them and delivered to the *active member*.

### 13.3.2 Statements

Effective April 1, 2011, within the *prescribed* period after the end of each calendar year the *Administrator* will provide each *active member* and each *active member's spouse* a written statement showing the *active member's pension benefit* entitlements and such other information as *prescribed*, as well as each *member* that is no longer an *active member*, as *prescribed*, and their *spouse* with a written statement showing such information as is *prescribed*.

Effective April 1, 2011, if a *member* ceases to be an *active member* or if the *Plan* is terminated in part, the *Administrator* will give to that *member* and to the *member's spouse* (or, in the case of the *member's* death, if there is no *spouse*, to the *member's* designated beneficiary if the *Administrator* has been notified of the designation, or, in every other case, to the executor, administrator or liquidator of the *member's* estate or succession) a written statement in the form *prescribed* under the *PBSA* and delivered within the *prescribed* period after the date of ceasing to be an *active member*, or such longer period as the *Superintendent* may allow.

Any such statement required to be provided to the *member* and to the *member's spouse* shall be addressed to both of them and delivered to the *member*.

### 13.3.3 Rights to Examine Documents

Effective April 1, 2011, each *member* and every other person entitled to *pension benefits* under the *Plan*, as *prescribed*, and their *spouse* may, once in each *calendar year*, either personally or by an agent or mandatary authorized in writing for that purpose, examine at the *Bank's* head office, or such other place as is agreed to by the *Administrator* and the person concerned,

- (a) a copy of the *Plan* or of any amendment thereto, or
- (b) a copy of any report filed with the *Superintendent* at any time after December 31, 1986, including
  - (i) information returns,
  - (ii) information on the source of funds and application of gains,
  - (iii) actuarial reports,
  - (iv) financial statements, and
  - (v) any other report or statement as *prescribed*

and may order, in writing, a photocopy of any such documents, on condition of payment of such reasonable fee as the *Administrator* may fix.

#### **13.4 PENSION COUNCIL**

The *PBSA* provides for the possibility of forming a pension council with representation from *members* and, if a majority of retired *members* so request, representation from retired *members*. The circumstances of the formation and the functions of a pension council, as well as the manner of selection of representation, are as *prescribed* under the *PBSA*.

#### **13.5 CONFIDENTIAL INFORMATION**

No person involved in any manner whatsoever in the administration of the *Plan* or the administration or investment of the *Trust Fund* shall be permitted or required, in carrying out the administration of the *Plan* or the administration or investment of the *Trust Fund*, to use information in his or her possession which was acquired in a confidential capacity, which information was not intended for the use of the *Plan* or *Trust Fund*, even though the use of such information may be beneficial to the *Plan* beneficiaries or the *Trust Fund*. Furthermore, no such person shall be permitted to use in his or her personal or any other capacity any information in his or her possession which was acquired in a confidential capacity on behalf of the *Plan* or the *Trust Fund* and which information is not generally available to the public.

## SECTION FOURTEEN AMENDMENT OR TERMINATION

---

### 14.1 RIGHT TO AMEND OR TERMINATE

While the *Bank* intends to continue the *Plan* indefinitely, it necessarily must and does reserve the right to amend or terminate the *Plan* in whole should future conditions, in the opinion of the *Bank*, warrant such action.

The termination of the *Plan* in whole constitutes an amendment to the *Plan*.

### 14.2 NO REDUCTION IN BENEFITS

Except as may be required to avoid revocation of the registration of the *Plan* by the Minister of National Revenue, no amendment or termination of the *Plan* in whole shall have the effect of reducing

- (a) *pension benefits* accrued prior to the date of such amendment, or
- (b) *pension benefit credits* relating to *pension benefits* accrued prior to the date of amendment

unless permission is given by the *Superintendent*.

### 14.3 WITHDRAWAL OF SURPLUS WHILE PLAN REMAINS IN FORCE

If a surplus, determined by an *actuary*, should occur in the *Trust Fund* at any time while the *Plan* remains in force, the *Bank* may withdraw such portion of the surplus as is permitted by the Minister of National Revenue and the *Superintendent* and provided such withdrawal is made in the manner *prescribed*.

### 14.4 WITHDRAWAL OF SURPLUS ON PLAN TERMINATION

If the *Plan* is terminated, any assets of the *Trust Fund* remaining after the satisfaction of all liabilities under the *Plan* shall be paid to the *Bank*, subject to the approval of the Minister of National Revenue and the *Superintendent*, and provided such payment is made in the manner *prescribed*.

### 14.5 PARTIAL WIND-UP OF THE PLAN

Up to July 11, 2010, if the *Plan* was wound-up in part, the rights of the *members* affected shall not be less than what they would be if the whole of the *Plan* were wound-up at the same time.

### 14.6 REPORT TO SUPERINTENDENT

Upon termination of the *Plan*, in whole or in part, a report will be prepared by an *actuary* setting out the information *prescribed*.

Assets of the *Trust Fund* may not be applied toward the provision of any benefit until the *Superintendent* has approved the report except that the *Administrator* of the *Plan* may direct the payment of *pension benefits* and refunds of contributions as they fall due.

#### **14.7 PENSIONABLE SERVICE, CREDITED SERVICE AND AVERAGE SALARY ON PLAN TERMINATION**

For the purpose of determining a *member's* entitlements under the *Plan* upon termination of the *Plan*, a *member's pensionable service* and *credited service* shall cease, at the latest, on the date of termination of the *Plan*.

Furthermore, for the purpose of determining a *member's* entitlements under the *Plan* upon termination of the *Plan*, the *member's average salary* as of the date of termination of the *Plan* will be used to calculate any entitlement under the *Plan*.

## SECTION FIFTEEN MISCELLANEOUS

---

### 15.1 CHANGE IN CONSUMER PRICE INDEX

If at any time the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act*, is adjusted to reflect a new time basis or a new content basis with a resulting change made in the figures for that Index, a corresponding adjustment shall be made in the *pension index* with respect to any period that is used for the purpose of calculating the amount of any benefit that may be paid under the *Plan*.

### 15.2 AGREEMENTS WITH OTHER EMPLOYERS

The *Bank* at the direction of the *Board* may enter into a reciprocal transfer agreement with any reciprocal authority responsible for the administration of a registered pension plan for the purpose of preserving some or all of the *pension benefits* to which an individual who transfers from or to employment with the *Bank* is entitled. Such reciprocal transfer agreement shall constitute a part of the *Plan*.

### 15.3 INDEMNIFICATION

The *Bank* may indemnify any person, their heirs, executors, administrators and other personal representatives, involved in the administration of the *Plan* or the administration or investment of the *Trust Fund* as it determines advisable. Without limiting the generality of the foregoing, an indemnity may be given to the *Trustees*, their agents and any employees of the *Bank* involved in the administration of the *Plan* or the administration or investment of the *Trust Fund*.

### 15.4 PROVISION FOR REGULATIONS

The *Board* may make such regulations as it deems necessary to give effect to the provisions of the *Plan*, and such regulations shall be deemed to constitute part of the *Plan*.

### 15.5 INCAPACITY TO RECEIVE A BENEFIT

If, for any reason, an individual entitled to the payment of a benefit under the *Plan* is unable to give a valid receipt, payment of the benefit shall be made to the person having legal care or custody of the individual. Payment of the benefit pursuant to this subsection shall constitute a complete discharge of the payment under the *Plan*.



## 16.1 INTRODUCTION

The Bank of Canada has outsourced to EDS Canada Inc. (EDS) the Retail Debt Operations (RDO) while retaining overall responsibility for the retail debt function. Each *affected member* will cease to accrue *credited service* under the *Plan* from the *affected member's designated transfer date* onward, but will still retain *pension benefit* rights under the *Plan* for *credited service* prior to this date.

For greater certainty, *pension benefits* will be treated pursuant to section 30 of the *Pension Benefits Standards Act (PBSA)*. Consequently,

- EDS or any successor entity who acquired all or part of the business, undertaking or assets of EDS thereafter will be understood to be a *successor employer*, as described in this section of the *PBSA*;
- an *affected member* will remain an *active member* of the *Plan* until the *determination date*; and
- service with the *successor employer* until that date will be included for purposes of determining entitlement to *pension benefits* under the *Plan*.

*Pension benefits, pension benefit credits* or any other benefits that an *affected member* may be entitled to will only be payable on the *affected member's* retirement, or termination of employment with the *successor employer*, or the death of the *affected member*, under the same terms and conditions as if the *affected member* had terminated service with the Bank of Canada at that time, except as such terms and conditions may be modified or clarified in this Section 16. However, any future amendment to the provisions of Sections 1 to 15 of the *Plan* after the *affected member's designated transfer date*, shall not apply to the *affected member* unless explicitly otherwise indicated in such amendment.

## 16.2 DEFINITIONS AND APPLICATION

### 16.2.1 Additional Definitions

For the purpose of this Section 16, the terms "*affected member*", "*designated transfer date*", "*designated transfer year*", "*determination date*", "*determination year*", "*outsourcing agreement*", and "*successor employer*" are defined as follows:

"*affected member*" means a member who accepted an employment offer with EDS Canada Inc. pursuant to the *outsourcing agreement*.

"*designated transfer date*" means the date on which the *affected member* ceases to be an employee of the *Bank* pursuant to the *outsourcing agreement*.

"*designated transfer year*" means the calendar year in which the *designated transfer date* occurs.

"*determination date*" means the date on which the *affected member* retires from the *successor employer*, terminates employment from the *successor employer* or dies, whatever occurs first. Effective January 1, 2020, the *affected member* who has attained *pensionable age* may elect to retire from the *Plan*, whether the *affected member's* employment with the *successor employer* has terminated or not. In such a case, the *affected member* shall be deemed to retire from the *successor employer* for the purpose of the *Plan* on the date on which he is commencing to receive his unreduced *immediate pension benefit*; in any event, the *affected member's* pension commencement date cannot be earlier than January 1, 2020, if the *affected member's* employment with the *successor employer* has not terminated.

"*determination year*" means the calendar year in which the *determination date* occurs.

"*outsourcing agreement*" means the Implementation Agreement between the *Bank* and the *successor employer* dated June 26, 2001.

"*successor employer*" means EDS Canada Inc. and any successor entity who acquired all or part of the business, undertaking or assets of EDS Canada Inc. thereafter.

## **16.2.2 Application**

This Section 16 applies only to *affected members*. Except as amended by this Section 16, all other provisions in Sections 1 to 15 apply to the *affected members*, mutatis mutandis. In the event of any inconsistency between any of the provisions in Sections 1 to 15 and the provisions in this Section 16, the provisions in this Section 16 shall prevail.

## **16.3 MODIFICATIONS AND CLARIFICATIONS OF EXISTING PROVISIONS**

With respect to *affected members*, the following provisions of the *Plan* shall be modified or clarified as follows:

### **16.3.1 General Modifications**

Any reference in Sections 1 to 15 to the term "termination of employment" or "termination of employment with the *Bank*", or words of similar effect, shall be replaced by termination of employment with the *successor employer*". Similarly, any reference to the term "employment by the *Bank*" or words of similar effect shall be replaced by "employment by the *Bank* and the *successor employer*", and any reference to the term "*member* terminates employment" or "*member* terminates employment with the *Bank*", or words of similar effect, shall be replaced by "*member* terminates employment with the *successor employer*". The above modifications do not apply to: the definitions of *regular employee* and *temporary employee* in subsection 1.1; paragraph 1.5.2; paragraph 2.1.2; subsection 2.3; paragraph 3.2.2; subsection 6.5; and subsection 15.2.

### **16.3.2 Definitions**

"*active member*" means an *affected member* who has not *retired*, terminated employment with the *successor employer*, or died.

"*average YMPE*" means the average of the *Year's Maximum Pensionable Earnings* for the *designated transfer year* and each of the four preceding calendar years. Such *average YMPE* shall be increased by the same increase factor as determined in the proviso in the definition of *average salary*.

"*average salary*" means

- (a) one-fifth of the aggregate of an *affected member's full-time salary* for any *continuous* five year period of membership in the *Plan* ceasing on, or prior to, the *designated transfer date*, or (b) if an *affected member* has been a *member* for less than a *continuous* five year period on the *designated transfer date*, the *average full-time salary* for the period of membership in the *Plan* ceasing on the *designated transfer date*.

Provided that such *average salary* will be increased by an increase factor as follows:

- (c) if the *designated transfer year* is the same year as the *determination year*, the increase factor is equal to the percentage increase, if any, in the *pension index* for the *designated transfer year* over the *pension index* for the year preceding the *designated transfer year*, multiplied by the ratio obtained by dividing the number of days between the *designated transfer date* and the *determination date* by 365.
- (d) if the *designated transfer year* is not the same year as the *determination year*, the increase factor is equal to the product of  $(1+A) \times (1+B) \times (1+C)$  minus 1,

where

- A is the percentage increase, if any, in the *pension index* for the year immediately following the *designated transfer year* over the *pension index* for the *designated transfer year*, multiplied by the ratio obtained by dividing the number of days between the *designated transfer date* and December 31 of the *designated transfer year* by 365,
- B is the percentage increase, if any, in the *pension index* for the *determination year* over the *pension index* for the year immediately following the *designated transfer year*, and
- C is the percentage increase, if any, in the *pension index* for the *determination year* over the *pension index* for the year preceding the *determination year*, multiplied by the ratio obtained by dividing the number of days between January 1 of the *determination year* and the *determination date* by 365.

"*compensation*" shall exclude *compensation* with the *successor employer*.

### 16.3.3 Pensionable Service

*Pensionable service* shall include an *affected member's* employment with the *successor employer* for purposes of determining the *affected member's* entitlement to a *pension benefit*, including the determination of *pensionable age*. Except for the purpose of the calculation of reduction in paragraph 5.3.4 and in the calculation of *pensionable service*

in clause 9.2.1(b)(i), *pensionable service* shall exclude an *affected member's* employment with the *successor employer* for purposes of calculating the maximum permissible *pension benefit*.

#### **16.3.4 Credited Service**

*Credited service* shall exclude an *affected member's* employment with the *successor employer*.**16.3.5 Member Required Contributions**

(a) **Current Service**

An *affected member* is not required nor permitted to contribute to the *Plan* on and after the *affected member's designated transfer date*.

(b) **Past Service**

(i) An *affected member* who has elected, prior to the *designated transfer date*, to contribute in respect of prior *pensionable service* shall continue to make the past service contributions in the manner previously determined, prior to the *designated transfer date*, by the *Administrator*;

(ii) After the *affected member's designated transfer date*, an *affected member* is not permitted to make any further elections to contribute in respect of prior *pensionable service* under paragraph 3.2.2.

#### **16.4 AMENDMENTS APPLICABLE TO THE AFFECTED MEMBER**

The amendments to the provisions of subparagraph 5.1.2 (b), paragraph 5.1.3 and paragraph 6.2.4 shall apply to the *affected member* who, as of July 1, 2002, has not *retired*, terminated employment with the *successor employer*, or died.

The provisions of subsection 5.4 shall apply to the *affected member* who *retired*, terminated employment with the *successor employer*, or died, where such event occurred before July 1, 2002.

The amendments to the provisions of subsections 11.1 and 11.3 apply to the *affected members* who have not transferred their *pension benefits* or *pension benefit credits* out of the *Plan*.

## SECTION SEVENTEEN PRE-CHANGE PLAN TERMS

---

### 17.1 INTRODUCTION AND APPLICATION

#### 17.1.1 Introduction

The *Plan* was amended, effective January 1, 2012. Certain employees, pursuant to the *change option*, elected to have the *pre-change Plan terms* apply or continue to apply (subject to the terms set out in the *change option*), or did not elect to have the *post-change Plan terms* apply, to their obligations and entitlements in respect of their *pensionable service* and *credited service* accrued on and after January 1, 2012.

#### 17.1.2 Application

Unless otherwise specifically provided in this Section Seventeen, this Section Seventeen applies to only the *grandfathered members*, in respect of all of their *pensionable service* and *credited service* as *grandfathered members*.

#### 17.1.3 Modification

Except as modified by this Section Seventeen, all provisions in Sections One to Fifteen apply to the *grandfathered members*. In the event of any inconsistency between any of the provisions in Sections One to Fifteen and any of the provisions in this Section Seventeen, the provisions of this Section Seventeen shall prevail in respect of a *grandfathered member*.

#### 17.1.4 No Duplication

Nothing in this Section Seventeen shall be construed to provide for *pension benefits* or *pension benefit credits*, in duplicate, in respect of a *grandfathered member* under this Section Seventeen and under any other Section for the same period of *pensionable service* or *credited service*.

### 17.2 MEMBER REQUIRED CONTRIBUTIONS

#### 17.2.1 Current Service

Each *active member* who is a *grandfathered member*, other than a person who has

- (a) attained in a prior year age seventy-one years or such other age as prescribed by the *Income Tax Act* from time to time, or
- (b) attained thirty-five years *credited service*,

is required to contribute to the *Plan*, by deduction from *salary*:

up to March 31, 2018, the sum of

- (c) five and seven-tenths percent of the portion of *salary*, expressed in terms of an annual rate, that is less than the *Year's Maximum Pensionable Earnings*, and
- (d) seven and one-half percent of the portion of *salary*, expressed in terms of an annual rate, that is greater than the *Year's Maximum Pensionable Earnings*.

from April 1, 2018 to March 31, 2019, the sum of

- (e) seven and two-tenths percent of the portion of *salary*, expressed in terms of an annual rate, that is less than the *Year's Maximum Pensionable Earnings*, and
- (f) nine and one-half percent of the portion of *salary*, expressed in terms of an annual rate, that is greater than the *Year's Maximum Pensionable Earnings*.

as of April 1, 2019, subject to any required approval by the Canada Revenue Agency, the sum of

- (g) eight and seven-tenths percent of the portion of *salary*, expressed in terms of an annual rate, that is less than the *Year's Maximum Pensionable Earnings*, and
- (h) eleven and one-half percent of the portion of *salary*, expressed in terms of an annual rate, that is greater than the *Year's Maximum Pensionable Earnings*.

### **17.2.2 Past Service**

For an *active member* who makes an election under subparagraph 3.2.2(a) or 3.2.2(b) and who is a *grandfathered member*, irrespective of whether the relevant period of prior service in respect of which the *grandfathered member* elects to contribute to the *Plan* is before or after January 1, 2012,

- (a) the amount of contributions required to be made under clause 3.2.2(a)(i) or clause 3.2.2(b)(i), as the case may be, shall be calculated according to paragraph 17.2.1 and based on the *pre-change Plan terms*; and
- (b) the minimum *member* contribution required to be contributed to the *Plan*

pursuant to subparagraph 3.2.2(a) or 3.2.2(b) shall equal the sum of

- (i) the *pension benefit credit*, if any, received by the *member* in respect of the relevant period of prior service, based on the *pre-change Plan terms*; and
- (ii) accrued *interest*, at such rates as determined by the *Administrator* from time to time, on such *pension benefit credit* from the date of receipt of such *pension benefit credit*.

For greater certainty, the *pension benefit* and *pension benefit credit* of *pensionable service* bought back are governed by the *pre-change Plan terms*.

### **17.3 BRIDGE PENSION BENEFIT**

After June 30, 2002, the annual *bridge pension benefit* payable to a *grandfathered member* under subparagraph 5.1.3(c) shall, subject to the limits imposed by Section Nine, equal five-tenths of one percent of the lesser of

- (a) the *grandfathered member's* highest *average salary*, and
- (b) the *average YMPE*,

multiplied by the *grandfathered member's* years and part years of *credited service* in respect of *pensionable service* after 1965.

### **17.4 DEATH BENEFITS**

#### **17.4.1 Amount of Spouse's Lifetime Pre-Retirement Survivor Benefit**

- (a) If the *grandfathered member* was an *active member* at the date of death, the annual *lifetime pension benefit* payable to the *grandfathered member's spouse* pursuant to paragraph 7.1.1 shall be determined according to subparagraph 7.1.2(a) and paragraph 7.1.3 in respect of all of the *grandfathered member's pensionable service* which includes, for greater certainty, *pensionable service* prior to 2012 and after 2011.
- (b) If the *grandfathered member* was not an *active member* at the date of death, the annual *lifetime pension benefit* payable to the *grandfathered member's spouse* pursuant to paragraph 7.1.1 shall equal the amount computed according to subparagraph 7.1.2(b) and paragraph 7.1.3 in respect of all of the *grandfathered member's pensionable service* which includes, for greater certainty, *pensionable service* prior to 2012 and after 2011.

## 17.4.2 Residual Payment

- (a) Subsection 7.5 does not apply to a *grandfathered member*.
- (b) For a *grandfathered member*, if no *pension benefit* is payable or if all *pension benefits* which have been or could become payable arising out of the *pensionable service* of such a deceased *grandfathered member* have ceased, a single payment will be paid as soon as practicable to such deceased *grandfathered member's* designated beneficiary or estate, as applicable, equal to the sum of the deceased *grandfathered member's net contribution account*, if positive, in respect of all of the *grandfathered member's pensionable service* which includes, for greater certainty, *pensionable service* prior to 2012 and after 2011, and accrued *interest* up to the beginning of the month in which such payment is made. For the death of a *grandfathered member* occurring on or after July 1, 2011, in the event of the death of a *grandfathered member* prior to the date the *grandfathered member retires* and where paragraph 7.1.1 does not apply, the sum payable under this subparagraph 17.4.2(b) will be increased, if necessary, so that it is equal to the *grandfathered member's pension benefit credit* computed as if the *grandfathered member* had terminated employment at the *grandfathered member's* date of death and had not died.