

The Manitoba School Boards Association

**Pension Plan for Non-Teaching Employees
of Public School Boards in Manitoba**

Amended and Restated Effective as of May 31, 2010

Consolidated to include Amendment No. 1, 2 and 3

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Section 1

Definitions

- 1.1 **“Association”** means The Manitoba School Boards Association (known prior to July 1, 2009 as The Manitoba Association of School Trustees).
- 1.2 **“Common-law Partner”** means a person who is not being married to the Member or Former Member but:
- (a) with the Member or Former Member is party to a common law relationship registered under section 13.1 of *The Vital Statistics Act*; or
 - (b) has been cohabiting with the Member or Former Member in a conjugal relationship,
 - (i) for a period of at least three years, if either of them is married; or
 - (ii) for a period of at least one year, if neither of them is married.
- 1.3 **“Earnings for the Year”** is determined as an Employee’s regular salary or wage for the year in respect of the non-teaching Service rendered by the Employee to the School Board, excluding bonuses or other remuneration.
- 1.4 **“Eligible Spouse”** means:
- (a) where the Member has not died prior to pension commencement, the Spouse of a Member or Former Member as determined at the date the Member or Former Member’s benefit commences to be paid;
 - (b) where the Member has died prior to pension commencement, the Spouse of a Member or Former Member as of the date of the Member or Former Member’s death;
- provided that, at such date, the Member or Former Member is not living separate and apart from the Spouse by reason of the breakdown of their relationship.
- 1.5 **“Employee”** means any person employed by a School Board in a non-teaching capacity that is not a member or required to become a member of any other registered pension plan sponsored by such School Board; without limiting the generality of the foregoing the term Employee shall include any persons employed on a non-full-time basis who is also not a member or required to become a member of any other registered pension plan sponsored by such School Board.
- 1.6 **“Existing Member”** means an eligible Employee who joins and is actively participating in the Plan.
- 1.7 **“Former Member”** means either:
- (a) a former Employee who was a Member of the Plan and who has terminated employment with a School Board but has retained the right to benefits under the terms of the Plan; or

(b) an Employee of a School Board that no longer participates in the Plan but such Employee has retained the rights to benefits in the Plan.

- 1.8 “**Fund**” means the Fund established in respect of the Plan in accordance with the terms of the Governance Trust Agreement.
- 1.9 “**Governance Trust Agreement**” means the trust agreement executed between the Association and the Pension Trustees dated as at January 1, 1996 and executed on June 10, 1996, which trust agreement is being amended and restated effective May 31, 2010, as same may thereafter be amended, restated, superceded or replaced from time to time.
- 1.10 “**Income Tax Act**” means the *Income Tax Act*, Statutes of Canada and the Regulations thereunder, as amended or replaced from time to time.
- 1.11 “**Life Income Fund**” or “**LIF**” “” means any vehicle, plan, or instrument to which monies from a registered pension plan may be transferred without attracting liability for income tax, and which has been approved in writing by the Superintendent of Pensions as a life income fund as defined under the Pension Benefits Act.
- 1.12 “**Locked-In Retirement Account**” or “**LIRA**” means any vehicle, plan, or instrument to which monies from a registered pension plan may be transferred without attracting liability for income tax, and which satisfies the requirements of the Pension Benefits Act pertaining to ensuring that the eventual payment therefrom be made in a form that would otherwise be required or permitted under the Pension Benefits Act.
- 1.13 “**Maximum Postponed Retirement Date**” or “**MPRD**” means the date specified in Section 8502(e) of the Income Tax Act in the case of benefits payable to a Member and Section 8506(1)(e) in the case of benefits payable to an Eligible Spouse.
- 1.14 “**Member**” means either an Existing Member or a Former Member and “**Members**” mean all Existing Members and Former Members.
- 1.15 “**Pension Benefits Act**” means The Pension Benefits Act (Manitoba), Chapter P32 of the continuing consolidation of the Statutes of Manitoba, as amended from time to time, and including any regulations thereunder.
- 1.16 “**Pension Trustees**” means, at any relevant point in time, those trustees, properly appointed in accordance with the provisions of the Governance Trust Agreement, together with any successor trustees resident in Canada as are hereafter properly appointed from time to time in accordance with the provisions of the Governance Trust Agreement.
- 1.17 “**Plan**” means The Amended and Restated Manitoba School Boards Association Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba (known prior to July 1, 2009 as The Manitoba Association of School Trustees Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba), effective as of May 31, 2010, as same may be thereafter amended, restated, superceded or replaced from time to time.
- 1.18 “**Plan Year**” means the fiscal year for the Plan as determined by the Pension Trustees in their sole discretion. Currently the Plan Year is the calendar year.

- 1.19 **“Prior Plan”** means Group Annuity Contract GA 2143 issued by the Manufacturers Life Insurance Company effective August 1, 1959, and as thereafter amended.
- 1.20 **“School Board”** means any public School Board, division or district of Manitoba that is a member of the Association and that has agreed to participate in the Plan.
- 1.21 **“Service”** means continuous employment with a School Board and shall include Temporary Suspensions of Employment as provided for in the Pension Benefits Act.
- 1.22 **“Spouse”** means, at the time a determination of spousal status is required, a person who, in relation to a Member, is a legal spouse or Common-law Partner.
- 1.23 **“Temporary Interruption of Employment”** means a period not exceeding 54 consecutive weeks during which a person who, immediately before the period was working for or providing a service for a School Board, is not working for or providing a service for such School Board but there was a reasonable expectation that such person would return to working or providing a service for such School Board.
- 1.24 **“Trust Agreement”** means any agreement, other than the Governance Trust Agreement, entered into by either the Association or the Pension Trustees, that provides for all or a portion of the funding of the Plan as such agreement may be originally adopted or as may be amended from time to time. The term **“Trust Agreement”** shall also include any contract with an insurance company which may be entered into by either the Association or the Pension Trustees if such contract acts wholly, or partly, as a funding medium of the Plan.
- 1.25 **“With Interest”** has the meaning assigned to it under Section 6.
- 1.26 **“Year’s Maximum Pensionable Earnings”** or **“YMPE”** means in respect of any Plan Year, the Year’s Maximum Pensionable Earnings as defined under the Canada Pension Plan.
- 1.27 Words implying the masculine gender include the feminine and words importing the singular include the plural where the context so requires.

Section 2

Effective Date

- 2.1 The Effective Date of the Plan is the first day of August, 1974.
- 2.2 The Plan is amended and restated as set out herein effective as of May 31, 2010 to reflect amendments to date and changes required as a result of amendments to the Pension Benefits Act.
- 2.3 The provisions of the Plan contained herein govern any and all matters, including, without limitation, benefits, where the relevant facts in respect thereto occur on or after May 31, 2010. Except as expressly provided herein or as otherwise required by the Pension Benefits Act or the Income Tax Act, any and all matters, including, without limitation, benefits, where the relevant facts in respect thereto occurred prior to May 31, 2010 shall be determined in accordance with the terms of the Plan as in effect on that relevant date.

Section 3

Eligibility

- 3.1 Each Employee who was a member of the Prior Plan on the Effective Date was permitted to become a Member of this Plan on the Effective Date. In such case the Employee may elect to transfer the value of his accrued benefits under the Prior Plan to his credit under this Plan.
- 3.2 Each full-time Employee who entered the Service of a School Board prior to the date that the School Board elected to participate and before January 1, 1984 was permitted to become a Member of the Plan on the earlier of:
- (a) the completion of 3 years of Service; or
 - (b) the completion of 1 year of Service and attainment of age 25;
- but no earlier than the date the School Board elected to participate in the Plan.
- 3.3 Each full-time Employee who entered the Service of a School Board after the date that the School Board elected to participate and before January 1, 1984 was required to become a Member of the Plan upon the earlier of:
- (a) the completion of 3 years of Service; or
 - (b) the completion of 1 year of Service and attainment of age 25.
- 3.4 Each full-time Employee who enters the Service of a School Board after the date that the School Board elected to participate in the Plan and on and after January 1, 1984 must become a Member of the Plan upon completion of one year of Service.
- Notwithstanding the foregoing provisions of this Section 3.4 and prior to May 31, 2010, a School Board may permit full-time Employees to participate in the Plan prior to completing one year of Service. In such cases, the School Board shall designate the period of Service that full-time Employees must complete prior to becoming eligible to participate in the Plan. Full-time Employees so designated may elect to participate in the Plan upon completing the designated period of Service, but such full-time Employees need not participate in the Plan until they have completed one year of Service.
- 3.5 Each full-time Employee who enters the Service of a School Board prior to the date that the School Board elects to participate in the Plan and on or after January 1, 1984 must become a Member of the Plan on the date the School Board elects to participate if they have completed one year of Service on such date or upon completion of one year of Service if later.
- 3.6 Each non-full-time Employee who entered the Service of the School Board prior to January 1, 1984 who is eligible to participate in the Plan and who was excluded from the Plan as a result of being a non-full-time Employee may join the Plan upon satisfaction of the eligibility criteria in Section 3.2 or 3.3 whichever is applicable.

- 3.7 Notwithstanding Sections 3.4 and 3.5 non-full-time Employees hired on or after January 1, 1984, may become Members of the Plan after they have completed one year of Service. However, non-full-time Employees who do not earn at least 25% of the YMPE in two successive calendar years after 1983 need not become Members of the Plan until the January 1 following the year in which this condition is met.
- 3.8 The Rolling River School Division No. 39 became a participating School Board effective January 1, 1994. Prior to January 1, 1994, the employees of the Rolling River School Division No. 39 participated in a registered money purchase pension plan underwritten by the Crown Life Insurance Company under Group Pension Policy No. GND 53274. The assets of this Crown Life pension policy are transferred to this Fund effective January 1, 1994. The assets so transferred consist solely of amounts contributed by or on behalf of employees who participated in the Crown Life pension policy who will become Members of this Plan. Upon receipt of the assets, the Association has allocated the amount transferred to the former members of the Crown Life pension policy, in accordance with their share of the amount transferred.
- 3.9 Notwithstanding Sections 3.4 and 3.5 any Employee hired on or after January 1, 1984, who is either:
- (a) a member of a religious group where one of its articles of faith is belief that their members are precluded from being members of a pension plan; or
 - (b) a student on a substantially full-time basis
- need not become a Member of the Plan.
- 3.10 The Prairie Spirit School Division sponsored the Staff Pension Plan for Employees of Prairie Spirit School Division #50, which was wound up effective December 31, 2008. Periods of service and membership accrued up to and including December 31, 2008 for any Members with respect to their participation under the Staff Pension Plan for Employees of Prairie Spirit School Division #50 will, for the purpose of determining eligibility to join this Plan and the entitlement to benefits under this Plan, be recognized under the Plan in accordance with the Pension Benefits Act.
- 3.11 Notwithstanding the sections above, any Existing Member of the Plan who terminates employment with a School Board and subsequently becomes employed within three months with another School Board may join the Plan immediately on their employment with the subsequent School Board.

Section 4

Membership

- 4.1 Each eligible Employee shall become a Member of the Plan by completing and signing the application for membership provided by the School Board.
- 4.2 Participation in the Plan does not constitute a guarantee of continued employment for any Employee.
- 4.3 Withdrawal from the Plan, suspension of contributions or borrowing against contributions shall not be permitted while a Member continues to be an Employee, since this is contrary to the purpose of the Plan. However, a Member who has reached their normal retirement date on or before January 1, 2018, may elect to suspend contributions and receive or not receive a retirement benefit from the plan even though the Member continues to be an Employee of a School Board. Members who have reached their normal retirement date after January 1, 2018 will not be able to suspend contributions unless they elect to cease employment, in which case they may elect to receive a retirement benefit.
- 4.4 Eligible Employees shall become Members on the date stated on their application form with the School Board.
- 4.5 A Member who terminates employment and is later re-employed with a School Board shall be treated as a New Employee for purposes of eligibility for membership and benefits under the Plan.
- 4.6 A Member who is employed by a School Board that elects to cease participation in the Plan in accordance with the terms of the Governance Trust Agreement may continue to participate as a Member without the continuation of contributions otherwise required under Section 5.1 of the Plan on the understanding that all other terms and conditions of the Plan and the Governance Trust Agreement continue to apply for so long as such Member remains in the Plan.

Section 5

Contributions

- 5.1 Each Member shall contribute, by payroll deduction, a percentage of his Earnings for the year less the contributions he makes to the Canada Pension Plan. The percentage for 2001 and prior years were determined in accordance with the Plan provisions in effect on January 1, 2001. The percentages for 2002, 2003 to June 30, 2015 and for July 1, 2015 and subsequent years shall be determined based on the following table.

Members Attained Age at Beginning of Plan Year	Contribution Percentages		
	2002	2003 to June 30, 2015	July 1, 2015 and thereafter
less than 44	9.40%	9.65%	10.65%
45 - 49	9.90%	10.15%	11.15%
50 - 54	10.40%	10.65%	11.65%
55 - 59	10.90%	11.15%	12.15%
60 – MPRD	11.40%	11.65%	12.65%

- 5.2 A Member may make additional contributions for current Service up to the maximum amount allowed as a deduction from income under the Income Tax Act after taking into account the required Member contributions in Section 5.1 and School Board contributions made, or to be made, in respect of the Member under Section 5.6. Such additional contributions shall be used to increase the Member's benefits at retirement, death prior to retirement or other termination of employment as an Employee and shall not affect the School Board's contributions in any way. Such contributions will be made by payroll deduction and may commence, be increased or decreased by the Member giving notification in writing to the School Board but such changes shall occur only on the first day of January of any calendar year. A Member may notify the School Board to stop additional contributions at any time during the calendar year.
- 5.3 Prior to November 1, 1988, the Plan permitted a Member to make contributions for past service up to tax deductible limits.
- 5.4 A Member on leave of absence from the School Board shall contribute to the Plan if he receives salary from the School Board during such absence, but not otherwise, subject to the provisions of Section 5.12.
- 5.5 Member required and additional contributions will be remitted to the Fund by the School Board within 30 days following the month in which they were received or deducted.
- 5.6 The School Board will contribute an amount equal to what the Member has contributed per Section 5.1. Such contributions will be remitted to the Fund by the School Board within 30 days following the month in which they were received or deducted.

Notwithstanding the foregoing provisions of this Section 5.6, no contribution shall be made by the School Board to the Fund in accordance with this Section 5 unless it is an eligible contribution as defined by the Income Tax Act and is permitted by the Income Tax Act. For greater certainty, the provisions of this Section 5.6 shall apply to the amount by which the assets of the Fund exceed the sum of all contributions made by or on behalf of Members of the Plan, With Interest, as at September 1, 1992.

- 5.7 With the consent of the Pension Trustees a Member may make a lump sum transfer to the Plan of funds available in cash from a registered pension plan or registered retirement savings plan. Except for funds transferred from the Prior Plan such transferred funds will be considered, for administrative purposes, as additional contributions, subject to any locking-in requirements that may have applied at the time of transfer.
- 5.8 Where a Member of the Plan is absent from work on or after January 1, 1991 due to sickness or accident, and the period of absence from work extends for at least 80 consecutive days that the Member would normally be at work, the School Board shall contribute an amount equal to the percentage from Section 5.1 applicable to the Member's age multiplied by the Member's Prescribed Earnings to the Member's contribution account, plus an equal amount to the employer contribution account on behalf of such Member. Such contributions shall be made for the period of absence in excess of 80 work days prior to the earlier of (i) the Member's return to work; and (ii) the date of termination of the Member's employment.

If contributions by the Member are continuing beyond the 80 working days, then the School Board's contributions under this provision shall be delayed until such Member contributions have ceased. Nevertheless, in no case shall the period of the School Board's contributions under this provision exceed a maximum of 24 months even if there have been multiple periods of absence from work. Contributions made by a School Board under this provision shall be treated in every respect as contributions made pursuant to Section 5.1 or 5.6.

Notwithstanding the foregoing, in no event shall contributions under this provision be made for an absence due to maternity leave.

For the purposes of this Section, "Prescribed Earnings" of a Member means the Member's salary rate in effect prior to the Member's absence from work. However, "Prescribed Earnings" shall not exceed the amount of compensation that is prescribed for this purpose by the Income Tax Act.

- 5.9 Commencing with the Plan Year starting January 1, 1994, a Member who was hired by the St. Vital School Board prior to January 1, 1990 and did not join the Plan when required to do so by the Manitoba Pension Benefits Act, shall make a special required contribution equal to the amount determined by the School Board which would have been the required contribution for each prior Plan Year that the Member should have been enrolled in the Plan. The School Board will then match the Member's special required contribution. Such special required contributions made by the Member and School Board, together with all required and additional contributions determined under this Section 5, shall not exceed the maximum contribution for current service allowed under the Income Tax Act.

- 5.10 Commencing with the Plan Year starting January 1, 2011, a Member who was hired by the Whiteshell School District prior to January 1, 2007 and did not join the Plan when required to do so by the Manitoba Pension Benefits Act, shall make a special required contribution equal to the amount determined by such School Board which would have been the required contribution for each prior Plan Year that the Member should have been enrolled in the Plan. The School Board will then match the Member's special required contribution. Such special required contributions made by the Member and the School Board, together with all required and additional contributions determined under this Section 5, shall not exceed the maximum contribution for current service allowed under the Income Tax Act.
- 5.11 Any amount, or any portion thereof, contributed to the Plan by any party pursuant to this Section 5 or otherwise may be refunded at any time to that party or the School Board as applicable, with any interest earned thereon where return of that interest, or a portion thereof, is permitted by law, where such action is required to avoid the revocation of registration of the Plan under the Income Tax Act, subject to the written approval of the Pension Commission of Manitoba in accordance with the provisions of the Pension Benefits Act and the Regulation thereunder.
- 5.12 Where a Member is absent from work and is receiving Workers' Compensation benefits, and the School Board is supplementing Workers' Compensation Benefits with sick leave payments,
- (a) the School Board shall deduct contributions as prescribed in Section 5.1 from any supplementary payments paid to the Member, and
 - (b) the School Board shall contribute an amount equal to the Member contributions, as prescribed in Section 5.6.

For the purpose of this Section 5.12, the Member's contribution shall be determined on Earnings which include the Workers' Compensation benefits, however, Earnings shall not exceed the amount of compensation that is prescribed for this purpose by the Income Tax Act.

- 5.13 The maximum contributions made by the Member under Section 5.1 and Section 5.2, a School Board under Section 5.6, as well as forfeitures in a year shall be the lesser of:
- (a) the Money Purchase Maximum Contribution Limit as defined under the Income Tax Act for that year, and
 - (b) eighteen percent (18%) of the Member's compensation for the year.

Section 6

Interest on Contributions

6.1 **“With Interest”** means interest compounded annually at such rate of interest per annum calculated below. Interest shall be accumulated on a particular contribution from the middle of the period of contribution until the date it is paid as a pension or other payment. The rate so calculated shall be applicable to the Plan Year. The calculation of the appropriate rate of interest shall be based on the net rate of return earned by the Fund. The net rate of return earned by the Fund for each Plan Year will be at a rate equal to the rate of return that can be reasonably be attributed to the operation of the Fund which reflects the amount of “interest for a partial year” paid or transferred from the Fund.

For the purposes of this Section 6.1, “interest for a partial year” means an amount of interest included within an amount paid or transferred from the Fund, with respect to any period since the end of the most recent Plan Year for which the net rate of interest can be determined based on what can be reasonably attributed to the operation of the Fund. The net rate of interest can be determined approximately 15 days after the end of a Plan Year upon receipt of investment statements.

Interest for a partial year will be determined at the time of transfer or payment of a Member’s benefit from the Fund, and will be based on the net rate of return that can reasonably be attributed to the operation of the Fund from the end of the most recent Plan Year end to the end of the month prior to the month of payment or transfer in accordance with the Pension Benefits Act.

Notwithstanding the above, for Members over the age of 55 at the beginning of a Plan Year in respect of interest for partial years, the net rate of return credited will not be less than the rate which results in the Member’s Account being equal to:

- (i) the Member’s Account on the later of January 1, 1994 or on 31st day of December coincident with or immediately following the Member’s 55th birthday, plus
- (ii) contributions made during each Plan Year subsequent to the date referred to in (i) above, plus
- (iii) interest at a rate equal to the average yield on the 91 Day Treasury Bills calculated annually after the date referred to in (i) above, and accumulated on a contribution referred to in (ii) above from the middle of the period of contribution. The last annual interest rate calculated based on the average yield of the 91 Treasury Bills will be used from the end of the last Plan Year to the date of payment during a Plan Year.

“Member’s Account” is the account where the Member’s contributions and the School Board’s contributions are directed on the Member’s behalf, With Interest.

Section 7

Retirement

- 7.1 The normal retirement date of the Member is the first day of the month coinciding with or immediately following his 65th birthday.
- 7.2 The amount of annual pension payable monthly to a Member upon retirement on his normal retirement date shall be equal to the amount which can be purchased from an institution licensed to transact annuity business in Canada by any amounts transferred from the Prior Plan to the Member's credit, With Interest, plus the Member's contributions made to this Plan, With Interest, plus the School Board's contributions on the Member's behalf, With Interest.

Subject to the requirements of the Pension Benefits Act, in lieu of the pension provided, the Member may elect to transfer the amount available to a LIRA, to another pension plan of which the Member becomes a member (provided such other plan permits receipt of transfers), or a LIF and receive an annual pension payable monthly from that pension plan or LIF.

The annuity factors applied to determine the Member's pension will not vary based on the sex of the Member.

- 7.3 A Member may retire prior to his normal retirement date provided he has attained his 50th birthday. In such event, his pension at early retirement would be calculated as per Section 7.2 with his pension commencing on his retirement date. A Member would also have same options to transfer his account as are available under the second paragraph of Section 7.2.

A Member who has reached his normal retirement date on or before January 1, 2018 and remains an Employee after his normal retirement date may, at his option, elect to receive his pension (or have it transferred) at any time in accordance with Section 7.2 or continue to contribute to the Plan in order to increase his eventual pension entitlement. Such contributions would be as required by Section 5.1 and the pension at actual retirement would be calculated as per Section 7.2. For the purposes of the Plan, in the event the Member continues to participate in the Plan and make contributions after his normal retirement date, the retirement date of such a Member shall not be later than the Maximum Postponed Retirement Date.

After January 1, 2018, any Member who remains as an Employee after their normal retirement date will continue to contribute to the Plan until they elect to retire and cease their employment. Such contributions would be as required by Section 5.1 and the pension at actual retirement would be calculated as per Section 7.2. The retirement date of such a Member shall not be later than the Maximum Postponed Retirement Date.

- 7.4 Notwithstanding the above, a Member retiring on his normal, early or postponed retirement date may elect to receive the amount of his additional contributions, With Interest, made to the Plan pursuant to Sections 5.2 and 5.3 in cash. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16
- 7.5 Notwithstanding the above, a Member who retires shall be entitled to withdraw up to 25% of the value of his and the School Board's contributions not available as a cash refund for Service from July 1, 1976 and prior to January 1, 1985, With Interest, provided that the Member, at the date of retirement, had not attained their normal retirement date. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16. Such a withdrawal would reduce proportionately the pension amount payable.
- 7.6 If a Member does not make an election under this Section 7 within 90 days after receiving his statement of options, the amount to which the Member is entitled under the Plan shall be retained in the Fund until the such time as an election is made under this Section 7 or an annuity is purchased pursuant to Section 7.7, as applicable. Notwithstanding the foregoing, where a benefit is payable by way of lump sum, Section 12.16 shall apply with regards to the failure to make an election.
- 7.7 If, as of 60 days prior to his Maximum Postponed Retirement Date, a Member has not made an election with regards to a locked-in benefit under this Section 7, the Pension Trustees shall cause the amount to which the Member is entitled under the Plan to be applied to the purchase from a life insurance company licensed to sell annuities of a pension in the form set out in Section 8.1 or 8.2, as applicable, commencing not later than December 1 of the calendar year in which the Member attains age 71 (or such other age as is permitted by the Income Tax Act). Notwithstanding the foregoing, where a benefit is payable by way of lump sum, Section 12.16 shall apply with regards to the failure to make an election.

Section 8

Form and Payment of Pension

- 8.1 In the case of a Member who does not have an Eligible Spouse, or who has provided a waiver pursuant to Section 8.3, the monthly pension shall be payable for his lifetime or for 10 years whichever is the longer period.
- 8.2 In the case of a Member who has an Eligible Spouse, the monthly pension shall be payable for his lifetime with 2/3 of the monthly pension continuing to be paid after his death to his surviving Spouse for her remaining lifetime.
- 8.3 In the case of a Member who has an Eligible Spouse, his Spouse may, after being given prescribed information in accordance with the Pension Benefits Act, elect to waive the provisions of Section 8.2 and be treated under Section 8.1 or 8.4. Such a waiver must be in writing in the form approved under the Pension Benefits Act for such purpose and signed, within 60 days before the commencement of the Member's pension, by the Spouse of the Member in the presence of a witness and apart from the Member.
- 8.4 In the case of a Member who does not have an Eligible Spouse, or whose Eligible Spouse has provided a waiver pursuant to Section 8.3, it is possible to elect other forms of pension than that described in Section 8.1. Such optional forms as are available will be described to the Member automatically at the time of pension commencement. In addition, a Member may request a different form of pension than those described, however, provision of such a form of pension will be at the discretion of the Pension Trustees. In addition, whatever form of pension is chosen must comply with the Income Tax Act.
- 8.5 In general, the more common pension options available are:
- (a) For Members with an Eligible Spouse, a joint annuity whereby payment continues to an Eligible Spouse after the death of the Member. The continued payment to the Eligible Spouse can be 50% or 100% of the pension of the Member.
 - (b) For Members with or without an Eligible Spouse, a life annuity can be chosen whereby payments are guaranteed to be made for life only or for 5 years or 15 years regardless of whether the Member lives or dies. After the guarantee period expires the annuity would be payable only if the Member is then living.
 - (c) For Members with or without an Eligible Spouse, an integrated income form of pension can be chosen whereby the Member receives increased amounts of pension on or before age 65 and a reduced pension thereafter, in order to provide pension income from the Plan that is integrated with the income that would be payable to the Member from the Canada Pension Plan and Old Age Security if the Member were entitled to unreduced benefits under the Canada Pension Plan and Old Age Security. The reduction in the pension pursuant to such an election must occur no later than the first day of the month following the first month in which the Member is entitled to unreduced benefits under the Canada Pension Plan. If the Member has an Eligible Spouse, the pension can only be paid in this form if such Eligible Spouse has provided a waiver, which waiver must be in writing in the form approved under the

Pension Benefits Act for such purpose and signed, within 60 days before the commencement of the Member's pension, by the Spouse of the Member in the presence of a witness and apart from the Member.

- 8.6 The amount to which a Member is entitled under the Plan may be transferred to a LIRA or applied for the purchase of a pension from an institution licensed to transact annuity business in Canada or, if applicable, provided by the financial institution sponsoring the Member's LIF. The relative pension amounts payable on each form of pension will be determined by the institution selected to underwrite the life annuity or LIF.
- 8.7 No change can be made in the type of pension chosen by a Member after the first pension payment has been made to him.

Section 9

Death Benefits

- 9.1 (a) If a Former Member whose Service ceased prior to May 31, 2010 dies on or after May 31, 2010 and before any annuity is purchased or transfer is made in accordance with Section 7 or 10, a death benefit shall be payable equal to the sum of (i), (ii) and (iii), With Interest:
- (i) the Former Member's contributions made to this Plan;
 - (ii) any amounts transferred from the Prior Plan to the Former Member's credit;
 - (iii) the School Board's contributions on the Former Member's behalf.

The payment of the foregoing death benefit shall be subject to the terms and conditions set out in paragraphs (b), (c) and (d) of this Section 9.1.

- (b) The Former Member's designated beneficiary or estate shall receive in a lump sum, the Member's contributions and School Board's contributions made to this Plan prior to January 1, 1985, With Interest, plus any amounts transferred from the Prior Plan to the Former Member's credit in respect of such period, with Interest. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.
 - (c) If the Former Member is survived by an Eligible Spouse and such Eligible Spouse has not, pursuant to Section 9.3, waived entitlement to the death benefit under this Section 9.1, then the Eligible Spouse shall, subject to paragraph (b) of this Section 9.1, be entitled to receive the benefit under Section 9.1(a), the amount of which shall be used to provide the Eligible Spouse with an immediate or deferred annuity or shall be transferred to a LIRA or LIF (and the Eligible Spouse shall have at least 90 days to make the election following receipt of the pension statement that is required to be provided under the Pension Benefits Act as a result of the Former Member's death).
 - (d) If the Former Member is not survived by an Eligible Spouse or, if the Former Member is survived by an Eligible Spouse and such Eligible Spouse has, pursuant to Section 9.3, waived entitlement to the death benefit under this Section 9.1, the said death benefit shall be payable to the Former Member's designated beneficiary by way of a lump sum payment. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.
- 9.2 (a) If a Member whose Service ceases on or after May 31, 2010 dies before any annuity is purchased or transfer is made in accordance with Section 7 or 10, a death benefit shall be payable equal to sum of (i), (ii) and (iii), With Interest:
- (i) the Member's contributions made to this Plan;
 - (ii) any amounts transferred from the Prior Plan to the Member's credit;
 - (iii) the School Board's contributions on the Member's behalf.

The payment of the foregoing benefit shall be subject to the terms and conditions set out in paragraph (b) and (c) of this Section 9.2.

- (b) If the Member is survived by an Eligible Spouse and such Eligible Spouse has not, pursuant to Section 9.3, waived entitlement to the death benefit under this Section 9.2, then the Eligible Spouse shall be entitled to receive the benefit under Section 9.2(a), the amount of which shall be used to provide the Eligible Spouse with an immediate or deferred annuity or shall be transferred to a LIRA or LIF (and the Eligible Spouse shall have at least 90 days to make the election following receipt of the pension statement that is required to be provided under the Pension Benefits Act as a result of the Member death).
 - (c) If the Member is not survived by an Eligible Spouse or, if the Member is survived by an Eligible Spouse and such Eligible Spouse has, pursuant to Section 9.3, waived entitlement to the death benefit under this Section 9.2, the said death benefit shall be payable to the Member's designated beneficiary or estate by way of a lump sum payment. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.
- 9.3 An Eligible Spouse may waive entitlement to the benefit payable under Section 9.1(a) or Section 9.2(a) by completing and filing with the Pension Trustees the prescribed form provided by the Pension Trustees. Any such waiver may be revoked by joint action of the Eligible Spouse and the Member, in the manner prescribed by the Pension Trustees. If the Member dies before any annuity is purchased or transfer is made in accordance with Section 7 or 10 and after the filing of such a waiver, and such waiver remains in effect at the time of the Member's death, the benefit under Section 9.1(a) or Section 9.2(a), as applicable, shall be payable as if the Member did not have an Eligible Spouse at the time of his or her death.
- 9.4 No benefit whatsoever is payable under the Plan upon the death of a Member after the first monthly pension payment has become payable to him except as is provided for under the form of pension selected as per Section 8.
- 9.5 Notwithstanding the above, if a Member dies before any annuity is purchased or transfer is made in accordance with Section 7 or 10, his Eligible Spouse, if any, or his designated beneficiary may elect to receive, in a lump sum, the amount of his additional contributions, With Interest, made to the Plan pursuant to Sections 5.2 and 5.3. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.
- 9.6 Notwithstanding the above, where a Member dies before any annuity is purchased or transfer is made in accordance with Section 7 or 10 and such Member is survived by an Eligible Spouse, the Eligible Spouse shall be entitled to withdraw up to 25% of the value of the Member's and the School Board's contributions not available as a cash refund for Service from July 1, 1976 and prior to January 1, 1985 With Interest, provided that the Member at the date of termination or, if death occurred while in Service, the date of death, had not attained their normal retirement date. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16. Such a withdrawal would reduce proportionately the pension amount payable.
- 9.7 Where an Eligible Spouse of a Member is entitled to receive a benefit under this Section 9 and such Eligible Spouse does not make an election in respect of such benefit within 90 days after receiving the statement of options in relation thereto, the amount payable shall be retained in the Fund until such time as the election is made or an annuity is purchased pursuant to Section 9.8.

Notwithstanding the foregoing, where a benefit is payable by way of lump sum, Section 12.16 shall apply with regards to the failure to make an election.

- 9.8 If, as of 60 days prior to his Maximum Postponed Retirement Date, an Eligible Spouse of a Member has not made an election under this Section 9, the Pension Trustees shall cause the amount to which the Eligible Spouse is entitled under the Plan to be applied to the purchase from a life insurance company licensed to sell annuities of a pension payable for the lifetime of such Eligible Spouse, commencing not later than December 1 of the calendar year in which the Eligible Spouse attains their Maximum Postponed Retirement Date or, if later, within one year of the Member's death. Notwithstanding the foregoing, where a benefit is payable by way of lump sum, Section 12.16 shall apply with regards to the failure to make an election.

Section 10

Termination Benefits

- 10.1 If for any reason other than death or retirement a Member's employment terminates prior to age 50 then he shall receive:
- (a) a cash refund of his additional contributions, With Interest, made pursuant to Sections 5.2 and 5.3; plus
 - (b) the amount of annual pension which can be purchased at the Member's normal retirement date (or at such other later date as is provided in Section 10.8) from an institution licensed to transact annuity business in Canada by the Member's contributions made pursuant to Section 5.1 and the School Board's contributions made pursuant to Section 5.6 on his behalf, With Interest together with the amount, if any, transferred to his credit from the Prior Plan, With Interest.
- In lieu of a lump sum cash payment under paragraph (a) of this Section 10.1, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.
- 10.2 A Member who terminates employment and becomes entitled to a cash refund pursuant to Section 10.1 may elect to leave any or all of the cash refund in the Fund. In such cases, the amount, With Interest will be used to purchase at the Member's normal retirement date (or at such other late date as is provided in Section 10.8, a pension from an institution licensed to transact annuity business in Canada.
- 10.3 In lieu of the pension provided under Section 10.1 and, if applicable, Section 10.2, subject to the requirements of the Pension Benefits Act, in lieu of the pension provided, the Member may elect to transfer the amount available to a LIRA or to another pension plan of which the Member becomes a member (provided such other plan permits receipt of transfers) and receive an annual pension payable monthly from that pension plan.
- 10.4 A Member who terminates employment for any reason other than death or retirement and at his date of termination has not attained their normal retirement date shall be entitled to withdraw up to 25% of the value of his and the School Board's contributions With Interest, not available as a cash refund pursuant to Section 10.1 for Service prior to January 1, 1985. In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16. Such a withdrawal would reduce proportionately the pension amount payable pursuant to Section 10.1.
- 10.5 Any pension provided under this Section shall be subject to Section 8 regarding form and payment of pension.
- 10.6 A Former Member, who is entitled to a pension at his normal retirement date, may, at any time following the attainment of age 50, elect to have his pension commence at a date earlier than his normal retirement date or to transfer the amount to another pension plan of which the Former Member becomes a member (provided such other plans permits receipt of transfers), a LIF or a life insurance company licensed to sell annuities in Canada to provide the Former Member with a life annuity, and receive an annual pension payable monthly from that pension plan, LIF or life annuity, subject to the requirements of the Pension Benefits Act.

- 10.7 If a Former Member, to whom a pension has been granted, dies prior to the commencement of such pension, his death benefit shall be determined according to Section 9.
- 10.8 If, as of 60 days prior to his Maximum Postponed Retirement Date, a Former Member has not made an election under this Section 10, the Pension Trustees shall cause the amount to which the Former Member is entitled under the Plan to be applied to the purchase from a life insurance company licensed to sell annuities of a pension in the form set out in Section 8.1 or 8.2, as applicable, commencing not later than December 1 of the calendar year in which the Former Member attains age 71 (or such other age as is permitted by the Income Tax Act). Notwithstanding the foregoing, where a benefit is payable by way of lump sum, Section 12.16 shall apply with regards to the failure to make an election.
- 10.9 Any Former Member may elect to retain the rights to benefits in the Plan, subject always to the provisions of the Pension Benefits Act, the Income Tax Act, any other applicable legislation and the provisions of the Plan and the Governance Trust Agreement. With respect to any such Former Members, the Pension Trustees shall continue to invest and administer their accumulated account balances in accordance with the terms of the Plan. In all such instances the Pension Trustees shall assess an administration expense recovery charge from all such Former Members (the “**Administration Expense Recovery Charge**”). The amount of the Administration Expense Recovery Charge will be determined by the Pension Trustees, in their sole discretion. This charge will be deducted from such Former Members’ account balances and transferred from the Fund to the Association’s Administration Account (as that term is defined in the Governance Trust Agreement) at the end of each Plan Year. Such assessment shall commence from the start of the Plan Year immediately after the date a Former Member becomes a Former Member. To be clear there shall be no administrative expense assessment for the period from the date the Former Member became a Former Member to the end of that Plan Year.

Section 11

Relationship Breakdown and Garnishment

11.1 As contemplated by the Pension Benefits Act, if:

- (a) an order by the Court of Queen's Bench made under The Family Property Pension Benefits Act (Manitoba) requires that the family assets of a Member and his or her Spouse, be divided between the Member and such Spouse;
- (b) a Member and his or her Spouse, have made a written agreement pursuant to which family assets are to be divided;
- (c) a division of the Member's Benefits is required by an order of a court of competent jurisdiction in another province or territory of Canada, or an order of the Court of Queen's Bench;

the Member's entitlement under this Plan shall be divided between the Member and such Spouse, as prescribed by the Pension Benefits Act, unless the parties have entered into a written agreement opting out of such division, as prescribed by the Pension Benefits Act. In the absence of such a written agreement, the benefit entitlement payable to the Member shall be reduced by the portion of the benefit to which his or her Spouse is entitled, and the amount to which the Spouse is entitled shall, subject to Section 12.13, be transferred to the Spouse's registered pension plan or to the Spouse's LIRA or LIF, as provided by the Pension Benefits Act.

11.2 Pension benefits of Members can be garnished for purposes of satisfying delinquent maintenance payments to a former spouse pursuant to the Maintenance Enforcement Program of Manitoba. The Plan will comply with a garnishing order obtained under Section 14 of the *Garnishment Act* (Manitoba) to enforce a maintenance order against a Member of the Plan. The amount to be commuted and paid out and the resulting reduction in such Member's pension benefit credit will be determined as prescribed under the Pension Benefits Act.

Section 12

General Provisions

12.1 The Association has delegated the responsibility for all aspects of the operation and administration of the Plan to the Pension Trustees in accordance with the terms of the Governance Trust Agreement, save and except for those aspects specifically reserved to the Association pursuant to the Governance Trust Agreement. Without limiting the generality of such delegation, but excluding those aspects in the Governance Trust Agreement specifically reserved to the Association, the Pension Trustees shall make all decisions regarding the investment of the assets of the Fund and shall resolve all questions relating to administration, application or interpretation of the Plan so long as such decisions are consistent with the terms of the Plan, any Trust Agreement, the Governance Trust Agreement and any applicable legislation. The Pension Trustees may delegate all or any portion of their duties pursuant to the operation of the Plan as they see fit, so long as any such delegations are consistent with the terms of the Plan, any Trust Agreement, the Governance Trust Agreement and any applicable legislation.

12.2 Subject to the requirements of the Pension Benefits Act a Member may appoint a beneficiary to receive any benefits which become payable under the Plan on his death. Such appointment shall be made on a form prescribed by the Pension Trustees. A Member may change his beneficiary from time to time subject to requirements of the law.

If a beneficiary is not appointed, or the beneficiary has died and no further beneficiary has been appointed, any benefits which become payable on the Member's death shall be paid to his estate in a lump sum.

12.3 No pension payments shall be made unless proof of age, satisfactory to the Pension Trustees has been provided.

12.4 Except as specified in Sections 12.13, 12.14, 12.15 and Section 11, benefits payable under the Plan shall not be assigned, charged, anticipated, surrendered or given as security and is exempt from execution, seizure or attachment, and any transaction purporting to assign, charge, anticipate, surrender or give as security such benefit, is void.

12.5 The Plan as amended from time to time is subject to Section 13 hereof and to the continued registration of the Plan by:

- (a) the relevant tax authorities as is necessary to establish that each School Board is entitled to deduct the amount of its payments as expenses before taxes under the provisions of the Income Tax Act (Canada) or any other applicable tax laws, and
- (b) the Pension Benefits Act.

The Plan is also subject to any other applicable legislation, as is now in effect, as amended from time to time or as may hereafter be enacted.

12.6 All investments made by the Fund shall at the time of investment, be those prescribed by applicable legislation. The Pension Trustees shall, in accordance with the terms of the Governance Trust Agreement, have responsibility for directing the investment of the Fund. All benefits will be paid out of the Fund. Administrative costs, including investment management expenses, not paid by the

Pension Trustees out of the Fund will normally be paid out of the account established by the Pension Trustees for the exclusive purpose of paying the administration and investment management expenses incurred by the Plan and the Fund.

- 12.7 Each Member or other person as required by the Pension Benefits Act shall receive a written explanation of the terms and conditions of the Plan and any of its amendments applicable to such Member or other person, together with an explanation of his rights and duties with respect to the benefits available to him, and such other information as may be prescribed by the Pension Benefits Act.
- 12.8 Each Member who ceases employment or otherwise ceases to be a Member or any other person who may be entitled to a benefit under the terms of the Plan as a consequence of the Member's membership therein shall receive, following such cessation of employment or membership, as applicable, and within the period prescribed by the Pension Benefits Act, a written statement setting out the information prescribed by the Pension Benefits Act in respect of the benefits of the Member or other person.
- 12.9 Each Former Member who becomes entitled to commence receiving a pension shall receive a statement, prior to commencement of such pension indicating the amount and form of payment of the pension as well as the options the Former Member has in regard to the form of pension.
- 12.10 Every Existing Member active at the end of a year and each Former Member shall receive within 6 months, a statement of benefits to which such Member is entitled under the Plan. Such a statement shall include all information required by the Pension Benefits Act.
- 12.11 The Pension Trustees shall make available to each individual so entitled under the Act such documents relating to the Plan as are prescribed under the Act.
- 12.12 The Pension Trustees shall make available to each Member, Spouse or other person who is so entitled the information prescribed by the Pension Benefits Act.
- 12.13 A benefit payable under this Plan will be commuted and paid in a lump sum if the total of the Member's contributions made pursuant to Section 5.1 (and, if applicable, any amount transferred to the Plan on a locked-in basis in accordance with Section 5.8) and the School Board's contributions made pursuant to Section 5.6 on his or her behalf, With Interest, is less than 20% of the YMPE (or such other amount as may be prescribed for this purpose by the Pension Benefits Act) in the year of retirement, termination or death, whichever occurs first. In the event that the amount payable to a Spouse pursuant to Section 11.1 is less than 20% of the YMPE (or such other amount as may be prescribed for this purpose by the Pension Benefits Act) in the year in which the division of benefits on relationship breakdown occurs, then such amount will be commuted and paid in a lump sum. In lieu of a lump sum cash payment under this Section 12.13, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.
- 12.14 A Member with a terminal illness or disability resulting in a shortened life expectancy of less than two years (or such other period as is prescribed by the Pension Benefits Act) shall have the right to elect, prior to pension commencement and after having been provided with the information prescribed by the Pension Benefits Act, to receive the locked-in portion of such Member's entitlement under this Plan by way of a lump sum, subject to the requirements of the Pension Benefits Act, including the requirements to provide:
 - (a) a written statement from a physician licensed to practice medicine in Canada certifying that the Member has a shortened life expectancy; and

- (b) where the Member has an Eligible Spouse, the written consent of such Eligible Spouse in accordance with the Pension Benefits Act.

In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.

12.15 A Former Member, his Eligible Spouse or such other person who is entitled to a benefit under this Plan who is a non-resident of Canada for purposes of the Income Tax Act, shall have the right to elect, prior to pension commencement and after having been provided with the information prescribed by the Pension Benefits Act, to receive the locked-in portion of such Former Member's, Eligible Spouse's or such other person's entitlement under this Plan by way of a lump sum, subject to the requirements of the Pension Benefits Act, including the requirements to provide:

- (a) written confirmation from the Canada Revenue Agency that the Former Member, Eligible Spouse or other person, as applicable, is a non-resident of Canada for purposes of the Income Tax Act;
- (b) where the Former Member has an Eligible Spouse, the written consent of such Eligible Spouse in accordance with the Pension Benefits Act.

In lieu of a lump sum cash payment, the amount may be transferred to a registered retirement savings plan as provided in Section 12.16.

12.16 If a Member or any other individual who is entitled to receive a benefit under the Plan as a lump sum is entitled under the Income Tax Act to transfer that lump sum to a registered retirement savings plan, such Member or individual will be permitted to make that transfer. If the Member or individual does not elect to make such transfer within 90 days after being provided with the relevant description of options available, the amount shall be paid as a lump sum, net of amounts withheld as required by law.

Section 13

Amendments and Future of the Plan

- 13.1 The Association expects and intends to maintain this Plan in force indefinitely but reserves the right to amend or discontinue the Plan, either in whole or in part, at any time, subject always to the requirements of the Pension Benefits Act and the Income Tax Act.

The Pension Trustees may amend the Plan, subject always to the Pension Benefits Act, the Income Tax Act or any other applicable legislation, but without the prior written consent of the Association, provided that:

- (a) the amendment does not terminate the Plan in whole or in part;
- (b) the amendment does not change the amount that School Boards are required to contribute towards Plan benefits;
- (c) the amendment does not deny a School Board from participating in the Plan;
- (d) the amendment does not grant a School Board the right to participate in the Plan; or
- (e) the amendment does not affect any other matter specifically reserved to be the responsibility of the Association (and not delegated to the Pension Trustees) under the Governance Trust Agreement.

The Association may, subject always to the Pension Benefits Act, the Income Tax Act or any other applicable legislation, amend the Plan in any manner whatsoever including, without limitation, as follows:

- (a) to terminate the Plan in whole or in part;
 - (b) to change the amount that School Boards are required to contribute towards Plan benefits;
 - (c) to discontinue a School Board's participation in the Plan; or
 - (d) to grant a school board the right to participate in the Plan.
- 13.2 No amendment to the Plan shall operate to reduce the benefits which have accrued to Members prior to the date of such amendment.
- 13.3 If the Plan is wound-up, the assets of the Fund (or, in the case of a partial termination, the pro-rata share of the assets) shall be used to provide benefits in accordance with the terms of the Plan, the Pension Benefits Act and the Income Tax Act. The rights of any person to benefits under this Plan shall be limited to any amounts transferred from the Prior Plan to the Member's credit, With Interest, plus the Member's contributions made to this Plan, With Interest, plus the School Board's contributions on the Member's behalf, With Interest.