Leaving Your HOOPP Employer

HOOPP

CONTENTS

THE BENEFITS OF BEING A HOOPP MEMBER

1. **You will not outlive your pension.**
   It will be paid for the rest of your life.
2. **Your pension is reliable.**
   It's based on a formula, not stock market returns; you won't have to make investment decisions or stress about market fluctuations.
3. **The HOOPP Fund is managed by investment professionals.**
   Our experienced investment team manages the Fund on behalf of HOOPP members to provide a secure ***lifetime pension***.
4. **You decide when to retire.**
   You have control over when you start your pension and can start receiving it as early as age 55. The choice is yours.
5. **Your pension is yours to keep.**
   If you leave your HOOPP employer, you are still a member of the Plan, so you can keep your pension with HOOPP. That way, if you join any of the more than 700 employers offering HOOPP in the future, you can keep building your HOOPP pension. Even if you don't, your pension stays secure in the Plan.
6. **You get more for your money.**
   With HOOPP, you may have access to early retirement benefits, disability benefits, survivor benefits and inflation protection, at no additional cost to you.

INTRODUCTION

About HOOPP

The Healthcare of Ontario Pension Plan (HOOPP) is one of Canada's largest and most respected defined benefit pension plans. Our sole purpose is to administer and provide pensions for more than 475,000 healthcare workers in Ontario.

What is a defined benefit (DB) pension?

A DB pension provides a monthly income that begins in retirement and is paid for the rest of your life. The amount you receive is based on a formula that takes into account your ***earnings***, the number of years you have been contributing to the Plan and your age when you start your pension.

Since your pension is based on a formula, before you retire, you can estimate how much you will receive each month. You may also benefit from additional features such as early retirement options and inflation protection.

What you need to know about this booklet

This booklet provides you with details and tax information about termination options so you can make an informed decision.

Meanings of specific terms

Some terms used in this booklet and your personalized termination options have specific meanings in the context of the Plan. These terms appear in ***bold italics*** the first time they are mentioned in this booklet. A *Summary of terms* can be found at the back to help explain them. You'll also find a more detailed glossary on **hoopp.com/glossary**.

Important information about the example in this booklet

The example provided in this booklet is for illustrative purposes. We have made certain assumptions about the fictitious member, including assumptions about income tax rates, investment returns and adjustments for inflation.

Your annual pension will differ from the example provided in this booklet due to your personal circumstances. Your actual benefit entitlement, based on verified data, will be paid in accordance with the *HOOPP Plan Text* and applicable legislation in effect at the time you retire. For this reason, please do not rely on the example for decision-making purposes.

LEAVING YOUR HOOPP EMPLOYER

As a HOOPP member, you are entitled to a pension when you retire. If you leave your HOOPP employer before it is time to start your pension, you can simply remain a member of the Plan, where your pension will remain safe and secure until you're ready to retire.

WHAT ARE YOUR OPTIONS?

If you leave your HOOPP employer before it's time to start your pension, you will need to decide what to do with this valuable benefit you have been building. Generally, there are three main options:

keep your pension with HOOPP (defer your pension)

transfer to a different defined benefit pension plan

transfer to a locked-in retirement account or defined contribution pension plan

Alternatively, if your pension is considered to be a small amount under rules set out by the *Pension Benefits Act* (PBA), you may choose to take the value in cash or transfer it to a registered retirement savings plan (RRSP). For more information on small pensions, refer to the *Other important considerations* section on **page 10** of this booklet.

Please note that some of these choices may not be available to you. Your options will depend on your age, the value of your benefit and what kind of pension plan, if any, your new employer offers.

Once you have terminated employment with your HOOPP employer, you will receive your personalized termination options. These options are explained in this booklet. In addition, our Member Services Specialists can guide and help you make the right choices for your personal circumstances.

Whatever your personal circumstances are, you can keep your pension with HOOPP where it will stay safe and secure. Keep in mind that if your benefit is considered a small pension, the rules are different. Please refer to the information and required timing in your personalized options.

Plan transfer rules and limits are set by the *HOOPP Plan Text* and the PBA and subject to limits set by the *Income Tax Act*. If you keep your pension with HOOPP, you have until age 55 to revisit your transfer options. Contact us if you would like to learn more.

Let's take a closer look at your options.

KEEP YOUR PENSION WITH HOOPP (DEFER YOUR PENSION)

Keeping your pension with HOOPP, also called deferring your pension, means you can keep your benefit secure in the Plan to collect your pension later when you reach retirement age. HOOPP gives you the flexibility to start your ***lifetime pension*** as early as age 55.

Here are some great reasons to consider keeping your pension with HOOPP:

You can continue to grow your pension if you stay in healthcare and move to another HOOPP employer.

If you are considering staying in healthcare, it's a great idea to keep your pension with HOOPP. You may even be able to combine the service that you earned during your membership at your previous HOOPP employer with the service that you earn at your new job. This means that your pension would be based on your service and earnings from both periods, which could result in a higher pension benefit.

If you don't go on to work for another HOOPP employer, you won't be able to make contributions to keep building benefits in the Plan. But you will still be eligible to receive a pension based on your previous earnings and service.

Don't forget!

Thinking about working with another HOOPP employer?

Visit **hoopp.com** to find out which hospitals and healthcare organizations offer the Plan.

Your pension payments can grow as the cost of living goes up.

Each year, our Board of Trustees decides whether to provide a ***cost of living adjustment*** **(COLA)** to HOOPP pensions. This valuable benefit increases the amount of your monthly pension payment to help it keep up with rising prices.

The COLA your pension receives depends on when you earned service in the Plan. Visit the *Inflation protection* section on **hoopp.com** to learn more.

You can provide additional security for your family.

Your HOOPP pension provides survivor benefits, which are designed to help protect your loved ones whether you pass away before or after retirement. To learn more, see the *Additional information about your HOOPP pension* section on **page 14**.

You'll have control over when you start your pension.

With the ability to retire as early as age 55, you'll know exactly what you'll receive every month with a predictable retirement income. Visit the *Early retirement* section on **hoopp.com** to learn more.

You will never outlive your pension.

It will be paid for the rest of your life, even if you live to be over 100 years old. Keep in mind, your pension is based on a formula that uses your earnings and years of service; it is not based on investment returns. This means that you will have predictable income in retirement and you won't have to make investment decisions or worry about market fluctuations. Visit the *How Your Pension Works* section on **hoopp.com** to learn more.

If you decide not to defer your pension, there are options to transfer the ***commuted value*** of your benefit out of HOOPP. Transferring it out of HOOPP is a big decision – one that you need to consider carefully. Once you make the transfer, you will have no further benefits in the Plan. If you are considering this option, call us before you make any decisions. Our Member Services Specialists can help you examine the full range of options available to you so you can make an informed decision. You can learn more about these options in the sections that follow.

TRANSFER TO A DIFFERENT DEFINED BENEFIT PENSION PLAN

If you are under age 65, you may be able to transfer your HOOPP benefit to your new employer's DB pension plan, if they offer one. We will work with you, if needed, and coordinate with the administrator of your new employer's plan to make a tax-free transfer, where eligible.

TRANSFER TO A LOCKED-IN RETIREMENT ACCOUNT OR A DEFINED CONTRIBUTION PENSION PLAN

If you are under age 55, you can transfer the value of your pension to a locked-in retirement account (LIRA) or to your new employer's defined contribution (DC) pension plan, if they offer one. Or you can use these funds to purchase a deferred annuity from a licensed insurance provider. Annuities are insurance products that are intended to provide a regular income stream in retirement.

While taking your pension out of HOOPP to a LIRA or DC plan in the form of a commuted value (CV) lump sum is an option, it's not a decision you should ever make lightly. There are a lot of important things for you to consider.

- **You will most likely be responsible for your own investment decisions** and bear the risks of market volatility and underperformance. With do-it-yourself investing, or investing through an advisor, **you run the risk of outliving your savings** due to unexpected expenses in retirement. These options also typically come with additional fees and costs. Depending on the investment choices you make and how the markets perform, **you may be forced to spend less in retirement or work longer.**
- **When you leave HOOPP, you'll lose valuable features such as survivor benefits and inflation protection.** These can be very difficult and costly to arrange through a financial services provider. Your ability to provide a survivor benefit to your spouse or loved ones will depend on the retirement income strategy you choose and whether there's any money left.

- **You may pay more tax than expected.** A portion of your lump-sum payment may be made in cash and, therefore, subject to taxes. HOOPP is required to deduct up to 30% tax when you receive the payment. This cash portion is also reported as taxable income in the year you receive it. Ultimately, taxes may reduce the amount that you receive, meaning you could end up having less money to invest than expected.

If you are considering a LIRA, here are some other things to keep in mind:

- You will not be allowed to make additional contributions to the account.
- When you are between the ages of 55 and 71, you must convert your LIRA to a life income fund (LIF) and begin making taxable withdrawals within certain minimums and maximums.

Tax information for transfers to a LIRA or a DC plan

The *Income Tax Act* sets a limit on how much of your commuted value can be transferred on a tax-deferred basis. Here's what you need to know:

- **Amounts up to this limit may be rolled over into a LIRA or a DC plan.** This transfer will not be reported as income on a tax slip and will not use RRSP contribution room.
- **A portion of your CV may be over this limit.** This amount is considered taxable income. It will be subject to mandatory withholding tax – unless you instruct HOOPP to pay it directly to your financial institution as an eligible RRSP contribution.

  Please note: this option is only available if you have enough contribution room.

HOOPP will issue a tax slip for the amount that is over the limit described above. This amount must be reported as income in the year it is paid. If you are able to contribute these funds to your RRSP, your financial institution will provide you with a tax receipt for your RRSP contributions. This supports the RRSP deduction that you may claim when you file your taxes, up to your available contribution room.

For HOOPP to pay this amount to your RRSP, you must confirm that you have enough contribution room as the funds are transferred before tax is deducted. You are responsible for ensuring you have enough room; otherwise, you may be subject to tax penalties for overcontributing.

The amounts that apply to your pension and your transfer options will be shown in the personalized termination options you receive from HOOPP.

Remember, not all pension plans are designed equally. While you may have the opportunity to join another pension plan, HOOPP offers a hard-to-match set of benefits that contribute directly to your retirement security.

If you are being advised to take your hard-earned pension out of HOOPP, you need to be aware of all the risks, so you can make the right decision for your personal situation.

Visit **hoopp.com/choosepeaceofmind** to learn more.

WHAT IS THE RIGHT CHOICE?

Meet Joanne, a HOOPP member who decided to make a career change and is taking an opportunity with an employer that doesn't offer a HOOPP pension.

Joanne

Age: 45

Left HOOPP employer: March 31, 2025

Years of service: 12

Average salary: $80,000

Goal: to retire at age 60

Joanne knows she wants to retire at age 60. She has an important decision to make: should she keep her pension with HOOPP or transfer the commuted value of her pension to a locked-in account?

Let's take a closer look at Joanne's options.

Should Joanne remain a HOOPP member?

If she keeps her pension with HOOPP, Joanne is eligible to receive a **monthly lifetime pension** of $1,525 along with a ***bridge benefit*** of $75 per month that will be paid until she turns 65.

These amounts would grow with any approved COLA both before and after retirement. **If COLA were provided at an average of 2.0% per year over 15 years, this could increase her lifetime pension to $2,040 per month and her bridge benefit to $100 per month by the time she retires at age 60.** She won't be able to make any more contributions, but she knows her pension will be a secure source of income when she retires. **Over her lifetime, Joanne would receive approximately $791,300 from HOOPP.**

Joanne's earnings if she remains a HOOPP member

$2,040/month for life

+ $100/month bridge benefit until age 65, COLAs and survivor benefits.

Could Joanne transfer the lump sum value of her HOOPP pension into a personal locked-in retirement account (LIRA) and still receive the same monthly income when she retires? It isn't impossible, but it would be very difficult.

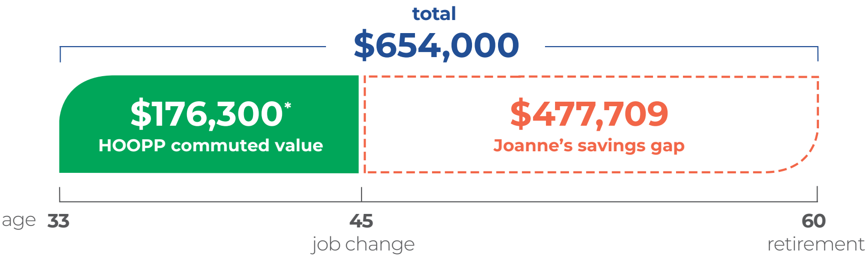
Should Joanne transfer to a locked-in account?

To receive a similar monthly benefit on her own, Joanne would have to purchase an annuity for approximately **$654,000** when she is 60 years old. The CV of Joanne's HOOPP pension would be a starting point, but it **wouldn't be enough**. To build her savings, Joanne would have to take on the responsibilities and risks that come with investing these funds until she retires. There are **no guarantees** she would be able to save enough or find an annuity that offers everything her HOOPP pension would.

Joanne's goal is to match her HOOPP pension

$2,040/month for life

+ $100/month bridge benefit until age 65, COLA and survivor benefits, through an annuity.



Joanne's challenges

- Being responsible for investment decisions
- Paying commissions and fees
- Finding an annuity with HOOPP-like benefits
- Navigating volatile markets

* This represents Joanne's total HOOPP transfer value of $176,300, where the full amount was locked in. Joanne would need to invest this amount over 15 years in preparation for retirement.

If Joanne saves less than planned, or if she can't find an annuity that offers equivalent benefits, her retirement will be impacted and she has increased the risk of outliving her savings.

Joanne's decision

After reviewing her options, Joanne decides to keep her pension with HOOPP. She knows that her pension is secure and she will collect it for life. She also knows it could continue to grow through COLA, and survivor benefits are provided at no additional cost. She may also be able to combine her deferred pension with any new benefit if she returns to work for another HOOPP employer. With all of the peace of mind her HOOPP pension offers, Joanne's choice is clear.

To learn more about the assumptions used in this example, see the *Actuarial assumptions* section on page 21.

OTHER IMPORTANT CONSIDERATIONS

What if you have a small pension?

Your pension may be considered a small amount under rules set out by the *Pension Benefits Act*. When your HOOPP pension fits this criteria, you have the option to take the value of your pension as a lump-sum amount, less applicable taxes, rather than receive a monthly payment after you've retired.

In many cases, having a small pension means the amount you receive in your monthly pension payments will be low, so it may not be in your best interest to collect your pension monthly for life.

When should you consider taking the value of your pension as a lump sum?
It's worth considering where you're going in your career to help you decide what's best for your personal circumstances.

Leaving healthcare?
If you are leaving healthcare and are not planning to return to work for a HOOPP employer, you will not have the opportunity to grow your pension further (but may be eligible to receive an annual cost of living adjustment as approved by the HOOPP Board of Trustees). You may want to consider taking your pension as a lump-sum cash payment, less applicable taxes, or transferring the value of your pension to a registered retirement savings plan (RRSP).

Staying in healthcare?
If you are planning to stay in healthcare and return to work for a HOOPP employer, you will have the opportunity to continue to grow your pension while you work. Nothing needs to change. You can keep your pension in the Plan and remain a HOOPP member. Once you start working at another HOOPP employer, you can continue to grow your pension.

Tax information for transferring a small pension
The *Income Tax Act* sets a limit on how much of your commuted value can be transferred on a tax-deferred basis. Here's what you need to know:

- **Amounts up to this limit may be rolled over into an RRSP or a DC plan.** This transfer will not be reported as income on a tax slip and will not use RRSP contribution room.
- **A portion of your commuted value may be over this limit.** This amount is considered taxable income. It will be subject to mandatory withholding tax – unless you instruct HOOPP to pay it directly to your financial institution as an eligible RRSP contribution. Please note: this option is only available if you have enough contribution room.

HOOPP is required to issue a tax slip for the funds that are over the limit described above. This amount must be reported as income in the year it is paid. If you are able to contribute these funds to your RRSP, your financial institution will provide you with a tax receipt for your RRSP contributions. This supports the RRSP deduction that you may claim when you file your taxes, up to your available contribution room.

For HOOPP to pay this amount to your RRSP, you must confirm that you have enough contribution room. Otherwise, you may be subject to tax penalties for overcontributing.

The amounts that apply to your small pension and your transfer options will be shown on the personalized termination options you receive from HOOPP.

What if you are receiving free accrual?

Free accrual is a disability benefit that allows you to continue to build your HOOPP pension while you are on a health leave without the need to make contributions.

If your employment ends while you're receiving free accrual from HOOPP, you don't have to choose a termination option right away. You can continue to receive free accrual as long as you continue to qualify for that benefit. This means you will continue your membership in the Plan and receive free accrual until your next medical review date. At that time, you may need to submit updated medical evidence to apply for a continuation of free accrual, subject to limits and maximums.

More information is provided in HOOPP's *Disability Benefits booklet*, available on **hoopp.com**.

What if you have excess contributions?

If you are entitled to receive a refund of your excess contributions, this information will be included in your personalized termination options.

You will receive this refund as a lump-sum payment, subject to mandatory withholding tax, or as an eligible RRSP transfer, where applicable. Your personal Member Services Specialist can help guide you through these options.

Excess contributions related to service prior to 1991 can be transferred directly to your RRSP or registered retirement income fund (RRIF) on a tax-deferred basis without using RRSP contribution room.

If you choose to transfer the value of your pension to another registered pension plan, it may also be possible to transfer some or all of your excess contributions to your new plan on a tax-deferred basis.

Please note that if you choose a deferred pension and, in the future, enrol in the Plan at a HOOPP employer, any excess contributions (including those for a retirement compensation arrangement) that were paid out to you must be returned, with interest, in order to combine your deferred benefit with your active period of service.

What if you have retirement compensation arrangement (RCA) benefits?

If your HOOPP pension includes RCA benefits, this information will be included in your personalized termination options. An RCA provides supplementary pension benefits to members whose pension exceeds the maximum amount permitted for a registered pension plan under the *Income Tax Act*.

RCA benefits cannot be transferred to another registered pension plan or to a LIRA or an RRSP. If you choose to transfer the commuted value of your HOOPP pension out of the Plan, your RCA will be paid to you as a taxable lump-sum amount. Similarly, excess RCA contributions are also payable as a taxable lump-sum amount.

ADDITIONAL INFORMATION ABOUT YOUR HOOPP PENSION

If you choose to keep your pension with HOOPP, you can begin receiving your monthly payments as early as age 55. Your pension includes survivor benefits. More information about these features is provided in this section.

Your retirement options

You can retire with an unreduced pension starting at age 60, or as soon as you've completed 30 years of ***eligibility service***. If you start your pension before age 60, it may be adjusted to reflect the fact that you will probably be collecting it for a longer time.

If you retire before the age of 65, in addition to your monthly pension, you will also receive a monthly bridge benefit. The benefit will stop at age 65 or when you pass away, whichever happens first.

For more information about early retirement options, the bridge benefit, and how to choose a retirement date based on your age and service, visit **hoopp.com**.

HOOPP also gives you the flexibility to retire later. Your pension will be increased if you choose to start it after age 65. Before you can start collecting your pension, you must end your employment at all of your HOOPP employers where you are enrolled and contributing to the Plan. You must start your pension no later than Dec. 1 in the year in which you turn 71.

Don't forget!

Keep in mind that it is your responsibility to contact HOOPP to start your pension payments. Your pension cannot be paid retroactively. It can begin only after you provide HOOPP with all the information required.

Survivor benefits

Survivor benefits are designed to help protect your loved ones whether you pass away before or after retirement.

If you pass away **before** retiring:

- **With a spouse**
  Your ***qualifying spouse*** is, by law, entitled to receive survivor benefits when you pass away. If you pass away before your pension payments begin, your qualifying spouse will be entitled to receive pre-retirement survivor benefits.

  Your spouse can choose to receive either a monthly pension or a one-time payment of the value of your pension. This payment can be taken as a taxable lump-sum amount or transferred to an RRSP or RRIF on a tax-deferred basis.

- **Without a spouse**
  Your ***beneficiaries*** will receive a lump-sum amount representing the value of your pension benefit. This amount is taxable income in the year in which it is paid and is subject to mandatory withholding tax.

If you pass away **after** retiring:

- **With a spouse**
  Your qualifying spouse at the time of your retirement is entitled to receive 66 2/3% of your monthly pension, not including a bridge benefit, for the rest of their life. When you retire, you may choose to increase this benefit to 80% or 100% of your monthly pension, which will result in a reduction in your pension to reflect the additional benefit for your spouse.

  If you pass away within five years of your retirement date (before receiving 60 payments), your surviving spouse will receive the same monthly benefit as you (not including the bridge benefit) for the rest of the five-year period. When the five-year period ends, your spouse will receive 66 2/3%, 80%, or 100% of your monthly benefit, depending on your choice at retirement. If both you and your spouse pass away before the end of the five-year period, the balance of the 60 payments will go to your beneficiary(s) or, if there are none, to your estate.

- **Without a spouse**
  If you pass away before receiving 15 years of payments (180 payments), your beneficiary(s) will be eligible to receive a survivor benefit. Your beneficiary(s) can choose to receive this benefit as either:

  > a continuation of your monthly pension payments, not including any bridge benefit, for the balance of the 15-year period, or

  > a lump-sum amount representing the value of your remaining payments in the 15-year period; this amount is taxable in the year in which it is paid and subject to mandatory withholding tax.

A beneficiary can be any person, persons or organization you choose; if you don’t identify any beneficiaries, or your beneficiaries pass away before you, any benefits payable when you pass away will go to your estate as a taxable lump-sum amount. A lump-sum amount is also applicable if your beneficiary is a charity or other organization.

If you are executing a will, it is important for you to understand whether it overrides or revokes any beneficiary designation that you have previously filed with HOOPP. We recommend that you seek legal advice to understand how your will may impact HOOPP survivor benefits.

Please also ensure that your executor and/or beneficiary(s) are aware of your HOOPP pension and ask them to contact Member Services when you pass away. This will assist us in paying your survivor benefits in a timely manner that is consistent with your wishes.

WE'RE HERE TO HELP

If you are considering leaving your HOOPP employer, it's important to understand your options. To help you make the right decisions, HOOPP is here for you every step of the way.

You can get the information you need about your pension and the Plan in the following ways:

Online

Visit **hoopp.com** for the latest guidance and educational materials regarding your pension. You can also visit **hoopp.com/faqs** for helpful information and answers to the most common questions.

To access your personal pension information, sign in to your secure member portal, HOOPP Connect, where you can do the following:

- use the Pension Estimator to see what your future pension could look like
- update your personal information
- view your annual statements and other HOOPP documents
- send and receive secure messages

Member services

Our pension experts offer personal service to help you make informed decisions about your pension. Our Member Services team can walk you through the options that are right for your personal situation, so you can get the most out of your pension. If you have questions at any point about your pension, contact our Member Services team at 416-646-6445 or toll-free at 1-877-43HOOPP (46677), Monday to Friday, 8 a.m. to 5 p.m., Eastern Time.

Privacy

Your privacy is important to us. At HOOPP, safeguarding the privacy of our members is a priority. We collect, use and disclose our members' personal information only for the purpose of administering the Plan; this refers primarily to administering pension benefits and paying pensions after retirement. For more information on HOOPP's privacy practices, please visit **hoopp.com/privacy**.

Summary of terms

The following are simplified explanations of the key terms used in this booklet and the options you receive when you leave your HOOPP employer. Many of these terms are defined in the *HOOPP Plan Text*, which is available on **hoopp.com/plantext** or by contacting HOOPP.

Annualized earnings: Earnings you are credited within a calendar year that count toward your HOOPP pension. If you work part time or less than one full year, your annualized earnings will be based on what you would earn if you worked full time for the whole year.

If you're an incorporated physician, your annualized earnings in a calendar year are based on the greater of your pensionable earnings expressed on an annualized basis (up to your upper earnings limit) and your lower earnings limit.

Baseline earnings: If you're an incorporated physician, these are the pensionable earnings you are expected to receive in a calendar year, expressed on an annualized basis. Your baseline earnings for your first year of membership are established by your employer (Medicine Professional Corporation or MPC). In each subsequent year, your baseline earnings are your annualized earnings from the previous year.

For the purposes of contributing to the Plan, your employer (MPC) applies HOOPP's contribution rates to the greater of your pensionable earnings expressed on an annualized basis (up to your upper earnings limit) and your lower earnings limit.

Beneficiary(s): The person(s) or organization(s) you designate to receive any benefits which may be payable when you pass away if you do not have a qualifying spouse, or if spousal benefits have been waived.

Under the *Pension Benefits Act*, your qualifying spouse will receive benefits instead of your beneficiary(s).

Bridge benefit: A temporary monthly benefit payable in addition to your lifetime pension if you retire early. Any bridge benefit will continue until age 65 or you pass away, whichever happens first.

Commuted value: The lump-sum value of your earned pension is referred to as its commuted value. This is the estimated amount of money that HOOPP would have to set aside today to pay your pension in the future. The commuted value changes based on factors such as age, life expectancy, inflation and interest rates.

Your commuted value will include interest from the calculation date to the payment date. If more than 12 months have passed since the calculation date, HOOPP will recalculate the value.

Contributory service: The length of time you have contributed to HOOPP. It includes any free accrual and periods gained by buying back service and excludes non-contributory leaves. Contributory service is used to calculate your pension.

If you're an incorporated physician with pensionable earnings in a calendar year that, when expressed on an annualized basis, are less than your lower earnings limit, your contributory service will be adjusted proportionally.

Cost of living adjustment (COLA): HOOPP may provide inflation protection to pensions through COLA. HOOPP uses the Consumer Price Index (CPI), a measure of the rate of inflation, when determining COLA. Annual COLA is not guaranteed, except for contributory service before 2006, which is guaranteed at 75% of the previous year's rate of increase in the CPI, up to a maximum of 10%. For more information about HOOPP's inflation protection, visit **hoopp.com/inflationprotection.**

Earnings: HOOPP uses a number of different measures of earnings for the purposes of calculating required contributions and benefit entitlements, each of which may differ from the actual employment earnings you receive from your employer.

HOOPP calculates your earnings for benefit purposes each year using the total contributions received from you to express your pensionable earnings on an annualized basis. If you contribute at more than one employer in the year, your earnings for benefit purposes are calculated using your total contributions from all of your employers. Your pension benefit is calculated using the average of your best five consecutive years of earnings.

Earnings limit adjustment: If you're an incorporated physician, this is the amount that establishes your upper earnings limit and lower earnings limit. It is determined in each calendar year as the previous year's rate of increase in the Consumer Price Index (CPI) plus 1%, multiplied by your baseline earnings.

Eligibility service: The length of time you have been a member of HOOPP. It includes any free accrual and periods gained by buying back service and excludes certain periods when you did not make contributions to the Plan. Eligibility service is used to determine the reduction (if any) that will apply to your pension if you decide to retire early.

Free accrual: A disability benefit offered by HOOPP that allows you to continue to build your HOOPP pension while you are disabled, without the need to make contributions. Free accrual is subject to maximums related to your age, total contributory service and level of disability.

Incorporated physician: A medical doctor licensed to practice medicine and operating under a Medicine Professional Corporation (MPC) in Ontario.

An incorporated physician who is identified as participating within their MPC's HOOPP participation agreement will join HOOPP and be deemed to be a full-time member.

Lifetime pension: The monthly lifetime payment you will receive from HOOPP at retirement, based on HOOPP's DB pension formula. This does not include the bridge benefit for members who retire early

Lower earnings limit: If you're an incorporated physician, these are your minimum pensionable earnings, expressed on an annualized basis, on which you can build benefits without an adjustment to your contributory service. Where your annualized pensionable earnings are less than your lower earnings limit, your contributory service is adjusted proportionally. This limit is determined in each calendar year as your baseline earnings minus your earnings limit adjustment.

Qualifying spouse: In general terms, a qualifying spouse is a person who, at the earlier of the date that you retire or pass away, you were married to but not living separate and apart from, or living together continuously in a common law relationship for at least one year, or earlier if as parents of a child. To be eligible to receive a spousal lifetime pension, your spouse must meet the definition of a qualifying spouse, as set out in the *HOOPP Plan Text*, at the applicable time.

Upper earnings limit: If you're an incorporated physician, these are your maximum pensionable earnings, expressed on an annualized basis, on which you can contribute and build benefits. This limit is determined in each calendar year as your baseline earnings plus your earnings limit adjustment.

Actuarial assumptions

In order to calculate a member's commuted value, actuarial assumptions are used to estimate factors such as future interest and inflation rates, age at retirement, and life expectancy. HOOPP calculates commuted values in accordance with the *HOOPP Plan Text*, applicable legislation, and the Canadian Institute of Actuaries' *Standards of Practice for Pension Commuted Values*.

Actuarial assumptions for *What is the right choice?*

Joanne was developed as an example by HOOPP for illustrative purposes only. The example on page 9 is based on the following main assumptions:

- Joanne's termination date is March 31, 2025. Commuted value rates and calculation methods applied on this date of termination are in accordance with the Canadian Institute of Actuaries' *Standards of Practice for Pension Commuted Values*.
- With Joanne's termination date of March 31, 2025, she qualified for the past service benefit improvements, including the improvement effective on July 1, 2024.
- Joanne's pension (and any pension that is paid to her surviving spouse), is assumed to grow at a rate of 2% per year from her date of termination.
- The discount rate used to price an annuity that is fully indexed to the year-over-year increase in the consumer price index (Canada) is assumed to be 1.51%. This discount rate is based on the CANSIM series V39057 as of December 31 2024 and the Canadian Institute of Actuaries' *Educational Note Supplement: Guidance for Assumptions for Hypothetical Wind-Up and Solvency Valuations Effective December 31, 2024, and Applicable to Valuations with Effective Dates on or after December 31, 2024, and no later than December 30, 2025*.
- It is assumed that Joanne is married at her date of retirement and the annuity she purchases provides a 66% survivor benefit to her spouse, similar to HOOPP. Joanne and her spouse are assumed to be the same age, and both have passed once she reaches age 85.

Your notes

Your notes

Your notes

This booklet contains summary information about the benefits in the *HOOPP Plan Text* in effect on Apr. 1, 2025. You should not rely solely on the information in this booklet to make decisions about your pension. You can find more detailed information about the Plan in the *HOOPP Plan Text*, available on **hoopp.com**. In cases where the information provided in this booklet, by an employer or by any other source differs from that contained in the *HOOPP Plan Text*, the *HOOPP Plan Text* in effect at the relevant time will govern.

All HOOPP member booklets are available on **hoopp.com/resources**.

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