HOOPP
Healthcare of Ontario Pension Plan

Healthcare of Ontario Pension Plan

Office consolidation of plan text effective January 1, 2024,
with amendments up to and including October 1, 2026

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HEALTHCARE OF ONTARIO PENSION PLAN
PLAN TEXT
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SECTION 1
INTRODUCTION

The Healthcare of Ontario Pension Plan was established January 1, 1960 to meet the retirement needs of the health care community. The plan is a multi-employer pension plan with over 650 participating employers.

The primary purpose of the plan is to provide monthly payments to members for their lifetime after retirement. The plan also provides other benefits payable to eligible members and their beneficiaries in accordance with its terms.

The plan, as amended or restated from time to time, is subject to continued registration under the Income Tax Act (Canada) and the Pension Benefits Act, R.S.O. 1990, both as amended or replaced from time to time, and may be subject to other legislation, as applicable.

The plan was amended and restated effective November 22, 1993 to reflect the change in administrator from the Ontario Hospital Association to the Board of Trustees of the Hospitals of Ontario Pension Plan. The plan was subsequently amended a number of times.

The plan was amended and restated effective January 1, 2010 to reflect the change in the administrator's name from the Hospitals of Ontario Pension Plan to the Healthcare of Ontario Pension Plan. The Plan was amended and restated effective January 1, 2024 to make certain housekeeping and consequential amendments.

SECTION 2
DEFINITIONS

In this Plan, the following words and phrases shall have the following meanings, unless a different meaning is specifically required by the context:

2.1 **"actuary"** means the person or firm appointed as such, from time to time, by the administrator and who is, or one of whose employees is, a Fellow of the Canadian Institute of Actuaries.

2.2 **"administrator"** means the Board of Trustees of the Healthcare of Ontario Pension Plan, as established by the Agreement and Declaration of Trust.

2.3 **"Agreement and Declaration of Trust"** or **"Trust Agreement"** means the agreement made as of November 22, 1993, and amended from time to time, between the Ontario Hospital Association, the Ontario Nurses' Association, the Canadian Union of Public Employees, the Service Employees' International Union and the Ontario Public Service Employees' Union.

2.4 **"annualized earnings"** means a member's pensionable earnings in a calendar year determined by the total amount of contributions received by the plan in respect of the member from their employer(s), expressed on an annualized basis. For the purposes of section 4.1, contributions shall be determined by the employer, based on the member's pensionable earnings at the employer in a calendar year, expressed on an annualized basis.

2.5 **"average annualized earnings"** means the average of a member's annualized earnings during any consecutive periods totalling five years of eligibility service yielding the highest average.

If a member has less than five years of eligibility service, average annualized earnings shall be based on the average of actual annualized earnings over the full period of contributory service.

2.6 **"average YMPE"** means the average of the YMPE in the five years immediately preceding the date a member ceases to be an employee.

2.7 **"beneficiary"** means a person, persons or entity designated by a member in accordance with section 8.1.

2.8 **"commuted value"** means the value of a member's pension benefit, calculated in the manner prescribed under the Pension Benefit Act (Ontario).

2.9 **"continuous service"** means the period of an employee's employment.

2.10 **"contributory service"** means service as described in subsection 5.1(1).

2.11 **"eligibility service"** means service as described in subsection 5.1(2), and it is used to determine benefits under section 6.3.

2.12 **"employee"** means a person who is employed by an employer in Ontario. Despite the foregoing, a member who is subject to subsection 9.3(3) is considered to be an employee. Members who elect to receive a benefit under subsection 19.2(2) will be deemed to have terminated their employment for plan administration purposes forfeiting all rights and obligations of plan membership upon payment of their benefit under this provision.

As a result of the Income Tax Act (Canada), any person who is remunerated under contract for special services, on a fee-for-service basis or other special arrangement shall not be considered an employee unless otherwise determined by the administrator.

2.13 **"employer"** means an employer who is a member of the Ontario Hospital Association and who is required to make contributions to the trust fund in accordance with the terms of a participation agreement or such other written agreement, arrangement or practice which sets out the terms of an employer's participation in the plan. This definition shall include the Board of Trustees, any corporation controlled by the Board of Trustees and, in addition, any of the Settlors or any corporation controlled by any one of the Settlors, provided any of these entities elects to become an employer.

2.14 **"interest"** means interest determined by the administrator in accordance with the Pension Benefits Act and the Income Tax Act.

2.15 **"leave"** means an absence as described under sections 5, 9 and 12.

2.16 **"member"** means a person who is:

(1) an employee who is accruing contributory service or who is on a leave; or

(2) entitled to current or future benefits under the Plan.

Members who elect to receive a benefit under subsection 19.2(2) will be deemed to have terminated their employment for plan administration purposes forfeiting all rights and obligations of plan membership upon payment of their benefit under this provision.

2.17 **"participation date"** means the date an employer joins the plan.

2.18 **"pensionable earnings"** means wages, salary and other amounts paid in relation to hours, weeks, or other specific periods of time for which a member is employed, and that form a regular and integral part of the member's remuneration (subject to any limits as may be determined by the administrator).

Pensionable earnings do not include overtime pay, shift premiums or any payment the administrator determines not to be part of the member's pensionable earnings.

2.19 **"plan"** means the Healthcare of Ontario Pension Plan, as amended or restated from time to time.

2.20 **"plan year"** means a calendar year.

2.21 **"qualifying spouse"** means a person to whom a member is:

(1) married but is not separated from; or

(2) not married, but living together within a conjugal relationship

(i) continuously for a period of not less than one year, or

(ii) in a relationship of some permanence, if they are the parents of a child, as set out in section 4 of the *Children's Law Reform Act*.

2.22 **"retire"** means to cease employment, and apply for a monthly pension. **"Retired"** and **"retirement"** have corresponding meanings.

2.23 **"RPP account"** means the portion of the trust fund into which members and employers contribute, subject to the limits set out in section 4, and from which benefits are paid, subject to the limits set out in section 13.1.

2.24 **"trust fund"** means the fund established pursuant to the Agreement and Declaration of Trust.

2.25 **"vested"** means that upon ceasing to be an employee a member is entitled to a deferred pension. This applies to all members of the Plan on or after July 1, 2012. For members who cease to be an employee prior to July 1, 2012 this means they have been a member of the plan for two years, or have two years of combined membership and eligibility service as set out in subsection 5.1(2).

2.26 **"YMPE"** means, in respect of any plan year, the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan.

In the plan text, unless the context requires otherwise, words in the singular shall be construed as including words in the plural, words in the plural shall be construed as including words in the singular, and words importing the feminine pronoun shall be construed as including both the masculine and non-binary pronoun.

The captions, headings and table of contents of this plan are inserted for convenience only and are not to be construed as part of the plan.

SECTION 3
ENROLMENT

3.1 Enrolment

(1) **Full-Time Employees**

Any full-time employee hired by an employer on or after the employer's participation date is required to join the plan on the date of hire, and to complete an enrolment form as prescribed by the administrator.

Despite the above, any full-time employee hired by an employer before the employer's participation date may join the plan on the participation date or on any subsequent date.

(2) **Part-Time Employees**

Any part-time employee or employee not classified as full-time hired by an employer on or after the employer's participation date may join the plan on the date of hire or on any subsequent date, provided that the employee completes an enrolment form as prescribed by the administrator.

Any part-time employee or employee not classified as full-time hired by an employer before the employer's participation date may join the plan on the participation date or on any subsequent date.

3.2 Conditions of Membership

Once an employee joins the plan, the employee shall remain a member as long as the employee remains employed by any employer through which the employee enrolled in the plan. Despite this, if

(a) the member has reached the limits of a leave under subsection 5.2(3) or section 9.3, and does not return to work and start making required contributions immediately, or,

(b) the member has ceased to make contributions in accordance with section 4.5 or 4.6,

and, if applicable, the member has ceased to be employed by any other employer(s) where the member had enrolled, the member may elect to terminate membership in HOOPP in the form and manner as prescribed by the administrator and will cease to be an employee for purposes of HOOPP.

For the period prior to a member's enrolment in accordance with section 3.1, except for purposes of this section 3 and subsection 12.1(1), for all other purposes under the plan an individual who was an eligible employee will be deemed not to be an employee or employed with any employer where no election to enrol has been made.

3.3 Re-employment

(1) **New Enrolment**

An individual who ceased to be employed by all employers where the employee was enrolled in the plan, shall be treated as a new employee for the purposes of any subsequent enrolment in the plan.

(2) **Retired Member**

A member who is receiving a pension, other than a disability pension as provided in section 9, and who is employed by an employer, may elect:

(a) not to enrol, and continue to receive pension payments; or

(b) to suspend the member's pension payments and re-enrol in the plan.

If the member elects to suspend receipt of pension payments and re-enrol in the plan, then the member shall start contributing to the plan in accordance with section 4.1 on the first day of the next month following the last pension payment. The member shall not be eligible to apply for disability benefits as set out in section 9, will not be eligible to purchase past service, as set out in section 12. The member's benefits shall be subject to the conditions set out in section 6.7.

(3) **Member Entitled to Deferred Pension**

A member entitled to a deferred pension in accordance with sections 7.1 and 7.2 who has not received a refund of contributions pursuant to section 7.4 and who re- enrols in the plan on or after December 3, 2010 shall have the deferred benefit reinstated and the two periods shall be treated as continuous.

A member entitled to a deferred pension in accordance with section 7.2 and who re-enrols in the plan may elect to return to the plan any refundable contributions received by the member pursuant to section 7.4, with interest calculated from the first of the month following the date when the member received such payment to the date of re-enrolment in the plan.

If such funds are returned to the plan within six months of the member's re-enrolment date, the member's deferred pension shall be reinstated and the two periods shall be treated as continuous. Any refundable contributions, with interest, returned to the Plan pursuant to this subsection 3.3(3) shall be included as required contributions of the member. If such funds are not returned to the plan within six months of the member's re-enrolment date, such member's deferred pension shall not be reinstated and the two periods shall be treated separately.

The provisions of this subsection 3.3(3) shall not operate to grant a member contributory service, eligibility service, or to deem annualized earnings for a period when the individual was not employed by an employer and enrolled in the plan and shall be subject to any terms and conditions as prescribed by the administrator in

relation to any re-enrolments on or after March 31, 2005 and prior to the effective date of this provision, and any requirements of the Income Tax Act.

SECTION 4
REQUIRED CONTRIBUTIONS

4.1 Required Contributions by Members

(1) **Contribution Rates**

Each member shall contribute to the plan on all pensionable earnings by payroll deduction until the member ceases to be an employee. Contributions shall be made on the following basis:

(a) For plan years 1994 through 1998:

(i) 1.3% of the member's annualized earnings up to the YMPE (inclusive), multiplied by the contribution benefit ratio for the year, (as determined in section 14.3), plus

(ii) 2% of the member's annualized earnings in excess of the YMPE, multiplied by the contribution benefit ratio for the year.

(b) For plan years 1999 and after:

(i) 1.5% of the member's annualized earnings up to the YMPE, multiplied by the contribution benefit ratio for the year (as determined in section 14.3), plus

(ii) 2% of the member's annualized earnings in excess of the YMPE, multiplied by the contribution benefit ratio for the year.

The contributions shall be prorated in the ratio of the member's pensionable earnings for each calendar year to the member's annualized earnings for such calendar year, and such ratio shall not exceed one.

(2) **Contribution Maximums**

The amount of a member's contributions to the RPP account for any calendar year shall not exceed such limit as set by the administrator on the advice of the actuary and, unless a higher limit is expressly approved under the Income Tax Act, the lesser of:

(a) 9% of the member's remuneration for that calendar year; and

(b) $1,000 plus 70% of the pension credit of the member for the plan in respect of that calendar year.

For the purposes of this subsection, "pension credit" shall have the meaning given to that term under the Income Tax Act.

(3) **No Contributions**

Despite subsection (1), a member shall not make required contributions in the following circumstances:

(a) if the member qualifies for a waiver of contributions, as provided in section 5.2(4) or section 9.3; or

(b) if the employment status of the member changes and the member elects to stop contributing, as provided in section 4.5.

4.2 Contributions with no Earnings

Subject to legislation and employer consent where applicable, a member may make contributions pursuant to section 4.1 and be credited with contributory service for periods of service as described in subsections 5.2(1), (2) and (3) and section 5.5. Such contributions shall be made subject to all of the following conditions:

(1) the contributions must be made during the period to which the contributions apply, or following the end of the period as permitted by the administrator;

(2) the contributions must be based on the rate of pensionable earnings the member would have received but for the leave, strike or lockout or eligible period of reduced pay; and

(3) the contributions and the contributory service in respect of the period must be made in accordance with the Income Tax Act, including the conditions for prescribed compensation.

4.3 Required Contributions by Employers

(1) For plan years prior to 1994, each employer shall make contributions to the plan on a basis prescribed by the administrator on the advice of the actuary and in accordance with the Pension Benefits Act and the Income Tax Act.

(2) During 1994 and each plan year thereafter, each employer shall make contributions to the plan at the employer contribution rate, determined in accordance with section 14.3, multiplied by the contributions made by members in accordance with sections 4.1 and 4.2. Such contributions shall be in accordance with the Pension Benefits Act.

(3) Employer contributions to the RPP account shall not exceed such limit as set by the administrator on the advice of the actuary and shall be limited to those which are permissible under the Income Tax Act as employer contributions to a registered pension plan.

4.4 Overpayments

Subject to any requirements of the Income Tax Act and the Pension Benefits Act, any payments made by an employer in a plan year in excess of the amount required under

section 4.3 will be returned to the employer out of the trust fund.

Subject to any requirements of the Income Tax Act and the Pension Benefits Act, any contributions made by a member in a plan year in excess of the amount required to be contributed under section 4.1, or the amount permitted under the Income Tax Act, will be returned to the member out of the trust fund.

4.5 Full-Time to Part-Time Employment

A member who changed employment status from full-time to part-time prior to January 1, 2014 may elect to cease making required contributions on such date. If the member is employed by more than one employer on a part-time basis, the member must cease making required contributions in respect of all such employers. Despite subsection 5.1(2), such member will continue to accrue eligibility service.

A member who changes employment status from full-time to part-time on or after January 1, 2014 may elect to cease making required contributions on such date. If the member is employed by more than one employer on a part-time basis, the member must cease making required contributions in respect of all such employers. Such member will not accrue eligibility service in accordance with subsection 5.1(2).

A part-time member who, in accordance with this section, elected to cease making contributions may elect to resume making required contributions. However, such a member may not again elect to cease making required contributions.

4.6 Part-Time and Full-Time Employment

A member who is enrolled in accordance with subsection 3.1(2) and who is subsequently hired as a full-time employee with an employer may elect to cease contributing to the plan at the part-time employer in the form and manner as prescribed by the administrator.

SECTION 5
SERVICE

5.1 Service

(1) **Contributory Service**

Contributory service consists of the periods of employment during which a member makes contributions to the plan. Contributory service as determined by each employer of the member in a calendar year in which the member contributes to the plan shall be prorated to the ratio of the member's pensionable earnings to the member's annualized earnings for that calendar year, and such ratio shall not exceed one. The total of all periods of a member's contributory service in a calendar year shall not exceed one year of contributory service per calendar year.

Contributory service includes periods of employment relating to benefits that are transferred into the plan in accordance with section 11, eligible periods of past service purchased by a member in accordance with section 12, and service accrued during a period a member qualifies for a waiver of contributions in accordance with section 5.2(4) and section 9.3.

(2) **Eligibility Service**

Eligibility service is related to contributory service and is based on the frequency with which a member is normally expected to work. If a member does not contribute during a period the member was expected to work, then the member will not be entitled to eligibility service for that period, unless the member is subject to section 4.5.

5.2 Leaves

(1) **Statutory Leaves**

A member may elect to take a statutory leave in accordance with the Employment Standards Act and shall make required contributions in accordance with section 4.2, unless the member waives the requirement in writing.

(2) **Employer-Approved Leaves**

A member may, subject to the employer's consent, take a leave, for a period determined by the employer. Such member may, subject to the employer's consent, make contributions for the leave, for which the member shall be credited with contributory service.

Despite the above, a member shall make required contributions for any employer-approved leave that is less than 31 days in duration.

(3) **Health Leaves**

A member may, subject to the employer's consent, take a leave for health reasons. Such a leave shall not exceed a period of four years and shall end if the member ceases to be an employee.

A member on a health leave shall make required contributions during the first fifteen weeks of the health leave, which is the qualifying period, and may make contributions in accordance with section 4.2 and subsection 5.5(2) during the qualifying period.

If a member interrupts this leave during the qualifying period for any one period not exceeding three weeks, and after any such period resumes the leave for the same cause or a cause related to the initial disability, the health leave shall be considered to have been continuous.

The member may apply in the form and manner prescribed by the administrator for a waiver of contributions in accordance with section 9, to start no earlier than the end of the qualifying period. If the member does not qualify for a waiver of contributions, the member may, subject to the receiving employer consent, make contributions in accordance with section 4.2 for all or part of the health leave.

(4) **Declared Provincial Emergencies**

A member will continue to accrue contributory service for the portion of a declared emergency leave or an infectious disease emergency leave with a participating employer in accordance with section 5.2(1) or the portion of the first fifteen weeks of a health leave with a participating employer in accordance with section 5.2(3) during which:

(a) An emergency has been declared by the Province of Ontario under the Emergency Management and Civil Protection Act in response to COVID-19 for the period:

(i) from March 17, 2020 to July 24, 2020;
(ii) from January 12, 2021 to February 9, 2021; and
(iii) from April 7, 2021 to June 2, 2021; and

(b) The member has no pensionable earnings from that participating employer.

A member who has been granted a waiver of contributions under this section shall accrue contributory service based on a reasonable estimate of the rate at which the member accrued contributory service immediately prior to the period of leave, as determined by the administrator and in accordance with the Income Tax Act, including the conditions for prescribed compensation.

5.3 Transfer and Purchase of Past Service

A member's contributory service shall also include:

(1) eligible service that is transferred from a former employer in accordance with section 11; and

(2) eligible past service purchased in accordance with section 12.

5.4 Waiver of Contributions

If a member qualifies for a waiver of contributions in accordance with section 9.3, the member may continue to accrue contributory service in accordance with the maximums set out in that section.

5.5 Other Eligible Service

(1) **Strike or Lockout**

Subject to section 4.2, a member who is absent from active employment with an employer due to a strike or lockout may elect to make contributions to the plan in respect of the strike or lockout, in accordance with the Income Tax Act. A member electing to make such contributions must do so based on the rate of earnings the member would have received but for the strike or lockout, and must make the contributions within six months after the strike or lockout ends.

(2) **Periods of Reduced Service**

Subject to section 4.2, a member who has been employed for a minimum of 36 months (or such shorter period as may be prescribed under the Income Tax Act) by an employer, may subject to the employer's consent, elect to make contributions for a temporary period of reduced service and pensionable earnings that qualifies as an "eligible period of reduced pay" under the Income Tax Act. The member may make contributions, as if the applicable period of service were not reduced, either during the period or within six months after the period ends.

SECTION 6
RETIREMENT

6.1 Retirement

A member who wishes to retire must apply in the form and manner prescribed by the administrator through the member's current employer or directly to the administrator in the event that the member is not employed.

A member's retirement date is the date the member ceases to be an employee, unless the member is not employed, in which case the member's retirement date is the end of the month before the month in which the pension starts.

A pension will start on the first day of the next month following the member's retirement date, and shall be payable in equal monthly instalments.

(1) **Normal Retirement Date**

A member's normal retirement date occurs in the month in which the member attains age 65.

(2) **Early Retirement Date**

A vested member may elect to retire between age 55 and the normal retirement date. This shall be the member's early retirement date.

(3) **Postponed Retirement Date**

A member may elect to retire after the month in which the member attains age 65. This shall be the member's postponed retirement date.

Despite the above, a member electing to retire after the month in which the member attains age 65 must elect to retire by November 30 of the year in which the member attains age 71, or such later date as permitted by the Income Tax Act.

6.2 Lifetime Benefits

A member who retires from the plan pursuant to sections 6.1 and 9.6 shall receive an annual lifetime pension, payable in equal monthly instalments, based on the contributory service accrued in the plan. Subject to sections 6.3, 6.4 and Appendix D, the annual pension shall be determined in accordance with subsections (1), (2), (3), (4) and (5), as applicable to the member:

(1) **Annual Lifetime Pension**

The annual pension shall be equal to:

[1.5% of that portion of the member's average annualized earnings which does not

exceed the average YMPE

plus

2% of that portion of the member's average annualized earnings which exceeds the average YMPE]

multiplied by

the member's contributory service, excluding any periods of contributory service subject to subsections (2), (3), (4) and (5).

(2) **Benefit Improvement for Pre-2018 Contributory Service**

A member to whom subsection (4) is not applicable and who, as of January 1, 2018 had not ceased to be an employee, retired or died, shall, in lieu of the benefit calculated in accordance with subsection (1) for contributory service before January 1, 2018 only, receive an annual lifetime pension equal to:

[1.75% of that portion of the member's average annualized earnings which does not exceed the average YMPE

plus

2% of that portion of the member's average annualized earnings which exceeds the average YMPE]

multiplied by

the member's contributory service before January 1, 2018.

In addition, effective January 1, 2018, a member eligible to retire in accordance with sections 6.1 or 9.6, who:

(a) between October 1, 2017 and December 31, 2017 ceased to be an employee; or

(b) started receipt of a pension between October 1, 2017 and January 1, 2018 and whose employment ceased in the month immediately prior to the month in which the pension started,

shall have the lifetime pension re-determined effective January 1, 2018 pursuant to this subsection (2) and shall have the bridge benefit, if any, re-determined in accordance with subsection 6.3(2).

For greater certainty, this subsection (2) also applies to a member's contributory service, if any, before January 1, 2018, that on or after January 1, 2018:

(i) is used to calculate the amount of the new pension of a re-enrolled retired member in accordance with paragraph 6.7(1)(c);

(ii) forms part of a deferred benefit that is reinstated in accordance with subsection 3.3(3); or

(iii) is credited upon a transfer into the plan in accordance with sections 11.2 or 11.3, or a past service purchase in accordance with section 12.

(3) **Benefit Improvement for 2018-2020 Contributory Service**

A member to whom subsection (4) is not applicable and who, as of April 1, 2021, had not ceased to be an employee, retired or died, shall, in lieu of the benefit calculated in accordance with subsection (1) for contributory service in 2018, 2019 and 2020 only, receive an annual lifetime pension equal to:

[1.75% of that portion of the member's average annualized earnings which does not exceed the average YMPE

plus

2% of that portion of the member's average annualized earnings which exceeds the average YMPE]

multiplied by

the member's contributory service from January 1, 2018 to December 31, 2020.

In addition, a member who ceased to be an employee in March 2021 and applied to start a pension on April 1, 2021 shall have the pension determined pursuant to this subsection (3).

For greater certainty, this subsection (3) also applies to a member's contributory service, if any, from January 1, 2018 to December 31, 2020, that on or after April 1, 2021:

(a) is used to calculate the amount of the new pension of a re-enrolled retired member in accordance with paragraph 6.7(1)(c);

(b) forms part of a deferred benefit that is reinstated in accordance with subsection 3.3(3); or

(c) is credited upon a transfer into the plan in accordance with sections 11.2 or 11.3, or a past service purchase in accordance with section 12.

(4) **Benefit Improvement for Contributory Service Prior to 2023**

A member who, as of January 1, 2023, had not ceased to be an employee, retired or

died, shall, in lieu of a benefit calculated in accordance with subsections (1), (2) or (3) for contributory service before January 1, 2023 only, receive an annual lifetime pension equal to:

2% of the member's average annualized earnings

multiplied by

the member's contributory service from January 1, 2021 to December 31, 2022

plus

[1.9% of that portion of the member's average annualized earnings which does not exceed the average YMPE

plus

2% of that portion of the member's average annualized earnings which exceeds the average YMPE]

multiplied by

the member's contributory service before January 1, 2021.

In addition, effective January 1, 2023, a member who ceased to be an employee between June 1, 2022 and December 31, 2022 and who:

(a) was eligible to retire in accordance with sections 6.1 or 9.6 upon ceasing to be an employee; or

(b) started a pension between July 1, 2022 and January 1, 2023,

shall have the lifetime pension re-determined effective January 1, 2023 pursuant to this subsection (4) and shall have any bridge benefit re-determined in accordance with subsection 6.3(2).

For greater certainty, this subsection (4) also applies to a member's contributory service, if any, before January 1, 2023, that on or after January 1, 2023:

(i) is used to calculate the amount of the new pension of a re-enrolled retired member in accordance with paragraph 6.7(1)(c);

(ii) forms part of a deferred benefit that is reinstated in accordance with subsection 3.3(3); or

(iii) is credited upon a transfer into the plan in accordance with sections 11.2 or 11.3, or a past service purchase in accordance with section 12.

(5) **Benefit Improvement for 2023 Contributory Service**

A member who, as of July 1, 2024, has not ceased to be an employee, retired or died, shall, in lieu of a benefit calculated in accordance with subsection (1) for contributory service in 2023 only, receive an annual lifetime pension equal to:

2% of the member's average annualized earnings

multiplied by

the member's contributory service from January 1, 2023 to December 31, 2023.

For greater certainty, this subsection (5) also applies to a member's contributory service, if any, in 2023, that on or after July 1, 2024:

(a) is used to calculate the amount of the new pension of a re-enrolled retired member in accordance with paragraph 6.7(1)(c);

(b) forms part of a deferred benefit that is reinstated in accordance with subsection 3.3(3); or

(c) is credited upon a transfer into the plan in accordance with sections 11.2 or 11.3, or a past service purchase in accordance with section 12.

6.3 Early Retirement Benefits

(1) **Lifetime Pension Adjustment**

A member retiring pursuant to subsection 6.1(2) shall receive an annual lifetime pension for contributory service accrued to the early retirement date.

reduced to

the percentage indicated in the following early retirement table, according to the member's "eligibility service (completed years)" and the member's "attained age (in years)" determined as of the early retirement date:

Early Retirement Table

Eligibility service (completed years)	Attained age (in years)					
	55	56	57	58	59	60+
14 or less	70.0%	76.0%	82.0%	88.0%	94.0%	100.0%
15	77.5	82.0	86.5	91.0	95.5	100.0
16	79.0	83.2	87.4	91.6	95.8	100.0
17	80.5	84.4	88.3	92.2	96.1	100.0
18	82.0	85.6	89.2	92.8	96.4	100.0
19	83.5	86.8	90.1	93.4	96.7	100.0
20	85.0	88.0	91.0	94.0	97.0	100.0
21	86.5	89.2	91.9	94.6	97.3	100.0
22	88.0	90.4	92.8	95.2	97.6	100.0
23	89.5	91.6	93.7	95.8	97.9	100.0
24	91.0	92.8	94.6	96.4	98.2	100.0
25	92.5	94.0	95.5	97.0	98.5	100.0
26	94.0	95.2	96.4	97.6	98.8	100.0
27	95.5	96.4	97.3	98.2	99.1	100.0
28	97.0	97.6	98.2	98.8	99.4	100.0
29	98.5	98.8	99.1	99.4	99.7	100.0
30+	100.0	100.0	100.0	100.0	100.0	100.0

Despite the above, the actuarial present value of the annual pension payable under this section 6.3 must at least equal the actuarial present value of the pension that would be payable to the member, based on the member's contributory service at the early retirement date, if the member deferred starting that pension to the normal retirement date. If it does not, the applicable Income Tax Act limits will prevail.

(2) **Bridge Benefit**

A member entitled to a pension under subsection 6.1(2) shall also be entitled to receive an annual bridge benefit in an amount equal to:

(a) [0.5% of that portion of the member's average annualized earnings which does not exceed the average YMPE, multiplied by the member's contributory service for which the lifetime benefits are calculated pursuant to subsection 6.2(1)

plus

0.25% of that portion of the member's average annualized earnings which does not exceed the average YMPE, multiplied by the member's contributory service, if any, for which the lifetime benefits are calculated pursuant to subsections 6.2(2) or (3)

plus

0.1% of that portion of the member's average annualized earnings which does not exceed the average YMPE, multiplied by the member's contributory service prior to January 1, 2021 only, if any, for which the lifetime benefits are calculated pursuant to subsection 6.2(4)]

reduced to

(b) the percentage indicated in the early retirement table under subsection 6.3(1), according to the member's "eligibility service (completed years)" and the member's "attained age (in years)" determined as of the member's early retirement date.

The bridge benefit shall be payable from the first day of the next month following the member's early retirement date, up to and including the earlier of the first day of the month in which the member attains age 65 or dies.

6.4 Postponed Retirement Adjustment

A member retiring pursuant to subsection 6.1(3) shall receive an annual lifetime pension for contributory service accrued to the member's postponed retirement date as set out in section 6.2.

The portion of the pension accrued up to the month in which the member attained age 65 and based on the member's average annualized earnings and average YMPE at that time shall be adjusted upwards by 0.5% for each month after the month in which the member attained age 65 up to and including the month of the postponed retirement date. However, the increased amount shall not exceed the actuarial equivalent of the value of the accrued pension that would have been payable commencing on the member's normal retirement date and ending on the postponed retirement date.

The portion of a pension accrued after the month in which a member attains age 65 shall not be adjusted upwards.

6.5 Forms of Pension Benefit

(1) **Member with no Qualifying Spouse**

The normal form of lifetime pension for a member without a qualifying spouse who

retires under section 6.1 or section 9.6 is payable in equal monthly instalments for the lifetime of the member. If the member dies before receiving 180 payments, the beneficiary shall receive the balance of the 180 monthly payments, in accordance with section 8.2.

(2) **Member with a Qualifying Spouse**

(a) In the absence of a spousal waiver signed and delivered to the administrator in accordance with the Pension Benefits Act, the normal form of lifetime pension for a member with a qualifying spouse who retires under section 6.1 or 9.8 is payable in equal monthly instalments for the lifetime of the member. If the member dies before receiving 60 payments, the balance of the 60 monthly payments shall continue to the member's qualifying spouse until a total of 60 monthly payments have been made. The qualifying spouse shall, starting on the later of the first of the next month following the death of the member or the end of the 60 payments, receive a pension equal to 66 2/3 per cent of the lifetime pension that was payable in the prior month.

If the member is not survived by the qualifying spouse or if the member's surviving qualifying spouse dies before a total of 60 monthly payments have been made, the balance of the 60 monthly payments will be paid in accordance with section 8.2.

(b) In lieu of the normal form of pension benefit, a member with a qualifying spouse who retires under section 6.1 may elect an optional form of lifetime pension at any time within the 12 months immediately preceding the date the pension starts. Such member's optional form of pension will be actuarially reduced from the normal form of pension payable to a member with a qualifying spouse. If the member dies before receiving 60 payments, the balance of the 60 monthly payments shall continue to the member's qualifying spouse until a total of 60 monthly payments have been made. Thereafter, the qualifying spouse shall, starting on the later of the first of the next month following the death of the member or the end of the 60 payments, receive a pension in accordance with the election of the member of either:

(i) 80 per cent of the lifetime pension that was payable in the prior month; or

(ii) 100 per cent of the lifetime pension that was payable in the prior month.

If the member is not survived by the qualifying spouse or if the member's surviving qualifying spouse dies before a total of 60 monthly payments have been made, the balance of the 60 monthly payments will be paid in accordance with section 8.2.

Clauses (i) and (ii) do not apply to a member who retires under section 9.8.

(c) The member may elect the form of pension set out in subsection (1) if the member and the qualifying spouse sign a spousal waiver and deliver it to the administrator in accordance with the Pension Benefits Act.

(d) A member with a qualifying spouse who retired prior to January 1, 2018, who elected the normal form of pension in accordance with section 6.5(2)(a) shall have the form of pension adjusted effective January 1, 2018 to provide that if the member dies before receiving 60 payments from the member's retirement date, the balance of the 60 payments shall continue to the member's qualifying spouse until a total of 60 monthly payments have been made. The qualifying spouse shall, starting on the later of the first of the next month following the death of the member or the end of the 60 payments, receive a pension equal to 66 2/3 per cent of the lifetime pension that was payable in the prior month.

A member with a qualifying spouse who retired prior to January 1, 2018, who elected an optional form of pension in accordance with section 6.5(2)(b) shall, have the form of pension actuarially adjusted effective January 1, 2018 to the normal form in effect on January 1, 2018 and to provide that if the member dies before receiving 60 payments from the member's retirement date, the balance of the 60 payments shall continue to the member's qualifying spouse until a total of 60 monthly payments have been made. The qualifying spouse shall, starting on the later of the first of the next month following the death of the member or the end of the 60 payments, receive a pension in accordance with the optional form elected by the member.

(e) Where a retired member with a qualifying spouse died prior to January 1, 2018, the member's surviving qualifying spouse, if any, will receive starting January 1, 2018, the member's lifetime pension amount that would have been payable starting January 1, 2018 for the balance of the period after January 1, 2018 that runs for the 60 months after the member's retirement date. Thereafter, the surviving qualifying spouse of a member who died prior to January 1, 2018 and who elected the normal form of pension will, on the later of the end of the 60 months from the member's retirement date or January 1, 2018 have the pension adjusted to 66 2/3 per cent of the lifetime pension. The surviving qualifying spouse of a member who died prior to January 1, 2018 and who elected an optional form of pension will, on the later of January 1, 2018 or the end of the 60 months after the member's retirement date, have the pension actuarially adjusted to the normal form of pension in effect on January 1, 2018.

If the member is not survived by the qualifying spouse or if the member's surviving qualifying spouse dies before the end of the period of 60 months from the member's retirement date that continues after January 1, 2018, the balance of the 60 months, if any, that remains after January 1, 2018 and after the death of the qualifying spouse, if applicable, will be paid in accordance with section 8.2.

6.6 New Spouse after Retirement

(1) Upon acquiring a spouse who would not be entitled to a survivor pension under subsection 6.5(2), a member receiving a retirement pension may in writing direct the administrator to pay to the spouse, if the spouse survives the death of the member, a survivor pension for life, calculated as a percentage of the pension received by the member immediately before the member's death.

(2) The member must deliver the direction to the administrator within one year after the date on which the member acquired the spouse to whom the survivor pension is directed to be paid.

(3) The administrator may accept a direction after one year if the administrator is satisfied that the member is in good health.

(4) The pension payable to a member who has given a valid direction in accordance with this section shall be actuarially reduced by the administrator to reflect the survivor pension directed to be paid and the survivor pension shall be paid in the percentage specified in the direction to the spouse who survives the death of the member (and shall not exceed 100% of the pension paid to the member).

6.7 Restarting a Pension (After Suspending it)

(1) A member who suspended a pension in accordance with subsection 3.3(2) may subsequently elect, in the manner prescribed by the administrator, to cease contributions and start the payment of both the original pension and any new pension benefits. The member's pension payments will resume the first of the next month following the month in which the member ceases making contributions.

The benefits of a member making such an election shall be subject to the following rules:

(a) during the period of suspension of the original pension, the original pension may have been subject to inflation increases in accordance with section 10.1;

(b) if the original pension was adjusted under section 6.3, the pension shall be recalculated to reflect any additional eligibility service resulting from the new period of contributory service;

(c) the amount of the new pension shall be determined pursuant to section 6.2, and, where applicable, sections 6.3 and 6.4 shall be based on the average annualized earnings and average YMPE for the new period of contributory service, and shall include the total of the eligibility service resulting from the old and the new periods of contributory service.

(2) A member who suspends a pension shall also be subject to the following conditions:

(a) the limits in section 13.1 apply to the aggregate of the original benefits and the additional benefits;

(b) the death of the member shall be deemed to be a death after retirement and subject to the provisions of section 8.2;

(c) the new pension accrued by the member will be payable in the form elected by the member under section 6.5 at the original retirement date;

6.8 Additional Voluntary Contributions

A member who retires under this section 6 shall elect to either:

(1) receive a lump sum refund of any additional voluntary contributions with interest; or

(2) transfer the lump sum refund of any additional voluntary contributions with interest to the member's registered retirement savings plan, subject to the requirements of the Income Tax Act.

SECTION 7
TERMINATION

7.1 Termination

A member who ceases to be an employee shall be entitled to termination options.

(1) **Benefits on Non-Vested Termination**

On non-vested termination, a member shall be entitled to receive a lump sum refund of required contributions plus interest.

(2) **Benefits on Vested Termination**

On vested termination, a member shall be entitled to receive a deferred pension starting on the first day of the next month following the member's 65th birthday, calculated in accordance with section 6.2. Such member may elect instead one of the options set out in this section 7.

7.2 Deferred Pension

Despite section 7.1, a member who is entitled to receive a deferred pension may elect to start receiving the deferred pension as follows:

(1) on the first day of any month following the member's attainment of age 55. The annual lifetime pension and bridge benefit where applicable will be calculated in accordance with section 6, and in accordance with the plan provisions in effect on the date the member ceased to be an employee; or

(2) on the first day of any month following the month in which the member became entitled to the payment of a deferred pension, in accordance with section 6, but no later than November 30 of the year in which the member attains age 71 or such later date as permitted by the Income Tax Act.

7.3 Transfer of Value of Deferred Pension

(1) **Member Under Age 55**

A member who has ceased to be an employee before attaining age 55 may elect to transfer the commuted value of the deferred pension, calculated in accordance with subsections 6.3(1) and (2) plus interest:

(a) to another registered pension plan, provided that the administrator of the pension plan agrees to accept the transfer; or

(b) to a retirement savings arrangement as prescribed by the Pension Benefits Act; or

(c) to an insurance company licensed to transact business in Canada to be applied to purchase a deferred life annuity, provided that the payment of

the annuity will not start until the individual has attained at least age 55.

(2) **Member Eligible for Early Retirement**

A member aged 55 to 64 years, but who has not yet attained age 65, and who ceases to be an employee may elect to transfer the commuted value of the deferred pension, calculated in accordance with subsections 6.3(1) and (2) plus interest, to another registered defined benefit pension plan, provided that the administrator of the pension plan agrees to accept the transfer.

(3) **Statutory Requirements**

The administrator shall not permit a transfer or purchase under subsections (1) and (2) unless the administrator is satisfied that:

(a) the transfer of funds is in accordance with the Pension Benefits Act and the Income Tax Act; and

(b) any restrictions in the Pension Benefits Act with regard to the solvency of the plan have been met.

(4) **Prescribed Maximum Transfer Amount**

That part of the commuted value with interest that does not exceed the maximum transfer amount prescribed under the Income Tax Act may be transferred from the plan to one of the options offered under this section, as applicable. Any excess amount shall be paid to the member as a lump sum cash amount, in accordance with the provisions of the Income Tax Act.

7.4 Refundable Contributions

Upon ceasing to be an employee, a vested member shall be entitled to receive a lump sum payment equal to the amount, if any, by which required contributions to the plan, plus interest, exceed one-half of the commuted value of the member's deferred pension calculated in accordance with section 7.2, excluding any benefit attributable to past service purchases and additional voluntary contributions.

The refundable contributions together with interest may be:

(1) paid in a lump sum cash amount to the member; or

(2) transferred to the member's registered retirement savings plan, as permitted under the terms of the Income Tax Act.

7.5 Additional Voluntary Contributions

Upon ceasing to be an employee, a member shall elect to either:

(1) receive a lump sum refund of the member's additional voluntary contributions with

interest; or

(2) transfer the lump sum refund of the member's additional voluntary contributions with interest to the member's registered retirement savings plan, as permitted under the terms of the Income Tax Act.

SECTION 8
DEATH

8.1 Beneficiaries

A member's qualifying spouse will automatically receive death benefits on the death of the member, unless the member and qualifying spouse, as applicable, have signed a waiver in accordance with the Pension Benefits Act.

A member may, by written notice filed with the administrator during the member's lifetime, designate a person, persons or entity to receive the benefits payable under the plan upon death, in the absence of a qualifying spouse.

The member may also, by written notice filed with the administrator during the member's lifetime, alter or revoke any such designation, subject to the provisions of any applicable law.

8.2 Post-Retirement Death

(1) **Survivor Benefits**

(a) **Member with no Qualifying Spouse**

If a member who at retirement did not have a qualifying spouse dies before receiving 180 payments, pursuant to subsection 6.5(1) or paragraph 6.5(2)(c), the member's beneficiary may elect to receive the balance of the 180 monthly payments either in monthly installments or to receive the present value of the remainder of the guaranteed payments in a lump sum. If the beneficiary dies before receiving the guaranteed number of payments, then the present value of the remainder of the guaranteed payments will be paid in a lump sum to the estate of the beneficiary. If the beneficiary is a charitable or other organization, such entity shall receive the present value of the remainder of the guaranteed payments in a lump sum.

If there is no surviving beneficiary, or the member named the member's estate as beneficiary, the present value of the remainder of the guaranteed payments will be paid in a lump sum to the estate of the member.

(b) **Member with a Qualifying Spouse**

When a member dies, the member's surviving qualifying spouse, beneficiary, estate or spouses' estate, as applicable, shall receive death benefits in accordance with the member's election at retirement under section 6.5.

If the member is not survived by the qualifying spouse or if the member's surviving qualifying spouse dies before a total of 60 monthly payments have been made, the member's beneficiary may elect to receive the balance of the 60 monthly payments either in monthly instalments or to receive the present value of the remainder of the guaranteed payments in a lump sum. If the beneficiary is an estate, charitable or other organization, such entity shall

receive the present value of the remainder of the guaranteed payments in a lump sum.

If on the death of the member there is no surviving qualifying spouse or surviving beneficiary, any remaining benefit shall be payable to the estate of the member, or at the discretion of the administrator, to the estate of the qualifying spouse or beneficiary.

(2) **Residual Death Benefit**

If the aggregate amount of lifetime pension, bridge benefit and transition benefit payments made to or in respect of a member is less than the sum of all contributions made by the member to the date of retirement, plus interest, the member's beneficiary, or if there is none, the member's estate, shall receive a lump sum amount equal to the residual amount.

When the surviving qualifying spouse dies, any remaining benefit pursuant to this section shall be paid to the member's beneficiary or, if there is no beneficiary, to the estate of the member or, at the discretion of the administrator, to the estate of the qualifying spouse.

If, on the death of a member there is no surviving qualifying spouse or beneficiary, or if the person designated as the member's beneficiary is dead, cannot be located or refuses payment, any lump sum death benefits that may be payable shall be payable to the member's estate.

8.3 Pre-Retirement Death

(1) **Non-Vested Member**

If a non-vested member dies, a lump sum payment of the member's contributions with interest is payable to the member's qualifying spouse or, where there is no qualifying spouse, to the member's beneficiary.

(2) **Vested Member**

(a) If a vested member dies before pension payments start, a death benefit is payable as follows:

(i) an amount equal to the commuted value of the member's deferred pension benefit at the date of death, calculated in accordance with section 7.2.; or

(ii) if greater, in respect of a member who made required contributions before January 1, 1988, and who is survived by a qualifying spouse, the actuarial present value of a lifetime pension payable to the qualifying spouse equal to 60% of the member's pension accrued to the member's date of death, less refundable contributions determined pursuant to section 7.4.

(b) If a vested member ceased to be an employee on or after January 1, 1988, and dies before pension payments start, the death benefit is equal to the commuted value of the member's deferred pension accrued to the date of death, calculated in accordance with section 7.2, together with any increase granted under section 10.1 to the date of death.

(c) The pre-retirement death benefit will be payable to a qualifying spouse unless the qualifying spouse completes and files a waiver in the form and manner prescribed under the Pension Benefits Act.

The qualifying spouse may elect to receive the pre-retirement death benefit in one of the following forms, subject to the requirements of the Income Tax Act:

(i) a lump sum payment directly to the qualifying spouse; or

(ii) a transfer of the lump sum to the qualifying spouse's registered retirement savings plan; or

(iii) an annuity starting on the first day of any month prior to the end of the calendar year in which the qualifying spouse attains age 71 or, if later, within one year of the member's death, payable for the qualifying spouse's lifetime, as may be provided by the lump sum payment in paragraph 8.3(2)(a), on a basis determined by the administrator on the advice of the actuary.

If the aggregate amount of payment made to the qualifying spouse under this paragraph (c) is less than the sum of all contributions made by the member to the date of death, plus interest, the qualifying spouse's estate shall receive a lump sum equal to the residual amount.

(d) If the vested member does not have a qualifying spouse at the date of death, the pre-retirement death benefit is payable in a lump sum to the member's beneficiary or, if there is none, or if the beneficiary cannot be located or refuses payment, the lump sum shall be payable to the member's estate.

(e) A vested member's qualifying spouse or, where there is no qualifying spouse, the member's beneficiary, shall be entitled to a lump sum payment equal to the amount, if any, by which the member's required contributions to the plan, plus interest, exceed one-half of the commuted value of the member's benefit, calculated in accordance with section 7.4, excluding any benefit attributable to past service purchases and additional voluntary contributions.

The qualifying spouse may elect:

(i) to receive a lump sum cash amount; or

(ii) to transfer the lump sum to the spouse's registered retirement savings plan in accordance with the Income Tax Act.

If the member did not have a qualifying spouse, the member's beneficiary is entitled only to a lump sum cash amount.

(f) A vested member's qualifying spouse or, where there is no qualifying spouse, the member's beneficiary, shall be entitled to a lump sum payment of any additional voluntary contributions.

The qualifying spouse may elect:

(i) to receive a lump sum cash amount; or

(ii) to transfer the lump sum to his registered retirement savings plan in accordance with the Income Tax Act.

If the member did not have a qualifying spouse, the member's beneficiary is entitled only to a lump sum cash amount.

SECTION 9
DISABILITY BENEFITS:
WAIVER OF CONTRIBUTIONS AND DISABILITY RETIREMENT

9.1 Definitions

Terms used in this section are defined as follows:

(1) **"partial disability"** means a medical condition causing physical or mental impairment which prevents a member from performing the duties of employment in which the member was engaged prior to the impairment. **"Partially disabled"** has a corresponding meaning.

(2) **"total disability"** means a condition causing physical or mental impairment which prevents a member from engaging in any employment for which the member is reasonably suited by virtue of the member's education, training or experience. **"Totally disabled"** has a corresponding meaning.

(3) **"total and permanent disability"** means a condition causing physical or mental impairment which prevents a member from engaging in any employment for which the member is reasonably suited by virtue of the member's education, training or experience and that can reasonably be expected to continue for the remainder of the member's lifetime. **"Totally and permanently disabled"** has a corresponding meaning.

9.2 Application for Disability Benefits

(1) **Application Process**

A member may apply for disability benefits as set out in sections 9.3 and 9.6 in the form and manner prescribed by the administrator. Such application must be approved by the administrator for the member to qualify for disability benefits.

A member receiving disability benefits as set out in sections 9.3 and 9.6 who wishes to continue to receive disability benefits must apply in the form and manner prescribed by the administrator. Such application must be approved by the administrator for the member to continue to qualify for disability benefits.

(2) **Medical Evidence**

(a) For the purpose of enabling the administrator to arrive at a decision under subsection (1) the member shall provide to the administrator all such information relating to the member's health as the administrator may reasonably request, and within the time limits established by the administrator.

(b) If the time limits established by the administrator expire prior to the receipt of the requested information, the administrator may deny or discontinue the disability benefits, as applicable.

(c) If the information requested under paragraph (a) arrives after the deadline established by the administrator, and if the member is still on a health leave in accordance with subsection 5.2(3) and satisfies or continues to satisfy the applicable definition of disability, the disability benefit shall continue after the date on which the requested information was assessed.

(d) If the information requested under paragraph (a) arrives after the deadline established by the administrator, and the member is subject to subsection 9.3(3), the member's eligibility for disability benefits shall end effective the date of the deadline.

9.3 Waiver of Contributions

(1) **Eligibility**

A member who has made required contributions before commencing a health leave, and who is determined by the administrator to be partially disabled, totally disabled or totally and permanently disabled, as the case may be, and who is determined by the administrator to meet the eligibility requirements shall qualify for a waiver of contributions, subject to the limitations set out in this section.

(2) **Waiver Maximums**

The duration of a waiver of contributions is limited to the earliest of:

(a) the date the member ceases to be disabled;

(b) the date the member ceases to be an employee;

(c) if the member is partially disabled, the date which is four years after the health leave started;

(d) the date the member attains age 65; and

(e) the date the member accrues 35 years of contributory service.

(3) **Termination of Employment**

If a member's employment is terminated during a period in respect of which a waiver of contributions was granted, the member may, on continuing to satisfy the administrator that the member is, at a minimum, partially disabled, continue to qualify as an employee in accordance with section 2.12 and continue to receive contributory service to the earliest of:

(a) the date the member ceases to be disabled;

(b) the date the member becomes entitled to termination or retirement options;

(c) if the member is partially disabled, the date which is four years after the

applicable health leave started;

(d) the date the member attains age 65; and

(e) the date the member accrues 35 years of contributory service.

(4) **Rate of Accrual**

A member who has been granted a waiver of contributions shall accrue contributory service at the average rate that the member accrued contributory service over the four-year period prior to the date the health leave under subsection 5.2(3) started. If the member belonged to the plan for less than four years prior to the start of the health leave, contributory service shall be credited at the average rate of accrual for that period.

(5) **Limitation**

A partially disabled member whose waiver of contributions has continued to the end of the health leave, as defined in paragraph 9.3(2)(c), shall cease to be an employee, unless the member returns to work and starts to make required contributions immediately after the expiry of the four years.

9.4 Break in Leave

If a member who has been granted a waiver of contributions interrupts the leave for any one period not exceeding three weeks, and after any such period resumes the leave for the same cause or a cause related to the initial disability, the period of disability shall be considered to have been continuous.

9.5 Rehabilitation and Modified Work

A member who has been granted a waiver of contributions may continue to receive such waiver of contributions upon placement on a rehabilitation program or a modified work program by the employer in preparation for a full return to work up until the member's next medical review date. Thereafter, the member's continued entitlement to a waiver of contributions will be determined in accordance with section 9.3 and the results of such medical review.

A member placed on a permanent accommodation shall not be eligible to continue on a waiver of contributions and shall start to make required contributions.

9.6 Disability Pension

A member who:

(1) is on a health leave in accordance with section 5.2(3) or is in receipt of a waiver of contributions in accordance with section 9.3;

(2) has made required contributions during a period of employment when the member

was not on a health leave under subsection 5.2(3);

(3) is less than 65 years of age; and

(4) has accrued less than 35 years of contributory service,

may apply for a disability pension.

If such member is determined by the administrator to be totally and permanently disabled, the member shall qualify for a disability pension, subject to the limitations set out within section 9.7.

9.7 Disability Retirement Date

A member who qualifies for a disability pension under section 9.6 and elects to receive such a lifetime pension benefit must make such election no later than the date the member has accrued 35 years of contributory service or attained age 65, and must terminate employment with each employer before becoming eligible to receive disability pension benefits. The disability pension shall start on the first day of the next month following the latest of:

(1) the date of the member's termination;

(2) the date HOOPP is notified of the member's termination; or

(3) the date that HOOPP determines that the member qualifies for a disability pension.

9.8 Disability Pension Benefit

A member who elects to receive a disability pension shall receive an annual lifetime pension calculated in accordance with section 6.2, which shall be payable in equal monthly instalments.

A member who elects to receive a disability pension shall be subject to section 6.8.

9.9 Forms of Pension and Death Benefits

A member who elects to receive a disability pension shall be subject to sections 6.5 and 8.2.

9.10 Recovery While Receiving a Disability Pension

If a member recovers from total and permanent disability prior to attaining age 65, the disability pension such member was receiving shall cease immediately. If the member resumes employment with an employer immediately, the member shall start to make required contributions. Otherwise, the member shall be entitled to any available options, as applicable.

9.11 Medical Appeals Process

If a member's application for a waiver of contributions under subsection 9.3(3), or a member's application for payment of a disability pension under section 9.6, is denied after the medical evidence provided by the member has been reviewed by the administrator, granting of applicable disability benefits shall end. The member may appeal the administrator's decision to an independent medical referee within the time and in the manner prescribed by the administrator. The independent medical referee's decision shall be final. If the independent medical referee's decision is in favour of the member, disability benefits shall be reinstated retroactively to the date of the application where applicable.

If the member does not appeal the administrator's decision within the time and manner prescribed by the administrator, the member shall be entitled to any available options.

Despite the foregoing, a member who is denied a waiver of contributions on the basis that the member is not partially disabled may make a new application for a waiver of contributions, but is not eligible to appeal the administrator's decision unless the member is subject to subsection 9.3(3).

SECTION 10
ADJUSTMENTS

10.1 Pension Benefit Increases

(1) **Pre-January 1, 2006 Benefits**

(a) All pension benefits accrued for contributory service prior to January 1, 2006 are subject to an annual inflation protection increase commencing on the first of the next month following the date the member ceases to be an employee in accordance with section 6 or section 7.2, or when a member makes an election in accordance with paragraph 3.3(2)(b). This increase is calculated at the rate of 75% of the preceding year's rate of increase in the Consumer Price Index (Canada), up to a maximum Consumer Price Index increase of 10%.

(b) The administrator may, in its sole discretion, based on the advice of the actuary, improve these pension benefits beyond the annual inflation protection increase. However, the aggregate of such increases shall not exceed 100% of the preceding years' rates of increase in the Consumer Price Index (Canada), up to a maximum Consumer Price Index increase of 10% per year.

Granting an increase in any year does not mean that such an increase will be granted in any subsequent year.

(2) **Post-December 31, 2005 Benefits**

The administrator may, in its sole discretion, based on the advice of the actuary, improve pension benefits accrued for contributory service after December 31, 2005. However, the aggregate of such increases shall not exceed 100% of the preceding years' rates of increase in the Consumer Price Index (Canada), up to a maximum Consumer Price Index increase of 10% per year.

Granting an increase in any year does not mean that such an increase will be granted in any subsequent year.

10.2 Earnings Adjustments

(1) **Earnings Growth While Required Contributions Waived**

A member who qualifies for a waiver of contributions pursuant to section 9 shall have the applicable annualized earnings, established in the last year the member makes contributions before being granted the waiver of contributions, increased each subsequent calendar year at the lesser of the percentage increase of the Consumers' Price Index and the percentage increase of the Average Industrial Wage for the preceding year, as determined by the administrator.

(2) **Group Transfers to Another Plan**

When, in accordance with the Pension Benefits Act, a member ceases to be an employee as a result of:

(a) a sale, assignment or other disposition of all or part of an employer's business, or

(b) an employer terminating its participation in the plan and establishing another pension plan to be a successor to the plan, and the member becomes a member of the new pension plan,

the member's annualized earnings shall be increased each subsequent year at the lesser of the percentage increase of the Consumers' Price Index and the percentage increase of the Average Industrial Wage for the preceding year, as determined by the administrator.

SECTION 11
BENEFIT TRANSFERS

11.1 Asset Transfer Agreements

The administrator may, in its sole discretion, enter into an agreement with any organization or pension plan, to permit the receipt of funds in respect of a group of pension plan members that transfer into the plan from such pension plan or organization.

Likewise, the administrator may, in its sole discretion, enter into an agreement with any organization or pension plan, to permit the transfer out of funds in respect of a group of pension plan members that transfer out of the plan to such pension plan or organization.

Any such agreements shall be filed with the applicable regulatory authorities.

Such agreements shall set out the relevant details with respect to time limits, the amount to be transferred and the determination of benefits. In the event of a transfer into the plan where the transfer agreement sets out additional contribution obligations of the sponsor of the transferring plan, such additional contributions as required by the transfer agreement shall, in accordance with the Pension Benefits Act and as acceptable under the Income Tax Act, be paid by the sponsor of the transferring plan as required under the transfer agreement.

11.2 Individual Member or Reciprocal Transfer Agreements

The administrator may, in its sole discretion, enter into a transfer agreement with any pension plan or organization to permit the payment or receipt of funds for any qualifying member.

Any such agreements shall be filed with the applicable regulatory authorities as applicable.

Such agreements shall set out the relevant details with regard to time limits, the amounts to be transferred and the determination of benefits. Any transfer agreement may be amended from time to time with the approval of the administrator.

11.3 Commuted Value Transfers

A member may elect to transfer into the plan the benefit amount to which the member is entitled by reason of service in a former registered pension plan, provided the former plan allows the transfer, and provided the transfer meets the requirements of the Pension Benefits Act.

This benefit amount will be administered by the plan in accordance with the Pension Benefits Act and the Income Tax Act, as applicable. The member shall be credited with contributory service under the plan that represents this benefit amount but which cannot exceed the member's pensionable service recognized under the prior registered pension plan.

If the benefit amount transferred is less than the actuarial present value of the increase in the member's benefits under the plan, the period of contributory service actually acquired shall be the portion of the total period that is exactly purchased by the amount transferred, unless there is a payment made to the trust fund, of all or part of the difference between the

actuarial present value and the transferred amount, to establish all or part of the contributory service shortfall.

SECTION 12
PAST SERVICE PURCHASE

12.1 Eligible Periods of Past Service

A member may elect to purchase eligible periods of past service as defined under the Income Tax Act, unless that member is subject to sections 3.3(2), 6 or 7. Such periods will be credited to such member as additional contributory service. The following periods of past service are eligible for purchase:

(1) **Prior Service**

(a) Any eligible period of employment with an employer.

(b) Any eligible period of employment with a predecessor employer of an employer, as defined in the Income Tax Act.

A member cannot purchase a period of employment that was subject to section 4.5.

(2) **Former Contributory Service in the Plan**

The period of contributory service representing a previous entitlement under the plan to a termination benefit provided the member transferred the benefit in accordance with paragraph 7.3(1)(b), is hired by an employer, and enrols in the plan.

(3) **Absences**

(a) The period during which a member was on a leave in accordance with subsections 5.2(1), (2) and (3) for which the member made no contributions; or

(b) a strike or a lockout as defined in the Income Tax Act.

(4) **Service with Another Registered Pension Plan**

Eligible service with a prior registered pension plan. Any funds used to purchase a period of contributory service earned prior to January 1, 1992 must be transferred into the plan directly from the prior registered pension plan.

12.2 Purchase Price

The purchase price of an eligible period of past service, as described in section 12.1 above shall be determined by the administrator, on the advice of the actuary.

Upon receipt of information in respect of the cost of eligible past service, a member who elects to purchase the past service shall make payment in the form and manner prescribed by the administrator.

12.3 Crediting of Past Service

Contributory service granted in respect of part-time employment under this section shall be credited to the member in direct proportion to the portion of the year worked by the member during the period being purchased.

12.4 Limitations and Maximums

(1) No person shall acquire more than one period of contributory service in respect of the same period of time in the plan.

(2) If purchased on or after January 1, 1990, the maximum annual lifetime pension benefit payable to a member from the RPP account for eligible periods of past service, for years before 1990 that were never periods of pensionable service for such member may not exceed the amount prescribed under the Income Tax Act.

SECTION 13
INCOME TAX ACT MAXIMUMS

13.1 Maximum Pension

For the purposes of this section, "pensionable service" means pensionable service as defined under the Income Tax Act and it shall be limited to a maximum of 35 years in respect of the period prior to January 1, 1992.

For the purposes of this section, "early retirement eligibility service" means continuous service plus other periods that qualify as early retirement eligibility service under the Income Tax Act.

(1) **Maximum Lifetime Pension**

The annual lifetime pension payable to a member from the RPP account, including a pension payable to a member's qualifying spouse, as determined at the time the pension starts, shall not exceed the years of the member's pensionable service multiplied by the lesser of

(a) $3,506.67 or such greater amount permitted under the Income Tax Act; and

(b) 2% of the member's highest average indexed compensation (as defined under the Income Tax Act) in any three non-overlapping periods of 12 consecutive months;

and, if the pension start date precedes the earlier of the day on which:

(c) the member attains age 60 or would have attained age 60 if the member had remained in employment;

(d) the member's age plus early retirement eligibility service is equal to 80 or would have equalled 80 if the member had remained in employment;

(e) the member completes 30 years of early retirement eligibility service or would have completed 30 years of early retirement eligibility service if the member had remained in employment; and

(f) the member becomes totally and permanently disabled,

the pension benefit shall be reduced by ¼ of 1% for each month by which the pension start date precedes that day, and increased on an actuarially equivalent basis if the pension start date is after the member attains age 65.

(2) **Maximum Bridge Benefits**

The total annual bridge benefits payable to a member from the RPP account shall not exceed the maximum limit prescribed under the Income Tax Act.

(3) **Post-1991 Service Combined Bridge and Pension Benefit Maximum**

The sum of the lifetime and bridge benefits calculated in accordance with section 6 payable to a member from the RPP account, and based on pensionable service accrued after 1991, shall not exceed:

(a) $3,506.67 or such greater amount as may be permitted under the Income Tax Act, multiplied by the pensionable service of the member after 1991; plus

(b) 1/35 of 25% of the average of the YMPE for the year of retirement and each of the two immediately preceding years, multiplied by the pensionable service accrued after 1991, to a maximum of 35 years.

13.2 Pension Adjustment

The benefit accrued to a member in a plan year and payable from the RPP account shall not result in a pension adjustment (as defined under the Income Tax Act) which exceeds the limits as prescribed by the Income Tax Act.

SECTION 14
FUNDING

14.1 Definitions

Terms used in this section are defined as follows:

(1) **"current service cost"** means the actuarial present value of benefits earned under the provisions of the plan with respect to a plan year, determined in accordance with the actuarial methods and assumptions used in the valuation on an ongoing basis adopted by the administrator, on the advice of the actuary, and applying to the plan year.

(2) **"experience deficiency"** means the change in the actuarial present value on an ongoing basis of benefits accrued under the provisions of the plan as a result of actual experience in a period deviating from the experience expected by the actuarial assumptions for the period to the extent that the unfunded liability of the plan is increased.

(3) **"past service cost"** means the actuarial present value of a benefit improvement provided with respect to benefits earned before the date of the improvement, determined in accordance with the actuarial methods and assumptions used in the valuation on an ongoing basis, adopted by the administrator on the advice of the actuary, and applying to the plan year.

(4) **"solvency deficiency"** has the meaning as defined in the regulations to the Pension Benefits Act.

(5) **"surplus"** at a valuation date means the excess, if any, of the actuarial value of assets over the present value of benefits earned under the provisions of the plan, determined in accordance with the actuarial methods and assumptions used in the valuation on an ongoing basis, adopted by the administrator on the advice of the actuary, for the valuation date.

(6) **"triennial valuation date"** means December 31, 1993 and December 31 of every 3rd year thereafter, or such other December 31 as may be determined by the administrator.

(7) **"unfunded liability"** at a valuation date means the excess, if any, of the present value of benefits earned under the provisions of the plan over the actuarial value of assets, determined in accordance with the actuarial methods and assumptions used in the valuation on an ongoing basis, adopted by the administrator, on the advice of the actuary, for the valuation date.

14.2 Total Annual Cost for a Plan Year

Total annual cost for a plan year means:

(1) the current service cost for the plan year, plus

(2) amortization payments associated with past service costs due in the plan year, if any, plus

(3) amortization payments associated with unfunded liabilities related to changes in actuarial methods or assumptions due in the plan year, if any, plus

(4) amortization payments associated with experience deficiencies due in the plan year, if any, plus

(5) amortization payments associated with solvency deficiencies due in the plan year, if any, plus

(6) estimated expenses for the plan year as determined in the actuarial valuation on an on-going basis adopted by the administrator and applying to the plan year, less

(7) surplus amortization amounts determined in accordance with section 14.5 if any.

The total annual cost shall be determined in accordance with the requirements of the Pension Benefits Act and shall be limited in accordance with the requirements of the Income Tax Act.

14.3 Contribution Benefit Ratio and Employer Contribution Rate

(1) For 1994, the contribution benefit ratio for purposes of subsection 4.1(l) and the employer contribution rate for purposes of subsection 4.3(2) shall be determined by the administrator in consultation with the actuary, however, in no event shall the employer contribution rate be less than 120% or greater than 150% of member required contributions.

(2) The actuary shall recommend for triennial periods commencing January 1, 1995 and for each January 1 in the second year following a triennial valuation date, a contribution benefit ratio for the purpose of subsection 4.1(1) and an employer contribution rate for the purpose of subsection 4.3(2) to be applied each plan year in the triennial period.

(3) In the event of a change to the benefits provided under the plan or a change in the schedule of payments under subsections 14.2(2), (3), (4), or (5), or scheduled amounts under subsection 14.2(7), the actuary shall re-determine the contribution benefit ratio and employer contribution rate to be applied for the balance of the triennial period in subsection 14.3(2).

(4) Unless modified by subsection 14.3(5) the contribution benefit ratio for the purpose of subsection 4.1(1) and the employer contribution rate for the purpose of section 4.3 for the plan year shall be determined under subsection 14.3(2) or 14.3(3), as applicable.

(5) Any change to the contribution benefit ratio and employer contribution rate for a plan year subsequent to 1994 shall be determined as follows:

(a) an employer contribution rate shall be determined according to the following formula;

(The total annual cost for the plan year determined under section 14.2 less the total estimated required member contributions for the plan year using the contribution benefit ratio for the prior plan year) divided by the total estimated required member contributions for the plan year using the contribution benefit ratio for the prior plan year.

(b) if the employer contribution rate as determined in (a) is greater than the employer contribution corridor maximum, the contribution benefit ratio for the plan year shall be increased in successive steps of 0.15 and the employer contribution rate shall be redetermined in accordance with (a) substituting the revised contribution benefit ratio for that of the prior plan year until the employer contribution rate so determined first falls within the employer contribution corridor.

(c) if the required employer contribution rate as determined in (a) is less than the employer contribution corridor minimum, the contribution benefit ratio for the plan year shall be decreased in successive steps of 0.15 and the employer contribution rate shall be redetermined in accordance with (a) substituting the revised contribution benefit ratio for the contribution benefit ratio for that of the prior plan year until the employer contribution rate so determined first falls within the employer contribution corridor.

(6) The actuary shall review annually, and at such other times as requested by the administrator, the recommendation in subsections 14.3(2) and 14.3(3) as applicable.

If, as a result of the actuary's review, the administrator in consultation with the actuary shall deem it advisable to revise the contributions to the plan, the administrator shall require the actuary to modify the recommendation made under subsections 14.3(2) or 14.3(3) as applicable. The modified recommendation shall be effective as of the date determined by the administrator in consultation with the actuary and will apply for the remainder of the triennial period, unless revised in accordance with this subsection 14.3(6).

14.4 Employer Contribution Corridor

(1) Subject to subsection 14.4(2), the employer contribution corridor shall have a minimum of 120% of member required contributions and a maximum of 150% of member required contributions.

(2) If benefits under the plan are improved or reduced, or there is a change to the amortization payments associated with past service costs, the employer contribution corridor maximum shall be recalculated, in consultation with the actuary, as follows:

(a) base cost shall equal the portion of the current service cost for the plan year which pertains to benefits defined under the provisions of the plan as at November 21, 1993 and which remain under the provisions of the plan;

(b) base amortization payments shall be amortization payments associated with past service costs which are related to any ad hoc increases in accordance

with section 10.1 which take effect on or after January 1, 1994; subject to the provision that, for the purposes of determining such base amortization payments only, such ad hoc increases will not exceed, on a cumulative basis, 75% of the rate of increase in the Consumer Price Index (Canada) subsequent to 1992, excluding any such increase in the Consumer Price Index (Canada) which exceeds 10% in a plan year. The rate of increase in the Consumer Price Index (Canada) will be calculated in the same manner as for section 10.1.

(c) employer ratio shall equal (60% of the base cost + 50% of the current service cost for the plan year in excess of the base cost + 50% of the amortization payments, excluding any base amortization payments, associated with past service costs for the plan year) divided by (the current service cost for the plan year + the amortization payments, excluding any base amortization payments associated with the past service costs for the plan year); and

(d) employer contribution corridor maximum shall equal (employer ratio times 100%) divided by (1 minus employer ratio).

14.5 Surplus on an Ongoing Basis

(1) If the actuary determines on an on-going basis that there is a surplus in the trust fund at a triennial valuation date equal to or less than ten percent of actuarial liabilities, the administrator, in consultation with the actuary, shall determine the portion, if any, of the surplus to be used for the purpose of improving benefits or reducing the total annual cost.

If a portion of the surplus is to be used to reduce the total annual cost, the amount of surplus so allocated shall be amortized over a period of 10 years from the date of determination, or over such other period as the administrator shall decide in consultation with the actuary and subject to any requirements of the Pension Benefits Act and the Income Tax Act.

(2) If the actuary determines on an ongoing basis that there is a surplus in the trust fund at a triennial valuation date in excess of ten percent of actuarial liabilities, the administrator shall firstly consider using such surplus for plan improvements. If such excess surplus is not used for plan improvements, the administrator may choose, in consultation with the actuary, to use all or a portion of the excess surplus to reduce the total annual cost. The amount of surplus so allocated shall be amortized over a period of 10 years from the date of determination or over such other period as the administrator may decide in consultation with the actuary subject to any requirements of the Pension Benefits Act and the Income Tax Act.

14.6 Amortization Payments

Amortization payments associated with past service costs, unfunded liabilities related to changes in actuarial methods and assumptions, experience deficiencies and solvency deficiencies shall be determined using actuarial assumptions adopted by the administrator on the advice of the actuary and subject to the requirements of the Pension Benefits Act and the Income Tax Act, using amortization periods of 15 years, 15 years, five years and five years, respectively, or such other periods as may be permitted by the Pension Benefits Act.

An actuarial gain revealed in a triennial valuation shall be used to reduce or eliminate the scheduled amortization payments associated with past service costs, unfunded liabilities related to changes in actuarial methods and assumptions, experience deficiencies or solvency deficiencies, applied first to the amortization payments having the earliest maturity date, or such allocation determined by the administrator, in consultation with the actuary, subject to the Pension Benefits Act.

SECTION 15
EMPLOYER PROVISIONS

15.1 Employer Participation

(1) **Application to Participate**

An employer who is a member of the Ontario Hospital Association and who wishes to join the plan shall apply in the form and manner and on the terms prescribed by the administrator, and in accordance with terms approved by the administrator.

(2) **Employer Agreement**

Upon approval of an application, an employer shall enter into a participation agreement with the administrator, in the form and manner prescribed by the administrator, setting out the terms under which the employer shall participate in the plan.

(3) **Amending a Participation Agreement**

If, subsequently, an employer should wish to amend the terms of its participation agreement, the employer shall apply in the form and manner prescribed by the administrator.

If the administrator agrees to an amendment proposed by an employer, the employer shall enter into an amended participation agreement with the administrator setting out the revised terms under which the employer shall continue to participate in the plan. Until the amended participation agreement is entered into by the employer, the original participation agreement shall continue in effect.

15.2 Remittance of Contributions

Employers shall forward all required contributions made by them and the members to the administrator by the deadline set by the administrator to be no later than the 30 days immediately following the month to which the contributions apply. The administrator shall hold the contributions in trust in the trust fund.

15.3 Late Remittance of Contributions

(1) **Interest Charges**

Where an employer has failed to remit required contributions to the administrator in accordance with section 15.2, such employer shall be liable for interest at the rate set out below on those required contributions at the greater of the trust fund earnings rate for the period of delinquency, or the appropriate rate chargeable for pre-judgment interest under the Courts of Justice Act of Ontario or any successor legislation.

(2) **Costs of Recovery**

If an employer becomes delinquent in its required contributions and the administrator is required to take legal or such other action to recover the outstanding required contributions, the employer shall be liable for all reasonable fees of collection.

15.4 Information

(1) **Information to Employees**

An employer shall provide each employee with such information in writing with respect to the plan, including but not limited to the employee's obligation or right to join the plan and the manner in which contributions will be deducted, and such other information as the administrator shall determine, in the form and within the time established by the administrator, and in accordance with the Pension Benefits Act and the Income Tax Act.

(2) **Information to Administrator**

Each employer shall provide to the administrator such information relating to members as may be required to calculate and pay benefits, within the time established by the administrator, and in accordance with the Pension Benefits Act and the Income Tax Act.

15.5 Employer Records

Wherever the records of the employer are used for the purposes of the plan, such records shall be conclusive of the facts with which they are concerned, unless and until they are proven to be in error.

15.6 No Right in Employer Contributions

Contributions made by an employer shall not constitute an enlargement of the amount of any benefit defined in the plan and shall not at any time create for any person any right, title or interest in the assets of the employer or the trust fund, except as specifically provided in the Pension Benefits Act.

SECTION 16
ADMINISTRATION

16.1 Responsibility for Administration

The administrator shall have the exclusive right to interpret the plan and to decide any and all matters arising from it. The administrator shall ensure that the plan and the trust fund are administered in accordance with the Pension Benefits Act, the Income Tax Act, the Agreement and Declaration of Trust, and with any documents filed with the regulatory authorities.

16.2 Costs of Administration

All costs of administering the plan and the trust fund, including legal, actuarial and all other reasonable fees and expenses, shall be paid from the trust fund.

16.3 Disclosure to Members

The administrator, through an employer or directly, shall provide each member with information concerning the plan and the member's benefits in accordance with the Pension Benefits Act.

16.4 Inspection of Documents

The administrator, either through an employer or directly, shall disclose plan documents to members, qualifying spouses and beneficiaries, their authorized agents or a representative of a union that represents members of the plan in accordance with the Pension Benefits Act.

16.5 Information From Members and Beneficiaries

Before starting payment of a pension or receiving a pension benefit or other payment under the plan, an individual claiming entitlement shall provide the administrator with the information needed to calculate and pay the amount or amounts.

16.6 Notices and Elections

Members or other persons may deliver notices and elections to the administrator, and the administrator may deliver communications to members or other persons in such form that the administrator considers acceptable.

SECTION 17
TRUST FUND

17.1 Contributions

Contributions of the members and employers made to the plan shall be paid into the trust fund and shall be administered in accordance with the Agreement and Declaration of Trust.

17.2 Benefits

All benefits under the plan will normally be paid out of the trust fund. However, the administrator may, at any time, require the custodian to purchase out of the trust fund, from a life insurance company licensed to do business in Canada, benefits of equal amount and payable under the same conditions as the benefits to which a recipient is entitled under the plan, so long as such action will not result in the plan ceasing to be approved or registered under the Pension Benefits Act, the Income Tax Act, and any other applicable legislation.

"Custodian" means a trust company which is licensed to carry on business in Canada, as may be appointed by the administrator from time to time.

17.3 Investments

Assets of the trust fund shall be invested in accordance with the provisions of the Pension Benefits Act and any other applicable legislation.

17.4 Borrowing

The plan is prohibited from borrowing funds, except as permitted under the Agreement and Declaration of Trust, Pension Benefits Act and the Income Tax Act.

17.5 Trust Fund Assets

Benefits under the plan shall be provided from the assets of the trust fund.

17.6 Fiscal Year

The fiscal year of the trust fund is a calendar year.

SECTION 18
FUTURE OF THE PLAN

18.1 Continuation of the Plan

The administrator expects and intends to maintain this plan in force indefinitely but necessarily reserves the right to amend or terminate the plan, either in whole or in part, or change the funding method or media, subject always to the requirements of law, and the Agreement and Declaration of Trust.

18.2 Amendment to the Plan

No amendment shall operate to reduce the benefits which have accrued to any member or to any individual then entitled to benefits under the plan to the date of such amendment based on earnings to the date of the amendment, unless such amendment is made pursuant to the Agreement and Declaration of Trust.

No amendments to the plan shall be effective unless made in accordance with the provisions contained in the Agreement and Declaration of Trust.

The administrator shall not have the power to make any amendment which would cause or permit any portion of the contributions made prior to that date to be diverted for purposes other than the exclusive benefit of the members, their respective estates, beneficiaries or qualifying spouses, in accordance with the provisions of the Pension Benefits Act.

18.3 Excess Assets on Termination or Discontinuance

If, after provision for the satisfaction of all liabilities under the plan has been made, there should remain a surplus in the trust fund, such surplus shall be allocated in a manner prescribed by the administrator for the exclusive benefit of the members, subject to the provisions of the Pension Benefits Act, the Income Tax Act and the Agreement and Declaration of Trust.

SECTION 19
GENERAL PROVISIONS

19.1 Non-Assignment of Benefits

Except as permitted under the Pension Benefits Act and the Income Tax Act, no benefit, right or interest may be assigned, charged, anticipated, surrendered or given as security, and such benefits are exempt from execution, seizure or attachment.

19.2 Commutation of Benefits

(1) **Small Pensions**

(a) A pension or deferred pension payable under the plan shall not be capable of surrender or commutation unless the annual pension payable at age 65 is not more than four percent of the YMPE or the commuted value of the benefit is less than twenty percent of the YMPE in the year the member ceased to be an employee. The administrator, in its discretion, may pay the member the commuted value of the pension or deferred pension in full discharge of all obligations to the member under the plan.

(b) Upon the death of a member, a survivor benefit payable to a qualifying spouse in accordance with section 8.2 shall not be capable of surrender or commutation unless the annual pension payable is not more than four percent of the YMPE in the year the member dies. The administrator, in its discretion, may pay the surviving qualifying spouse the commuted value of the survivor benefit in full discharge of all obligations to the surviving qualifying spouse or beneficiary under the plan.

(2) **Shortened Life Expectancy**

A pension being paid or required to be paid under the plan may be commuted and paid in a lump sum at the discretion of the member and if the member:

(a) establishes that the member has an illness or physical disability that is likely to shorten her life expectancy to less than two years, as certified by a written statement from a qualified medical doctor licensed to practice in Canada;

(b) applies to the administrator in the prescribed form and manner; and

(c) satisfies any other conditions prescribed by applicable pension legislation.

Notwithstanding any other provisions or requirements under the plan, members who satisfy the conditions set out above and who elect to receive a commuted value will be deemed to have terminated employment for plan administration purposes forfeiting all rights and obligations of plan membership upon payment of their benefit under this provision.

19.3 Severability

If any provision of the plan is held to be invalid or unenforceable by a court of competent

jurisdiction, its invalidity or unenforceability shall not affect any other provision of the plan, and the plan shall be construed and enforced as if such provision had not been included in the plan.

19.4 Construction

(1) Any provision of the custodial agreement that is inconsistent with the terms of the plan shall, to the extent of the inconsistency, be of no force or effect.

"Custodial agreement" means any current or future agreements between the administrator and the custodian, as executed for the purposes of this plan and as amended from time to time.

(2) The plan shall be governed and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein.

(3) Any provision of the plan that is inconsistent with the terms of the Agreement and Declaration of Trust shall, to the extent of the inconsistency, be of no force or effect.

19.5 Entitlement to Benefits

A member shall not accrue benefits under the plan unless and until all related required contributions made by the member and the employer are remitted to the administrator.

SECTION 20
FAMILY LAW MATTERS

20.1 Definitions

Terms used in this section are defined as follows:

(1) "**family law valuation date**" has the same meaning as defined in the Pension Benefits Act.

(2) "**former spouse**" means a person who met the criteria under section 2.21 but is divorced or living separate and apart from the member and entitled to an interest in the member's pension benefits in accordance with the terms of the Family Law Act and the Pension Benefits Act.

(3) **"statement of imputed value"** has the same meaning as defined in the Pension Benefits Act.

20.2 Administration

Notwithstanding any other provisions or requirements under the plan, all family law valuations, calculations, divisions and transfers will be administered in accordance with the requirements and limitations of the Pension Benefits Act and the Income Tax Act.

Upon any family law division of a member's pension or deferred pension under this section 20, the specified amount or portion paid to the member's former spouse shall be deducted from the value of the member's pension or deferred pension to determine the remaining entitlements payable to the member, the member'squalifying spouse, beneficiary or any other person under sections 6, 7, 8, 9, 10 or 11 of the plan.

After a division has occurred, the remaining benefit to which the member is entitled will continue to accrue under the plan but shall not be adjusted to replace, in whole or in part, the amount or portion paid to the former spouse that has been deducted in determining the member's remaining entitlement.

Any family law valuation, calculation, division or transfer under this section 20, in relation to the specified amount or proportion of a member's pension or deferred pension benefit that is payable to any former spouse, shall be administered on a proportionate basis in respect of the member's total pension benefit payable under the plan.

20.3 Transfer of Lump Sum

A former spouse who is entitled to a lump sum payment upon a family law pension division may elect to transfer the amount to:

a) another registered pension plan, provided that the administrator of the pension plan agrees to accept the transfer; or

b) a retirement savings arrangement as prescribed by the Pension Benefits Act; or

c) another prescribed arrangement, as permitted by the Pension Benefits Act.

A former spouse must deliver all documentation prescribed by the Pension Benefits Act to the plan administrator before the lump sum entitlement is transferred in accordance with the options provided in this section 20.3.

20.4 Pension Paid to Former Spouse Post-Retirement

A former spouse who is entitled to receive a portion of a member's pension will receiveit for the remainder of the member's lifetime. The portion of the member's pension payable to the former spouse shall be administered in accordance with the requirements and limitations of the Pension Benefits Act and the Income Tax Act.

If a member makes an election under section 3.3(2)(b) after a pension division has occurred, that section shall only apply to the member and the member's remaining benefit and shall not be applicable to a former spouse or his portion of the member's pension.

20.5 Fees

The plan administrator may impose a fee for providing a member and the former spouse with a statement of imputed value, as permitted under the terms of the Pension Benefits Act.

APPENDIX A
RETIREMENT COMPENSATION ARRANGEMENT

A.1 Introduction

This appendix sets out the provisions of the plan which govern the benefits which exceed the benefits which can be paid under the terms of a registered pension plan under the Income Tax Act.

All terms of the plan apply to the funding and payment of such excess benefits except as specifically modified in this appendix.

A.2 Required Contributions

(1) **Member Contributions**

To the extent that member required contributions under section 4 exceed the limits set out in subsection 4.1(2), such excess shall be paid into the RCA account.

(2) **Employer Contributions**

To the extent that employer required contributions under section 4 exceed the limits set out in section 4.3, such excess shall be paid into the RCA account.

A.3 Retirement

A member who retires in accordance with section 6 shall be entitled to receive a pension calculated in accordance with section 6, without reference to the limit contained in section 13.1. The amount of lifetime pension exceeding the limit contained in section 13.1 shall be paid from the RCA account.

A.4 Termination

(1) **Deferred Pension**

A vested member who ceases to be an employee in accordance with section 7 shall be entitled to receive a deferred pension calculated in accordance with the terms of section 7.2, without reference to the limits contained in section 13.1. The amount of the deferred pension exceeding the limit contained in section 13.1 shall be paid from the RCA account.

(2) **Transfer of Funds**

If a member elects a transfer of the commuted value of the deferred pension in the RPP account in accordance with section 7.3, the member is also required to transfer the portion payable from the RCA account. Such transfers shall be subject to the rules and regulations of the Income Tax Act and the Pension Benefits Act.

(3) **Refundable Contributions**

If a member is entitled to receive refundable contributions in accordance with section 7.4, then those funds shall be paid to the member as a lump sum in accordance with the Income Tax Act.

A.5 Death Benefits

(1) **Post-Retirement Death**

(a) The residual death benefit determined under subsection 8.2(2) shall be calculated in respect of the total pension benefits payable under the plan without reference to the limits contained in section 13.1. The amount of any such residual death benefit exceeding the limit contained in section 13.1 shall be paid from the RCA account.

(b) Despite the above, if a member started payment of the pension on or after January 1, 1988 but before December 31, 2001, the residual death benefit payable from the RCA account shall equal:

(i) the commuted value of the member's accrued pension benefit as determined at pension start date; less

(ii) the total of the pension payments paid from the RPP account and the RCA; and less

(iii) the residual amount paid from the RPP account pursuant to subsection 8.2(2).

The residual death benefit shall be paid as a lump sum.

(2) **Pre-Retirement Death**

A death benefit determined under subsection 8.3(2) shall be calculated in respect of the total pension benefits payable under the plan without reference to the limits contained in section 13.1. The amount of any such benefit exceeding the limit contained in section 13.1 shall be paid from the RCA account.

A.6 Disability Benefits

(1) **Pension Benefits**

A member who elects to receive a disability pension under section 9.6 shall receive a pension calculated in accordance with section 6.2, without reference to the limit contained in section 13.1. The amount of lifetime pension exceeding the limit contained in section 13.1 shall be paid from the RCA account.

(2) **Death Benefits**

Any death benefit payable under section 9.9 shall be subject to sections 6.5 and 8.2.

A.7 Benefit Transfers

(1) **Transfers into the Plan**

A member may elect to transfer a registered pension plan entitlement into the plan, pursuant to section 11, and where the member is also entitled to RCA benefits, the RCA benefits may also be transferred, but without regard to the limits in section 13.1, provided the former plan allows the transfer and provided the member applies for such transfer, subject to the requirements of the Income Tax Act.

(2) **Transfers out of the Plan**

If a member elects to transfer the accrued pension from the plan under a transfer agreement, the member must transfer the whole benefit, including the portion payable from the registered pension plan account and the portion from the RCA account, if applicable. Such transfers shall be subject to the transfer agreement if applicable, the Income Tax Act and the Pension Benefits Act.

A.8 Purchase of Past Service

A member who elects to purchase past service pursuant to section 12 may do so without reference to the limits contained in subsection 12.4(2). The portion of the purchase price in respect of these excess benefits shall be paid into the RCA account.

A member who has elected to purchase past service pursuant to section 12 with reference to the limits contained in section 13, shall receive the benefit, if otherwise eligible, of the past service benefit improvement in section 6.9. The amount of such improvement which exceeds the limit contained in section 13.1 shall be paid from the RCA account.

A.9 Trust Fund

The administrator shall establish and maintain two accounts within the trust fund: the RPP account and the RCA account. The RPP account shall be administered and maintained as a registered pension plan under the Income Tax Act and the RCA account shall be administered and maintained as a retirement compensation arrangement under the Income Tax Act.

A.10 Future of the Plan

If the plan is terminated and wound up, and the actuary determines that the assets of the RCA account are insufficient to meet the accrued benefits which are payable from the RCA account, then an amount or amounts sufficient to satisfy such shortfall between the assets and liabilities of the RCA account shall be transferred from the RPP account to the RCA account, subject to the following conditions:

(1) the amount or amounts so transferred shall be determined by the actuary, subject to the Pension Benefits Act and the Income Tax Act, and shall not exceed the amount required to satisfy the unfunded liabilities in the RCA account at the time of the wind up.

(2) the amount or amounts so transferred shall be limited, if necessary, so that the assets which remain in the RPP account following the transfer shall not be less than the amount required to fully provide for all accrued benefits which are payable from the RPP account at the time of the wind up.

A.11 Determination of the Commuted Value

Any commuted value determined in respect of a portion of a member's benefit payable from the RCA account shall be determined as if the benefit was payable from the RPP account, using the same factors as are applied to determine the commuted value of the portion which is payable from the RPP account, and without making any adjustment for income tax which may be levied on the benefit.

A.12 Family Law Matters

A family law valuation, calculation, division or transfer under section 20 shall be administered in respect of a member's total pension benefits payable under the plan without reference to the limits contained in section 13.1.

Upon any division of a member's pension or deferred pension under section 20 which include entitlements under this Appendix A, the part of the specified amount or portion paid to the member's former spouse under this Appendix A shall be deducted from the value of the member's pension or deferred pension otherwise payable under this Appendix A to determine the remaining entitlements payable to the member, a qualifying spouse, beneficiary or any other person calculated under sections 6, 7, 8, 10, 11 of the plan, that represent benefits which exceed the limits contained in section 13.1.

After a division has occurred, the remaining benefits to which the member is entitled under this Appendix A will continue to accrue under the plan but shall not be adjusted to replace, in whole or in part, the portion of the benefits paid to the former spouse under this Appendix A that has been deducted in determining the member's remaining entitlement.

APPENDIX B
HEALTHCARE OF ONTARIO PENSION PLAN
HISTORY OF INDEXING / COLA

Granting an ad hoc increase in any year does not mean that such an increase will be granted in any subsequent year.

Year	Ad hoc	Guaranteed	25% ad hoc	Total	Notes	Pension Committee
1979				as much as 40%	eff. April 1, 1979 - 5% for each year pension in pay since age 62 and before Jan. 1, 1979 to a maximum of 30% plus additional 10% for all pensions that commenced before Jan. 1, 1974	Feb. 15, 1979
1982				As much as 18%	eff. April 1, 1982 – 0.5% for each month pension deferred or in pay prior to 1/1/82 to a maximum of 18%	Feb. 3, 1982
1983	5%			5%		Jan. 10, 1983
1984	5%			5%		Feb. 23, 1984
1985	2.5%			2.5%		Feb. 12, 1985
1986	2%			2%	Plus 0.5% per month for each month deferred or retired before Jan. 1, 1986 to a max of 12%	Feb. 27, 1986
1987	2.5%			2.5%	Plus 0.5% for each year retired or deferred prior to Jan. 1, 1987 to maximum of 6%	Feb. 17, 1987
1988	2.64%			2.64%		Oct. 28, 1987
1989	3.1%			3.1%		Feb. 21, 1989
1990	3.75%			3.75%		Oct. 19, 1989
1991	3.6%			3.6%		Aug. 22, 1990
1992	4.2%			4.2%		Oct. 17, 1991
1993	1.13%			1.13%		Oct. 14, 1992
	Ad hoc pre-1989	**Guaranteed post-1988**	**25% Ad-Hoc**		**1993 – Change of Governance, Joint Board Formed**	**Board Resolution**
1994	1.35%	1.35%	0.45%	1.8%	Total increase for pre-1989 service; guaranteed only for post-1988 service	T-19931122-30
1995	0.15%	0.15%	0.05%	0.2%	Total increase for pre-1989 service; guaranteed only for post-1988 service	T-19941214-08
1996	1.56%	1.58%	0	1.58%	75% of CPI for all service	T-19950920-08
1997	1.2%	1.2%	0.4%	1.6%	100% of CPI for all service	T-19960925-08
1998	1.215%	1.215%	0.405%	1.62%	100% of CPI for all service - plus all pensions increased to provide 75% of CPI for each year to Dec. 31, 1986	T-19970923-12
		Guaranteed all service				
1999		1.015%	1.005%	1.02%	100% of CPI for all service	T-19980623-06
2000		1.935%	0.645%	2.58%	100% of CPI for all service	T-19991006-08
2001		2.4225%	0.807%	3.23%	100% of CPI for all service	T-20000913-07
2002		0.525%	0.175%	0.7%	100% of CPI for all service – plus all pensions increased to provide 100% of CPI for each year in pay	T-20010627-07
2003		2.9%	0	2.9%	75% of CPI for all service	T-20021008-05
2004		1.50%	0	1.50%	75% of CPI for all service	T-20031001-05
2005		1.59%	0	1.59%	75% of CPI for all service	T-20041006-06
2006		1.61%	0	1.61%	75% of CPI for all service	T-20051012-07
	Ad hoc post- 2005	**Guaranteed pre-2006**				
2007	1.23%	1.23%	0	1.23%	75% of CPI for all service	T-20061011-08
2008	1.79%	1.79%	0	1.79%	75% of CPI for all service	T-20071011-03
2009	0.87%	0.87%	0	0.87%	75% of CPI for all service	T-20081008-05
2010	0.99%	0.99%	0	0.99%	75% of CPI for all service	T-20091126-12

- increases effective April 1 of each year
- annual COLA calculated as the percentage increase of December over December CPI

APPENDIX B
HEALTHCARE OF ONTARIO PENSION PLAN
HISTORY OF INDEXING / COLA

Granting an ad hoc increase in any year does not mean that such an increase will be granted in any subsequent year.

Year	Ad hoc post-2005	Guaranteed pre-2006	25% ad hoc	Total	Notes	Board Resolution
2011	1.76%	1.76%	0	1.76%	75% of CPI for all service	T-20101203-17
2012	1.73%	1.73%	0	1.73%	75% of CPI for all service	T-20111201-12
2013	0.62%	0.62%	0	0.62%	75% of CPI for all service	T-20121128-15
2014	0.93%	0.93%	0	0.93%	75% of CPI for all service	T-20131121-09
2015	1.47%	1.10%	0.37%	1.47%	100% of CPI for all service - plus all pensions increased to provide 100% of CPI for each year in pay	T-20141002-08 T-20141002-09
2016	1.61%	1.21%	0.40%	1.61%	100% of CPI for all service	T-20151110-03
2017	1.50%	1.13%	0.37%	1.50%	100% of CPI for all service	T-20161212-10
2018	1.87%	1.40%	0.47%	1.87%	100% of CPI for all service	T-20171129-09
2019	2%	1.50%	0.50%	2%	100% of CPI for all service	T-20181128-11 T-20190306-07
2020	2.25%	1.69%	0.56%	2.25%	100% of CPI for all service	T-20191121-07
2021	0.73%	0.55%	0.18%	0.73%	100% of CPI for all service	T-20201125-14
2022	4.80%	3.60%	1.20%	4.80%	100% of CPI for all service	T-20211124-10
2023	6.32%	4.74%	1.58%	6.32%	100% of CPI for all service	T-20221130-17
2024	3.40%	2.55%	0.85%	3.40%	100% of CPI for all service	T-20231129-22
2025	1.83%	1.37%	0.46%	1.83%	100% of CPI for all service	T-20241210-24
2026	2.36%	1.77%	0.59%	2.36%	100% of CPI for all service	T-20251209-14

- increases effective April 1 of each year
- annual COLA calculated as the percentage increase of December over December CPI

APPENDIX C
PORTABILITY AGREEMENTS

Reciprocal Agreements	Effective Date
Major Ontario Pension Plans.	January 1993
Ontario Cancer Institute (OCI)	November 1, 1976
Ontario Nurses Association (ONA)	January 1, 1995
Hospital for Sick Children	January 1, 2000
Pension Plan for the Employees of the Ontario Public Service Employees Union	October 1, 2009
OPSEU Pension Plan (PCCC)	April 3, 2012
Divestment Pension Transfer Agreement (OMERS, OPTrust, OPB – Active Members)	May 20, 2014
Past Divestment Pension Transfer Agreement (VON Canada)	July 8, 2015
Second Divestment Pension Transfer Agreement (OMERS, OPTrust, OPB – Retired & Deferred Members)	November 2, 2015

As of December 31, 2022, the administrator does not participate in any reciprocal agreements.

Integration Agreements Out	Date Transfer Approved
Liberty Health	December 31, 1998
Canadian Institute of Health Information (CIHI)	February 10, 1999

Integration Agreements In	Date of Agreement
Canadian Council on Health Facilities Accreditation (CCHFA)	June 21, 1995
Sault Ste. Marie District Health Association	
CUPE Local 894 Employees' Pension Plan	September 18, 1990
ONA Members Pension Plan	July 26, 1990
Pension Plan for Management Employees	July 30, 1990
Ontario Cancer Institute	January 1, 1999
Ontario Nurses' Association Plan (Employees)	January 1, 2001
Ontario Nurses' Association Plan (Executives)	January 1, 2001

	Effective Date of Transfer
Perley Hospital	
Rideau Veterans Home	October 13, 1994
National Defense Medical Centre	May 26, 1999

APPENDIX D
SEPP TO JSPP MERGER TRANSACTIONS

D.1 Introduction

This appendix sets out additional provisions of the plan which apply to those members who, prior to the effective date, had accrued benefits under a registered pension plan which were transferred into the plan as a result of an agreement whereby the assets and liabilities of the employer's single employer pension plan (each a "SEPP") merged into the plan under section 80.4 of the Pension Benefits Act. Each of the following are a SEPP on and after the effective date specified below for the purposes of this Appendix D:

SEPP	**Effective Date of Merger**
Pension Plan for the Employees of the Sisters of St. Joseph for the Diocese of Toronto in Upper Canada (Registration No. 0426361) ("Sisters Plan A")	January 1, 2019
Sisters of St. Joseph Pension Plan for Designated Employees (Registration No. 1002161) ("Sisters Plan B")	January 1, 2019
St. Joseph's Health Centre Pension Plan (Registration No. 1016617) ("SJHCPP")	January 1, 2019
Providence Healthcare Pension Plan (Registration No. 1016609) ("PHPP")	January 1, 2019
St. Michael's Hospital Pension Plan (Registration No. 0302851) ("SMHPP")	July 1, 2019
Carefor Health & Community Services Pension Plan (Registration No. 1170000) ("Carefor Plan")	January 1, 2023

Each SEPP plan text as in effect immediately prior to the effective date is filed as a document that supports the benefits in this Appendix under the Pension Benefits Act.

D.2 Definitions

Terms used in this section are defined as follows:

(1) "**active SEPP member**" means any employee who immediately before the effective date was a member of a SEPP other than a deferred SEPP member or a retired SEPP member.

(2) "**deferred SEPP member**" means any individual who is no longer an employee of a SEPP employer on the effective date and who immediately before the effective date was entitled to a deferred pension from the SEPP.

(3) "**effective date**" means the date on which a SEPP merged into the plan as set out in section D.1.

(4) "**other SEPP beneficiary**" means any individual who is entitled to a payment from or otherwise has an entitlement under the SEPP as at the effective date, other than an active SEPP member, a deferred SEPP member or a retired SEPP member.

(5) "**retired SEPP member**" means any individual, including a former or surviving spouse, who immediately before the effective date had retired from or was in receipt of a pension from a SEPP.

(6) "**SEPP**" has the meaning set out section D.1. For greater certainty, where reference in this appendix is made to the terms of the SEPP, it is with respect to the terms of the SEPP in which the member participated as applicable to the member in effect immediately prior to the effective date.

Terms not defined in this Appendix D are as defined in section 2.

D.3 Active SEPP Members

On the effective date, each active SEPP member will join the plan in accordance with Section 3 and participate in and accrue pension benefits in the plan for service on and after the effective date in accordance with the plan including this Appendix D. On the effective date, the plan will recognize for each active SEPP member as contributory service, eligibility service, and pensionable earnings, the active SEPP member's service, as adjusted, and earnings under the SEPP immediately prior to the effective date as follows:

		To be contributory service in the plan	**To be eligibility service in the plan**	**To be pensionable earnings in the plan**
As defined in the SEPP	Sisters Plan A	credited service	service	earnings
	Sisters Plan B	credited service	continuous service	earnings
	SJHCPP	credited service	plan membership	earnings
	PHPP	credited service	plan membership	earnings
	SMHPP	credited service	plan membership	earnings
	Carefor Plan	credited service (credited service in the Carefor Plan for years of service after December 31, 2005 shall be credited as contributory service at a rate of 0.65 for each full year of credited service)	period from date of entry into the SEPP	pensionable earnings

Despite the above, the contributory service that can be allocated to an active SEPP member for any calendar year cannot, in combination with other contributory service accrued under the plan, exceed one year of contributory service per calendar year. The administrator may allocate any excess to an eligible period of past service in another calendar year prior to the effective date, in its sole discretion and as permitted by the Income Tax Act.

As of the effective date, the commuted value of an active SEPP member's pension benefits provided under the plan will be no less than the commuted value of the active SEPP member's pension benefits under the SEPP immediately prior to the effective date, as adjusted for any payments made from the SEPP to the member in connection with the merger.

D.4 Retired SEPP Members

As of the effective date, the pension payable to each retired SEPP member will be the pension benefits payable in accordance with the provisions of the SEPP in effect immediately prior to the effective date. As of the effective date, the pension benefits provided under the plan to a retired SEPP member will be at a minimum the same as the pension benefits provided under the SEPP immediately prior to the effective date.

As of the effective date, the administrator may adjust the forms of pension payable to retired SEPP members to align with the forms of pension benefit provided under section 6.5 of the plan. Such adjustment will not reduce the pension payable to a retired SEPP member.

D.5 Deferred SEPP Members

As of the effective date, the pension payable to each deferred SEPP member will be the greater of:

(a) the pension benefits payable in accordance with the provisions of the SEPP in effect immediately prior to the effective date, or

(b) the deferred pension under the SEPP immediately prior to the effective date, subject to the application of sections 3.3(3), 6.3(1), 6.4, 6.5, section 10.1, and this Appendix D, each as applicable in accordance with the terms of the plan.

As of the effective date, the pension benefits provided under the plan to a deferred SEPP member will be at a minimum the same as the pension benefits provided under the SEPP.

D.6 Other SEPP Beneficiaries

As of the effective date, the benefit to each other SEPP beneficiary under the SEPP will be assumed by and will be paid from the plan. Such benefit will be, at a minimum, the same as the benefit payable under the SEPP.

D.7 Pension Benefit Increases

The benefits payable to a retired SEPP member and a deferred SEPP member will be eligible for any pension benefit increases in accordance with section 10.1. For greater certainty, retired SEPP members and deferred SEPP members will become eligible for any such increases commencing with any increase applied with respect to the rate of increase in the Consumer Price Index in:

(a) 2018 for retired and deferred SEPP members from the Sisters Plan A, Sisters Plan B, SJHCPP and PHPP;

(b) 2019 for retired and deferred SEPP members from SMHPP; and

(c) 2022 for retired and deferred SEPP members from the Carefor Plan.

Should the pension benefit increase granted in accordance with Section 10.1 be less than the pension benefit increase the retired or deferred SEPP member was guaranteed under the SEPP, the retired or deferred SEPP member will receive the minimum guaranteed under the SEPP.

D.8 Transition

(1) Despite the second paragraph of subsection 3.1(1), any full-time employee of the SEPP employer who is not a member of the SEPP immediately prior to the effective date is required to join the plan on the effective date.

(2) An active SEPP member with an entitlement to a deferred pension under the plan will be eligible to have the deferred benefit reinstated in accordance with subsection 3.3(3) as if the member had re-enrolled in the plan on the effective date.

A deferred SEPP member who re-enrols in the plan may have the pension from the SEPP reinstated in accordance with subsection 3.3(3). If on the effective date the deferred SEPP member is enrolled in the plan, for purposes of subsection 3.3(3), the member's re-enrolment date will be the effective date.

Where the deferred pension of a deferred SEPP member is reinstated in accordance with this subsection, credited service under the SEPP shall be credited as contributory service in the plan in accordance with subsection D.3.

The provisions of subsection 3.3(3) will not apply if the reinstatement of the deferred benefit will provide the member with contributory service in excess of one year of contributory service per calendar year.

(3) An active SEPP member who is employed by another HOOPP employer, such that on the effective date the member will be enrolled in HOOPP with both a full-time employment and a part-time employment, will for purposes of the election in section 4.6, be deemed to have any periods of part-time and full-time employment commence on the effective date.

(4) Where an active SEPP member is, immediately prior to or coincident with the effective date also receiving a pension from the plan, and where a retired SEPP member is immediately prior to or coincident with the effective date employed with an employer and enrolled in the plan:

(a) The member is required to make an election prior to the effective date to either:

(i) continue to receive the pension, cease contributing and accruing in the plan and start receiving the pension as of the effective date for any benefit not yet in pay, or

(ii) suspend the pension and continue to contribute and accrue in the plan for any period of employment subsequent to the effective date.

If no election is made in accordance with the form and manner as prescribed by the administrator, the member will be deemed to have elected (i).

(b) Where the member makes or is deemed to make the election in accordance with subsection D.8(4)(a)(i), the following provisions will apply:

(i) despite section 3.2, such member will be deemed to have elected to terminate membership in the plan, without having terminated employment with the employer, immediately prior to the effective date;

(ii) despite the definition of active SEPP member above, a member who is also receiving a pension from the plan is a retired SEPP member immediately prior to the effective date for purposes of this Appendix D; and

(iii) a member who immediately prior to the effective date is a retired SEPP member and is employed with an employer and enrolled in the plan will have the member's retirement date under the plan as the last day of the month prior to the effective date.

(c) Where the member makes the election in accordance with subsection D.8(4)(a)(ii), the following provisions will apply:

(i) the pension will be suspended and the member will continue to be enrolled in the plan in accordance with section 3.3(2);

(ii) when the member subsequently elects to cease contributions and start the payment of the pension for all periods of service, the member will do so in accordance with section 6.7, except as otherwise modified by this Appendix D; and

(iii) for purposes of section 6.7, the original pension will be the suspended pension and the new pension will be those benefits accrued other than the suspended pension. For purposes of subsection 6.7(1)(b) any additional eligibility service will be limited to the period of contributory service after the effective date. For purposes of subsection 6.7(1)(c) the new pension will not include eligibility service accrued under the suspended pension. For purposes of subsection 6.7(2)(c), where the member's original retirement date was under the SEPP, the second paragraph of section D.4 of this Appendix will apply.

Where, on or after the effective date, an active SEPP member or a retired SEPP member is receiving a pension from the plan that relates to pension benefits accrued by the member's spouse or former spouse, including benefits payable upon the death of such spouse or former spouse, such pension shall not be subject to this paragraph (4).

(5) Where an active SEPP member is, immediately prior to the effective date or within the 12 month period after the effective date, eligible to retire under the age of 55 on a unreduced pension in accordance with the terms of the SEPP, the active SEPP member will continue to be eligible to retire with an unreduced pension in accordance with the SEPP's earliest unreduced retirement date during the 12 month period after the effective date in respect of the total period of contributory service under the plan, including any service accrued after the merger effective date.

(6) Where an active SEPP member from the Carefor Plan qualifies for a waiver of contributions in accordance with section 9.3 for a health leave that begins on or after January 1, 2023, for the purposes of subsection 9.3(4) the rate of accrual shall be determined as though the member's credited service after December 31, 2005 from the Carefor Plan had not been adjusted in accordance with D.3.

APPENDIX E
HEALTHCARE OWNERS

E.1 Introduction

This Appendix E sets out the provisions of the plan that govern healthcare owners (as defined in section E.2) with respect to their periods of employment with the healthcare owner's employer (as defined in section E.2).

All terms of the plan apply to healthcare owners except as specifically modified in this Appendix E.

E.2 Definitions

Notwithstanding the definitions in section 2, the following words and phrases shall have the following meanings, unless a different meaning is specifically required by the context:

(1) **"annualized earnings"** means the greater of a member's pensionable earnings in a calendar year determined by the total amount of contributions received by the plan in respect of the member from the healthcare owner's employer, expressed on an annualized basis, and the lower earnings limit.

For the purposes of section 4.1, contributions shall be determined by the healthcare owner's employer, based on the greater of the member's pensionable earnings at the healthcare owner's employer in a calendar year, expressed on an annualized basis, and the lower earnings limit.

When, in a calendar year, a member accrues benefits at the healthcare owner's employer and at another employer(s), the member's annualized earnings for the purposes of determining their benefits under the plan shall be the member's total pensionable earnings at all employers in the calendar year determined by the total amount of contributions received by the plan in respect of the member from the member's employers, expressed on an annualized basis, which annualization shall reflect the proration in paragraph E.5(b).

(2) **"baseline earnings"** means the pensionable earnings a member is expected to receive in a plan year from the healthcare owner's employer, expressed on an annualized basis. In the first calendar year of plan membership, the baseline earnings are irrevocably established by the healthcare owner's employer. In each subsequent calendar year, the baseline earnings are the member's annualized earnings at the healthcare owner's employer in the immediately preceding year.

(3) **"contributory service"** means service as described in section E.5.

(4) **"earnings limit adjustment"** means the member's baseline earnings multiplied by the sum of the percentage increase in the Consumer Price Index for the immediately preceding year, as determined by the administrator, plus one percent.

(5) **"healthcare owner"** means an employee (as defined in section 2.12) who holds one or more of the titles set out in subsection E.3(1) in the province of Ontario and who is

employed by, and determined by the administrator to have control over, the healthcare owner's employer. Effective April 1, 2026, this definition shall include, with necessary modifications, such employee's family member(s) who is an employee of the healthcare owner's employer, regardless of whether the family member(s) controls the employer.

(6) **"healthcare owner's employer"** means an employer (as defined in section 2.13) who employs and is controlled by a healthcare owner.

(7) **"lower earnings limit"** means a member's baseline earnings minus the earnings limit adjustment.

(8) **"pensionable earnings"** means wages, salary and other amounts paid in relation to hours, weeks, or other specific periods of time for which a member is employed by the healthcare owner's employer, and that form a regular and integral part of the member's remuneration (subject to the limit set out in section E.4 and any other limits as may be determined by the administrator).

Pensionable earnings do not include overtime pay, shift premiums or any payment the administrator determines not to be part of the member's pensionable earnings.

(9) **"upper earnings limit"** means a member's baseline earnings plus the earnings limit adjustment.

In this Appendix, unless otherwise indicated, where the words "expressed on annualized basis" are used, the annualization shall not reflect the proration in paragraph E.5(b).

E.3 Enrolment

(1) Notwithstanding the first sentence of subsection 3.1(1), a healthcare owner may join the plan on or after the latest of:

(a) the healthcare owner's employer's participation date;

(b) the date of hire; or

(c) the eligibility date corresponding to the healthcare owner's title in the following table:

Title	Eligibility Date
Physician	January 1, 2025
Nurse Practitioner	April 1, 2026
Midwife	July 1, 2026
Registered Nurse	October 1, 2026
Registered Practical Nurse	October 1, 2026

(2) The healthcare owner's employer shall, in the form and manner and on the terms prescribed by the administrator, notify the administrator of the member's baseline earnings for their first calendar year of plan membership.

(3) A healthcare owner shall be deemed to be a full-time employee for their period of employment with the healthcare owner's employer.

E.4 Required Contributions

In a plan year, a member may not contribute to the plan on any portion of pensionable earnings that, when the pensionable earnings are expressed on an annualized basis, exceeds the upper earnings limit.

E.5 Contributory Service

Notwithstanding subsection 5.1(1), contributory service consists of the periods of employment during which a member makes contributions to the plan. Contributory service as determined by the healthcare owner's employer in a calendar year in which the member contributes to the plan shall be prorated to the product of:

(a) the ratio of the member's pensionable earnings to the member's pensionable earnings expressed on an annualized basis for that calendar year; and,

(b) the ratio of the member's pensionable earnings expressed on an annualized basis to the lower earnings limit,

and the ratio in each of paragraphs (a) and (b) shall not exceed one.

The total of all periods of a member's contributory service accrued at the healthcare owner's employer and any other employer(s) in a calendar year shall not exceed one year of contributory service per calendar year.

Contributory service includes periods of employment relating to benefits that are transferred into the plan in accordance with section 11, eligible periods of past service purchased by a member in accordance with section 12, and service accrued during a period a member qualifies for a waiver of contributions in accordance with subsection 5.2(4) and section 9.3.

For greater certainty, the proration of contributory service in paragraph (b) shall not create an eligible period of past service under subsection 12.1(1).

E.6 Service with other Employers

(1) No concurrent service

(a) Notwithstanding subsection E.3(1), a healthcare owner who remains employed by an employer through which they enrolled in the plan may not enrol in the plan through a healthcare owner's employer.

(b) A member who enrolled in the plan through a healthcare owner's employer who subsequently enrols in the plan through another employer shall, for HOOPP purposes, cease to be an employee of the healthcare owner's employer on such date.

(2) No reinstatement

Notwithstanding subsection 3.3(3),

(a) where a member entitled to a deferred pension in accordance with sections 7.1 and 7.2 re-enrols in the plan through a healthcare owner's employer, or

(b) where a member entitled to a deferred pension in accordance with sections 7.1 and 7.2 that was accrued in whole or in part under this Appendix re-enrols in the plan through any employer,

such member's deferred pension shall not be reinstated and the two periods shall be treated separately.

E.7 Application

Notwithstanding the applicable eligibility date set out in the table in subsection E.3(1), section E.6 shall apply to physicians effective July 1, 2026.