

**University Of Windsor**  
**Retirement Plan**  
**For Faculty And Certain Employees**  
**(As Amended And Restated At January 1, 2002)**

**A consolidated version of the plan text effective January 1, 2002 for administrative purposes.**

**January, 2003**

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## **Establishment of the Plan**

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The University of Windsor Retirement Plan for Faculty and Certain Employees was established at July 1, 1971 to provide retirement benefits for members of the faculty and employees holding the rank of departmental director, dean or vice-president and certain other classes of administrative employees.

Prior to the establishment of this Plan, those employees mentioned above were members of another plan of the University, the Employees' Retirement Plan which was effective September 1, 1955.

Members who transferred to this Plan from the Employees' Retirement Plan receive credit in this Plan for service as far back as September 1, 1955. Assets were transferred from the Employees' Retirement Plan to this Plan to compensate for the transfer of liabilities for service prior to July 1, 1971.

This Plan was amended July 1, 1972, July 1, 1977 and July 1, 1985. Amendments included changes in benefits, the basis on which benefits are to be provided and the definition of membership.

Effective January 1, 1988, the Plan was amended to incorporate changes required under the *Pension Benefits Act*.

The Plan was further amended effective May 1, 1989 to provide additional early retirement benefits.

The Plan was further amended effective July 1, 1990 to allow for non-reduction of pension payments from July 1, 1990 to July 1, 1992 inclusive. Also effective July 1, 1990, the Plan was amended to revise the indexing formula to be applied to the Minimum Guaranteed Benefit.

The Plan was amended and restated with effect from January 1, 1992 to incorporate changes required under the *Income Tax Act* and all prior amendments to that date.

The Plan was further amended effective July 1, 1993, July 1, 1994, July 1, 1996, September 1, 1996, October 1, 1996, July 1, 1998, September 1, 1998, January 1, 1999 and July 1, 2001. Amendments included increase in Minimum Guaranteed Benefit formula, post-retirement increase, definition of Sessional Instructor, extension of contribution holidays, extension of voluntary early retirement program, and expansion of the definition of spouse to include same-sex spouse.

The Plan is hereby consolidated for administrative purposes with effect from January 1, 2002 to incorporate:

- (1) all amendments to date;
- (2) changes required under the Pension Benefits Act; and
- (3) changes required under the Income Tax Act.

This document has not been filed with the regulatory authorities.

## Section 1 - Definitions

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The following words and phrases shall, for purposes of this Plan, have the respective meanings given below, unless the context clearly requires a different meaning:

- 1.01 “**Actuarial Basis**” means the basis (using an interest rate and a mortality table that does not discriminate on the basis of sex) in force for Plan purposes at the relevant time as adopted by the Retirement Committee on the advice of the Actuary.
- 1.02 “**Actuarial Equivalent**” means an actuarially equal value computed using the Actuarial Basis in force for Plan purposes at the relevant time, subject to any requirements of the Pension Benefits Act.
- 1.03 “**Actuary**” means a person or firm retained by, but independent of the University, who is, or one of whose members is, a Fellow of the Canadian Institute of Actuaries.
- 1.04 “**Additional Voluntary Contributions**” shall have the meaning set out in Section 3.03 hereof.
- 1.05 “**Ancillary Academic Staff**” means an Employee who is defined as such under the Collective Agreement between the Faculty Association and the Board of Governors of the University of Windsor, and shall include persons with academic credentials hired to carry out the following University-related activities:
- (1) Director, Legal Assistance of Windsor;
  - (2) Designated Sports Coaches; and
  - (3) Clinical Psychologists in the Psychological Service Centre.
- 1.06 “**Average Canada Pension Plan Base**” means the average of the Year’s Maximum Pensionable Earnings during the same period prior to the Member’s retirement, death or termination of employment used in the calculation of the Best Average Earnings.

- 1.07 “**Bargaining Unit**” means the unit defined in the decision of the Ontario Labour Relations Board dated May 13, 1976 and any amendments thereto.
- 1.08 “**Beneficiary**” means a beneficiary designated by a Member in accordance with Section 11.
- 1.09 “**Best Average Earnings**” means twelve times the average of the Member’s monthly Earnings in the 48 months of highest Earnings, not necessarily consecutive, with the University prior to retirement, death or termination, and, in the case of an Employee with less than 48 months’ Continuous Service, means twelve times the average of the Member’s monthly Earnings during the total period of such service with the University.
- 1.10 “**Commutated Value**” means, in relation to benefits that a person has a present or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits computed at a rate of interest and using actuarial tables that do not discriminate on the basis of sex as adopted by the Retirement Committee on the recommendation of the Actuary, subject to the requirements of the *Pension Benefits Act* and the *Income Tax Act*.
- 1.11 “**Consumer Price Index**” for a Plan Year means the average of the Consumer Price Index for Canada as published by Statistics Canada under the authority of the Statistics Act, for the twelve months in the Plan Year.
- 1.12 “**Continuous Service**” means continuous employment with the University, including employment under a Limited Term Appointment, without interruption except for regular vacation periods, authorized sick leave or Total Disability leave granted by the University, sabbatical leave, maternity leave, leave of absence (either with or without pay) duly authorized by the University, any period of layoff, any periods of temporary suspension of employment and absence on military service. Continuous Service shall also include any period of absence due to injury in respect of which the

Member is entitled to Workplace Safety and Insurance benefits that is included in Pensionable Service under Section 1.29(2).

- 1.13 “***Credited Interest***” means interest credited to a Member’s Money Purchase Component Account, and to Additional Voluntary Contributions, if any, at such rate as the Retirement Committee may from time to time determine on the advice of the Actuary to be appropriate in relation to the yield obtained during each Plan Year on the Pension Fund, subject to any minimum rates of interest required by the *Pension Benefits Act* and subject to the *Income Tax Act*.

Where a Member separates from Continuous Service before the end of a Plan Year, the rate of Credited Interest to be applied to Money Purchase Component Account balances at the beginning of the Plan Year and contributions in respect of the Member made during the Plan Year shall be a pro-rata portion of the rate determined as the June CANSIM B14045 interest rate for the preceding Plan Year for the portion of the Plan Year prior to the Member’s separation from Continuous Service.

- 1.14 “***Earnings***” means the Member’s basic salary, as determined by the University, and does not include allowances, bonuses or gratuities, stipends or overload payments of any kind whatsoever.

For a Member who is employed on a less than full-time basis or for less than a full year, Earnings will be determined for each Plan Year by multiplying the Member’s Earnings determined above by the ratio of the hours regularly scheduled to be worked by full-time Employees in the Plan Year to the Member’s actual hours worked, other than overtime hours, during the Plan Year.

- 1.15 “***Effective Date***” means July 1, 1971.

- 1.16 “***Employee***” means an individual employed by the University who is a member of the faculty or librarian, an employee holding the rank of president, vice-president, dean, associate dean or assistant dean, an employee on the administrative staff reporting directly to the president or a vice-president, an employee on the administrative staff

- whose name appears in the General Calendar of the University, or any other employee the University may designate as eligible for membership, and who is employed on a full-time basis, or on and after January 1, 1988, on other than a full-time basis, and includes an individual employed by the University on a Sessional Instructor or Sessional Lecturer basis.
- 1.17 “**Employment Date**” means the date an Employee enters the service of the University.
- 1.18 “**Faculty Association**” means the Faculty Association of the University of Windsor.
- 1.19 “**Income Tax Act**” means the *Income Tax Act*, Statutes of Canada and the Regulations thereunder, and where applicable includes the provisions of the Information Circular 72-13R8 issued by the Canada Customs and Revenue Agency, as amended or replaced from time to time.
- 1.20 “**Limited Term Appointment**” means, in relation to an Employee, an appointment to the faculty of the University for a specified term implying no commitment by the University of renewal or continuation beyond the specified term, and limited to:
- (i) replacement of persons on sabbatical or other leave,
  - (ii) engagement of distinguished visiting professors or persons with special knowledge, expertise, or experience,
  - (iii) accommodation of enrolment fluctuations of probable short duration,
  - (iv) accommodation of vacancies in the full-time academic staff until full-time qualified persons acceptable for appointments are available.
- 1.21 “**Member**” means an Employee who has become a member of the Plan pursuant to Section 2, or a former Employee who has retired or otherwise terminated his/her employment with the University, but who retains a right to benefits under the Plan. Member excludes a person by whom or in respect of whom benefits have been transferred under Section 9.05.



- 1.22 “**Minimum Guaranteed Benefit**” shall have the meaning set out in Section 7.01(3) hereof.
- 1.23 “**Money Purchase Component Account**” means, for each Member, that portion of the Pension Fund which contains the sum of (1), (2), (3) and (4) below with Credited Interest:
- (1) Required contributions made by the Member on or after July 1, 1972.
  - (2) Contributions made by the University on a money purchase basis on behalf of the Member on or after July 1, 1972.
  - (3) Member’s required contributions made to this Plan and the Employees’ Retirement Plan between September 1, 1955 and June 30, 1972.
  - (4) The matching amount of University contributions made on behalf of the Members from September 1, 1955 to June 30, 1972.
- 1.24 “**Money Purchase Pension**” shall have the meaning set out in Section 7.01(1) hereof.
- 1.25 “**Nominal Salary**” means, in respect of a Member who is on sabbatical leave, the Earnings the Member would have received from the University had he/she not been on sabbatical leave.
- 1.26 “**Normal Retirement Date**” shall have the meaning set out in Section 6.01 hereof.
- 1.27 “**Pension Benefits Act**” means the *Pension Benefits Act*, Statutes of Ontario and the Regulations thereunder, as amended from time to time.
- 1.28 “**Pension Fund**” means the fund established to provide benefits in this Plan pursuant to Section 14.

1.29 “**Pensionable Service**” means the sum of:

- (1) the most recent period of Continuous Service after September 1, 1955 during which a Member makes required contributions to the Plan, subject to such adjustments as are required under Sections 4 and 5;
- (2) any period of absence due to an injury in respect of which the Member is entitled to receive benefits under the Workplace Safety and Insurance Act within the 12-month period following the date of the injury, provided that the Member continues to make required contributions during the absence;
- (3) one-half the period of Continuous Service for which a Member received credit for past service at September 1, 1955; and
- (4) service recognized for purposes of the Plan by reason of a reciprocal transfer agreement between the University and a former employer,

provided that Pensionable Service shall exclude periods of layoff, and temporary suspension of employment.

For each period during which a Member is employed on a less than full-time basis, Pensionable Service for that period will be determined by multiplying the years and months of Continuous Service in the period during which the Member was a Member of the Plan (rounded up to the next 1/12<sup>th</sup>) by the ratio of the Member’s actual hours worked during the period, other than overtime hours, to the hours regularly scheduled to be worked by full-time Employees.

1.30 “**Plan**” means the University of Windsor Retirement Plan for Faculty and Certain Employees, as amended and restated effective January 1, 1992 and as amended thereafter from time to time.

1.31 “**Plan Year**” means the 12 month period commencing July 1<sup>st</sup> and ending on June 30<sup>th</sup> of the following calendar year.

- 1.32 “**Retirement Committee**” means the Committee appointed by the Board of Governors of the University and the Faculty Association for the purpose of administration of the Plan pursuant to Section 15.
- 1.33 “**Sabbatical Salary Allowance**” means the actual Earnings received by a Member from the University while on sabbatical leave.
- 1.34 “**Sessional Instructor**” means an Employee who is defined as such under the collective agreement between the University and the Faculty Association, as in effect from time to time.
- 1.35 “**Sessional Lecturer**” means an Employee who is defined as such under the collective agreement between the University and the Faculty Association, as in effect from time to time.
- 1.36 “**Spouse**” means, at the time a determination of marital status is required.
- (1) a person to whom the Member is legally married, provided the Member is not living separate and apart from that person;
  - (2) a person of the opposite sex or of the same sex cohabiting continuously in a conjugal relationship with the Member for at least one year; or
  - (3) a person to whom the Member is not legally married, but the Member and that person are cohabiting in a conjugal relationship of some permanence and are jointly the natural or adoptive parents of a child, both as defined in the Family Law Act, 1986 (Ontario).
- 1.37 “**Supplementary Pension**” shall have the meaning set out in Section 7.01(2) hereof.
- 1.38 “**Total And Permanent Disability**” means a physical or mental impairment which prevents a Member from engaging in any employment for which he/she is reasonably suited by virtue of his/her education, training or experience and that can reasonably be expected to continue for the remainder of the Member’s lifetime and which is

- certified, in writing, by a medical doctor licensed in Canada or where the Member resides.
- 1.39 “**Total Disability**” means a disability which is certified, in writing, by a medical doctor licensed in Canada or in the place where the Member resides, as being prolonged or permanent in nature and which prevents the Member from performing substantially all the duties of his/her employment, and in respect of which the Member is in receipt of long term disability benefits from a group insurance plan sponsored by the University.
- 1.40 “**Trust Agreement**” means the agreement entered into between the University and the Trustee for purposes of this Plan.
- 1.41 “**Trustee**” means the corporate trustee appointed under the provisions of the Trust Agreement and appearing as a signatory thereto.
- 1.42 “**University**” means the University of Windsor, in the City of Windsor, Province of Ontario, and is the successor to Assumption College and certain of its affiliated institutions including Assumption University of Windsor, and further includes all other institutions affiliated with the University from time to time in their collective and individual capacities, which have been designated as participating employers by the University and have agreed to participate in the Plan, and, where the context so requires, means the governing body of the University and its officers in their collective capacity.
- 1.43 “**Year’s Maximum Pensionable Earnings**” means, in respect of any calendar year, the Year’s Maximum Pensionable Earnings in effect under the Canada Pension Plan.

Words importing the singular number only shall be construed to include the plural number and vice versa; and words importing the masculine gender shall extend to and include the feminine gender and vice versa; and words importing persons shall include firms, associations, institutions and corporations and vice versa where the context so requires.



## **Section 2 - Eligibility and Membership**

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### 2.01 Full-Time Employees

#### (1) Membership Of Present Employees

Any Employee whose Employment Date is prior to January 1, 1988 and who was eligible to join the Plan on July 1, 1971, but did not join the Plan may join as of any subsequent March 1<sup>st</sup> or September 1<sup>st</sup>.

#### (2) Employees Hired On Or After January 1, 1988

A full-time Employee (including any full-time Employee who is designated Ancillary Academic Staff) whose Employment Date is on or after January 1, 1988 may become a Member on the first day of the month coincident with or next following his/her Employment Date or on the first day of any subsequent month and must become a Member on the July 1<sup>st</sup> or January 1<sup>st</sup> coincident with or immediately following his/her Employment Date.

Notwithstanding the foregoing, a full-time Employee in Continuous Service under a Limited Term Appointment (whose Employment Date is, in either case, on or after January 1, 1988) shall not be required to join the Plan. Such an Employee who is under a Limited Term Appointment may join the Plan pursuant to the provisions of Section 2.01(3) hereof.

#### (3) An employee who is a member of the Bargaining Unit under a Limited Term Appointment or appointed as Ancillary Academic Staff may join the Plan as of the first day of the month coincident with or next following the commencement of employment with the University.

## 2.02 Part-Time Employees

An Employee who is employed on a less than full-time basis may become a Member on the first day of the month coincident with or next following the completion of 24 months of Continuous Service, provided that he/she has:

- (1) earned at least 35% of the Year's Maximum Pensionable Earnings; or
- (2) worked at least 700 hours,

in each of the two immediately preceding consecutive calendar years.

## 2.03 Sessional Lecturers and Sessional Instructors

A Sessional Lecturer or a Sessional Instructor may become a Member on the July 1<sup>st</sup> or January 1<sup>st</sup> coincident with or next following the completion of 24 months of Continuous Service, provided that he/she has:

- (1) earned at least 35% of the Year's Maximum Pensionable Earnings; or
- (2) worked at least 700 hours,

in each of the 2 immediately preceding calendar years.

## 2.04 Waiver of Age Requirement

The University shall retain the right to waive the age requirement for eligibility for individual Employees or groups of Employees for whom it deems such action to be in the best interests of the University.

## 2.05 Re-employment

If a Member's employment is terminated and he/she is thereafter re-employed, he/she shall, upon re-employment, be considered as a new Employee for all purposes of the Plan.

If such Member is, at the date he/she is re-employed, in receipt of pension payments from the Plan, the Member may elect either:

- (1) to re-join the Plan subsequent to his/her date of re-employment in accordance with this Section 2 and accrue additional benefits hereunder, in which event:
  - (a) the Member's pension shall cease on the date of re-employment;
  - (b) the amount of accrued pension will not be altered, except as provided in Section 2.05(1)(c), and will recommence on his/her eventual termination of employment;
  - (c) the Member's accrued pension may be recalculated to apply any early retirement reduction pursuant to Section 7.03(3) or to redetermine the maximum pension pursuant to Section 7.06, based on the date the pension recommences; and
  - (d) any benefit earned after the date of re-employment shall be calculated based on Continuous and Pensionable Service after that date; or
- (2) not to re-join the Plan subsequent to his/her date of re-employment, in which event:
  - (a) the Member shall continue to receive his/her pension; and
  - (b) the Member shall not accrue further benefits during the period of re-employment.

#### 2.06 Withdrawal from Participation

A Member of the Plan shall not be entitled to withdraw from participation in the Plan, or to withdraw any of his/her contributions from the Plan while he/she remains in the employment of the University. In addition, a Member shall not cease to be a Member



merely because he/she earns less than 35% of the Year's Maximum Pensionable Earnings or works less than 700 hours in a calendar year.

2.07 Enrollment

To become a Member of the Plan, an Employee shall be required to complete and file with the University the prescribed enrollment form authorizing the University to make the necessary payroll deductions in respect of contributions required of him/her pursuant to Section 3 hereof.

## **Section 3 - Contributions**

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### 3.01 Required Contributions by Members

Subject to Section 4.01 and Section 5, each Member shall be required to contribute to his/her Money Purchase Component Account an amount equal to 6% of his/her Earnings in each Plan Year. A Member who postpones his/her retirement beyond his/her Normal Retirement Date has the option to continue making required contributions or cease making such contributions.

Notwithstanding the foregoing, in respect of Earnings and Continuous Service on and after October 1, 1996, Member contributions shall temporarily be suspended until such time as the total amount of the suspended Member contributions reaches \$11,360,000 (the sum of \$4,000,000 and \$7,360,000).

When the total amount of the suspended Member contributions reaches \$11,360,000 (on or about February 16, 2002), each Member's contribution shall continue to be temporarily suspended in an amount equal to one-half (1/2) of his/her contributions otherwise payable to the Plan, until such time as the total additional amount of the suspended Member contributions reaches \$1,161,664.

During the period of temporary contribution suspension, amounts will be transferred from the assets in the Pension Fund, which funds the Supplementary Pensions, to each Member's "Money Purchase Component Account" equal to the suspended contributions the Member would have otherwise been required to make.

Such temporary suspension of contributions shall terminate on the 15th or 30th day of the month for which there are sufficient funds to fully pay for the suspension.

### 3.02 Contributions by the University

- (1) The University shall contribute to each Member's Money Purchase Component Account an amount equal to the required contributions made by

the Member in the Plan Year, plus the contributions required under Section 4.03.

Notwithstanding the foregoing, on and after October 1, 1996, the University's contributions to the Plan as required by 3.02(1) shall temporarily be suspended until such time as the total amount of the suspended University contributions under 3.02(1) reaches \$13,218,034 (the sum of \$4,000,000 and \$7,360,000 and \$1,858,034).

During the period of temporary suspension, money will be transferred from the assets in the Pension Fund, which funds the Supplementary Pensions, to each Member's "Money Purchase Component Account" equal to the matching amount of contributions the University would have otherwise made on behalf of the Member.

Such temporary suspension of contributions shall terminate on the 15th or 30th day of the month for which there are sufficient funds to fully pay for the suspension.

- (2) In addition, the University will contribute each year to the Pension Fund such amount as, based on the advice of Actuary, is required to fund the benefits to be provided by this Plan pursuant to the requirements of the *Pension Benefits Act*.

Notwithstanding the foregoing, on and after October 1, 1996, the University's contributions to the Plan as required by 3.02(2) shall be temporarily suspended until such time as the total amount of the suspended University contributions under 3.02(2) reaches \$4,181,294 (the sum of \$1,486,000 and \$2,230,000 and \$465,294).

Such temporary suspension of contributions shall terminate on the 15th or 30th day of the month for which there are sufficient funds to fully pay for the suspension.

- (3) The University's contributions in respect to the Supplementary Pension benefit shall be paid in monthly installments within 30 days following the month for which the contributions are payable. The University's contributions in respect of special payments to amortize an unfunded actuarial liability or solvency deficiency shall be payable in equal monthly installments throughout the Plan Year.
- (4) No contribution shall be made by the University to the Pension Fund, in accordance with Section 3.02(2), unless it is an eligible contribution as defined by the *Income Tax Act*.

### 3.03 Additional Voluntary Contributions

A Member is permitted in any Plan Year to make Additional Voluntary Contributions subject to such maximum amount as may be allowed by the *Income Tax Act* as a deduction in computing taxable income, which contributions will be allocated to an individual account on behalf of the Member. Additional Voluntary Contributions may include a lump sum which the Member is entitled to receive or has received as a cash refund from a tax-exempt plan for pension purposes.

### 3.04 Contribution Limits

- (1) The contributions made by a Member under Sections 3.01 and 3.03 plus the contributions made by the University under Section 3.02(1) shall not exceed the limits described in Section 7.07.
- (2) In the event that the limits described in Section 7.07 restrict the aggregate of the contributions made by a Member under Section 3.01 and the contributions made by the University under Section 3.02(1), the Member and the University shall contribute to the Plan pursuant to those sections on a 50/50 basis.

### 3.05 Reciprocal Transfer Agreements

The University may enter into special agreements under which a Member of the Plan may arrange to transfer special amounts comprised of his/her own and a former employer's contributions on his/her behalf and earnings thereon for the purpose of transferring credited service under his/her former employer's plan to his/her credit in this Plan, subject to certification of any past service pension adjustment under the *Income Tax Act*.

3.06 Remittance of Member Contributions

The University shall remit to the Trustee, for deposit to the Pension Fund, all sums received by the University from a Member or deducted from a Member's pay, within 30 days following the month in which such sums are received or deducted.

## **Section 4 - Disability Accrual**

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### 4.01 Member Required Contributions During Disability

A Member who by reason of Total Disability is in receipt of salary continuance benefits under an insured plan sponsored by the University shall be exempted from the requirement to contribute to the Plan pursuant to Section 3.01.

### 4.02 Pension Accrual Provisions

For purposes of computing the amount of retirement income benefit which shall accrue to a disabled Member, the following provisions shall apply with respect to the period in which such Member receives said insured salary continuance benefits:

- (1) such period shall be included in determining the Member's Continuous Service and Pensionable Service for all purposes of the Plan; and
- (2) the Member shall be deemed to have received Earnings, in each month during such period, for purposes of the Plan, equal to his/her Earnings in the month prior to disability; and
- (3) the Year's Maximum Pensionable Earnings shall, with respect to such Member, be deemed to remain constant at the level in effect in the year his/her disability income benefits commenced.

### 4.03 Money Purchase Component Account

For the purpose of determining all benefits under the Plan, the Member's "Money Purchase Component Account" shall be determined by the sum of (1), (2) and (3) below with Credited Interest:

- (1) Money Purchase Component Account at the time of disability.

- (2) Contributions the Member would have been required to make had he/she not been disabled, using the Member's Earnings in effect in the month prior to disability.
- (3) The matching amount of contributions the University would have made on behalf of the Member had he/she not been disabled, using the Member's Earnings in effect in the month prior to disability.

## **Section 5 - Authorized Leave Of Absence**

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### 5.01 Members on Sabbatical Leave

A Member who is on sabbatical leave approved by the University has the option of making required contributions based on his/her Nominal Salary or his/her Sabbatical Salary Allowance.

If contributions are based on Nominal Salary, the Member shall be credited with Pensionable Service for the period of the sabbatical leave.

If contributions are based on his/her Sabbatical Salary Allowance, the Member shall be credited with a pro rata period of Pensionable Service where the said period shall be multiplied by the ratio of the Member's Sabbatical Salary Allowance divided by the Member's Nominal Salary.

### 5.02 Members on Leave of Absence for Service in the Armed Forces

If a Member is granted leave of absence after December 31, 1990 for active service in the Armed Forces of Canada such Member may elect to continue to contribute to the Plan for the duration of the leave of absence on the basis of his/her annual rate of Earnings on the day he/she leaves the active service of the University to become a member of the Armed Forces of Canada. A Member who elects to continue to make required contributions shall be credited with Pensionable Service for the duration of the leave of absence in which contributions are made.

### 5.03 Other Members on Leave of Absence

- (1) A Member who is granted leave of absence with pay shall continue to make required contributions pursuant to Section 3.01 and shall be credited with Pensionable Service for the duration of the leave of absence in which contributions are made.



- (2) A Member who is granted leave of absence without pay is not permitted to make required contributions and shall not be credited with Pensionable Service for the duration of such leave.
- (3) Notwithstanding the foregoing, a Member shall continue to accumulate retirement income credits and shall be credited with Pensionable Service during a period of maternity leave provided the Member continues to make required contributions to the Plan, pursuant to Section 3.01, on the basis of the annual rate of Earnings on the day the maternity leave began.

#### 5.04 Maximum Deemed Pensionable Service

The aggregate of Pensionable Service granted in respect of periods of reduced pay or unpaid leaves of absence under Sections 5.01, 5.02 and 5.03 on or after January 1, 1991 is limited to a maximum full-time equivalent of 5 years, plus an additional 3 years credited in respect of periods of reduced pay or unpaid leaves of absence that occur within the 12-month period following the birth or adoption of a child of the Member.

## **Section 6 - Retirement Dates And Eligibility For Retirement Pension**

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### 6.01 Normal Retirement Date

#### (1) Academic Staff

The Normal Retirement Date for a Member who is either a member of the teaching staff or a librarian, if hired on a July 1<sup>st</sup> basis, shall be the last day of the contract year (June 30<sup>th</sup>) in which the Member attains age 65, and if hired on a September 1<sup>st</sup> basis, shall be the last day of the contract year (August 31<sup>st</sup>) in which the Member attains age 65.

#### (2) Non-Academic Staff

The Normal Retirement Date for a Member who is neither a member of the teaching staff nor a librarian shall be the first day of the month immediately following the date on which such Member attains the age of 65.

### 6.02 Postponed Retirement Date

A Member of the Plan may elect, pursuant to provincial law and subject to the approval of the University, to postpone retirement after his/her Normal Retirement Date on a year to year basis, but in no event for more than two years after his/her Normal Retirement Date.

### 6.03 Early Retirement Date

By mutual consent of the Member and the University, a Member may retire at any time during the 10 year period immediately preceding his/her Normal Retirement Date.

### 6.04 Disability Retirement Date

Should a Member suffer a Total and Permanent Disability, he/she may retire or be retired at any time prior to his/her Normal Retirement Date, provided he/she has:

- (1) completed at least 15 years of Continuous Service; and
- (2) attained age 50; and
- (3) is not eligible or expected to be eligible in the future to receive salary continuance benefits under any insured plan sponsored by the University.

6.05 Payment of Pensions

Except as otherwise provided in the Plan, the payment of pension benefits to a Member shall commence on the Member's actual retirement date and shall be payable on the first day of each month thereafter during the life of such

Member, ceasing with the payment due for the month in which his/her death occurs, subject to the terms of the form of pension applicable to such Member pursuant to Section 8 hereof.

## **Section 7 - Amount of Retirement Pension**

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### 7.01 Normal Retirement Pension

A Member retiring on his/her Normal Retirement Date shall receive an annual pension, commencing on his/her Normal Retirement Date and payable in equal monthly instalments, in an amount equal to the Money Purchase Pension plus the Supplementary Pension, if any, calculated as follows:

#### (1) Money Purchase Pension

The annual amount of Money Purchase Pension is the amount provided from the Member's Money Purchase Component Account using the Actuarial Basis in effect at that time.

For each complete Plan Year after pension commencement, a Member's Money Purchase Pension will be increased (or decreased) by a percentage, calculated and applied as follows:

- (a) The percentage adjustment shall be equal to the rate of return earned in the preceding Plan Year by the Pension Fund, less the interest rate used in converting the Money Purchase Component Account at the date of pension commencement into the Money Purchase Pension. The percentage may then be adjusted to take account of the mortality experience of the retirees, using a method as determined by the Retirement Committee on the advice of the Actuary. The percentage adjustment shall be calculated and applied as of July 1 of each Plan Year;
- (b) Notwithstanding Section 7.01(1)(a), for Plan Years commencing July 1, 1990, July 1, 1991 and July 1, 1992, a Member's Money Purchase Pension shall not be adjusted by a percentage less than 0%;

(c) For Plan Years commencing after June 30, 1993, a Member's Money Purchase Pension shall not be increased until the Member's Money Purchase Pension otherwise determined under Section 7.01(1) without reference to the restriction in Section 7.01(1)(b), exceeds the Money Purchase Pension determined under Section 7.01(1) with reference to the restriction in Section 7.01(1)(b).

(2) Supplementary Pension

The Supplementary Pension is calculated as at the Member's pension commencement date and each Plan Year thereafter and is equal to the excess of the annual income provided by the Minimum Guaranteed Benefit, as calculated under Section 7.01(3), over that of the Money Purchase Pension.

(3) Minimum Guaranteed Benefit

The annual amount of the Minimum Guaranteed Benefit is equal to:

- (a) 1.5% of the Member's Best Average Earnings not in excess of the Average Canada Pension Plan Base; plus
- (b) 2.00% of the Member's Best Average Earnings in excess of the Average Canada Pension Plan Base;

multiplied by the Member's Pensionable Service.

The Minimum Guaranteed Benefit will be adjusted on July 1<sup>st</sup> of each Plan Year after the Member's pension commencement date by a percentage determined as follows:

<b>Percentage Increase In Consumer Price Index</b>	<b>Percentage Increase In Annual Pension</b>
0% to 2%	100% of the increase in the Consumer Price Index
greater than 2% but less than or equal to 4%	2%
greater than 4% but less than or equal to 8%	50% of the increase in the Consumer Price Index
greater than 8%	4%

If on July 1 of each year, the Member, Spouse and Beneficiary have been in receipt of pension payments for less than 12 months in aggregate, the adjustment to the Minimum Guaranteed Benefit shall be pro-rated over the number of months for which pension payments have been made.

Notwithstanding the above, in the case of a Member whose Minimum Guaranteed Benefit at his/her pension commencement date is restricted to the maximum pension by virtue of Section 7.06, the increase described in this Section 7.01(3) shall not apply until the July 1 of the calendar year following the calendar year in which the pension commenced.

On the basis of a resolution of the Board of Governors, a Member's Minimum Guaranteed Benefit may be adjusted to reflect increases in the Consumer Price Index after the Member's pension commencement, provided the total of such increases, and the automatic increases provided above, do not exceed the increases in the Consumer Price Index after the Member's pension commencement.

## 7.02 Postponed Retirement Pension

A Member who remains in Continuous Service beyond his/her Normal Retirement Date shall receive an annual pension commencing on his/her postponed retirement date and payable in monthly instalments in an amount equal to the Money Purchase Pension plus the Supplementary Pension, if any, calculated in accordance with Section 7.01, except that:

- (1) the Money Purchase Pension will be calculated using the Money Purchase Component Account and the Actuarial Basis as at his/her postponed retirement date,
- (2) the Supplementary Pension shall be calculated as at his/her postponed retirement date and each year after retirement and is equal to the excess of the annual income provided by the Minimum Guaranteed Benefit over that of the Money Purchase Pension,
- (3) for the purpose of calculating the Minimum Guaranteed Benefit under Section 7.01(3):
  - (a) if a Member whose retirement is postponed elects to continue making required contributions after his/her Normal Retirement Date pursuant to Section 3.01, his/her Minimum Guaranteed Benefit shall be calculated and adjusted annually in accordance with Section 7.01(3) using his/her Pensionable Service and Best Average Earnings as at his/her postponed retirement date,
  - (b) if a Member whose retirement is postponed elects to cease making required contributions after his/her Normal Retirement Date, his/her Minimum Guaranteed Benefit shall be calculated in accordance with Section 7.01(3) using his/her Pensionable Service and Best Average Earnings as at his/her Normal Retirement Date, then adjusted to the Actuarial Equivalent amount based on his/her age at actual retirement.

7.03 Early Retirement Pension (Including Disability Retirement)

A Member who retires early pursuant to Section 6.03 shall receive an annual pension, commencing on his/her early retirement date and payable in monthly instalments in an amount equal to the Money Purchase Pension plus the Supplementary Pension, if any, calculated in accordance with Section 7.01, except that:

- (1) the Money Purchase Pension will be calculated using the Money Purchase Component Account and the Actuarial Basis as at his/her early retirement date, and
- (2) the Supplementary Pension is calculated as at pension commencement date and each year after retirement and is equal to the excess of the annual income provided by the Minimum Guaranteed Benefit over that of the Money Purchase Pension, and
- (3) the Minimum Guaranteed Benefit shall be calculated based on his/her Pensionable Service and Best Average Earnings as at his/her early retirement date, then adjusted to the Actuarial Equivalent amount based on his/her age at actual retirement, provided that the reduction in early retirement pension shall not be less than the maximum reduction specified in the *Income Tax Act*.

7.04 Pension From Additional Voluntary Contributions

In addition to the benefits provided under Sections 7.01, 7.02 or 7.03, a Member who has made Additional Voluntary Contributions has the option at retirement of receiving:

- (1) a lump sum refund of his/her Additional Voluntary Contributions with Credited Interest; or
- (2) a pension that can be provided by the lump sum in (1) above using the Actuarial Basis in effect at the time of conversion.



For each complete Plan Year after pension commencement, this pension will be increased (or decreased) by a percentage calculated and applied in accordance with Section 7.01(1).

7.05 Small Benefit Commutation

If the annual pension payable at the Member's Normal Retirement Date is not more than 2% of the Year's Maximum Pensionable Earnings in the year of the Member's retirement, or such other amount as may be prescribed under the *Pension Benefits Act*, the University shall pay the Member a lump sum payment equal to the Commuted Value of his/her pension or deferred pension in full discharge of all obligations under the Plan.

7.06 Maximum Minimum Guaranteed Benefit

Notwithstanding any other provision of this Plan to the contrary, where prior to the application of this Section 7.06, the pension calculated under Sections 7.01, 7.02 or 7.03 includes an amount of Supplementary Pension under Sections 7.01(2), 7.02(2) or 7.03(2), for purposes of calculating the amount of Supplementary Pension, the Minimum Guaranteed Benefit determined under Sections 7.01(3), 7.02(3) or 7.03(3), including a pension payable under any other registered pension plan sponsored by the University and any pension payable to a Member's Spouse or former Spouse pursuant to Section 16.03, at pension commencement in the form of pension paid to the Member, shall not exceed the years of the Member's Pensionable Service multiplied by the lesser of:

- (1) \$1,722.22 in respect of Pensionable Service (except that the limit in respect of any additional calendar year of Pensionable Service before June 8, 1990 which is purchased after that date pursuant to Section 13.01 is \$1,150 for each such year) or such greater amount as may be permitted under the *Income Tax Act*; and

(2) 2% of the average of the Member's best 3 consecutive years of compensation (as defined under Section 147.1(1) of the *Income Tax Act*) from the University,

reduced, if the pension commencement date precedes the earliest of the day on which:

(3) the Member attains age 60;

(4) the Member's age plus Pensionable Service is equal to 80; and

(5) the Member completes 30 years of Pensionable Service,

by  $\frac{1}{4}$  of 1% for each month by which the pension commencement date precedes that day, provided that no reduction shall apply in the case of a pension payable as a result of a Total and Permanent Disability.

This Section 7.06 shall not apply to additional benefits payable as a result of an Actuarial Equivalent increase in respect of postponed retirement or that portion, if any, of the pension derived from a Member's Additional Voluntary Contributions.

For purposes of Section 7.06, for service before January 1, 1992 a Member's Pensionable Service shall not exceed 35 years.

Notwithstanding the above, in no event will the Commuted Value of the Minimum Guaranteed Benefit determined under the Plan exceed the Commuted Value of the maximum pension payable as a joint and survivor 66-2/3% form of pension with a 5-year guarantee.

#### 7.07 Pension Adjustment

In no event shall the contributions made by a Member under Sections 3.01 and 3.03 and the contributions made by the University on behalf of the Member under Section 3.02(1) or under Section 4.03, plus the benefit accrued under Section 7.01(2)

in a calendar year, result in a pension adjustment (as defined under the *Income Tax Act*) for the Member in excess of the limits prescribed by the *Income Tax Act*.

#### 7.08 Deferred Commencement

A Member may elect to defer the commencement of his/her pension benefit to a date later than otherwise applicable under the terms of the Plan. The Member may elect to defer the commencement of his/her pension to the first day of any month, provided the pension commences before the December first of the calendar year in which the Member's 69th birthday occurs.

A Member who elects to defer the commencement of his/her pension benefit shall receive an annual pension, commencing on his/her deferred pension commencement date, and payable in equal monthly instalments, in an amount equal to the Money Purchase Pension plus the Supplementary Pension, if any, calculated in accordance with Section 7.01 or Section 7.02, as applicable, except that:

- (1) The Money Purchase Pension will be calculated using the Money Purchase Component Account and the Actuarial Basis as at his/her deferred pension commencement date,
- (2) The Supplementary Pension shall be calculated as at his/her deferred pension commencement date and each year after retirement and is equal to the excess of the annual income provided by the Minimum Guaranteed Benefit over that of the Money Purchase Pension,
- (3) The Minimum Guaranteed Benefit will be an amount calculated in accordance with Section 7.01(3) or Section 7.02(3), as applicable, based on the Member's Pensionable Service and Earnings under the terms of the Plan, then adjusted to the Actuarial Equivalent based on the Member's age at the deferred pension commencement date.

The Member may also elect to defer the commencement of any additional amount of pension from his/her Additional Voluntary Contributions.

## **Section 8 - Normal And Optional Forms Of Pension**

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### 8.01 Pension Calculations According to Normal Form

The amount of pension provided under Section 7.01, 7.02 or 7.03 is calculated according to the normal form of pension for the Member and is payable in that normal form of pension unless the Member elects an optional form of pension.

### 8.02 Normal Form of Pension

The normal form of pension under the Plan is one which commences on the Member's retirement date and is payable in equal monthly instalments during his/her remaining lifetime. If the Member should die within sixty months of retirement, the balance of the sixty monthly payments will continue to the Beneficiary.

### 8.03 Optional Form of Pension

In lieu of the normal form of pension payable under the Plan in accordance with Section 8.02, and subject to the restriction under Section 8.04(2), a Member may elect prior to retirement to receive his/her pension in one of the optional forms of pension specified below. Such election can be made by the Member, filing with the University prior to his/her retirement date, on forms provided by the University for that purpose. Such election may be amended or cancelled by written notice to the University prior to the Member's retirement date while he/she is a Member of the Plan.

For the Member electing an optional form, the calculation of the Money Purchase Pension and the Minimum Guaranteed Benefit at retirement pursuant to Section 7 shall be the Actuarial Equivalent of the Pension based on the normal form. The adjustments to the Money Purchase Pension and the Minimum Guaranteed Benefit for each year after retirement shall be on the same basis as described in Section 7.01.

The optional forms are:

(1) Life Guaranteed 5, 10 or 15 Years

Under the Life Guaranteed 5, 10 or 15 Years form of pension, the Member receives a pension payable for life in equal monthly instalments, with the guarantee that, if the Member dies before receiving 60, 120 or 180 months of guaranteed payments, the pension will continue to be paid to the Member's Beneficiary until the remainder of the 60, 120 or 180 payments has been paid.

(2) Single Life Pension

Under the Single Life form of pension, the Member receives a pension payable in equal monthly instalments for his/her lifetime, with the last payment being the payment for the month in which the Member's death occurs.

(3) Joint & Survivor Pension

- (a) Under this option, a Member will receive a pension which will be payable in equal monthly instalments during the Member's lifetime, with 100%, 75% or 60% of the pension being continued after his/her death to a joint annuitant designated in writing by the Member. The Member may only designate as a joint annuitant his/her Spouse or former Spouse.
- (b) Benefit payments under this option shall terminate with the payment for the month in which the death of the Member occurs, or if the designated joint annuitant outlives the Member, 100%, 75% or 60% of the pension, as applicable, will be paid to the joint annuitant for the joint annuitant's lifetime ending with the payment for the month in which the joint annuitant's death occurs.
- (c) If the designated joint annuitant dies before the Member's pension commences, the election of this option shall be void, and the

Member's retirement benefit shall be payable as if such election had not been made.

(4) Other Optional Forms of Pension

The University may approve other optional forms of pension provided such forms comply with the requirements of the *Income Tax Act* concerning forms of pension.

8.04 Member with a Spouse

- (1) Notwithstanding the provisions of Sections 8.01, 8.02 and 8.03, a Member who retires and who has a Spouse shall receive a Joint and Survivorship pension which is the Actuarial Equivalent of the normal pension, payable during the Member's lifetime and continuing after the Member's death to the Member's Spouse for her/his life in equal monthly instalments equal to at least 60% of the amount of each monthly instalment paid during the life of the Member.
- (2) A Member who has a Spouse may elect to waive the Joint and Survivorship pension by completing the required election form and waiver. To be effective, waiver of the Joint and Survivorship Pension shall be delivered to the Retirement Committee, within the 12 month period immediately preceding the date of the Member's retirement date, and be written in the form prescribed under the *Pension Benefits Act*.

## **Section 9 - Benefits On Termination Of Employment**

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### 9.01 Entitlement with Respect to Money Purchase Component Account

If a Member's Continuous Service terminates other than by death or retirement, his/her Membership in the Plan shall cease and, subject to Sections 9.02 and 9.03 below, he/she shall be entitled to receive a lump sum cash settlement equal to the balance in the Member's Money Purchase Component Account.

### 9.02 Deferred Vested Pension Entitlement

If a Member's Continuous Service terminates other than by death or retirement, he/she may elect, in lieu of the cash settlement in Section 9.01, to leave his/her required contributions and the University's matching contributions in his/her Money Purchase Component Account to accumulate Credited Interest to his/her Normal Retirement Date and at that time receive a pension calculated in accordance with Section 7.01 for service to his/her termination of employment.

### 9.03 Statutory Locking-In

#### (1) Benefits Earned On And After January 1, 1987

Notwithstanding the provisions of Sections 9.01 and 9.02, if at the date his/her Continuous Service is terminated, a Member has completed 24 months of Pensionable Service, he/she shall not be entitled to elect the cash settlement under Section 9.01, in respect of contributions made to the Plan on and after January 1, 1987, but in lieu thereof, he/she shall be entitled to receive the deferred pension provided in Section 9.02 for service on and after January 1, 1987.

#### (2) Benefits Earned Prior To January 1, 1987

(a) Notwithstanding the provisions of Sections 9.01 and 9.02, if at the date his/her Continuous Service is terminated, a Member has both attained



age 45 and completed 10 or more years of Continuous Service, he/she shall not be entitled to elect the cash settlement under Section 9.01, in respect of contributions made to the Plan prior to January 1, 1987, but in lieu thereof, he/she shall be entitled to receive the deferred pension provided in Section 9.02 for service prior to January 1, 1987.

- (b) Such deferred pension shall not be subject to surrender or commutation, except to the extent that the Member may elect to receive in partial discharge of his/her rights to said deferred pension, a lump sum cash amount not exceeding 25% of the Commuted Value thereof. In such event, the amount of the deferred pension payable to the Member under the Plan shall be reduced accordingly on an Actuarial Equivalent basis.

#### 9.04 Early Commencement of Deferred Pension

A Member who terminates employment with the University on or after January 1, 1988 before attaining age 55 and who is entitled to receive a deferred pension under Section 9 may elect to commence receiving this pension on the first day of any month on or following the attainment of age 55 and prior to his/her Normal Retirement Date. The amount of this pension will be the Actuarial Equivalent of the deferred pension otherwise commencing on his/her Normal Retirement Date, provided that the reduction in early retirement pension shall not be less than the minimum reduction specified in the *Income Tax Act*.

#### 9.05 Transfer of Entitlements to Another Registered Trust or Plan

- (1) Notwithstanding the foregoing provisions of this Section 9, but subject always to the provisions of the *Pension Benefits Act*, a Member whose employment with the University terminates other than by death or retirement prior to his/her Normal Retirement Date may, within the time periods prescribed by regulation, arrange to have any amounts which are payable to him/her in the

form of a lump sum cash settlement pursuant to Section 9.01 or 9.03(2)(b) transferred to another registered pension plan, prescribed registered retirement savings plan or other tax-exempt trust or plan for pension purposes designated by him/her.

- (2) If the Member's employment with the University is terminated other than by death or retirement and he/she is entitled to a deferred pension in accordance with Sections 9.02, 9.03 or 9.05 above, he/she may direct that an amount equal to value of the Member's Money Purchase Component Account plus the Commuted Value of the Supplementary Pension, if any:
  - (a) be transferred, on a locked-in basis, to the pension fund related to another registered pension plan, provided the administrator of the other pension plan agrees to accept the payment;
  - (b) be transferred to a locked-in registered retirement savings plan or other retirement savings arrangement as prescribed in the *Pension Benefits Act*; or
  - (c) be transferred out of the Pension Fund to purchase a deferred life annuity which will not commence before the earliest date that the former Member would have been entitled to receive pension benefits under the Plan.

Any such transfer shall, however, be subject to such conditions and restrictions as may be prescribed by the *Pension Benefits Act*, depending on the solvency status of the Plan from time to time.

- (3) Amounts transferred in respect of the Minimum Guaranteed Benefit in accordance with Section 9.05(2)(a) to a defined contribution provision of a pension plan or in accordance with Section 9.05(2)(b) shall not exceed the maximum amount prescribed under the *Income Tax Act*, and the excess of the Commuted Value, plus Credited Interest, if any, over the amount transferred

shall be paid to the Member in cash or as a benefit, as permitted under the *Income Tax Act* and the *Pension Benefits Act*.

#### 9.06 Benefit From Additional Voluntary Contributions

On termination of employment other than by death or retirement, a Member may elect one of the following options in respect of his/her Additional Voluntary Contributions (if any) made to the Plan.

- (1) If the Member elects to transfer entitlements to another registered trust or plan, pursuant to Section 9.05, then he/she may transfer his/her Additional Voluntary Contributions with Credited Interest to a registered pension fund of a subsequent employer, or to a registered retirement savings plan. If a portion of the voluntary contributions is required to be “locked-in” by agreement with a former employer, the transferee must agree to administer that portion of the amount transferred as a locked-in deferred life annuity in accordance with the provisions of the *Pension Benefits Act*; or
- (2) If the Member elects the deferred pension entitlement pursuant to Section 9.02, then he/she may leave his/her Additional Voluntary Contributions in the Plan to accumulate with Credited Interest to his/her pension commencement date, and at that time, convert such amount into an annual pension pursuant to Section 7.04(2); or
- (3) Notwithstanding the provision of Sections 9.06(1) and 9.06(2), the Member may elect to receive a lump sum cash refund equal to the balance of the Member’s Additional Voluntary Contributions, with Credited Interest. For those voluntary contributions which by agreement with a former employer are required to be “locked-in”, the Member must choose one of the options described under Section 9.06(1) or 9.06(2).

#### 9.07 Small Benefit Commutation

If the annual pension payable at the Member's Normal Retirement Date is not more than 2% of the Year's Maximum Pensionable Earnings in the year of the Member's termination, or such other amount as may be prescribed under the *Pension Benefits Act*, the University shall pay the Member a lump sum payment equal to the Commuted Value of his/her pension or deferred pension in full discharge of all obligations under the Plan.

## **Section 10 - Benefits On Death**

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### 10.01 Death Benefit for Post-1986 Service

#### (1) Death Benefit Amount

If a Member dies before pension commencement, a death benefit is payable in an amount equal to the amount described in (a) below, plus the excess, if any, of the amount described in (b) over the amount in (a) below:

- (a) a lump sum settlement equal to the balance in his/her Money Purchase Component Account with respect to contributions made under the Plan on and after January 1, 1987, including such amounts transferred under special agreement with a former employer, with Credited Interest;
- (b) the Commuted Value of the Member's Minimum Guaranteed Benefit accrued to him/her under Section 7.01(3) for Pensionable Service on and after January 1, 1987 and otherwise accrued or granted on or after January 1, 1987.

#### (2) Death Benefit Payable to Spouse

The death benefit payable under Section 10.01(1) is payable to the Member's Spouse unless the Spouse has completed and filed a waiver in the prescribed form.

The Spouse may elect to receive the benefit described in Section 10.01(1) in either of the following forms:

- (a) a lump sum payment; or
- (b) an annuity payable for the Spouse's lifetime, as may be provided by the amount in (a), commencing at any time prior to the end of the

calendar year in which the Spouse attains age 69 (or, if later, within one year after the death of the Member).

If the Spouse fails to make an election within 90 days of being advised of the entitlement under this Section, the Spouse will be deemed to have elected an immediate annuity under Section 10.01(2)(b).

(3) Death Benefit Payable To Non-Spouse Beneficiary

If the Member does not have a Spouse at his/her date of death, the death benefit payable under Section 10.01(1) is payable in a lump sum to the Member's Beneficiary.

10.02 Death Benefit for Pre-1987 Service

If a Member should die prior to the commencement of his/her pension, his/her Beneficiary, or if not, his/her estate, shall receive a lump sum settlement equal to the balance in his/her Money Purchase Component Account in respect of contributions made under the Plan before January 1, 1987, including such amounts transferred under special agreement with a former employer, with Credited Interest.

10.03 Refund of Additional Voluntary Contributions

In addition to any other death benefit payable under this Section 10, the Member's Beneficiary is entitled to receive a refund of his/her Additional Voluntary Contributions, if any, to the Plan, with Credited Interest.

10.04 Death After Retirement

If a Member should die after his/her pension has commenced, the determination and payment of benefits due under the Plan following his/her death shall be in accordance with the provisions of the normal or any optional form of retirement income applicable to such Member, pursuant to Section 8 hereof.

## **Section 11 - Designation Of Beneficiary And Settlement Of Death Benefits**

### 11.01 Designation of Beneficiary

A Member may, by written notice to the University during his/her lifetime, designate or appoint a Beneficiary to receive the benefits which may be payable under the Plan on his/her death. Provided there is no legal or other restriction to the contrary, such Member may from time to time revoke or alter any such designation or appointment without the consent of the former Beneficiary. Each such written notice must be in such form and executed in such manner as the University, in its discretion, may from time to time determine.

### 11.02 Optional Settlement Where Beneficiary is a Spouse

Where the Member's Beneficiary is his/her Spouse, the Member may elect, or, in default of such election his/her Beneficiary may elect after his/her death, that settlement of any lump sum death benefits otherwise payable under the Plan be made in the form of a variable immediate life annuity, with or without a guaranteed period, provided that such guaranteed period shall not exceed 15 years.

### 11.03 Death of Beneficiary Prior to Full Settlement of Benefits

Where a Beneficiary is entitled to pension payments under the Plan as a result of a Member's prior death, and dies before the end of any applicable guaranteed period for the continuance of the pension payments, then the Commuted Value of pension payments otherwise payable shall be paid in a single cash amount to the estate of the Beneficiary.

### 11.04 No Beneficiary

If a Member fails to validly designate a Beneficiary, or if the designated Beneficiary predeceases the Member or dies before payment of the death benefit, benefits payable to the Member's Beneficiary shall be paid in a lump sum to the estate of the Member.

## **Section 12 - Transfers To And From The University Of Windsor Employees' Retirement Plan**

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### 12.01 Transfers from the University Of Windsor Employees' Retirement Plan

(1) Membership In Plan

A member of the University of Windsor Employees' Retirement Plan who becomes an Employee may become a Member on the first day of the month coincident with or next following the date he/she becomes an Employee.

(2) Statutory Locking-In

For the purpose of determining the Member's eligibility to receive a refund of his/her required contributions upon termination of employment under Section 9, but not for the purpose of determining the amount of the Members' Supplementary Pension, if any, payable under Section 9, Pensionable Service for a Member who transfers from the University of Windsor Employees' Retirement Plan shall include service with the University prior to enrollment in this Plan during which the Member made required contributions to the University of Windsor Employees' Retirement Plan.

### 12.02 Transfers to the University Of Windsor Employees' Retirement Plan

A Member who ceases to be an Employee as a result of a transfer in employment to the non-teaching staff of the University may elect to:

- (1) continue active membership in the Plan and accrue pension benefits in accordance with the Plan for Continuous Service on and after the date of transfer; or



- (2) become a member of the University of Windsor Employees' Retirement Plan, in which case:
- (a) the Member shall not contribute to the Plan on and after the date of transfer; and
  - (b) the benefits payable from the Plan upon the Member's subsequent retirement, death or termination of employment shall be determined based on the Members' Pensionable Service at the date of transfer, and the Members' Best Average Earnings at retirement, death or termination of employment.

## **Section 13 - Limited Term Appointments**

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### 13.01 Past Service Purchase

An Employee who is a member of the Bargaining Unit who does not join the Plan while in Continuous Service under a Limited Term Appointment, and who subsequently becomes a Member of the Plan may purchase Pensionable Service for such Continuous Service on the following basis:

- (1) the Member shall contribute the Required Contributions he/she would have made if he/she had been a Member throughout the Continuous Service under the Limited Term Appointment, with Credited Interest from the date such Required Contributions would have been made, to the date of purchase, as determined by the Actuary, provided that such contributions, when added to the contributions made by the Member under Section 3.01 and 3.03 and by the University under Section 3.02(1) in a calendar year shall not result in a pension adjustment in excess of the limits prescribed by the *Income Tax Act* for the calendar year;
- (2) the Member may purchase past service for the purpose of the Minimum Guaranteed Benefit only and such purchase shall be subject to certification of any past service pension adjustment under the *Income Tax Act*; the Member shall not be permitted to purchase the Money Purchase Pension for such past service;
- (3) the purchase of such Pensionable Service shall be subject to the provisions of the *Income Tax Act (Canada)*;
- (4) a Member shall not be permitted to purchase Pensionable Service under this Section 13 unless:
  - (a) the Member held status of Limited Term Appointment commencing on or after July 1, 1976 continuously through to June 30, 1989; or

- (b) the Member was initially appointed to the faculty on or after July 1, 1976 under a Limited Term Appointment, the Limited Term Appointment subsequently ceased, and the Member remained an Employee;
- (5) the amount contributed by a Member for the purchase of such Pensionable Service pursuant to Section 3.01(1)(a) shall in no event be credited to the Member's Money Purchase Component Account.

## **Section 14 - Pension Fund**

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### 14.01 Establishment

The University will continue the operation of a Pension Fund for the provision of benefits pursuant to the Plan and will determine the form and terms of the Trust Agreement, modify the terms of such Trust Agreement at such time or times as may be necessary to accomplish the purposes of the Plan and will be responsible for the selection of the Trustee and may appoint successor trustees as, in its sole opinion, may be necessary for purposes of the Plan.

### 14.02 Responsibility of the Trustee

The Pension Fund will be administered by the Trustee in accordance with the terms of the Trust Agreement, but will be subject to the provisions of the *Pension Benefits Act* with respect to the investment of such funds. A copy of the Trust Agreement may be examined by a Member of the Plan at any reasonable time in the offices of the University.

### 14.03 Payment of Benefits

All benefits will be paid from the Pension Fund. Benefits payable from a Member's Purchase Component Account shall be paid under an arrangement acceptable to Canada Customs and Revenue Agency. Notwithstanding the foregoing, the University may, in its sole discretion, direct that benefits be purchased from an insurance company licensed to transact business in Canada.

### 14.04 Expenses

All expenses with respect to the operation or administration of the Plan will be payable from the Pension Fund, unless such expenses are paid directly by the University.

### 14.05 Fiscal Year

The Pension Fund shall have a fiscal year ending December 31.

14.06 Deposits

All contributions made by Members of the Plan and by the University on their behalf will be deposited in the Pension Fund. Contributions made by Members shall be remitted to the Pension Fund within 30 days following the month in which they were received or deducted by the University.

14.07 Removal of Funds

No funds shall be removed from the Pension Fund other than those prescribed in this Plan.

14.08 Surplus Assets

The disposition of any surplus that may arise in the Plan shall be determined jointly by the University and the Faculty Association.

## **Section 15 - Administration of the Plan**

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### 15.01 Administration of the Plan

The administrator of the Plan shall be the University which shall be responsible for all matters relating to the administration of the Plan and may delegate the day-to-day operation of the Plan to a Retirement Committee.

Subject to the approval of the Board of Governors of the University, the Retirement Committee shall determine all questions arising in the administration of the Plan including the interpretation and application of the provisions of the Plan and shall make rulings concerning all questions relating to eligibility, service, earnings, contributions, benefits and retirement dates of Members for the purpose of the Plan. Such decisions by the Retirement Committee shall be final and binding on all concerned where such decisions are consistent with the provisions of the Plan and of the Trust Agreement, subject wherever required to referral to the Board of Governors of the University.

### 15.02 Retirement Committee

The Retirement Committee shall be comprised of the Vice-President, Finance and Services, as Chairman, two members to be appointed by the Board of Governors and two members to be appointed by the Faculty Association. Appointments to the Retirement Committee shall be for a term of two years.

Should a vacancy occur other than at the expiration of a regular term of appointment, the Faculty Association or the Board of Governors, as the case may be, shall name a replacement within 60 days, to serve for the balance of the period of appointment.

Three members of the Retirement Committee shall constitute a quorum. In the event of a tie vote among the appointed members, the Vice-President, Finance and Services, will cast a deciding vote.

15.03 Plan Summary

The University shall provide each Employee with a written explanation of the terms and conditions of the Plan and amendments thereto applicable to him/her, together with an explanation of the rights and duties of the Employee with reference to the benefits available to him/her under the terms of the Plan.

15.04 Notice of Amendment

The University shall provide a notice and written explanation of an amendment to the Plan to each Member, or other persons entitled to payment from the Pension Fund who are affected by the amendment, within the applicable time period prescribed under the Pension Benefits Act.

15.05 Annual Statement

The University shall provide annually to each active Member a written statement containing the information prescribed under the Pension Benefits Act in respect to the Member's benefits under the Plan.

15.06 Statement on Termination of Employment or Membership

When a Member of the Plan terminates employment or otherwise ceases to be a Member, the University shall give to the Member, or to any other person who becomes entitled to a benefit under the Plan, a written statement setting out the information prescribed under the Pension Benefits Act in respect of the benefits of the Member or other person.

15.07 Inspection of Documents

The University shall make available for inspection by eligible individuals the documents and information concerning the Plan and the Pension Fund as prescribed under the Pension Benefits Act.

## **Section 16 - General Provisions**

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### 16.01 No Enlargement of Employment Rights

Participation in the Plan shall not enlarge or establish any rights to employment with the University which the Member did not formerly possess as an Employee of the University

### 16.02 Non-Alienation

Except as specified in Section 16.03, money payable under the Plan is subject to the following restrictions:

#### (1) Void Transactions

Any transaction that purports to assign, charge, anticipate, surrender or give as security money payable under the Plan shall not be enforceable against the Plan; and

#### (2) Exemption From Seizure

Money payable under the Plan is exempt from execution, seizure or attachment.

### 16.03 Alienation of Benefits on Marriage Breakdown

#### (1) Support Obligations

Payments under the Plan are subject to execution, seizure or attachment in satisfaction of an order for support or maintenance enforceable in Ontario or another relevant jurisdiction, in accordance with the *Pension Benefits Act*.



(2) Division of Property

Upon the breakdown of the spousal relationship, a Member may assign or convey a portion of his/her benefits and rights under the Plan to his/her Spouse or former Spouse, within the limits imposed by the *Pension Benefits Act*.

16.04 Non-Commutation of Pension

A pension or deferred pension payable under this Plan shall not be capable of being commuted, except as follows:

- (1) as permitted under Section 7.05; or
- (2) as permitted under Section 9.07; or
- (3) as permitted in accordance with the *Pension Benefits Act* in the event that the life expectancy of the Member is likely to be considerably shortened by reason of his/her mental or physical disability.

16.05 Construction

- (1) The Plan is intended to constitute an employees' pension plan qualified for registration under the Income Tax Act and the Pension Benefits Act.
- (2) Any provision of the Trust Agreement that is inconsistent with the terms of the Plan shall, to the extent of the inconsistency, be of no force or effect.
- (3) The Plan shall be governed and construed in accordance with the laws of the Province of Ontario.

#### 16.06 University Records

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

#### 16.07 Severability

If any provision of the Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Plan and the Plan shall be construed and enforced as if such provision had not been included therein.

#### 16.08 Captions and Headings

The captions, headings and table of contents of this Plan are included for convenience of reference only and shall not be used in interpreting the provisions of this Plan.

#### 16.09 Proof of Age

Each Member shall be required to file satisfactory proof of his/her age with the University and pension payments shall not commence until such proof of age has been received and admitted by the University. A Member required to receive or electing a joint and survivorship pension shall, as part of such requirement or election, be required to file with the University satisfactory proof of his/her Spouse's age.

#### 16.10 Evidence of Survival

The Retirement Committee may require satisfactory evidence that a retired Member, Spouse or other beneficiary under the Plan is living on each and every date that a pension benefit is due to such retired Member, Spouse or other beneficiary. In the absence of such evidence when required by the Retirement Committee, the benefits otherwise due may be withheld until such evidence has been received.

## **Section 17 - Future of the Plan**

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### 17.01 Continuation of Plan

The University intends to maintain the Plan in force indefinitely, but reserves the right to amend or discontinue the Plan, in whole or in part, at any time or times, as the Board of Governors, in its absolute discretion, may determine.

### 17.02 Amendment of Plan

- (a) No amendment to the Plan shall operate to reduce the benefits which have accrued under the Plan to the Members prior to the date of such amendment.
- (b) Where an amendment results in a certifiable past service pension adjustment (as defined under the *Income Tax Act*) in respect of a Member, the amendment shall not apply to such Member prior to certification of the past service pension adjustment in accordance with the *Income Tax Act*.

### 17.03 Discontinuance of Plan

In the event of discontinuance of the Plan, in whole or in part for any reason, the University will not be able to recover any sums paid to the date thereof. The assets of the Pension Fund will be applied for the benefit of retired Members, active Members, Members entitled to deferred vested benefits, their respective estates, Beneficiaries and Spouses in such equitable manner as may be determined by the University in consultation with the Actuary. Such benefits may be provided through the continuation of the Pension Fund, the establishment of a new pension fund for that purpose, the purchase of deferred or immediate annuity contracts, or through the transfer of funds to other registered plans.

#### 17.04 Statutory Requirements

In the event of discontinuance of the Plan, the provision of benefits and distribution of assets of the Pension Fund following termination shall be subject to the provisions of the *Pension Benefits Act* and the *Income Tax Act*.

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## Voluntary Early Retirement Program

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### Section 1 - Definitions

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- (1) “*Eligibility Age*” means the age of the Member in whole numbers on the Member’s birthday in the Plan Year preceding the Member’s retirement date.
- (2) “*VER Program*” means the voluntary early retirement program established herein and applicable to Members who satisfy the Rule of 70/55.
- (3) “*Rule of 70/55*” means the eligibility requirements set out in Section 2 of this Appendix A for a pension pursuant to Section 3(1) of this Appendix A.
- (4) “*Early Retirement Joint Committee*” means the committee consisting of three members appointed by the President of the University and three appointed by the Executive Committee of the Faculty Association.

### Section 2 - Eligibility (Rule Of 70/55)

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For the period between September 1, 1998 and August 31, 2001, a Member whose Eligibility Age is at least 55 and whose Eligibility Age plus years of Continuous Service equal 70 or more is eligible to retire and receive a pension pursuant to Section 3 of this Appendix A, in lieu of any other benefits described in the Plan.

### Section 3 - VER Benefits

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(1) VER Pension

A Member who satisfies the Rule of 70/55 and who retires under the VER Program shall be entitled to receive an immediate pension in an amount equal to the Money Purchase Pension plus the Supplementary Pension, if any, calculated as follows:

(a) Money Purchase Pension

The annual amount of Money Purchase Pension is the amount provided from the Member's Money Purchase Component Account using the Actuarial Basis in effect at that time.

For each complete Plan Year after pension commencement, a Member's Money Purchase Pension will be increased (or decreased) by a percentage equal to the rate of return earned in the preceding Plan Year by the Pension Fund, less the interest rate used in converting the Money Purchase Component Account at the date of pension commencement into the Money Purchase Pension. The percentage shall then be adjusted to take account of the mortality experience of the retirees, using a method as determined by the Retirement Committee on the advice of the Actuary. The percentage adjustment shall be calculated and applied as of July 1 of each Plan Year.

(b) Supplementary Pension

The Supplementary Pension is calculated as at the Member's pension commencement date and each Plan Year thereafter and is equal to the excess of the annual income provided by the Minimum Guaranteed Benefit, as calculated under Section 3(1)(c) of this Appendix A, over that of the Money Purchase Pension. The Supplementary Pension shall be subject to certification of any past service pension adjustment under the *Income Tax Act*.

(c) Minimum Guaranteed Benefit

Effective for retirements under the VER Program on and after July 1, 2001, the annual amount of the Minimum Guaranteed Benefit is equal to:

- (i) 1.5% of the Member's Best Average Earnings not in excess of the Average Canada Pension Plan Base; plus

- (ii) 2.00% of the Member's Best Average Earnings in excess of the Average Canada Pension Plan Base;

multiplied by the Member's Pensionable Service, and reduced by 1/4 of 1% for each month by which the pension commencement date precedes the earliest of the days on which:

- (iii) the Member attains age 60;
- (iv) the Member's age plus Pensionable Service would have equalled 80; and
- (v) the Member would have completed 30 years of Pensionable Service,

provided that no reduction shall apply in the case of a pension payable as a result of a Total and Permanent Disability. Notwithstanding the above, such pension shall not exceed the maximum pension described in Section 5 of this Appendix A.

The Minimum Guaranteed Benefit will be adjusted on July 1st of each Plan Year on and after July 1, 1994 after the Member's pension commencement date by a percentage determined as follows:

<b>Percentage Increase In Consumer Price Index</b>	<b>Percentage Increase In Annual Pension</b>
0% to 2%	100% of the increase in the Consumer Price Index
greater than 2% but less than or equal to 4%	2%
greater than 4% but less than or equal to 8%	50% of the increase in the Consumer Price Index
greater than 8%	4%

If on July 1 of each year, the Member, Spouse and Beneficiary have been in receipt of pension payments for less than 12 months in aggregate, the adjustment to the Minimum Guaranteed Benefit shall be pro-rated over the number of months for which pension payments have been made.

Notwithstanding the above, in the case of a Member whose Minimum Guaranteed Benefit at his or her pension commencement date is restricted to the maximum pension by virtue of Section 5 of this Appendix A, the increase described above shall not apply until the July 1 of the calendar year following the calendar year in which the pension commenced.

(2) VER Bridge Benefit

A Member who satisfies the Rule of 70/55 and who retires under the VER Program shall be entitled to receive a bridge benefit payable from the Member's pension commencement date until the Member's attainment of age 65. The bridge benefit shall be an amount equal to the lesser of:

- (a) 0.55% of the lesser of the Member's Best Average Earnings and the Average Canada Pension Plan Base, multiplied by Member's Pensionable Service; and
- (b) the maximum annual bridge benefit determined under in Section 5(3) of this Appendix A, minus the excess, if any, of the lifetime pension benefit payable from the Member's Money Purchase Component Account over the lifetime pension benefit that would have been payable under the Member's Minimum Guaranteed Benefit had the early retirement reduction factors permissible under the Income Tax Act been applied.

In the event of the death of a Member between his/her pension commencement date and his/her Normal Retirement Date, the bridge benefit shall be reduced to 60% and be paid to the Member's Spouse until the date the Member would have attained age 65.



In the event that the value of the lifetime pension benefit plus the bridge benefit payable to a Member exceeds the value of the Minimum Guaranteed Benefit determined under Section 3(1)(c) of this Appendix A plus the bridge benefit determined under Section 3(2)(a), the Member's bridge benefit shall be reduced accordingly.

#### **Section 4 - Special Early Retirement Benefit For Members Not Satisfying 70/55**

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A Member who retires in the period between September 1, 1998 and August 31, 2001, before his/her Normal Retirement Date, and has both attained age 55 and completed 10 years or more of Pensionable Service, but does not satisfy the Rule of 70/55 at his/her retirement date shall be eligible to receive an immediate pension, in lieu of any other benefits described in the Plan, calculated in accordance with Section 7.03 except that for the purpose of calculating the Supplementary Pension, the Minimum Guaranteed Benefit shall be reduced by:

- (1) one-third of 1% for each of the first 60 months by which the pension commencement date precedes the Normal Retirement Date; and
- (2) one-half of 1% for each additional month in excess of 60 months, if any, by which the pension commencement date precedes the Normal Retirement Date.

#### **Section 5 - Maximum Benefit**

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(1) Maximum Supplementary Pension

Notwithstanding any other provision of this Plan, for purposes of calculating the annual Supplementary Pension payable to a Member under the VER Program at retirement, the Minimum Guaranteed Benefit determined under the Plan, including a pension payable under any other registered pension plan sponsored by the University and any other pension payable to a Member's Spouse or former Spouse pursuant to Section 16.03, in the form of pension paid to the Member, shall not exceed the years of the Member's Pensionable Service multiplied by the lesser of:

- (a) \$1,722.22 (except that the limit in respect of any additional calendar year of Pensionable Service before June 8, 1990 which is purchased after that date pursuant to Section 13.01 is \$1,150 for each such year) or such greater amount as may be permitted under the *Income Tax Act*; and
- (b) 2% of the average of the Member's best 3 consecutive years of compensation (as defined under Section 147.1(1) of the *Income Tax Act*) from the University,

reduced, if the pension commencement date precedes the earliest of the day on which:

- (c) the Member attains age 60;
- (d) the Member's age plus Pensionable Service is equal to 80; and
- (e) the Member completes 30 years of Pensionable Service,

by 1/4 of 1% for each month by which the pension commencement date precedes that day, provided that no reduction shall apply in the case of a pension payable as a result of a Total and Permanent Disability.

For purposes of this Section 5(1) of this Appendix A, for service before January 1, 1992 a Member's Pensionable Service shall not exceed 35 years.

Notwithstanding the above, in no event will the Commuted Value of the Minimum Guaranteed Benefit determined under the Plan exceed the Commuted Value of the maximum pension payable as a joint and survivor 66 2/3% form of pension with a 5-year guarantee.

(2) Post-1991 Service Combined Bridge And Maximum Pension Benefit

The benefits payable under Section 3(2), in combination with the pension payable under Section 3(1) of this Appendix A, in respect of Pensionable Service after December 31, 1991, shall not exceed (a) plus (b) as follows:

- (a) \$1,722.22 or such greater amount as may be permitted under the *Income Tax Act*, multiplied by the Pensionable Service of the Member after December 31, 1991; plus
- (b) 1/35th of 25% of the average of the Year's Maximum Pensionable Earnings for the year of retirement and each of the two immediately preceding years, multiplied by the Pensionable Service of the Member after December 31, 1991, not exceeding 35 years.

(3) Maximum Bridge Benefits

The annual bridge benefit payable under Section 3(2) shall not exceed the sum of the maximum benefits payable to the Member under the Canada Pension Plan as applicable and the maximum Old Age Security benefit payable to individuals aged 65 as at the Member's pension commencement date, reduced proportionately in the case of a Member who has completed less than 10 years of Pensionable Service as at that date. The maximum bridge benefit so determined shall be further reduced by  $\frac{1}{4}$  of 1% for each month by which the Member's pension commencement date precedes his attainment of age 60.

**Section 6 - Application For Retirement Under VER Program**

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Applications for retirement under the VER Program are null and void unless made in writing before January 31, 1999, in the form and manner determined by the Early Retirement Joint Committee.

### **Section 7 - VER Deferral**

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The University shall retain the right to defer a Member's participation in the VER Program for one year.

### **Section 8 - Administration**

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The University shall administer the VER Program in accordance with the Pension Benefits Act, the Income Tax Act and the VER Agreement between the Faculty Association of the University and the University.

### **Section 9 - Prior VER Programs**

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A Member who retired under a prior VER Program as it was constituted prior to August 31, 1996 shall continue to receive benefits in accordance with the terms of the VER Program in force at the time of retirement, except that on and after July 1, 1994 such benefits shall be indexed in accordance with the formula in Section 3(1)(c) of this Appendix A, as amended from time to time, in lieu of the indexation formula in effect prior to July 1, 1994.

A Member who retired between September 1, 1996 and August 31, 1998 under the prior VER Program as it was constituted prior to August 31, 1998 shall continue to receive benefits in accordance with the terms of the VER Program in force at the time of retirement.