TEACHERS' PENSION PLAN CORPORATION
NEWFOUNDLAND & LABRADOR

Newfoundland and Labrador

Teachers' Pension Plan

Plan Text

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INTRODUCTION

The Teachers' Pension Plan (the "**Pension Plan**") was established in 1929 to meet the retirement needs of teachers in Newfoundland and Labrador. In July of 1980, pursuant to the provisions of the *Pensions Funding Act*, RSNL 1990, c P-6, Government commenced funding the Plan. In 1991, the *Teachers' Pensions Act*, SNL 1991, c 17 was enacted to revise and amend the law respecting the Pension Plan.

The primary purpose of the Pension Plan is to provide semi-monthly payments to Teachers for their lifetime after retirement. The Pension Plan also provides other benefits payable to Teachers and their beneficiaries in accordance with its terms.

On June 15, 2015, Government and the Newfoundland and Labrador Teachers' Association ("**NLTA**") announced an agreement to reform the Pension Plan. The changes impacted benefits, contributions, the long-term asset mix, and introduced a formal Joint Sponsorship structure.

On March 15, 2016, Government and the NLTA ratified a Joint Sponsorship Agreement ("**JSA**") for the purpose of (i) setting out the terms and conditions of the joint sponsorship of the Pension Plan; and (ii) establishing the Funding Policy. The Teachers' Pension Plan Corporation (the "**Corporation**") was created on August 31, 2016 and is the Administrator of the Pension Plan. Pursuant to the JSA, the Sponsor Body, as defined in section 4 of the JSA and comprising of representatives appointed by Government and the NLTA, holds certain responsibilities, such as making plan amendments, and implementing the Funding Policy.

Changes in benefits and required Teacher contribution rates came into effect on September 1, 2015 and September 1, 2016. The main changes relate to the suspension of guaranteed post-retirement indexing on pensions accrued in respect of future service, a change in the earnings averaging formula from a 5-year to an 8-year average and a change in the date a deferred pension is payable for Teachers terminating after August 31, 2016 with less than 24.5 years of service. Required Teacher contributions were increased to 11.35% with effect from September 1, 2015. In accordance with the JSA, Government issued a promissory note of $1.862 billion to the Corporation. The promissory note will be amortized over a 30 year period, through annual special payments.

The JSA provides that the responsibility for funding of the Pension Plan is shared equally between Government and the plan members, including Teachers, Deferred Pensioners and Pensioners. Fifty percent (50%) of surpluses and deficits will be attributed to Government, and the remaining fifty percent (50%) will be attributed to Teachers, Deferred Pensioners and Pensioners collectively.

The Pension Plan is a registered pension plan under the *Income Tax Act*, RSC 1985, c.1 (5th Supp.) ("**Income Tax Act**") and, as amended or restated from time to time, is subject to continued registration under the *Income Tax Act*.

The *Teachers' Pensions Act, 2018,* SNL 2018, c.T-4.01 ("**TPA 2018**") exempts the Pension Plan from the *Pension Benefits Act*, 1997, SNL 1996, c P-4.01.

The TPA 2018 also sets out the provisions that govern any benefits that exceed the benefits which are paid under the terms of the Pension Plan and the *Income Tax Act* (the "**Supplementary Pension Benefit**"). Supplementary Pension Benefits are paid from the Teachers' Supplementary Account that is established in the Consolidated Revenue Fund of the Government and are not paid from the Pension Plan fund and therefore are expressly not dealt with under the terms of the Pension Plan.

In addition, substitute teachers (as such term is defined in the Collective Agreement) who participate in the GMPP are ineligible to participate in the Pension Plan.

SECTION 1 DEFINITIONS

1.1 In this Pension Plan, the following defined terms have the following meanings:

(a) "Accrued Benefit" has the meaning defined in the Joint Sponsorship Agreement.

(b) "Actuarially Reduced Pension" means a Pension that has been reduced by an amount determined by an actuary that reflects the fact that the Pension is being paid from a date that is earlier than the date the individual, based on his or her Pensionable Service, would be eligible for an unreduced pension under subsection 4.2 or 4.3.

(c) "Administrator" means the Corporation.

(d) "Average YMPE" means the average of the YMPE over the three year period immediately preceding a Teacher's date of retirement, termination, Disability, or death.

(e) "Bridging Benefit" means the portion of the Pension which ceases at the end of the month during which the Teacher, Deferred Pensioner or Pensioner reaches or would have reached age 65.

(f) "*Canada Pension Plan*" means the *Canada Pension Plan*, RSC 1985, c C-8, as amended from time to time, and the regulations issued thereunder.

(g) "Child" (or "Children") shall include a natural child, a stepchild or an adopted child.

(h) "Cohabiting Partner" means either:

(i) in relation to a Teacher, Deferred Pensioner or Pensioner who has a Spouse, a person who is not the Spouse of such Teacher, Deferred Pensioner or Pensioner who has cohabited continuously with the Teacher, Deferred Pensioner or Pensioner in a conjugal relationship for not less than 3 years, or

(ii) in relation to a Teacher, Deferred Pensioner or Pensioner who does not have a Spouse, a person who has cohabited continuously with the Teacher, Deferred Pensioner or Pensioner in a conjugal relationship for not less than one year,

and is cohabiting or has cohabited with the Teacher, Deferred Pensioner or Pensioner within the preceding year.

(i) "Collective Agreement" means the collective agreement between the Newfoundland and Labrador School Boards Association, Her Majesty the Queen in Right of Newfoundland and Labrador, and the Newfoundland and Labrador Teachers' Association;

(j) "Commuted Value" means the present value of a pension benefit calculated in a manner that complies with the Canadian Institute of Actuaries' Recommendations for the Computation of Transfer Values from Registered Pension Plans, as amended from time to time.

(k) "Consumer Price Index", with respect to any year, means the average for each month of that year of the Consumer Price Index for Canada, as published by Statistics Canada.

(l) "Corporation" means the Teachers' Pension Plan Corporation continued under the TPA 2018.

(m) "Corporation Employee" means a full-time salaried employee of the Corporation.

(n) "Deferred Pensioner" means anyone who does not qualify as a Teacher by reason of termination of employment with an Employer, and who retains an entitlement to a deferred Pension under the Pension Plan as a result of being Vested at the date of termination of employment. A Deferred Pensioner excludes a non-Vested Teacher who contributed to the Pension Plan and elects to leave his or her contributions in the Fund after termination of employment.

(o) "Dependent Child" (or "Dependent Children") means a Child (or Children) of a Teacher, Deferred Pensioner or Pensioner who, at the relevant time, is both dependent on the Teacher, Deferred Pensioner or Pensioner for support and is:

(i) under the age of eighteen (18) years and will not attain the age of eighteen (18) years in the calendar year that includes that time;

(ii) under the age of twenty-four (24) years and in full-time attendance at an educational institution; or

(iii) any age and who has been dependent upon the Teacher, Deferred Pensioner or Pensioner by reason of physical or mental infirmity such that the Child is incapable of pursuing any substantially gainful employment on a regular basis and is considered dependent for life, provided that the impairment is medically certified to the satisfaction of the Administrator.

(p) "Designated Beneficiary" (or "Designated Beneficiaries") means that person or persons last designated by the Teacher, Deferred Pensioner, Pensioner or Limited Member in accordance with subsection 7.1.

(q) "Disability" or "Disabled" means, in relation to a Teacher, suffering from a physical or mental impairment that prevents the Teacher from performing the duties of the employment in which he or she was engaged before the commencement of the impairment provided that the impairment is medically certified to the satisfaction of the Administrator as likely to be permanent.

(r) "Disability Pension" means the Pension available for a Teacher or Deferred Pensioner with a Disability in accordance with Section 8 .

(s) “Eligible Survivor Benefit Period” means the period beginning on the date of the Teacher’s, Deferred Pensioner’s or Pensioner’s death or, where a surviving Principal Beneficiary was in receipt of a Survivor Benefit following the death of a Teacher, Deferred Pensioner or Pensioner, on the date of the Principal Beneficiary’s death and ending on the latest of:

(i) where the Dependent Child or Other Dependant is under the age of eighteen (18) years throughout the calendar year of the Teacher’s, Deferred Pensioner’s or Pensioner’s death, the earlier of December 31 of the calendar year in which the Dependent Child or Other Dependant attains the age of seventeen (17) and the date of death of the Dependent Child or Other Dependant;

(ii) where the Dependent Child or Other Dependant is in full-time attendance at an educational institution on the later of the Teacher’s, Deferred Pensioner’s or Pensioner’s date of death and December 31 of the calendar year in which the Dependent Child or Other Dependant attains the age of seventeen (17) years, the day on which the Dependent Child or Other Dependant ceases to be in full-time attendance at an educational institution or, if earlier, the Dependent Child’s or Other Dependant’s twenty-fourth (24^{th}) birthday; and

(iii) where the Dependent Child or Other Dependant is dependent on the Teacher, Deferred Pensioner or Pensioner at the Teacher’s, Deferred Pensioner’s or Pensioner’s date of death by reason of physical or mental infirmity, the date on which the Dependent Child or Other Dependant ceases to be infirm or, if there is no such date, the date of death of the Dependent Child or Other Dependant.

(t) "Employer" means,

(i) Government;

(ii) The Newfoundland and Labrador Teachers’ Association;

(iii) Churchill Falls (Labrador) Corporation Limited; or

(iv) any other entity that may be admitted to the Pension Plan by the Administrator in accordance with the Joint Sponsorship Agreement, and as reflected in Appendix A.

(u) "*Family Law Act*" means the *Family Law Act*, RSNL 1990, c F-2, as amended from time to time, and the regulations issued thereunder.

(v) "Fund" means the Teachers' Pension Plan Fund continued pursuant to the TPA 2018.

(w) "Funding Policy" means the Funding Policy attached as Appendix "A" to the Joint Sponsorship Agreement.

(x) "Government" means the government of the Province of Newfoundland and Labrador.

(y) "GMPP" means the Government Money Purchase Pension Plan created by the *Government Money Purchase Pension Plan Act*, RSNL 1990, c G-6, as amended from time to time, and the regulations issued thereunder.

(z) "Highest Average Earnings" means:

(i) in respect of Pre-September 1, 2015 Pensionable Service, the greater of:

(A) the average of a Teacher's Pensionable Earnings during any of the five (5) years of Pensionable Service, prior to September 1, 2015, which yield the highest average, and where a Teacher has less than five (5) years of Pensionable Service prior to September 1, 2015, the average of the Teacher's Pensionable Earnings over such shorter period; and

(B) the average of a Teacher's Pensionable Earnings during any of the eight (8) years of Pensionable Service, prior to the date the Teacher's participation ceases, which yield the highest average, and where a Teacher has less than eight (8) years of Pensionable Service, the average of the Teacher's Pensionable Earnings over such shorter period.

(ii) in respect of Post-August 31, 2015 Pensionable Service, the average of a Teacher's Pensionable Earnings during any of the eight (8) years of Pensionable Service, prior to the date the Teacher's participation ceases, which yield the highest average, and where a Teacher has less than eight (8) years of Pensionable Service, the average of the Teacher's Pensionable Earnings over such shorter period.

(aa) "*Income Tax Act*" means the *Income Tax Act*, RSC 1985, c 1 (5th supp), as amended from time to time, and the regulations issued thereunder.

(bb) "Interest" means interest on contributions, compounded annually and calculated each year at the rate as established by the Administrator from time to time.

(cc) "Joint Sponsorship Agreement" or "JSA" means the agreement relating to the joint sponsorship of the Pension Plan between Government, on the one part, and the Newfoundland and Labrador Teachers' Association, on the other part, dated March 15, 2016, as amended from time to time, including, but not limited to, the following Appendices:

(i) Appendix "A" – Funding Policy

(ii) Appendix "B" – Trustee Corporation Framework

(dd) "Limited Member" means a Spouse of a Teacher, Deferred Pensioner or Pensioner who has been designated as a Limited Member in accordance with subsection 17.4(2);

(ee) "Leave" means an unpaid leave of absence as approved by an Employer, for a period of time determined by the Employer. Notwithstanding the foregoing, a leave of absence whereby a Teacher renders service to an entity that is a prescribed employer pursuant to subsection 8308(7) of the Income Tax Regulations under the *Income Tax Act* shall not be considered a Leave.

(ff) "Lifetime Retirement Benefit" means the portion of the Pension that, once it commences, is payable to the Teacher or Deferred Pensioner until the Teacher's or Deferred Pensioner's death.

(gg) "Minister" means the minister responsible for education in the Province of Newfoundland and Labrador.

(hh) "NLTA Administrative Officer" means any full-time salaried administrative officer of the Newfoundland and Labrador Teachers' Association, as appointed by the executive of the Newfoundland and Labrador Teachers' Association in accordance with its by-laws, who otherwise does not satisfy the definition of Teacher under subsection 1.1(aaa)(iii).

(ii) "Other Dependant" (or "Other Dependants") means a parent, grandparent, brother, sister, or grandchild of the Teacher, Deferred Pensioner or Pensioner who, at the time of the Teacher's, Deferred Pensioner's or Pensioner's death, is both dependent on the Teacher, Deferred Pensioner or Pensioner for support and is:

(i) under the age of eighteen (18) years and will not attain the age of 18 years in the calendar year of the death of the Teacher, Deferred Pensioner or Pensioner;

(ii) under the age of twenty-four (24) years and in full-time attendance at an educational institution; or

(iii) any age and who has been dependent upon the Teacher, Deferred Pensioner or Pensioner by reason of physical or mental infirmity such that the individual is incapable of pursuing any substantially gainful employment on a regular basis and is considered dependent for life, provided that the impairment is medically certified to the satisfaction of the Administrator.

(jj) "Participation Agreement" means an agreement entered into between the Administrator and an Employer in accordance with subsection 14.1(2).

(kk) "Participation Date" means the date an Employer joins the Pension Plan.

(ll) "Past Pensionable Service" means Pensionable Service earned by the Teacher or Deferred Pensioner for a past period of enrollment in the Pension Plan for which contributions, with Interest, or the commuted value of his or her deferred Pension were transferred out of the Pension Plan in accordance with Section 6.

(mm) "Pension" means an annual pension benefit payable to an individual in accordance with the Pension Plan.

(nn) "*Pension Benefits Act, 1997*" means the *Pension Benefits Act, 1997*, SNL 1996, c P-4.01, as amended from time to time, and the regulations issued thereunder.

(oo) "Pensionable Earnings"

(i) means the normal remuneration paid to a Teacher for the normal working period and shall not include overtime pay, bonuses, payments made on a fee basis, any payment excluded by the Administrator, and amounts which would not qualify for the purposes of the *Income Tax Act;*

(i) Pensionable Earnings shall include the normal remuneration paid to a Teacher from an entity that is a prescribed employer pursuant to subsection 8308(7) of the Income Tax Regulations under the *Income Tax Act*; and

(ii) For a Teacher who has a period of Leave that is a period of disability, an eligible period of reduced pay or an eligible period of temporary absence, each as defined in section 8500 of the Income Tax Regulations under the *Income Tax Act,* Pensionable Earnings for the period of Leave shall, as applicable, include a deemed amount based on the Pensionable Earnings the Teacher was receiving immediately preceding the period of Leave. However, such deemed amounts shall not exceed the amount of compensation prescribed in subsection 147.1 of the *Income Tax Act* and sections 8507 or 8508 of the Income Tax Regulations with respect to such periods.

(pp) "Pensionable Service"

(i) means a Teacher's period of employment during which time the Teacher receives, or is deemed to receive, Pensionable Earnings, and during which time required contributions are made to the Pension Plan either by the Teacher or on the Teacher's behalf. Pensionable Service is calculated in years and tenths (1/10) years which shall be taken into account under the Pension Plan for the purpose of determining whether a Teacher is entitled to a Pension and the amount of the Pension; and

(ii) Pensionable Service is credited based on the number of days worked in a Teaching Year, as detailed in Appendix B; and

(iii) Pensionable Service includes any service purchased in accordance with Section 11 and any service transferred into the Pension Plan in accordance with Section 10 ; and

(iv) No more than one (1) year of Pensionable Service will be accrued by a Teacher for any one Teaching Year; and

(v) Pensionable Service shall include service with an entity that is a prescribed employer pursuant to subsection 8308(7) of the Income Tax Regulations under the *Income Tax Act*.

(qq) "Pensioner" means a person in receipt of a Pension or Disability Pension under this Pension Plan. A Pensioner shall not include a Deferred Pensioner.

(rr) "Pension Plan" or "Plan" means this Teachers' Pension Plan.

(ss) "Post-August 31, 2015 Pensionable Service" means Pensionable Service that is not Pre-September 1, 2015 Pensionable Service.

(tt) "Pre-September 1, 2015 Pensionable Service" means Pensionable Service in respect of a period of employment prior to September 1, 2015 and shall include periods of employment prior to September 1, 2015 which have either been purchased or transferred into the Pension Plan provided that the appropriate costs in respect of such period, as determined by the Administrator, have been paid into the Fund.

(uu) "Principal Beneficiary" means the Spouse of a Teacher, Deferred Pensioner or Pensioner, or where the Teacher, Deferred Pensioner or Pensioner has a Cohabiting Partner, his or her Cohabiting Partner.

(vv) *"Public Service Pensions Act*, *2019"* means the *Public Service Pensions Act*, *2019*, SNL 2019, c P-44.01, as amended from time to time, and the regulations issued thereunder.

(ww) "*Schools Act, 1997*" means the *Schools Act, 1997*, SNL 1997, c S-12.2, as amended from time to time, and the regulations issued thereunder.

(xx) "Sponsor Body" has the meaning defined in the Joint Sponsorship Agreement.

(yy) "Spouse" means, except in Section 17 , a person who:

(i) is married to the Teacher, Deferred Pensioner or Pensioner;

(ii) is married to the Teacher, Deferred Pensioner or Pensioner by a marriage that is voidable and has not been voided by a judgment of nullity; or

(iii) has gone through a form of a marriage with the Teacher, Deferred Pensioner or Pensioner, in good faith that is void and is cohabiting or has cohabited with the Teacher, Deferred Pensioner or Pensioner within the preceding year.

(zz) "Survivor Benefit" means a Pension payable to a Principal Beneficiary, a Dependent Child or an Other Dependant.

(aaa) "Teacher" includes the following persons appointed or employed by an Employer:

(i) a person who holds a valid and subsisting certificate, grade or licence not lower than the emergency supply licence issued under the *Teacher Training Act* and who is, subject to the *Schools Act*, *1997*, appointed or employed by an Employer to give instruction or to administer or supervise instructional services in a college or a school,

(ii) a person who holds a valid and subsisting certificate, grade or licence not lower than the emergency supply licence issued under the *Teacher Training Act* and who is a director, an assistant director, or a senior management official as defined in the *Schools Act, 1997*

(iii) a person who holds a valid and subsisting certificate, grade or licence not lower than the emergency supply licence issued under the Teacher Training Act and who is appointed or employed by the Department of Education in a position that requires the person to hold a valid and subsisting certificate, grade or licence not lower than the emergency supply licence issued under the Teacher Training Act ;

(iv) a person who holds a valid and subsisting certificate, grade or licence not lower than the emergency supply licence issued under the *Teacher Training Act* and who is appointed or employed by the Department of Education in the position of deputy minister, associate deputy minister or assistant deputy minister, where that person is a member of the pension plan at the time of their appointment.

(v) an administrative officer of the Newfoundland and Labrador Teachers' Association by virtue of the *Teachers' Association Act*, and who was before his or her appointment

(A) a teacher to whom the TPA 2018 or the former *Teachers' Pensions Act*, SNL 1991, c 17 applied, or

(B) a public servant to whom the *Public Service Pensions Act, 2019* applied, and

(vi) a full-time salaried president of the Newfoundland and Labrador Teachers' Association or the Canadian Teachers' Federation and who was before his or her appointment

(A) a teacher to whom the TPA 2018 or the former *Teachers' Pensions Act,* SNL 1991, c 17 applied, or

(B) a public servant to whom the *Public Service Pensions Act, 2019* applied.

(vii) an NLTA Administrative Officer, and

(viii) a Corporation Employee.

(bbb) "10-Month Teacher" means a Teacher who qualifies under subsection 1.1(aaa)(i).

(ccc) "12-Month Teacher" means a Teacher who qualifies under subsections 1.1(aaa)(ii), (iii), (iv), (v), (vi),(vii), or (viii).

(ddd) "*Teachers' Association Act*" means the *Teachers' Association Act*, RSNL 1990, c T-2, as amended from time to time, and the regulations issued thereunder.

(eee) "*Teacher Training Act*" means the *Teacher Training Act*, RSNL 1990, c T-1, as amended from time to time, and the regulations issued thereunder.

(fff) "Teaching Year" means the 12 calendar months beginning on July 1.

(ggg) "TPA 2018" means the *Teachers' Pensions Act, 2018,* SNL 2018, c.T-4.01, as amended from time to time, and the regulations issued thereunder.

(hhh) "Vested" means that the Teacher is entitled to either a deferred or immediate Pension as a result of accumulating at least 5 years of Pensionable Service.

(iii) "YMPE" means the Year's Maximum Pensionable Earnings as defined under the *Canada Pension Plan*.

1.2 In the Pension 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 masculine sex shall be construed as including the feminine sex and vice versa.

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

SECTION 2 ELIGIBILITY

2.1 Eligibility

(1) Subject to subsection 2.1(2) and 2.1 (3), a Teacher is required to join the Pension Plan on the date of hire, start date of term of office or Participation Date, whichever is later, and to complete an enrolment form as prescribed by the Administrator. This shall include a replacement teacher as defined in the Collective Agreements.

(2) A Teacher who is required to contribute to a different pension plan or who is excluded by a directive of the Administrator shall not be eligible to join the Pension Plan.

(3) A Teacher who is an NLTA Administrative Officer or Corporation Employee and who was employed as an NLTA Administrative Officer or Corporation Employee prior to February 1, 2024 shall have the option, but not the obligation to join the Pension Plan, such option to be exercised on or before March 31, 2024. An NLTA Administrative Officer or Corporation Employee who does not exercise the option to join the Pension Plan within the prescribed time shall thereafter be ineligible to join the Pension Plan.

(4) A Teacher who elects to join the Pension Plan under subsection 2.1(3) shall be eligible to purchase past service, in accordance with the terms of Section 11.

2.2 Re-Employment

(1) Re-Enrolment

(a) In the case where an individual ceased to be a Teacher and received a refund of his or her contributions, with Interest, or other payout of his or her entitlement, and who is subsequently hired by an Employer, the individual shall be treated as a new employee for the purposes of enrolling in the Pension Plan without any prior Pensionable Service. Pensionable Service from the prior period of employment shall be considered Past Pensionable Service.

(b) In the case where an individual ceased to be a Teacher and did not receive a refund of his or her contributions, with Interest, or other payout of his or her entitlement, and who is subsequently hired by an Employer, the individual shall be treated as a Teacher of the Pension Plan with the prior period of Pensionable Service included.

(2) Hiring a Pensioner

(a) A Pensioner who is hired by an Employer and is eligible to join the Pension Plan must suspend his or her Pension and re-enrol in the Pension Plan, in which case the Teacher shall start contributing to the Pension Plan in accordance with subsection 3.1 on the first day of the next month following his or her last Pension payment. Upon subsequent retirement, his or her Pension shall be subject to the conditions set out in subsection 5.3.

(b) Notwithstanding the foregoing, a Pensioner who is hired by an Employer cannot become a Teacher under the Pension Plan if he or she has reached the age at which a pension benefit is required to begin under the *Income Tax Act*.

(3) Hiring a Pensioner – less than 90 days

A Pensioner may, with the approval of the Minister, be re-employed for a period which will not exceed 90 days in the aggregate in a Teaching Year during which he or she shall not be considered a Teacher for the purposes of the Pension Plan. Notwithstanding the foregoing, as a result of the present demand for retired Teachers, the 90 day limit shall be suspended and a Pensioner may be re-employed without limit during the 2024-2025 Teaching Year and shall not be considered a Teacher for the purposes of the Pension Plan. At the commencement of the 2025-2026 Teaching Year the 90 day re-employment limit shall again be considered in determining if a re-employed Pensioner is a Teacher for the purposes of the Pension Plan.

(4) Hiring a Pensioner – Term Position

A Pensioner may be re-employed for a period in a Teaching Year during which he or she shall not be considered a Teacher for the purposes of the Pension Plan where:

(a) an Employer is unable to fill an advertised position with a capable or qualified Teacher not in receipt of a Pension;

(b) a Pensioner applies and is offered employment for the position;

(c) the Employer provides verification to the Sponsor Body, or a delegate thereof, that the position was filled by a Pensioner because of the inability to hire a non-Pensioner;

(d) the Sponsor Body, or a delegate thereof, approves the Employer's decision to hire the Pensioner for a term not to exceed the remainder of the Teaching Year; and,

(e) the Sponsor Body, or a delegate thereof, notifies the Administrator in writing of its approval of the Employer's decision.

SECTION 3 REQUIRED CONTRIBUTIONS

3.1 Required Contributions by Teachers

(1) Teacher Required Contributions

Effective September 1, 2015, each Teacher shall be required to contribute to the Pension Plan, by payroll deduction, 11.35% of his or her Pensionable Earnings unless otherwise directed by the Administrator in accordance with the Joint Sponsorship Agreement. These Teacher required contributions are subject to the Administrator receiving continued approval for a waiver of the limits under the *Income Tax Act*.

(2) Contribution Maximums

The amount of a Teacher's contributions to the Pension Plan for any calendar year shall not exceed such limit as set by the Administrator on the advice of the actuary.

3.2 Contributions during Leave

(1) A Teacher who has a period of Leave may receive credit for that period as Pensionable Service, provided:

(a) the Teacher makes contributions in accordance with subsection 3.1;

(b) the Teacher elects to purchase the period of Leave as Pensionable Service within the earlier of one hundred and eighty (180) days after returning from Leave or prior to the date of termination of employment;

(c) the contributions must be based on the rate of Pensionable Earnings the Teacher was earning immediately prior to the commencement of the Leave;

(d) the periods during which a Teacher may make the contributions, other than periods of Leave that are a period of disability, as defined in section 8500 of the Income Tax Regulations under the *Income Tax Act*, are limited to a maximum of five years plus up to three twelve-month absences for a period of parenting when an individual gives birth to or adopts a Child; and

(e) the contributions must be made in accordance with the *Income Tax Act*.

(2) The Employer who authorized the Leave shall be required to make matching contributions with respect to the period of Leave purchased pursuant to subsection 3.2(1).

(3) Notwithstanding the above, Pensionable Service for a Leave may be purchased at any time after the one hundred and eighty (180) day expiration period in accordance with Section 11 at a cost that may be prescribed by the Administrator in consultation with the actuary. No matching contributions will be required by the Employer.

3.3 Contributions for the Period from April 1, 1993 to March 31, 1994

Where the Employer's contribution was reduced under the Pension Plan between the period from April 1, 1993 to March 31, 1994, a Teacher may elect to contribute an amount that is the actuarial cost of the related benefit which, if paid, would restore the accrual rate to 1.4% on earnings up to the Average YMPE and 2.0% on earnings above the Average YMPE for that period of service in subsection 5.1(1)(d).

3.4 Required Contributions by Employers

(1) Each Employer shall make contributions to the Pension Plan in an amount equal to the Teacher's contributions unless otherwise directed by the Administrator or terms of the Pension Plan.

(2) Employer contributions to the Pension Plan for any calendar year 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 eligible Employer contributions to a registered pension plan.

3.5 Special Payments by Government

(1) The Government has issued a fully enforceable promissory note to the Administrator that amortizes $1,862,000,000, valued at September 1, 2015, over 30 years in equal annual instalments of $135,273,272 beginning on August 31, 2016.

(2) The present value of the residual payments, discounted at six percent (6%), shall be considered an asset of the Pension Plan. This asset is a non-investment asset which is non-marketable and non-transferrable and which shall be used solely for the purpose of determining the funded ratio of the Pension Plan in accordance with the Funding Policy.

3.6 Overpayments

(1) Subject to any requirements of the *Income Tax Act*, any payments made by an Employer in a calendar year in excess of the amount required under subsection 3.4 will be returned to the Employer out of the Fund, with the exception of contributions pursuant to section 6(2) of the TPA 2018.

(2) Subject to any requirements of the *Income Tax Act*, any contributions made by a Teacher in a calendar year in excess of the amount required to be contributed under subsection 3.1 will be returned to the Teacher out of the Fund, with the exception of contributions pursuant to section 3(2) of the TPA 2018.

3.7 No Additional Voluntary Contributions

In no case shall a Teacher make additional voluntary contributions to the Pension Plan.

SECTION 4 RETIREMENT DATES

4.1 General

(1) A Teacher or Deferred Pensioner who wishes to retire under the terms of the Pension Plan must apply in the form and manner prescribed by the Administrator through his or her Employer or, if he or she is not employed, directly to the Administrator.

(2) A Teacher must be Vested to be eligible to retire.

(3) All retirement dates are at the end of the month. Pensions shall be first payable in the following month in equal semi-monthly installments at the middle and the end of the month.

(4) For the purpose of this section, "**worked service**" means Pensionable Service excluding a Teacher's university training years that have been credited as Pensionable Service under the Plan.

4.2 Normal Retirement Date

A Teacher or Deferred Pensioner may elect to retire with an unreduced pension at his or her normal retirement date, which is the end of the month in which he or she turns 62.

4.3 Early Unreduced Retirement Date

(1) A Teacher, or a Deferred Pensioner who either terminated employment prior to September 1, 2016, or who terminated employment after August 31, 2016 and who has at least 24.5 years of Pensionable Service, may elect to retire with an unreduced pension at his or her early unreduced retirement date, which is the earlier of:

(a) The end of the month in which he or she attains 30 years of worked service; or

(b) The end of the month in which he or she attains both 25 years of Pensionable Service and age 55; or

(c) The end of the month in which he or she attains both 5 years of Pensionable Service and age 60.

(2) Notwithstanding subsection 4.3(1), a Teacher or Deferred Pensioner may elect to retire at the end of the month in which he or she attains 29 years of worked service and 30 years of Pensionable Service.

(3) If a Teacher or Deferred Pensioner elects to retire pursuant to subsection 4.3(2) herein and is under age 55, the pension shall be reduced in accordance with the following table:

Number of months to age 55	**Reduction**
12 months or less	¼ of 1% per month
13 months but less than 49 months	3% plus 1/3 of 1% for each month in excess of 12 months
49 months or more	15%

(4) Upon reaching age 55, the reduction referred to in subsection 4.3(3) herein ceases and the pension is payable on an unreduced basis.

4.4 Early Actuarially Reduced Retirement Date

A Teacher or Deferred Pensioner who does not qualify under subsection 4.3 may elect to retire early with an Actuarially Reduced Pension at age 55.

4.5 Postponed Retirement Date

(1) A Teacher or Deferred Pensioner may elect to retire after his or her normal retirement date. If the individual is still a Teacher in the Pension Plan, he or she will continue to make required contributions and to accrue Pensionable Service in the normal fashion.

(2) A Teacher or Deferred Pensioner electing to retire after his or her normal retirement date must retire by November 30th of the year in which he or she attains age 71, or such later date as permitted by the *Income Tax Act*.

4.6 Retirement during a Teaching Year

(1) A Teacher may elect to retire during a Teaching Year only if he or she has completely accumulated the required number of years of Pensionable Service necessary for eligibility for a Pension.

(2) <u>10-Month Teacher</u>

(a) At the end of a Teaching Year, a 10-Month Teacher who requires 0.5 years or less of Pensionable Service, worked service, or both, to qualify for a Pension under any of subsections 4.3(1)(a) or 4.3(2) may elect to retire.

(b) A 10-Month Teacher who has accumulated 24.5 or more years of Pensionable Service at the end of a Teaching Year will be eligible to retire under subsection 4.3(1)(b) at the end of said Teaching Year if already age 55, or the end of the month following his or her 55th birthday if later.

(c) A 10-Month Teacher who will attain age 60 between the end of a Teaching Year and September 1 and who has 5 or more years of Pensionable Service at the end of a Teaching Year will be eligible to retire under subsection 4.3(1)(c) at the end of the month following his or her 60th birthday.

(d) The Pension of a 10-Month Teacher electing to retire under subsections 4.6(2)(a) or (b) herein shall be determined by taking into account the actual number of years (or fractions thereof) of Pensionable Service accumulated to the date of retirement.

(3) <u>12-Month Teacher</u>

(a) In the case of a 12-Month Teacher who at August 31st requires 0.5 years or less of Pensionable Service, worked service, or both, to qualify for a Pension under any of subsections 4.3(1)(a) or 4.3(2) may elect to retire.

(b) A 12-Month Teacher who has accumulated 24.5 or more years of Pensionable Service at the end of a Teaching Year will be eligible to retire under subsection 4.3(1)(b) at the end of said Teaching Year if already age 55, or the end of the month following his or her 55th birthday if later.

(c) The Pension of a 12-Month Teacher electing to retire under subsections 4.6(3)(a) or (b) herein shall be determined by taking into account the actual number of years (or fractions thereof) of Pensionable Service accumulated to the date of retirement.

(4) Deferred Pensioner

(a) In the case of a Deferred Pensioner, a former 10-Month Teacher may elect to retire at June 30th and a former 12-Month Teacher may elect to retire at August 31st if they require 0.5 years or less of Pensionable Service, worked service, or both, to qualify for a Pension under any of subsections 4.3(1)(a) or 4.3(2).

(b) A former 10-Month Teacher or a former 12-Month Teacher who accumulated 24.5 or more years of Pensionable Service will be eligible to retire under subsection 4.3(1)(b) at the end of the Teaching Year in which they terminated employment if they are age 55, or the end of the month following his or her 55th birthday if later.

(c) The Pension of a former 10-Month Teacher or a former 12-Month Teacher electing to retire under subsections 4.6(4)(a) or (b) herein shall be determined by taking into account the actual number of years (or fractions thereof) of Pensionable Service accumulated to the date of retirement.

SECTION 5 RETIREMENT BENEFITS

5.1 Lifetime Retirement Pension

(1) A Teacher or Deferred Pensioner who retires from the Pension Plan will receive a Lifetime Retirement Benefit equal to, prior to any reduction required under subsections 4.3 or 4.4, the sum of the following:

(a) For pre-April 1, 1967 Pensionable Service, 2.22% of the Teacher’s Highest Average Earnings;

(b) For Pensionable Service accrued from April 1, 1967 to December 31, 1990:

(i) 1.62% of the lesser of:

(1) the Teacher's Highest Average Earnings, and

(2) the Average YMPE; plus

(ii) 2.22% of his or her Highest Average Earnings in excess of the Average YMPE;

(c) For Pensionable Service accrued from January 1, 1991 to March 31, 1993:

(i) 1.4% of the lesser of:

(1) the Teacher's Highest Average Earnings, and

(2) the Average YMPE; plus

(ii) 2.0% of his or her Highest Average Earnings in excess of the Average YMPE;

(d) For Pensionable Service accrued from April 1, 1993 to March 31, 1994, subject to subsection 3.3:

(i) 0.65% of the lesser of:

(1) the Teacher's Highest Average Earnings, and

(2) the Average YMPE; plus

(ii) 1.25% of his or her Highest Average Earnings in excess of the Average YMPE;

(e) For Pensionable Service accrued after March 31, 1994:

(i) 1.4% of the lesser of:

(1) the Teacher's Highest Average Earnings, and

(2) the Average YMPE; plus

(ii) 2.0% of his or her Highest Average Earnings in excess of the Average YMPE;

(f) For any Pensionable Service in excess of 35 years accrued after March 31, 1967, 2.0% of the Teacher's Highest Average Earnings.

(2) For any years of Pensionable Service during which the Teacher was a member of a religious order, and therefore did not participate under the *Canada Pension Plan*,

the Lifetime Retirement Benefit determined in subsections (b) through (e) above shall ignore the portion of the benefit formula up to the Average YMPE. For greater certainty, the Lifetime Retirement Benefit will reflect the Teacher's Highest Average Earnings and the accrual rates applied to earnings in excess of the Average YMPE indicated.

5.2 Bridging Benefit

(1) A Bridging Benefit shall be payable to a Teacher or Deferred Pensioner who retires from the Pension Plan prior to attaining age 65.

(2) The Bridging Benefit shall, prior to any reduction required under subsections 4.3 or 4.4, be equal to 0.6% of the lesser of the Teacher's Highest Average Earnings and the Average YMPE, multiplied by the Teacher's Pensionable Service accrued after March 31, 1967 and subject to a maximum of 35 years.

(3) The Bridging Benefit shall cease on the last day of the month in which the Pensioner attains age 65.

(4) For any years of Pensionable Service during which the Teacher was a member of a religious order, and therefore did not participate under the *Canada Pension Plan*, no Bridging Benefit is payable.

5.3 Restarting a Pension (after suspending it)

Upon the subsequent retirement of a Teacher who suspended his or her Pension in accordance with subsection 2.2(2), the Teacher's new Pension will be determined in accordance with Section 4 and Section 5 herein as if the initial retirement had not occurred. The new Pension will include Pensionable Service earned prior to the initial retirement date and after returning as an active Teacher.

SECTION 6 TERMINATION

6.1 Non-Vested Termination

(1) On termination of employment, a non-Vested Teacher is entitled to receive a lump sum refund of his or her required contributions, with Interest, payable either:

(a) in a lump sum cash amount; or

(b) transferred to a registered retirement savings plan, as permitted under the terms of the *Income Tax Act*.

(2) Notwithstanding the foregoing, if the Teacher does not receive or transfer his or her entitlement under (a) or (b) above and is subsequently hired by an Employer, then his or her entitlement will be treated in accordance with subsection 2.2(1).

6.2 Vested Termination

(1) On termination of employment, a Vested Teacher shall be entitled to receive a deferred Pension determined in accordance with Section 4 and Section 5 herein.

(2) Subject to subsection 6.2(3), in lieu of such deferred Pension, a Vested Teacher who is not eligible to retire may, within 180 days of the date of termination, elect one of the following options:

(a) transfer the Commuted Value of his or her deferred Pension:

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

(ii) to a locked-in retirement account, locked-in retirement income fund or life income fund that meets the requirements of the TPA 2018; or

(iii) 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 prior to the age the individual would have been eligible to retire under the Pension Plan; or

(b) elect a return of the contributions made by the Teacher, with Interest, for periods of Pensionable Service credited:

(i) before January 1, 1987, and

(ii) before January 1, 1997 where the Teacher has less than 10 years of Pensionable Service and is less than 45 years of age,

and a transfer of the Commuted Value of his or her deferred Pension entitlement based on the remaining periods of Pensionable Service to one of the options listed in subsection 6.2(2)(a) above.

(3) A Teacher who has accumulated 20 years of Pensionable Service plus Past Pensionable Service on or after November 1, 2021, shall only be entitled to transfer the Commuted Value of his or her deferred Pension to another registered pension plan in accordance with subsection 6.2(2)(a)(i) and shall not be entitled to a transfer of the Commuted Value of his or her deferred Pension in accordance with subsections 6.2(2)(a)(ii) or 6.2(2)(a)(iii).

(4) A transfer made under subsection 6.2 herein shall not be less than the contributions made by the Teacher, with Interest.

(5) A transfer or purchase under subsection 6.2 herein shall not be permitted unless the Administrator is satisfied that the transfer of funds is in accordance with the TPA 2018 and the *Income Tax Act*.

(6) That part of the Commuted Value that does not exceed the maximum transfer amount prescribed under the *Income Tax Act* may be transferred from the Pension Plan to one of the options offered under subsection 6.2(2)(a) as applicable. Any excess amount shall be paid to the Teacher as a lump sum cash amount, in accordance with the provisions of the *Income Tax Act*.

SECTION 7 DEATH

7.1 Designated Beneficiaries

(1) Subject to the provisions of any applicable laws or regulations in effect from time to time, a Teacher, Deferred Pensioner, Pensioner or Limited Member may designate a person or persons to receive any benefit that may be payable to a Designated Beneficiary or Designated Beneficiaries under the terms of the Plan, and may alter or revoke such designation in the same manner as required in subsection 7.1(2) herein.

(2) The designation of a Designated Beneficiary or Designated Beneficiaries shall be made to the Administrator by way of a written instrument duly signed and witnessed.

(3) Where a Teacher, Deferred Pensioner, Pensioner or Limited Member fails to designate a Designated Beneficiary, the Teacher's, Deferred Pensioner's, Pensioner's or Limited Member's estate shall be the Designated Beneficiary.

7.2 Non-Vested Teachers

(1) If a Teacher dies and is not Vested, a lump sum payment of the Teacher's contributions, with Interest, is payable as follows:

(i) to the Teacher's Principal Beneficiary; or,

(ii) if there is no surviving Principal Beneficiary, to the Teacher's Designated Beneficiary or Designated Beneficiaries.

7.3 Pre-Retirement Death of a Vested Teacher or Deferred Pensioner

(1) Where, on the date of death of a Vested Teacher or Deferred Pensioner who has not commenced receipt of Pension payments, the Vested Teacher or Deferred Pensioner has a surviving Principal Beneficiary, death benefits shall be paid in accordance with subsections 7.5(1) and 7.5(2), as applicable.

(2) Where, on the date of death of a Vested Teacher or Deferred Pensioner who has not commenced receipt of Pension payments, the Vested Teacher or Deferred Pensioner has no surviving Principal Beneficiary but has at least one Dependent Child, death benefits shall be paid in accordance with subsections 7.5(3) and 7.5(5).

(3) Where, on the date of death of a Vested Teacher or Deferred Pensioner who has not commenced receipt of Pension payments, the Vested Teacher or Deferred Pensioner has no surviving Principal Beneficiary or Dependent Child but has at least one Other Dependant and such person or persons are the Vested Teacher's or Deferred Pensioner's Designated Beneficiary or Designated Beneficiaries, death benefits shall be paid in accordance with subsections 7.5(4) and 7.5(5).

7.4 Post-Retirement Death of a Pensioner

(1) Where, on the date of death of a Pensioner, the Pensioner has a surviving Principal Beneficiary, death benefits shall be paid in accordance with subsections 7.5(6), 7.5(7) and 7.5(10), as applicable.

(2) Where, on the date of death of a Pensioner, the Pensioner has no surviving Principal Beneficiary but has at least one Dependent Child, death benefits shall be paid in accordance with subsections 7.5(8) and 7.5(10), as applicable.

(3) Where, on the date of death of a Pensioner, the Pensioner has no surviving Principal Beneficiary or Dependent Child but has at least one Other Dependant, death benefits shall be paid in accordance with subsections 7.5(9) and 7.5(10), as applicable.

7.5 Payment of Death Benefit

(1) The Principal Beneficiary may elect:

(a) to receive a Survivor Benefit equal to 60% of the Teacher's or Deferred Pensioner's Pension, commencing on the first day of the month following the death of the Teacher or Deferred Pensioner.

Where the Pension entitlement of the Teacher or Deferred Pensioner includes, at death, a Bridging Benefit determined in accordance with subsection 5.2, the Survivor Benefit shall include a Bridging Benefit equal to 60% of the Teacher's or Deferred Pensioner's Bridging Benefit entitlement. Such Bridging Benefit shall cease on the first day of the month following the month in which the Teacher or Deferred Pensioner would have reached 65 years of age; or

(b) to receive a lump sum cash payment equal to the greater of:

(i) the Commuted Value of the Survivor Benefit, or

(ii) the Commuted Value of the Teacher's or Deferred Pensioner's Pension entitlement, calculated assuming termination of employment at the date of death; or

(c) to transfer the lump sum described in (b) above to the Principal Beneficiary's registered retirement savings plan in accordance with the *Income Tax Act*.

(2) Where the Principal Beneficiary elects to receive a Survivor Benefit in accordance with subsection 7.5(1)(a) and at the time of the Principal Beneficiary's death there is at least one Dependent Child, a Survivor Benefit, equal to the Survivor Benefit that was being paid to the Principal Beneficiary is payable to the Dependent Child or, if there is more than one Dependent Child, to the Dependent Children, beginning with the month following the date of death of the Principal Beneficiary and ending at the end of the Eligible Survivor Benefit Period. If there is more than one surviving Dependent Child, the Survivor Benefit shall be allocated equally between them such that, at any point in time while at least one Child remains eligible to receive the Survivor Benefit, the total payable to all Dependent Children shall not exceed the amount that would have been payable to a Principal Beneficiary under subsection 7.5(1)(a) .

(3) A Vested Teacher's or Deferred Pensioner's Dependent Child or Dependent Children will receive a Survivor Benefit, equal to the Survivor Benefit that would have been paid to the Principal Beneficiary under subsection 7.5(1)(a), beginning with the month following the date of death of the Vested Teacher or Deferred Pensioner and ending at the end of the Eligible Survivor Benefit Period. If there is more than one surviving Dependent Child, the Survivor Benefit shall be allocated equally between them such that, at any point in time while at least one Child remains eligible to receive the Survivor Benefit, the total payable to all Dependent Children shall not exceed the amount that would have been payable to a Principal Beneficiary under subsection 7.5(1)(a).

(4) A Vested Teacher's or Deferred Pensioner's Other Dependant or Other Dependants will receive a Survivor Benefit, equal to the Survivor Benefit that would have been paid to the Principal Beneficiary under subsection 7.5(1)(a), beginning with the month following the date of death of the Vested Teacher or Deferred Pensioner and ending at the end of the Eligible Survivor Benefit Period. If there is more than one surviving Other Dependant, the Survivor Benefit shall be allocated equally between them such that, at any point in time while at least one Other Dependant remains eligible to receive the Survivor Benefit, the total payable to all

Other Dependants shall not exceed the amount that would have been payable to a Principal Beneficiary under subsection 7.5(1)(a).

(5) A Vested Teacher's or Deferred Pensioner's Designated Beneficiary or Designated Beneficiaries will receive a lump sum payment of the Commuted Value of the Teacher's or Deferred Pensioner's Pension entitlement, calculated assuming termination of employment at the date of death, less the actuarial value, as determined by the actuary, of any Survivor Benefits payable to the Teacher's or Deferred Pensioner's Dependent Children under subsection 7.5(3) or Other Dependants under subsection 7.5(4), as applicable.

(6) The Principal Beneficiary shall receive a Survivor Benefit equal to 60% of the Pensioner's Pension or Disability Pension, commencing on the first day of the month following the death of the Pensioner. If the Pension or Disability Pension includes, at death, a Bridging Benefit determined in accordance with subsection 5.2, the Survivor Benefit shall include a Bridging Benefit equal to 60% of the Pensioner's Bridging Benefit. Such Bridging Benefit shall cease on the first day of the month following the month in which the Pensioner would have reached 65 years of age.

(7) Where the Principal Beneficiary was in receipt of a Survivor Benefit in accordance with subsection 7.5(6) and at the time of the Principal Beneficiary's death there is at least one Dependent Child, a Survivor Benefit, equal to the Survivor Benefit that was being paid to the Principal Beneficiary is payable to the Dependent Child or, if there is more than one Dependent Child, to the Dependent Children of the Pensioner, beginning with the month following the date of death of the Principal Beneficiary and ending at the end of the Eligible Survivor Benefit Period. If there is more than one surviving Dependent Child, the Survivor Benefit shall be allocated equally between them such that, at any point in time while at least one Child remains eligible to receive the Survivor Benefit, the total payable to all Dependent Children shall not exceed the amount that would have been payable to a Principal Beneficiary under subsection 7.5(6).

(8) A Pensioner's Dependent Child or Dependent Children will receive a Survivor Benefit, equal to the Survivor Benefit that would have been paid to the Principal Beneficiary under subsection 7.5(6), beginning with the month following the date of death of the Pensioner and ending at the end of the Eligible Survivor Benefit Period. If there is more than one surviving Dependent Child, the Survivor Benefit shall be allocated equally between them such that, at any point in time while at least one Child remains eligible to receive the Survivor Benefit, the total payable to all Dependent Children shall not exceed the amount that would have been payable to a Principal Beneficiary under subsection 7.5(6).

(9) A Pensioner's Other Dependant or Other Dependants will receive a Survivor Benefit, equal to the Survivor Benefit that would have been paid to the Principal

Beneficiary under subsection 7.5(6), beginning with the month following the date of death of the Pensioner and ending at the end of the Eligible Survivor Benefit Period. If there is more than one surviving Other Dependant, the Survivor Benefit shall be allocated equally between them such that, at any point in time while at least one Other Dependant remains eligible to receive the Survivor Benefit, the total payable to all Other Dependants shall not exceed the amount that would have been payable to a Principal Beneficiary under subsection 7.5(6).

(10) If the aggregate amount of the Pension payments and Survivor Benefit payments made to or in respect of a Pensioner is less than the sum of all contributions made by the Pensioner, with Interest, up to the date of retirement, the Pensioner's Designated Beneficiary or Designated Beneficiaries shall receive a lump sum amount equal to the residual amount.

SECTION 8 DISABILITY PENSION

8.1 Disability Pension

(1) A Vested Teacher who has made required contributions under the Pension Plan and is subsequently determined to have a Disability may apply for a Disability Pension.

(2) A Deferred Pensioner who, subsequent to his or her termination of employment, is determined to have a Disability for which, if he or she was employed as a Teacher, he or she would be entitled to a Disability Pension, may apply for a Disability Pension under this Section 8.

8.2 Application for Disability Pension

A Teacher or Deferred Pensioner may apply for a Disability Pension in the form and manner prescribed by the Administrator. Such application must be approved by the Administrator for the Teacher or Deferred Pensioner to qualify for a Disability Pension. Upon approval of entitlement to a Disability Pension by the Administrator, the Teacher or Deferred Pensioner shall immediately be considered eligible to retire for all purposes of the Pension Plan and must retire.

8.3 Disability Pension Benefit Payment

(1) A Disability Pension shall be payable to a Teacher or Deferred Pensioner, as applicable, who becomes Disabled prior to his or her normal retirement date, and shall commence on the first day of the month following:

(a) the date the Teacher ceases to be employed as a Teacher as a result of becoming Disabled, or

(b) the date the Deferred Pensioner becomes Disabled.

(2) A Disability Pension shall be equal to a Pension calculated in accordance with Section 5 and shall be payable in the same fashion as a regular Pension.

(3) A Teacher or Deferred Pensioner in receipt of a Disability Pension under this Section 8 and who has not attained his or her normal retirement date shall be available for a medical examination as the Administrator requires, subject to notice in writing, to confirm continued entitlement to the Disability Pension.

(4) Where a Teacher or Deferred Pensioner in receipt of a Disability Pension fails to attend a medical examination in accordance with subsection 8.3(3), or where the Administrator has determined that a Teacher or Deferred Pensioner in receipt of a Disability Pension and who has not attained his or her normal retirement date has recovered from being Disabled, the Administrator may direct that payment of the Disability Pension be suspended until the earliest of the date the Teacher or Deferred Pensioner again becomes Disabled and his or her normal retirement date.

SECTION 9 INDEXING

9.1 Pension Increases

(1) This Section 9 only applies to the Pension or Survivor Benefit of a Teacher who retired or a Deferred Pensioner who terminated employment after August 31, 1998.

(2) <u>Pre-September 1, 2015 Benefits</u>

(a) All Pensions payable in respect of Pre-September 1, 2015 Pensionable Service, including a Survivor Benefit, are subject to an annual inflation protection increase commencing on September 1 of the year following the date the Pensioner turns or would have turned age 65. This increase is calculated at the rate of 60% of the preceding year’s rate of increase in the Consumer Price Index, up to a maximum Consumer Price Index increase of 2%. For greater certainty, the maximum possible increase in an annual Pension or Survivor Benefit in a given year is 1.2%.

(b) In no event will the amount of Pension or Survivor Benefit decrease as a result of the application of this Section 9.

(c) Notwithstanding the foregoing, the Administrator shall provide an increase in the Pension beyond the annual inflation protection increase above, subject to the limits of the *Income Tax Act*, at the direction of the Sponsor Body in accordance with the Funding Policy and based on the advice of the actuary. Granting an increase in any year in excess of the guaranteed increase described above does not mean that such excess increase will be granted in any subsequent year.

(3) Post-August 31, 2015 Benefits

(a) The Administrator shall increase the Pension payable in respect of Post-August 31, 2015 Pensionable Service, including a Survivor Benefit, subject to the limits of the *Income Tax Act*, at the direction of the Sponsor Body in accordance with the Funding Policy and based on the advice of the actuary.

(b) In no event will the amount of Pension or Survivor Benefit decrease as a result of the application of this Section 9.

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

SECTION 10 BENEFIT TRANSFERS

10.1 Asset Transfer Agreements

(1) 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 Pension Plan from such pension plan or organization.

(2) 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 Teachers who transfer out of the Pension Plan to such pension plan or organization.

10.2 Reciprocal Transfer Agreements

(1) The Administrator may, in its sole discretion, enter into a reciprocal transfer agreement with any pension plan or organization to permit the payment or receipt of funds for any qualifying Teacher.

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

10.3 Commuted Value or Actuarial Transfers

(1) Where a Teacher has terminated his or her membership in a former pension plan and has not received a termination benefit from the former pension plan, the Teacher may irrevocably elect to transfer into the Pension Plan the benefit amount to which he or she 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 TPA 2018 and the Pension Plan.

(2) The transferred benefit amount will be administered by the Pension Plan in accordance with the *Income Tax Act*. The Teacher shall be credited with Pensionable Service under the Pension Plan that represents the transferred benefit amount but which cannot exceed the Teacher's Pensionable Service recognized under the prior registered pension plan. This Pensionable Service shall be determined with reference to the actuarial cost of the Pensionable Service at the date of the election as calculated by the Pension Plan's actuary.

(3) If the transferred lump sum amount is insufficient to finance the actuarial present value of the full period of Pensionable Service the Teacher desired to transfer to the Pension Plan, the Pensionable Service transferred shall be the portion that is financed, unless the Teacher elects to pay an increased amount to make up all, or a portion of, the deficiency.

10.4 Transfer from GMPP

The Administrator shall accept the transfer of funds from the GMPP and establish the amount of related Pensionable Service in accordance with the terms and conditions that may be prescribed by the Administrator.

SECTION 11 PAST SERVICE PURCHASE

11.1 Eligible Periods of Past Service

(1) A Teacher who is currently contributing to the Pension Plan may elect to purchase eligible periods of past service as defined under the *Income Tax Act*. Such periods will be credited to such Teacher as additional Pensionable Service. The following periods of past service are eligible for purchase:

(a) <u>Prior Service</u>

(i) Any eligible period of employment with an Employer; and

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

(b) <u>Former Pensionable Service in the Pension Plan</u>

The period of Pensionable Service representing a previous entitlement under the Pension Plan for which the Teacher received a termination benefit, provided the Teacher transferred the benefit in accordance with subsection 6.2(2)(a)(ii), is hired by an Employer and enrolls in the Pension Plan.

(c) Leave

A period during which a Teacher was on a Leave.

(d) Former service in another pension plan sponsored by Government

A period where a Teacher was formerly covered under a pension plan established under either:

(i) The *Public Service Pensions Act, 2019*;

(ii) The *Members of the House of Assembly Retiring Allowances Act*, SNL 2005, c M-6.1;

(iii) The *Memorial University Pensions Act*, RSNL 1990, c M-8;

(iv) The *Uniformed Services Pensions Act*, 2012, SNL 2012, c U-4.1; or

(v) An Act or pension plan which replaces one of the above listed pension plans,

and the period of service representing a previous entitlement under the pension plan for which the Teacher received a termination benefit.

(e) Prior substitute teaching service

A period where a Teacher has substitute teaching service and did not participate in the GMPP.

(f) Service in respect of a strike and lockout

A period of absence due to a lawful strike or lockout.

(2) Any purchases of past service in this subsection 11.1 shall be subject to the limits in the *Income Tax Act*.

11.2 Purchase Price

(1) The price to purchase eligible periods of past service under this Section 11 shall be determined by the Administrator, on the advice of the actuary.

(2) Upon receipt of information in respect of the purchase price of such eligible periods of past service, a Teacher who elects to purchase shall make payment in the form and manner prescribed by the Administrator.

11.3 Limitations

(1) No person shall acquire more than one period of Pensionable Service per calendar year in respect of the same period of time in the Pension Plan.

(2) A period of employment service cannot be recognized as Pensionable Service if the period of employment service continues to be recognized as pensionable service in another pension plan.

SECTION 12 INCOME TAX ACT MAXIMUMS

12.1 Maximum Pension

(1) For the purposes of this Section 12, "**Pensionable Service**" means Pensionable Service as defined under the *Income Tax Act*.

(2) For the purposes of this Section 12, "**Early Retirement Eligibility Service**" means Pensionable Service plus other periods that qualify as Early Retirement Eligibility Service under the *Income Tax Act*.

(3) Maximum Lifetime Retirement Benefit

(a) The annual Lifetime Retirement Benefit payable in respect of Pensionable Service accrued after August 31, 1991 as determined at the time the Pension starts shall not exceed the years of the Teacher's or Deferred Pensioner's Pensionable Service multiplied by the lesser of:

(i) $2,890.00 or such greater amount permitted under the *Income Tax Act*; or

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

(b) If the Lifetime Retirement Benefit date precedes the earlier of the following:

(i) the date the Teacher or Deferred Pensioner attains age 60;

(ii) the date the Teacher's or Deferred Pensioner's age plus Early Retirement Eligibility Service is equal to 80, assuming he or she had remained in employment with the Employer;

(iii) the date the Teacher or Deferred Pensioner would attain 30 years of Early Retirement Eligibility Service, assuming he or she had remained in employment with the Employer; or

(iv) the Teacher or Deferred Pensioner becomes Disabled, the pension benefit shall be reduced by ¼ of 1% for each month by which the Lifetime Retirement Benefit start date precedes that day.

(4) Maximum Bridging Benefit

(a) The Bridging Benefit payable shall not exceed the amount of benefits payable under the *Canada Pension Plan* and under the *Old Age Security Act* assuming the Teacher is:

(i) 65 years of age;

(ii) entitled to receive the maximum Old Age Security benefits; and

(iii) entitled to that proportion, not exceeding 1, of the maximum benefits payable under the *Canada Pension Plan* that the total of the Teacher's remuneration for the 3 calendar years in which the remuneration is the highest is of the total of the YMPE,

reduced proportionately in the case of a Teacher who has completed less than 10 years of Pensionable Service and further reduced by 1/4 of 1% for each month by which the pension commencement date precedes the attainment of age 60.

(b) The age and service restrictions described in this subsection 12.1(4) do not apply to a Teacher or Deferred Pensioner who is Disabled.

(5) Post-1991 Combined Bridging Benefit and Lifetime Retirement Benefit Maximum

The total initial Pension payable in respect of Pensionable Service accrued after August 31, 1991, including both the Lifetime Retirement Benefit and Bridging Benefit, may not exceed the sum of:

(a) \$2,890.00 or such greater amount permitted under the *Income Tax Act* multiplied by the number of years of Pensionable Service accrued after August 31, 1991; plus

(b) 25% of the average of the YMPE in the current year and the two preceding calendar years, divided by 35, and multiplied by the number of years of Pensionable Service accrued after August 31, 1991 to a maximum of 35.

12.2 Pension Adjustment

The pension benefit accrued to a Teacher in a calendar year and payable from the Pension Plan shall not result in a Pension Adjustment (as defined under the *Income Tax Act*) which exceeds the limits prescribed by the *Income Tax Act*.

SECTION 13 THE FUND

13.1 The Fund

The Fund is established for the purpose of the Pension Plan. The Fund will be maintained and administered in accordance with the terms of the Joint Sponsorship Agreement, including the Funding Policy in Appendix "A" to the Joint Sponsorship Agreement.

13.2 Contributions to the Fund

Contributions of the Teachers and Employers made to the Pension Plan shall be paid to the Fund and shall be held in trust in accordance with the Joint Sponsorship Agreement, including the Trustee Corporation Framework in Appendix "B" to the Joint Sponsorship Agreement.

13.3 Benefits and Other Expenditures

All benefits, operating costs, and expenditures related to the operation of the Pension Plan will be paid out of the Fund. All benefits paid or to be paid under the terms of the Pension Plan shall constitute settlement in full satisfaction of the rights of any Teacher, Deferred Pensioner, Pensioner, Principal Beneficiary or any other person receiving a benefit under the Pension Plan, and the said individuals shall have no further claim upon the Pension Plan or the Fund in respect of the employment of the Teacher with the Employer to the date of the Teacher's termination, death or retirement.

13.4 Investments and Pooling

(1) Assets of the Fund shall be invested in accordance with the terms of the Joint Sponsorship Agreement, including the Trustee Corporation Framework in Appendix "B" to the Joint Sponsorship Agreement, the *Income Tax Act* and any other applicable legislation.

(2) The Fund may pool assets with the assets of other pension plans for investment purposes, in accordance with the terms of the Joint Sponsorship Agreement.

13.5 Borrowing

The Pension Plan is prohibited from borrowing funds, except as permitted under the Joint Sponsorship Agreement and the *Income Tax Act*.

13.6 Fiscal Year

The fiscal year of the Fund is a calendar year.

13.7 Funding Policy

The Joint Sponsorship Agreement provides for the joint responsibility of the funding of the Pension Plan. All surpluses and deficits are to be shared equally between Government and Teachers, Deferred Pensioners, Pensioners and any other person receiving a Survivor Benefit under the Pension Plan, such that 50% is allocated to Government and 50% is allocated to Teachers, Deferred Pensioners, Pensioners and any other person receiving a Survivor Benefit under the Plan. "Appendix "A" – Funding Policy" of the Joint Sponsorship Agreement provides details of the funding of the Pension Plan and specifies the parameters relating to funding decisions.

SECTION 14 EMPLOYER PROVISIONS

14.1 Employer Participation

(1) Application to Participate

An Employer who is an entity that meets the criteria established by the Administrator and who wishes to join the Pension Plan shall apply in the form and manner and on the terms prescribed 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 Pension Plan.

(3) Amending a Participation Agreement

(a) If 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.

(b) If the Administrator agrees to an amendment proposed by an Employer, the Employer shall enter into an amended Participation Agreement in writing with the Administrator setting out the revised terms under which the Employer shall continue to participate in the Pension Plan. Until the amended Participation Agreement is signed by the Employer and the Administrator, the original Participation Agreement shall continue in effect.

14.2 Remittance of Contributions

Employers shall forward all required contributions made by them and the Teachers to the Administrator by the 10th working day following the day the contributions were deducted from the Teachers. The Administrator shall hold the contributions in trust in the Fund.

14.3 Late Remittance of Contributions

(1) Interest Charges and Penalties

Where an Employer has failed to remit required contributions to the Administrator in accordance with subsection 14.2, such Employer shall be liable for:

(a) Interest assessed at a rate of 1.2% compounded monthly from the date the contributions were deducted to the date of receipt by the Administrator; and

(b) A penalty assessed at the greater of $500 or 1% of the late remittance.

(2) Costs of Recovery

If an Employer fails to remit 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 costs of collection, including reasonable legal fees.

14.4 Information

(1) Information to Teachers and Deferred Pensioners

An Employer shall provide each Teacher and Deferred Pensioner with such information in writing with respect to the Pension Plan including, but not limited to, his or her obligation or right to join the Pension Plan, 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 *Income Tax Act*.

(2) Information to Administrator

Each Employer shall provide to the Administrator such information relating to Teachers and Deferred Pensioners as may be required to calculate and pay benefits, within the time established by the Administrator, and in accordance with the *Income Tax Act*.

14.5 Employer Records

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

14.6 No Right in Employer Contributions

Contributions made by an Employer shall not constitute an enlargement of the amount of any benefit defined in the Pension Plan and shall not at any time create for any person any right, title or interest in the assets of the Employer or the Fund.

SECTION 15 ADMINISTRATION

15.1 Responsibility for Administration

The Administrator shall interpret the Pension Plan and decide any and all matters arising from it, unless the Joint Sponsorship Agreement expressly directs otherwise. The Administrator shall ensure that the Pension Plan and the Fund are administered in accordance with the *Income Tax Act*, the Joint Sponsorship Agreement, the TPA 2018 and with any documents filed with the applicable regulatory authorities. The Administrator, in consultation with any other party as may be directed under the Joint Sponsorship Agreement, may adopt such procedures, policies, rules and regulations to give effect to the purpose and administration of this Pension Plan, and shall perform the duties as may be expressly conferred upon the Administrator under the Joint Sponsorship Agreement.

15.2 Costs of Administration

All costs of administering the Pension Plan and the Fund, including reasonable legal, actuarial and other reasonable fees and expenses shall be paid from the Fund.

15.3 Disclosure to Teachers

Upon request, the Administrator, through an Employer or directly, shall provide each Teacher, Deferred Pensioner, Pensioner and Principal Beneficiary with information concerning the Pension Plan and their rights and obligations under the Plan.

15.4 Inspection of Documents

The Administrator, either through an Employer or directly, shall make documents concerning the Pension Plan available for inspection to Teachers, Deferred Pensioners, Pensioners, Principal Beneficiaries, their authorized agents, or representatives of a union that represents Teachers of the Pension Plan.

15.5 Information from Teachers and Principal Beneficiaries

Before starting the payment of a Pension or other payment under the Pension Plan, an individual claiming entitlement shall provide the Administrator with the information needed to calculate and pay the amount as stipulated by the Administrator.

15.6 Notices, Elections, Statements and Other Records

(1) Notices, elections, statements and other records provided to any Teacher, Deferred Pensioner, Pensioner or any other person entitled to benefits under the Pension Plan, may be given, made, or communicated, as the case may be, in writing and in such manner as the Administrator shall determine, including electronic means.

(2) Any electronic notice shall be deemed to have been given 2 days after the transmission of such notice.

(3) Any notice mailed shall be deemed to have been given 5 days after the mailing of such notice.

(4) Any notice sent by facsimile shall be deemed to have been given on the day that the sending facsimile machine confirms that the facsimile has been sent.

(5) It will be the responsibility of any person entitled to a benefit under the Pension Plan to notify the Administrator of his or her mailing or e-mail address and subsequent changes of mailing or email address.

SECTION 16 FUTURE OF THE PENSION PLAN

16.1 Right to Amend the Pension Plan

(1) The Sponsor Body, pursuant to the terms of the Joint Sponsorship Agreement, reserves the right to amend, modify, or alter the Pension Plan, or change the funding method or media, subject always to the requirements of law and the Joint Sponsorship Agreement, including the requirement to consult the required parties set out in the Joint Sponsorship Agreement.

(2) The Administrator may also recommend to the Sponsor Body any modifications, alterations or amendments to this Pension Plan necessary to obtain and retain such approval of the Canada Revenue Agency and other appropriate regulatory bodies as is required in order to establish the qualified status of the Pension Plan for registration, and the deductibility for income tax purposes of contributions to the Fund.

16.2 Amendment to the Pension Plan

No amendments to the Plan shall be effective unless made in accordance with the provisions contained in the Joint Sponsorship Agreement, unless otherwise required by the *Income Tax Act*.

16.3 Termination of the Pension Plan

Any decision to terminate or wind-up the Pension Plan, in whole or in part, or to convert the Pension Plan from a jointly sponsored defined benefit pension plan to any other type of pension plan shall require the unanimous approval of the Parties, Government and the Newfoundland and Labrador Teachers' Association, as defined in the Joint Sponsorship Agreement.

16.4 Excess Assets on Termination of the Pension Plan

(1) Upon termination and wind-up of the Pension Plan in accordance with the Joint Sponsorship Agreement, the assets of the Fund shall be used to meet the Accrued Benefits of Teachers, Deferred Pensioners, Pensioners and any other person entitled to a benefit under the Pension Plan before any other distribution may be made.

(2) The remaining surplus, being the excess of the assets of the Fund over the amount required to secure the Accrued Benefits of Teachers, Deferred Pensioners, Pensioners and any other person entitled to a benefit under the Pension Plan, will be shared equally between Government and Teachers, Deferred Pensioners, Pensioners and any other person in receipt of a Survivor Benefit, with such allocations determined in accordance with the Joint Sponsorship Agreement.

16.5 Deficit on Termination of the Pension Plan

(1) Where the assets of the Fund are insufficient to secure the Accrued Benefits of Teachers, Deferred Pensioners, Pensioners and any other person entitled to a benefit under the Pension Plan, the assets of the Fund shall be allocated to Teachers, Deferred Pensioners, Pensioners and any other persons entitled to a benefit under the Pension Plan on a pro-rated basis, based on the actuarial present value of the Accrued Benefits of those persons as of the date of the wind-up, and distributed in a manner determined by the Administrator.

(2) Neither Government, Teachers, Deferred Pensioners, Pensioners, individuals in receipt of a Survivor Benefit, nor Employers are required to pay any additional amount to the Pension Plan in respect of a shortfall in the Fund upon the wind-up of the Pension Plan. Notwithstanding the foregoing, this does not affect in any way the Government's obligation to continue to make payments under subsection 3.5 in the manner contemplated in that subsection.

SECTION 17 MARRIAGE BREAKDOWN

17.1 Definitions

In this Section 17:

(1) "Date of Marriage Breakdown" means the date of separation or other date specified in a court order or separation agreement as the date on which matrimonial property of the Teacher, Deferred Pensioner or Pensioner is to be valued or divided;

(2) "Proportionate Share" means the fraction of the pension benefits related to a Teacher, Deferred Pensioner or Pensioner that are payable to a Spouse under the Pension Plan and calculated in accordance with subsection 17.5;

(3) "Limited Member" means a Spouse of a Teacher, Deferred Pensioner or Pensioner who has been designated as a Limited Member in accordance with subsection 17.4(2);

(4) "Separate Pension" means the Proportionate Share of a Teacher’s, Deferred Pensioner’s or Pensioner’s pension benefits that is established in favour of a Limited Member and payable in accordance with subsection 17.7.

(5) “Spouse” means a spouse as defined in the *Family Law Act*.

17.2 Request for Division of Pension Benefits

(1) A Teacher, Deferred Pensioner, Pensioner or a Spouse of a Teacher, Deferred Pensioner or Pensioner may, after the Date of Marriage Breakdown, submit an application in a prescribed form to the Administrator for a division of the pension benefits earned by the Teacher, Deferred Pensioner or Pensioner during the marriage, provided that:

(a) a court has made an order for the division of matrimonial property under the *Family Law Act* or a similar order of a court outside the province enforceable in the province; or

(b) a separation agreement has been entered into within the meaning of the *Family Law Act* to divide matrimonial property.

(2) Where an application made under 17.2(1) is filed jointly between the Teacher, Deferred Pensioner or Pensioner, and his or her Spouse, the Administrator shall, subject to subsection 17.2(7), comply with the joint direction of the Spouse and Teacher, Deferred Pensioner or Pensioner, or court order regarding the division of pension benefits.

(3) Where an application made under 17.2(1) is not filed jointly between the Teacher, Deferred Pensioner or Pensioner, and his or her Spouse, upon receiving an application for the division of pension benefits from one party, the Administrator shall provide a copy of the application to the other party, and shall provide both parties with a notice of spousal entitlement containing the following information:

(a) in the case of a Teacher who is not Vested at the Date of Marriage Breakdown, the value of the Teacher's contributions, with Interest, as of the Date of Marriage Breakdown;

(b) in the case of a Vested Teacher, Deferred Pensioner or Pensioner, the Commuted Value of the pension benefits available for division as of the Date of Marriage Breakdown;

(c) the transfer options available to the Spouse, if any;

(d) the option to take a Separate Pension from the Pension Plan, if available; and

(e) a copy of the last annual statement sent to the Teacher, Deferred Pensioner or Pensioner, as applicable.

(4) Following receipt of the notice of spousal entitlement under subsection 17.2(3), the Spouse shall be required to deliver a completed election form within the time required by the Administrator indicating the option chosen by the Spouse for the division of pension benefits.

(5) A Teacher, Deferred Pensioner or Pensioner may object to the Spouse's application for division of pension benefits from the Pension Plan on one or more of the following grounds:

(a) the court order or separation agreement has been varied or is of no force or effect;

(b) the terms of the court order or separation agreement have been or are being satisfied by other means; or

(c) proceedings have been commenced in a court of competent jurisdiction in Canada to appeal or review the court order or to challenge the terms of the separation agreement.

(6) Where a Teacher, Deferred Pensioner or Pensioner objects to the division of pension benefits in accordance with subsection 17.2(5), they shall deliver to the Administrator a notice of objection in a prescribed form and within the time required by the Administrator, and include with the notice any relevant documentary evidence relied upon for the objection.

(7) Subject to subsection 17.3, the Administrator shall comply with a joint direction made under subsection 17.2(2), or an election made under subsection 17.2(4), following receipt of all information required by the Administrator to comply with the direction or election, as applicable, and provided that:

(a) the aggregate of the Commuted Value of the pension benefits payable to the Teacher, Deferred Pensioner or Pensioner and to the Spouse following the division does not exceed the Commuted Value of the pension benefits that would have otherwise been payable had the marriage breakdown not occurred; and

(b) the Commuted Value of the Teacher's, Deferred Pensioner's or Pensioner's pension benefits, once divided, is not less than 50% of the Teacher's, Deferred Pensioner's or Pensioner's Commuted Value before division.

17.3 Clarification or Objection

(1) Notwithstanding subsection 17.2, where the Administrator reasonably believes that a court order or separation agreement relating to the division of pension benefits is incomplete or does not provide clear or sufficient direction to administer the division, or where the Administrator has received a notice of objection in accordance with subsection 17.2(6), the Administrator shall not effect a division of the pension benefits.

(2) Where subsection 17.3(1) applies, the Administrator shall give written notice of the inability to comply to the Teacher, Deferred Pensioner or Pensioner, and his or her Spouse, and

(a) require that the matter be determined by a court; or

(b) require that the matter be determined between the parties, as evidenced by filing with the Administrator a written agreement between the Teacher, Deferred Pensioner or Pensioner, and his or her Spouse; or

(c) apply to the court for directions.

17.4 Election of a Spouse

(1) A Spouse may elect that his or her Proportionate Share be provided in the following manner:

(a) in the case of a Teacher who is not Vested at the Date of Marriage Breakdown, a lump sum payment equivalent to the Spouse's Proportionate Share of the Teacher's contributions, with Interest, calculated in accordance with subsection 17.5, paid in cash or, at the option of the Spouse, transferred directly to a registered retirement savings plan or other registered savings vehicle allowed under the *Income Tax Act*;

(b) in the case of a Vested Teacher or a Deferred Pensioner, the Spouse's Proportionate Share of the Commuted Value, calculated in accordance with subsection 17.5 be:

(i) transferred to the same retirement vehicles available to a Teacher or Deferred Pensioner under subsection 6.2(2)(a); or

(ii) payable as a Separate Pension, payment of which is deferred until the Teacher or Deferred Pensioner is eligible to retire under subsections 4.2 or 4.3(1) or to a later date, but no later than the date upon which the Spouse reaches the age of 71 or such later date as determined by the *Income Tax Act*;

(c) in the case of a Pensioner in receipt of a Disability Pension, and provided such Pensioner would not have been eligible to retire under subsections 4.2 or 4.3(1) had the Pensioner not been Disabled, the Spouse's Proportionate Share of the Commuted Value, calculated in accordance with subsection 17.5 and as provided in subsection 17.4(1)(b);

(d) in the case of a Pensioner in receipt of a Disability Pension, and provided such Pensioner would have been eligible to retire under subsections 4.2 or 4.3(1) had the Pensioner not been Disabled, the Spouse's Proportionate Share of the Commuted Value, calculated in accordance with subsection 17.5, be payable as a Separate Pension immediately;

(e) in the case of a Pensioner, except a Pensioner in receipt of a Disability Pension, the Spouse's Proportionate Share of the Commuted Value, calculated in accordance with subsection 17.5, be payable as a Separate Pension immediately.

(2) Where a Spouse elects to receive a Separate Pension, the Spouse shall be designated as a Limited Member under the Pension Plan.

(3) Where a Spouse fails to make an election under subsection 17.4(1)(b) within the time required by the Administrator, the Spouse shall be deemed to have elected to receive a Separate Pension.

(4) Where a Spouse elects, or is deemed to have elected under subsection 17.4(3), to receive a Separate Pension, and becomes a Limited Member under the Pension

Plan, the Spouse may, before the commencement of the Separate Pension and prior to the Teacher's or Deferred Pensioner's retirement date or, in the case of a Pensioner in receipt of a Disability Pension, prior to the date such Pensioner would have been eligible to retire under subsections 4.2 or 4.3(1) had the Pensioner not been Disabled, revoke the election and elect to transfer the Proportionate Share of the Commuted Value in accordance with subsection 17.4(1)(b)(i). Upon transfer of the Spouse's Proportionate Share of the Commuted Value from the Pension Plan, the Spouse ceases to be a Limited Member.

(5) The value of the Spouse's Proportionate Share of the Commuted Value available upon re-election under subsection 17.4(4) is the Proportionate Share of the Commuted Value calculated at the date of re-election.

(6) Where a Teacher or a Deferred Pensioner elects a transfer of the Commuted Value of his or her pension benefits, the Spouse may only receive a transfer of his or her Proportionate Share of the Commuted Value in accordance with 17.4(1)(b)(i) above.

17.5 Spouse's Proportionate Share

The Spouse's Proportionate Share of a pension benefit or of a pre-retirement death benefit shall be determined in accordance with the following formula:

Proportionate Share = P(A/B)

where:

A = Pensionable Service accumulated by the Teacher, Deferred Pensioner or Pensioner from the date of marriage to the Date of Marriage Breakdown, excluding any Pensionable Service for that period purchased by and credited to the Teacher, Deferred Pensioner or Pensioner after the Date of Marriage Breakdown;

B = total Pensionable Service accumulated by the Teacher, Deferred Pensioner or Pensioner to the effective date that the Spouse's Proportionate Share was determined;

P = percentage of the pension benefits to be credited to the Spouse under the court order or separation agreement.

17.6 Limited Members

(1) A Limited Member has the following rights under the Pension Plan:

(a) the right to receive a Separate Pension;

(b) the right to receive a Proportionate Share of a pre-retirement death benefit calculated pursuant to subsection 17.5 until the Limited Member ceases to be a Limited Member or becomes entitled to receive a Separate Pension;

(c) the right to designate a Designated Beneficiary under subsection 7.1 of the Pension Plan; and

(d) unless otherwise stated, all rights of a Teacher, Deferred Pensioner or Pensioner under the Pension Plan;

(2) A Spouse, who has filed an application in accordance with subsection 17.2, or a Limited Member is entitled to receive from the Administrator at the time of marriage breakdown and, on an annual basis, the same information in respect of the Pension Plan as a Teacher or Deferred Pensioner, as applicable, is entitled to receive. A Spouse is no longer entitled to information under this subsection when the Spouse has received a transfer of his or her Proportionate Share from the Pension Plan in accordance with subsection 17.4(1)(a) or subsection 17.4(1)(b)(i).

(3) The Administrator shall give a Limited Member, until the Limited Member is entitled to receive a Separate Pension under the Pension Plan, 30 days' advance written notice of any transaction relating to the Teacher's or Deferred Pensioner's pension benefits by reason of the retirement or death of the Teacher or Deferred Pensioner, or a direction given to the Administrator by the Teacher or Deferred Pensioner.

(4) When a Limited Member becomes entitled to receive a Separate Pension, the Limited Member shall be treated as a Teacher, Deferred Pensioner or Pensioner, as applicable, for information, disclosure and reporting purposes, and is no longer entitled to information under subsection 17.6(3) regarding the pension benefits of the Teacher or Deferred Pensioner.

17.7 Limited Member's Separate Pension

(1) The Separate Pension payable to a Limited Member shall be based on the form of pension benefits payable to a Pensioner who does not have a Principal Beneficiary, Dependent Child or Other Dependant at his or her date of death. For greater certainty, no Survivor Benefit will be payable in respect of the Limited Member's Separate Pension.

(2) The Administrator shall make separate source deductions as required under the *Income Tax Act* for the Limited Member's Separate Pension;

17.8 Death of a Limited Member or of a Teacher or Deferred Pensioner

(1) Where a Teacher or Deferred Pensioner dies before a Limited Member, and before the Limited Member is entitled to begin a Separate Pension, the Limited Member is entitled to a Proportionate Share, calculated in accordance with subsection 17.5,

of the Commuted Value of the Teacher's or Deferred Pensioner's Pension entitlement payable under subsection 7.5(1)(b)(ii).

(2) Where a Teacher or Deferred Pensioner dies before a Limited Member, and after the Limited Member is entitled to begin, or has begun, a Separate Pension, no pre-retirement death benefit is payable to the Limited Member unless the Limited Member is entitled to such benefit as the Teacher's or Deferred Pensioner's Designated Beneficiary.

(3) Where a Limited Member dies prior to receipt of a Separate Pension, the Administrator shall transfer the Limited Member's Proportionate Share of the Commuted Value of the pension benefits to the Designated Beneficiary of the Limited Member.

(4) Where a Limited Member dies while in receipt of a Separate Pension, any amount by which the Limited Member's Proportionate Share of the contributions, with Interest, exceeds the aggregate amount of the Separate Pension payments made to the Limited Member shall be paid in a lump sum to the Limited Member's Designated Beneficiary.

17.9 Adjustment of a Teacher's, Deferred Pensioner's or Pensioner's Pension Benefits

(1) Where a Teacher's, Deferred Pensioner's or Pensioner's pension benefits have been divided and the Spouse's Proportionate Share has been transferred to the benefit of the Spouse or Limited Member:

(a) the Teacher's, Deferred Pensioner's or Pensioner's Pensionable Service shall be reduced by the following amount of service:

$$R = P \times S$$

where

R = the amount by which total service is to be reduced when calculating the Teacher's, Deferred Pensioner's or Pensioner's pension benefits after the transfer or division;

P = the Proportionate Share calculated in accordance with subsection 17.5; and

S = the total service of the Teacher, Deferred Pensioner or Pensioner including service before, during and after the marriage.

(b) the Spouse or Limited Member, as applicable, shall have no further claim or entitlement to a further benefit under the Pension Plan as a Spouse except those that apply to a Limited Member, as applicable; and

(c) neither the Administrator nor the Pension Plan shall be liable to any person by reason of having complied with a court order or separation agreement mentioned in subsection 17.2.

(2) An adjustment under subsection 17.9(1)(a) does not affect the Teacher's or Deferred Pensioner's eligibility in relation to a pension benefit under the Pension Plan.

17.10 Adjustment of a Teacher's, Deferred Pensioner's or Pensioner's Contributions, with Interest

Where a Teacher's, Deferred Pensioner's or Pensioner's pension benefits have been divided and the Spouse's Proportionate Share has been transferred to the benefit of the Spouse or Limited Member, the Teacher's, Deferred Pensioner's or Pensioner's contributions, with Interest, shall be reduced by the following amount:

R = P x S

where

R = the amount by which total contributions, with Interest, are to be reduced when calculating the Teacher's, Deferred Pensioner's or Pensioner's contributions, with Interest, after the transfer or division;

P = the Proportionate Share calculated in accordance with subsection 17.5; and

S = the total contributions, with Interest, of the Teacher, Deferred Pensioner or Pensioner including contributions made before, during and after the marriage.

17.11 Fees

The Spouse and the Teacher, Deferred Pensioner or Pensioner shall pay to the Pension Plan the required fees, as set by the Administrator from time to time, for the division of pension benefits on marriage breakdown.

17.12 Family Law Act prevails

If a provision of this Pension Plan conflicts with a provision of the *Family Law Act*, the *Family Law Act* shall prevail.

SECTION 18 GENERAL PROVISIONS

18.1 Non-Assignment of Benefits

Except as required by law and permitted under the TPA 2018 and the *Income Tax Act*, no benefit, right or interest in the Pension Plan may be assigned, charged, attached, anticipated, surrendered or given as security, and such benefits are exempt from execution, seizure or attachment.

18.2 Commutation of Benefits

(1) Small Pensions

(a) Where the Teacher's or Deferred Pensioner's annual Lifetime Retirement Benefit payable is less than 4% of the YMPE for the calendar year in which employment is terminated, the Teacher or Deferred Pensioner is entitled to receive a lump sum payment instead of a deferred Pension under subsection 6.2.

(b) Where the Commuted Value of a Teacher's or Deferred Pensioner's Pension is less than 10% of the YMPE for the calendar year in which employment is terminated, the Teacher or Deferred Pensioner is entitled to receive a lump sum payment instead of a deferred Pension under subsection 6.2.

(2) Shortened Life Expectancy

(a) A Pension may be commuted and paid in a lump sum at the discretion of a Teacher or Deferred Pensioner if the Teacher or Deferred Pensioner establishes that he or she has a mental or physical disability that is likely to shorten considerably his or her life expectancy that has been verified in writing by a medical practitioner to the satisfaction of the Administrator.

(b) If the Teacher or Deferred Pensioner has a Principal Beneficiary, the Principal Beneficiary must waive his or her entitlement to a Survivor Benefit in a manner that is satisfactory to the Administrator.

(3) Notwithstanding any other provisions or requirements under the Pension Plan, Teachers or Deferred Pensioners who satisfy the conditions set out above and who elect to receive a lump sum payment under this subsection 18.2 will be deemed to have terminated employment, as applicable, for plan administration purposes and, upon payment of their benefit under this subsection 18.2, shall forfeit all rights and obligations under the Pension Plan.

18.3 Allocation of Benefits on Breakdown of Spousal Relationship

Where a court has made an order for the division of matrimonial property under the *Family Law Act*, or a similar order of a court outside the province of Newfoundland and Labrador, or where a Teacher, Deferred Pensioner or Pensioner has entered into a separation agreement within the meaning of the *Family Law Act* to divide matrimonial property, the pension benefits earned during the course of the spousal relationship shall be divided as outlined in the TPA 2018 and Section 17 of the Pension Plan, subject to any other provincial legislation or court decisions affecting matrimonial property.

18.4 Overpayments and Underpayments

(1) The Administrator may adjust or cancel a Pension or other benefit which has been awarded or paid as a result of error or misrepresentation and, where such an overpayment of a Pension or other benefit has been made, the Administrator may take action to recover the overpayment.

(2) Where a Pension or other benefit has been underpaid or unusual delays in payments have occurred, the Administrator may make payments in rectification in those cases, subject to the requirements of the *Income Tax Act*.

18.5 Appeal

(1) A person who is aggrieved by a decision of the Administrator related to, connected with or arising out of his or her entitlement to or the payment of a Pension or other benefit under this Pension Plan may appeal the decision to a committee of the Administrator designated for the purposes of this subsection 18.5 (the "**Appeals Committee**") and the Appeals Committee shall determine the appeal.

(2) The Appeals Committee members shall be designated by the Administrator.

(3) An appeal shall be made in accordance with the policies established by the Administrator.

18.6 Severability

If any provision of the Pension 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 Pension Plan, and the Pension Plan shall be construed and enforced as if such provision had not been included in the Pension Plan.

18.7 Construction

Notwithstanding subsection 18.8, the *Pension Benefits Act, 1997* does not apply to this Pension Plan.

18.8 Governing Law

The Pension Plan shall be governed by and construed in accordance with the laws of the province of Newfoundland and Labrador and the applicable laws of Canada.

18.9 Conflict

Any provision of the Pension Plan that is inconsistent with the terms of the Joint Sponsorship Agreement shall, to the extent of the inconsistency, be of no force or effect. The Pension Plan is subordinate to the Joint Sponsorship Agreement.

18.10 No Liability

Neither the Administrator nor any party authorized to act under the Joint Sponsorship Agreement is liable for loss or damage suffered by another person because of anything done or omitted to be done under or in the exercise or supposed exercise of the powers conferred by this Pension Plan, where those powers have been exercised in accordance with the Joint Sponsorship Agreement or the TPA 2018.

18.11 No Right to Employment

(1) Participation in this Pension Plan does not confer on any Teacher any rights that he or she did not otherwise possess as an employee, except to such benefits as may specifically accrue to the Teacher under the terms of the Pension Plan.

(2) Nothing herein contained may be deemed to give any employee the right to be accepted, retained or reinstated in the employment of the Employer or to interfere with the right of the Employer to discharge any employee at any time without regard to the effect which such discharge might have upon the employee as a Teacher under the Plan. When a Teacher has received all of the benefits to which he or she is entitled hereunder, the Teacher will thereupon cease to be a Teacher under the Plan.

APPENDIX A – EMPLOYERS

The following is a list of Employers who participate in the Pension Plan, as may be amended from time to time by the Administrator:

Employers
Government of Newfoundland and Labrador
Newfoundland and Labrador Teachers’ Association
Churchill Falls (Labrador) Corporation Limited
Teachers’ Pension Plan Corporation

In addition to the above Employers, the Administrator may authorize other employers to participate in the Pension Plan as an Employer through appropriate action under the Joint Sponsorship Agreement.

The Administrator may, with retroactive effect if necessary, prescribe the terms and conditions upon which prior service with an Employer referred to above may be counted as Pensionable Service and may provide for matters relating to the prior service, and all persons so included shall be considered to be Teachers for the purposes of paying contributions to and participating in the Pension Plan.

APPENDIX B – CREDITED SERVICE

The following table shows the amount of Pensionable Service credited in a Teaching Year based on the number of days worked for a 10-Month and 12-Month Teacher:

	Days Worked	
Pensionable Service	10-Month Teacher	12-Month Teacher
0	Less than 9.5 days	Less than 9.5 days
0.1	9.5 to 28.4 days	9.5 to 31.4 days
0.2	28.5 to 47.4 days	31.5 to 58.4 days
0.3	47.5 to 66.4 days	58.5 to 84.4 days
0.4	66.5 to 85.4 days	84.5 to 111.4 days
0.5	85.5 to 104.4 days	111.5 to 138.4 days
0.6	104.5 to 123.4 days	138.5 to 165.4 days
0.7	123.5 to 142.4 days	165.5 to 192.4 days
0.8	142.5 to 161.4 days	192.5 to 219.4 days
0.9	161.5 to 180.4 days	219.5 to 246.4 days
1.0	180.5 or more	246.5 or more