EMPLOYEE BOOKLET FOR
THE SOUTH SHORE REGIONAL SCHOOL BOARD
CUPE STAFF PENSION PLAN

(Established April 1, 1978)

Effective January 1, 2018

SOUTH SHORE REGIONAL SCHOOL BOARD
CUPE STAFF PENSION PLAN

The South Shore Regional School Board and its predecessors (the "Employer") have provided pension benefits for its CUPE staff since April 1, 1978.

In addition to the benefits from this Plan, you may also receive the pensions provided by the *Canada Pension Plan* and the *Old Age Security Act.*

The South Shore Regional School Board CUPE Staff Pension Plan (the "Plan") is registered under the *Income Tax Act*. Accordingly, contributions made by you are deductible for income tax purposes.

The following pages describe the main provisions of the Plan. Please read them carefully so that you will be familiar with all the benefits to which you might be entitled. However, if there should be any conflict between this description and the official text of the Plan, the official text will govern in all cases. You may arrange to look at a copy of the official text.

A. ELIGIBILITY

You are required to join the Plan after the completion of 60 days of service with the Employer.

B. CONTRIBUTIONS

(i) Member Contributions

You are required to contribute, toward the cost of your pension benefits, an amount equal to 6.71% of your earnings. This contribution represents 45% of the cost of the benefits accruing under the Plan. The Employer pays the other 55% and is responsible for funding any shortfalls that may occur in the future. Your actual contribution rate may change over time as the cost of the benefits accruing changes, but will remain at 45% of that cost.

Subject to certain limits in the *Income Tax Act*, you may also elect to make additional voluntary contributions to the Plan in order to receive additional pension benefits. Any additional voluntary contributions that you make will be held in a separate account in your name and will be credited with interest at the rate described in paragraph (iv) below.

(ii) Employer Contributions

The Employer will contribute each year amounts necessary to provide for the cost of pension benefits accruing to Members during the year and to amortize any unfunded benefits accrued to date. No employer contributions will be made while a surplus exists which exceeds the cost of benefits accruing in the next two years.

(iii) Interest on Member Contributions

Your contributions to the Plan are credited with interest at a rate corresponding to the average rate of interest payable on 5-year personal fixed term chartered bank deposits in effect for the 12 month period ending in December of the Plan Year. Contributions made in the current year receive a pro-rata share of the annual rate.

(iv) Interest on Additional Voluntary Contributions

Additional voluntary contributions to the Plan are credited with interest at a rate corresponding to the rate earned by the pension fund. Contributions made in the current year receive a pro-rata share of the annual rate.

C. RETIREMENT DATES

Normal retirement date is the first day of the month coincident with or next following the month when you reach age 65.

You may elect to retire early with a reduced pension at any time after reaching age 55. The reduction is described below in Section D "Amount of Pension".

With the agreement of the Employer, you may postpone your retirement beyond age 65 on a year-to-year basis but not beyond the end of the year in which you reach age 71. You continue to contribute and earn benefits during this period of postponement.

D. AMOUNT OF PENSION

The annual amount of pension payable on retirement on or after age 65 will be equal to the total of (i) and (ii) as follows:

(i) For Service to December 31, 2002

2% of your 2002 earnings multiplied by your years of credited service to December 31, 2002.

(ii) For Service from January 1, 2003

2% of your earnings while accruing credited service after January 1, 2003.

If you retire prior to age 65, you will receive, commencing on your early retirement date, a pension determined as above, but reduced by 1/2% for every month (up to 60 months) that you retire prior to age 65, and by 1/3% for each additional month over 60 months that you retire prior to age 65. For example, if you retired on the day you turned 58, your pension would be reduced by 38% [(60 months * 1/2% = 30%) + (24 months * 1/3% = 8%). The reduction reflects the fact that payments are starting earlier than anticipated and will therefore be made over a longer period of time.

However, if you terminate employment before age 65, you may elect to postpone commencement of pension payments until age 65, in which case there will be no reduction in your pension.

E. MINIMUM BENEFIT

You are guaranteed that your contributions made to the Plan after December 31, 1987 will not be used to provide more than 50% of the value of the benefits that you earn in respect of your service from that date. Any "excess contributions" will be refunded to you on your retirement or termination of employment, as applicable.

F. BENEFITS ON TERMINATION

(i) Pension Options

If you terminate employment you will receive a deferred pension payable at age 65.

You also have the option to commence receiving a reduced early pension at any time after reaching age 55.

(ii) Transfer Options

If you terminate employment before age 55 (that is, before you are eligible to retire) you may elect, rather than receiving a pension from the Plan, to have the value of your pension transferred to:

- a locked-in retirement account (LIRA); or
- the pension plan of your new employer; or
- a life insurance company to purchase a deferred life annuity.

If you have made additional voluntary contributions to the Plan, these contributions, with interest, will be refunded as a lump sum cash benefit, transferred to a non-locked-in RRSP or used to purchase an additional pension from a life insurance company.

G. BENEFITS ON DEATH

(i) Beneficiary Designation

You may designate a beneficiary to receive the benefits which are payable from the Plan in the event of your death. However, please note that, under the Nova Scotia *Pension Benefits Act*, there are rules that limit your beneficiary designation, as follows:

- if you have a spouse (please review the definition of “spouse” outlined below), your spouse **must** receive any death benefits that are paid from the Plan on your behalf, unless your spouse has waived his or her entitlement to those death benefits using the prescribed forms;
- if you have a spouse and your spouse has *not* waived his or her entitlement, you may still designate any other person as your beneficiary but that person will not receive any death benefits unless you no longer have a spouse at the time of your death;
- if you do not have a spouse, you may designate any person as your beneficiary;
- if you do not have a spouse and do not designate a beneficiary, any death benefits that are paid from the Plan on your behalf will be paid to your estate.

The definition of “spouse” in the Nova Scotia *Pension Benefits Act* determines who is your spouse for pension purposes. Please review the following definition carefully:

(1) the person to whom you are married;

(2) the person to whom you are married by a marriage that is voidable and has not been annulled by a declaration of nullity;

(3) the person with whom, in good faith, you have gone through a form of marriage that is void and with whom you are cohabiting or with whom you have cohabited within the immediately preceding twelve-month period;

(4) the person with whom you have entered into a registered domestic partnership under the Vital Statistics Act; or

(5) If not married, the person with whom you have lived in a conjugal relationship for a period of:
   a. At least 3 years if either of you are married
   b. At least 1 year if neither of you are married

Note: If you are not formally divorced from your legal spouse and have not finalized a division of property, he or she will be recognized as your spouse under the pension plan, even if you are legally separated or no longer living together.

If you have a question about your particular circumstances and the descriptions outlined above do not seem to apply, you should contact the Employer for more information. You should advise the Employer of any changes in your marital status or if you wish to change your beneficiary.

(ii) Benefits on Death Before Retirement

If you have a spouse your spouse will receive a refund equal to the greater of:

1. your own contributions to the Plan, with interest; or

2. 100% of the value of the pension earned to the date of your death.

If at the date of your death you have reached age 55, your spouse may elect, instead of the refund described above, to receive a lifetime pension with the guarantee that a minimum of 120 payments will be made from the Plan. Therefore, if your spouse dies prior to receiving 120 payments, the remaining payments will me made to your spouse's beneficiary

If you do not have a spouse your beneficiary will receive a lump sum payment in the amount of 100% of the value of the pension earned to the date of your death.

(iii) Benefits on Death After Retirement

(1) Member Without a Spouse

The normal form of pension is payable for your lifetime, with the guarantee that a minimum of 120 monthly payments will be made in total. As a result, if you die before 120 monthly payments have been made, your beneficiary will continue to receive pension payments until 120 monthly payments have been made in total.

(2) Member With a Spouse

If you have a spouse at the date of your retirement, you are required under provincial pension legislation to elect an automatic form of pension that is paid during your lifetime and continues, after your death, to your spouse in 60% of that amount for your spouse's lifetime. The amount of pension payable under this form will be adjusted so that it is actuarially equivalent to the normal form of pension described above.

(3) Optional Forms of Pension

Instead of the normal forms of pension described above, you may choose to receive a pension in a different form. However, if you have a spouse, your spouse is required to waive in writing the entitlement to the normal form of pension if the form of pension you choose does not provide a lifetime benefit to your spouse of 60% or more of the amount of your pension. If you have chosen an optional form of pension on retirement, the benefit payable to your spouse after your death will be determined in accordance with the option you chose.

If you have made additional voluntary contributions to the Plan, these contributions, with interest, will also be paid to your spouse or beneficiary on your death.

H. GOVERNMENT PENSION BENEFITS

In addition to the Plan benefits previously described, you may be eligible for pension benefits under the *Canada Pension Plan Act* and *Old Age Security Act* when you reach age 65.

(i) *Canada Pension Plan Act* ("CPP")

The annual CPP benefit to which you will be entitled at age 65 can be estimated as 25% of the average of your last 5 years of earnings, subject to a maximum level of benefit. The maximum CPP benefit payable to those retiring in 2018 is $13,610 a year. The CPP benefits may be payable as early as age 60 but in a reduced amount.

Starting in 2019, CPP will be gradually enhanced. Contributions to CPP and benefits payable from CPP will gradually increase until 2025. Your pension will increase based on how much and for how long you contribute to the enhanced CPP.

For more information on CPP enhancements, you can visit the Government of Canada's website at https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-enhancement.html.

(ii) *Old Age Security Act* ("OAS")

OAS benefits may be payable starting at earliest age 65. The maximum OAS benefit payable as at January 1, 2018 is $7,040 per year. If your total retirement income exceeds a certain threshold, your OAS benefit will be clawed back.

The pensions under both the CPP and the OAS programs are adjusted by cost of living increases on a regular basis.

You should apply for OAS and CPP benefits six months before you wish to receive these benefits. For more information on government benefits, you can visit their website at https://www.canada.ca/en/services/benefits/publicpensions/cpp.html.

I. PROOF OF AGE

You will be required to provide proof of age for yourself and your spouse (if applicable) before you retire. A birth certificate, baptismal certificate or passport is the best proof of age. If you do not have these, you may obtain information about other acceptable proof from the Employer.

J. FUTURE OF THE PENSION PLAN

The Employer expects the Plan to be permanent, but necessarily reserves the right to amend or discontinue the Plan in whole or in part if, in the opinion of the Employer, further conditions should warrant such action. However, this would not affect the benefits earned up to the date of the change.