Dear WLUFA Members,

The process of converting and transferring assets from an existing pension plan into a jointly sponsored pension plan is governed by Ontario's *Pension Benefits Act* ("**Act**"). The Act requires the administrator of the existing plan (in this case, Wilfrid Laurier or the "**University**") to send a notice package to all members about the proposed conversion ("**Conversion**"). Those notices would be sent to current plan members represented by WLUFA and other union members by June 2024, as well as to individual pension plan members who do not have a bargaining agent (known as "unrepresented members"), deferred/vested members, and retirees.

The practical operation of the Act is to require unions and other bargaining agents to either consent or not to consent to the Conversion on behalf of their active members. The notice process will, therefore, only proceed if the largest employee groups (including WLUFA) decide to consent to the Conversion.

Because the University will be sending the official notices after the WLUFA ratification process is complete, the following summary is intended to explain and summarize in detail the notices that will be sent to you following ratification of the MOA. The summary is for your information only. The formal regulatory notices may differ.

There are two notices, formally called "**Schedules**". The first Notice (**Schedule 1**) is a standard notice about the Wilfrid Laurier University Pension Plan (the **current Plan**), and will include your individual current Plan member information, set out certain prescribed information about the current Plan, and include a statement of the benefit to which you were entitled as of June 30, 2024.

The second Notice, Schedule 2, is a standard notice about the University Pension Plan (**UPP**) and provides and compares certain prescribed provisions of the current Plan and the UPP, and provides an estimate of the benefits you will receive for your service to the date of Conversion to the UPP.

Below we provide a detailed summary, in advance of the regulatory notices being sent out, of Schedules 1 and 2.

SCHEDULE 1

STANDARD NOTICE TO MEMBERS Re:
WILFRID LAURIER UNIVERSITY PENSION PLAN (Reg. No. 0314492)

a) Personal Information

Schedule 1 will include your personal, individual current Plan information as of a specified date, including:

- Name and date of birth
- Date of current Plan entry and vested status
- Date of employment
- Years of credited service
- Amount of required contributions
- Amount of additional, voluntary contributions
- Salary for purposes of calculating pension benefit
- Normal Retirement Date and annual pension benefit earned
- Earliest Unreduced Pension Date and annual amount of pension benefit earned
- Your Spouse and/or designated beneficiary

Schedule 1 will also note the date all of the information in the Schedule was prepared, and the effective date of the proposed Conversion of the current Plan to the UPP,

b) Summary of Current Plan Provisions

Schedule 1 will summarize the information about the current Plan as is set out in the current Plan text. The current Plan will determine your accrued benefits as of the Conversion date to the UPP.

i. Benefit formula – current Plan

The current Plan is known as a Hybrid Pension Plan, which is based on two components: a Money Purchase Pension (**MPP**) and a Minimum Guarantee Pension (**MGP**).

If your MPP is greater than your MGP, your pension will be the MPP.

If your MPP is less than your MGP, your pension at retirement will be your MPP PLUS the difference between your MPP and MGP.

The effect is to provide you with a pension amount at retirement equal to the greater of your MPP and MGP.

Money Purchase Pension (MPP)

Your Money Purchase Component Account is the account which holds the contributions made by you and the University, plus accumulated interest. Your MPP is the amount of pension that can be provided from the balance in the Money Purchase Component Account, determined at your retirement date.

The amount of pension that can be provided from a given balance in your Money Purchase Component Account is determined based on annuity factor tables used by the current Plan for that purpose.

Minimum Guarantee Pension (MGP)

The MGP is a final average earnings-based defined benefit pension. Your pension at retirement will be calculated on the annualized average of your best five years of highest Pensionable Earnings[1] at the University ("**Best Years' Earnings**"). The amount of your MGP pension is calculated according to a formula:

> 1.37% of your Best Years' Earnings up to the average Canada Pension Plan Year's Maximum Pensionable Earnings (**YMPE**);
>
> PLUS
>
> 2% of your Best Years' Pensionable Earnings above the average YMPE
>
> MULTIPLIED BY
>
> Years of pensionable service in the current Plan.

NOTE: The maximum pension payable per year of service is limited by the provisions of the Income Tax Act (**ITA**) . In 2023, the ITA limit is $3,506.67 per year of service.

Minimum Guarantee Pension and Early Retirement

The above calculation will determine your MGP for retirement on or after your Normal Retirement Date. For retirement before your Normal Retirement Date, the MGP will be reduced.

For service before January 1, 2013: The MGP is reduced by 1.5% per year (or 3/24 of 1% per month) if you retire early between the ages of 60 and 65 or 2.5% (or 5/24 of 1% per month) per year if you retire early between the ages of 55 and 50.

For service from January 1, 2013, onward: The MGP is reduced by 3% per year (or 1/4 of 1% per month) if you retire early between the ages of 60 and 65, and 5% per year (or 5/12 of 1% per month) for early retirement between the ages of 55 and 60.

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[1] Note that there may be a difference between a member's Pensionable Earnings and their Actual Earnings.

ii. Past Service Pensions – current Plan

Pensionable Service shall also include periods of service with a previous employer after December 31, 1991, in respect of which you transferred money into the current Plan as a purchase of past service. Such purchase of service shall be subject to Past Service Pension Adjustments.

If the Member doesn’t purchase past service, the transfer is a special additional contribution that would accrue interest like the Money Purchase Component Account, but the amount is handled as a special lump sum contribution. If the Member purchases past service, the transfer amount is incorporated with the Money Purchase Component Account.

iii. Additional Voluntary Contributions and Special Lump Sum Contributions – current Plan

Additional Voluntary Contributions are additional contributions you may elect to make through payroll deduction, permitted up to the maximum amounts allowable under the ITA from time to time as a deduction in computing taxable income. Such contributions will accumulate with Credited Interest and may be taken as a lump sum or may be used at retirement to provide an additional amount of pension as may be provided based on the actuarial tables in force for Plan purposes at that time. Additional Voluntary Contributions are not matched by the University, and are not taken into consideration for purposes of the MGP calculation.

You may also deposit a Special Lump Sum Contribution equal to:

(a) All or any portion of the amount you are entitled to receive on a non-locked-in basis, or have received as a cash refund from a tax-exempt plan for pension purposes. Such deposit must be made within the period set forth in the ITA for the allowance of such deposit as a deduction from taxable income for that year.

(b) An amount you are is entitled to receive on a locked-in basis, such as the transfer of your equity in the pension plan of a former employer, for the provision of pension benefits at retirement. The University may enter into agreements guaranteeing the "locking in" of such transferred amounts, if appropriate, for the provision of pension benefits.

Members employed by the Waterloo Lutheran Seminary are not be permitted to make Additional Voluntary Contributions or Special Lump Sum Contributions after June 30, 2014.

iv. Indexing – current Plan

Your MPP, plus any additional benefit provided by your Additional Voluntary and/or Special Lump Sum Contributions, is adjusted annually, based on the average rate of interest earned by the current Plan fund during the most recent four-year period less the MPP conversion rate used to calculate your initial benefit at retirement.

Your MGP benefit:

For service accrued before January 1, 2013: Your MGP benefit will be adjusted annually by 100% of the increase in the Consumer Price Index (CPI) increase for the previous year, up to a maximum of 4%.

For service accrued from January 1, 2013, onward: Your MGP benefit will be adjusted annually by 50% of the increase in the Consumer Price Index (CPI) increase for the previous year, up to a maximum of 4%.

A blended rate will be applied to the MGP for Members with service accrued both before and after January 1, 2013.

v. Integration with CPP – current Plan

The current Plan is designed to provide a lower rate of benefit accrual (with lower contributions) below the YMPE under the Canada Pension Plan and a higher benefit accrual rate (with higher contributions) above that earnings level.

vi. Benefits payable on post-retirement death – current Plan

The "normal form" of benefit provides for a pension in accordance with the formulae described above and is payable for your lifetime or a guaranteed period of 5 years. That means that the current Plan will continue to make monthly payments to your beneficiaries even if you die before you have received 60 monthly payments (i.e. 5 years of payments).

However, if on the date the first installment of the pension is made, you have an eligible spouse who has not waived their entitlement, the normal form of benefit is a 60% joint and survivor annuity. You will receive a reduced monthly benefit for your lifetime. Upon your death, if your eligible spouse is alive, your eligible spouse will receive a pension equal to 60% of the pension that had been paid to you. Because the pension must be of the same value as the normal life guaranteed five-year benefit payable to a Member without an eligible spouse, your pension is reduced to a benefit which, including the value of the survivor benefit, has the same value as the life guaranteed five-year benefit that would be payable if you did not have an eligible spouse.

Schedule 1 will also describe the optional forms of pension provided under the current Plan which include different guarantee periods.

vii. Pre-retirement death benefits – current Plan

For service after 1986, the benefit in the event of death before retirement consists of: the balance in your Money Purchase Component Account based on contributions made to the current Plan after January 1, 1987 plus credited interest; plus the amount, if any, by which the commuted value of your Minimum Guarantee Pension attributed to participation after January 1, 1987 exceeds the balance in the Money Purchase Component Account, if any. This amount is payable to an eligible spouse in lump sum or in the form of an immediate or deferred annuity. If you did not have an eligible spouse, the amount is paid as a lump sum to your beneficiary or estate.

For service before 1987, the balance in your Money Purchase Component Account at December 31, 1986 plus credited interest is payable to your eligible spouse, estate or beneficiary who received the pre-retirement death benefit attributable to service after 1986.

If you have made Additional Voluntary Contributions or Special Lump Sum Contributions, the balance is payable as a lump sum to your eligible spouse. If you do not have an eligible spouse, the balance is payable to your beneficiary or estate.

viii. Benefits on termination of employment – current Plan

On termination of employment you may elect to transfer the value of your pension entitlement, which is the greater of the commuted value of your MGP or the balance in your Money Purchase Component Account, to:

- A prescribed registered retirement savings arrangement;
- Another registered pension plan (if that plan allows transfers in); or,
- Purchase a life annuity from an insurance company licensed in Canada.

Transfers are only permitted on a locked-in basis, and subject to ITA transfer limits.

Alternatively, you may leave your Money Purchase Component Account balance in the current Plan, and receive at retirement such pension that can be provided from the balance, together with credited interest, to date of retirement, along with any additional pension that may be provided from the MGP accrued to the date of termination.

For Additional Voluntary Contributions, your options on termination other than death or retirement are to:

- transfer the funds to another registered pension plan (if that plan allows transfers in);
- transfer the funds to a non-locked-in retirement savings arrangement;
- use the funds for purchase of a life annuity; or,
- receive a lump sum of the contributions plus Credited Interest, along with any Special Lump Sum Voluntary Contributions as well;

For Special Lump Sum Voluntary Contributions, your options on termination other than by death or retirement are to:

- transfer the funds to another registered pension plan (if that plan allows transfers in);
- transfer the funds to a locked-in retirement savings arrangement;
- use the funds for purchase of a life annuity; or,
- receive a lump sum of the contributions plus Credited Interest, along with any Additional Voluntary Contributions;

ix. Working and collecting a pension – current Plan

You may cease making contributions and collect your pension at any time after age 65 without retiring from employment. You may also continue in employment and contribute and accrue benefits under the current Plan past age 65. In any event, you must cease making contributions and commence receipt of a pension no later than December 1st of the year in which you turn age 71.

x. Commuting a pension - current Plan

Instead of receiving a monthly retirement pension, you may elect that the commuted value of the retirement pension be transferred, on a locked-in basis, to:

- a prescribed registered retirement savings arrangement, or
- the pension fund related to another pension plan if the administrator agrees to accept the payment;or,
- purchase a life annuity from an insurance company licensed in Canada.

c) Funded status of the current Plan

The Schedule 1 Notice will summarize the funded status of the current Plan as stated in the most recent valuation filed with the Financial Services Regulatory Authority of Ontario.[2]

As of December 31, 2021 , the current Plan's status was:

1. 102% funded on a "going concern" basis. (The Plan is 102% funded if both the Money Purchase and MGP benefits are taken into account.) That means that as of the valuation date, the current Plan's assets were equal to 102% of the value of the benefit obligations of the current Plan, valued using assumptions relating to long-term expected investment return of the current Plan. The current Plan at December 31, 2021 has a Going Concern surplus of $20,118,000.

[2] The full valuation is available at: https://lauriercloud.sharepoint.com/sites/human-resources/pension-and-retirement-services/Documents/pension-plan-actuarial-valuations.pdf

2. 104% funded on a “solvency” basis. That means that as of the valuation date, the current Plan’s assets were equal to 104% of the value of the benefits obligations of the current Plan, excluding the value of indexing adjustments and valued using long-term, low-risk interest rates. The current Plan at December 31, 2021 had a solvency surplus of $36,216,000

3. The Plan is 82% funded on a wind-up basis. That means that, if the current Plan were wound up as of the valuation date, the assets on hand would be equal to 82% of the value of future benefits payable, including the estimated value of future indexing adjustments and using short-term low-risk interest rates.

The University is not required to fund for the wind-up liabilities. However, if the current Plan was wound up (conversion to the UPP is not a wind-up), the University would be financially obligated for the full amount of the wind-up cost.

d) The consent process to convert the current Plan to the UPP

The notice will also describe the consent process for conversion of the current Plan to the UPP and how WLUFA’s role as bargaining agent fits into that consent process. Your individual participation in the consent process will be through the ratification process organized by WLUFA.

SCHEDULE 2

STANDARD NOTICE TO MEMBERS Re: THE UNIVERSITY PENSION PLAN (Reg. No. 1357243)

Schedule 2 will include your personal information including name and date of birth.

The notice will state the effective date of the proposed Conversion of the current Plan to the UPP and the date as of which the information was prepared.

a) Your entitlement as of [Conversion date] under the UPP assuming that the conversion took place on that date.

Because benefits under the UPP for service *prior to* the date of Conversion to the UPP will be determined by the provisions of the current Plan, the benefits payable under the UPP as of [insert date above] will be exactly the same as the benefits payable under the current Plan.

b) A comparison of various terms of the UPP with the terms of the current Plan:

The next part of Schedule 2 will compare features of the current Plan and the UPP, as follows:

Wilfrid Laurier University Pension Plan – the current Plan	University Pension Plan – UPP
Required Contributions	*Required Contributions*
Members contribute: 8% of annual pensionable earnings up to the Year's Maximum Pensionable Earnings (**YMPE**) + 10% of annual pensionable earnings above the YMPE The University contributes an amount equal to your contributions up to a limit of 7% of your Pensionable Earnings, and in addition contributes the amount certified by the Actuary as appropriate to provide benefits from the minimum guarantee fund. Based on the December 31, 2021 valuation, the additional supplemental pension normal cost is 3.13%. Therefore University total contributions are 10.13%	Both members and employers contribute, and share contributions 50/50: 9.2% of annual pensionable earnings up to the YMPE + 11.5% of annual pensionable earnings above the YMPE Earnings for contribution purposes are capped by limits in the *Income Tax Act* (ITA). In the UPP, the CPP maximum earnings will be each year's YMPE until 2025, and will then be the new Year's Additional Maximum Pensionable Earnings (**YAMPE**) starting in 2025. The YAMPE is 14% higher than the YMPE (it would be $75,924 in 2023), and is part of a package of improvements to the CPP which will be fully effective by the end of 2024. For WLUFA Members, the contribution increases associated with the Conversion of the

	current Plan into the UPP is subject to a negotiated pension “offset” in a proposed amendment to the collective bargaining agreement, and is conditional on the Conversion of the current Plan to the UPP. On average, you can expect to contribute approximately 1.0% to1.5% more of your total earnings than you currently contribute;it will vary by individual based on actual earnings.
Other Contributions	*Other Contributions*
You may elect to make Additional Voluntary Contributions and Special Lump Sum Contributions to the current Plan, in addition to required contributions.	The UPP does not permit any other contributions.
Basis of Pension Calculation	*Basis of Pension Calculation*
The pension that can be provided, using: • the current Plan’s actuarial tables, from the balance in your Money Purchase Component Account (**MPP**) PLUS • the difference, if any, between that pension and the Minimum Guarantee Pension, (“**MGP**”) which is determined based on an accrual formula and your years of credited participation.	Best average earnings-based defined benefit pension calculated in accordance with the benefit formula multiplied by your years of credited service.
Minimum Guarantee Formula	*Pension Formula*
The Minimum Guarantee Pension (**MGP**): 1.37% x average of your Best Years’ Pensionable Earnings up to the average YMPE; PLUS 2.0% x your Best Years’ Pensionable Earnings over the average YMPE; X Your years of pensionable service	1.6% x your Best Average Earnings up to the average YMPE; PLUS 2.0% x your best average earnings over the average YMPE; X Your years of pensionable service

Money Purchase Pension	
The Money Purchase Pension (**MPP**) is determined based on the balance of your Money Purchase Component Account, standardized mortality tables, and the annuity conversion factor rate. If the value of your MPP is greater than your MGP, you will receive the higher amount. If the value is lower than the MGP, you will receive the MGP.	There is no MPP in the UPP. The balance in your Money Purchase Component Account under the current Plan will be transferred to the UPP. It will continue to accrue investment earnings and will form part of the calculation of your entitlement for pre-conversion service when you retire under the UPP.
Best Years' Earnings	*Best Average Earnings (BAE)*
Your Best Years' Earnings is the average of your earnings during the five (5) current Plan years of the highest earnings excluding periods in which you were on a University-granted leave where you elected not to contribute to pension during your leave.	Your BAE is the average of your highest 48 months of pensionable earnings as a member, up to the maximum pension limit under the Income Tax Act. Earnings months need not be consecutive.
Indexation	*Indexation*
For service accrued before January 1, 2013: Your MGP will be adjusted by 100% of the increase in the Consumer Price Index (CPI) for the previous year, up to a maximum of 4%. For service accrued from January 1, 2013, onward: Your MGP benefit will be adjusted by 50% of the CPI increase for the previous year, up to a maximum of 4%. If you retire with service accrued both before and after January 1, 2013, your pension will be subject to a blended adjustment rate. The MPP is adjusted annually based on the average rate of interest earned by the Plan fund during the most recent four-year period less the MPP conversion rate used to calculate your initial benefit at retirement.	The UPP provides for *funded conditional indexing* to pensions earned for Pensionable Service on and after the Conversion Date. "Funded" means that contributions to the UPP are enough to fund indexing to 75% of the change in the CPI in the previous year. Indexation adjustments are effective January 1, and are prorated for retirements within one year of that date. The UPP's conditional indexing means that indexing adjustments are subject to the financial condition of the UPP and the UPP's funding policy, and may be less than 75%. Indexation of pension benefits for UPP pensionable service based on 75% of the increase in CPI was guaranteed for the first seven years of pension payments after its

	effective date of July 1, 2021.
Normal Retirement Date	*Normal Retirement Date*
The first day of the month coincident with your birthday, if your birthday is on the first day of the month. Otherwise, thefirst day of the following the month in which you turn 65	The end of the month in which you turn 65
Early Retirement Date	*Early Retirement Date*

The first day of the month coincident with, or next following, the month in which you turn 55.
Your MPP is determined as noted above.
Your MPG will be subject to reduction if you retire before age 65:
• For service prior to January 1, 2013:
  ○ 1.5% per year if age 60 to 65
  ○ 2.5% per year if age 55 to 60
• For service after January 1, 2013:
  ○ 3% per year if age 60 to 65
  ○ Additional 5% per year if age 55 to 60
Members who retire early and have accrued service before January 1, 2013 are subject to a blended reduction rate.
	As early as the end of the month in which you turn 55.
	early *unreduced* pension:
	You can retire with an *unreduced* pension as early as age 60 if your age plus your eligible service equal at least 80 points.
	If you don't qualify for an early *unreduced* pension, you can still retire as early as age 55 but your pension will be reduced by 5% for each year (prorated for partial years) that you are under age 65.

Normal Form of Pension	*Normal Form of Pension*
With a Spouse The normal form of pension if you have a spouse on the date of retirement is a lifetime pension with 60% spousal pension. *Without a Spouse* If you do not have a spouse at retirement or your spouse has waived their entitlement, the normal form of pension benefit is a lifetime pension with a 5-year guarantee period. There are several additional, optional forms of pension available.	*With a Spouse:* The normal form of pension if you have a spouse on the date of retirement is a lifetime pension with 50% spousal pension. There are several optional forms of spousal pension available. *Without a Spouse:* If you do not have a spouse at retirement, or your spouse has waived their entitlement, you may elect a lifetime pension with 10-year or 15-year guarantee period.

Post-Retirement Death Benefits	*Post-Retirement Death Benefits*
Without a Spouse If you do not have a spouse as of your retirement date, your pension will be guaranteed for 5 years. That means your pension will continue for the guarantee period or until your death, whichever comes later. If you die within the guarantee period, your beneficiary or estate will receive the pension you would have received for the remainder of the guarantee period. *With a Spouse* If you have an eligible spouse who has not waived their entitlement, the normal form of benefit is a 60% joint and survivor annuity. Upon your death, if your eligible spouse is alive, your eligible spouse will receive a pension equal to 60% of the pension that had been paid to you.	*Without a Spouse* If you do not have a spouse as of your retirement date, your pension will be guaranteed for the period you have selected (10 or 15 years). That means your pension will continue for the guarantee period or until your death, whichever comes later. If you die within the guarantee period, your beneficiary or estate will receive the pension you would have received for the remainder of the guarantee period. *With a Spouse* If you have an eligible spouse who has not waived their entitlement in full, the normal form of benefit is a 50% joint and survivor annuity. Because the law requires that a 60% spousal pension be provided, the eligible spouse must sign a legal waiver to elect a 50% spousal pension. Members therefore have an option for an actuarially unreduced pension with a ten year guarantee and a 50% spousal pension. These forms of joint and survivor annuity are adjusted if your spouse is more than 10 years younger than you.
Pre-Retirement Death Benefit	*Pre-Retirement Death Benefit*
If you die before retirement, your eligible spouse will receive the value of your Money Purchase Component Account based on contributions made to the current Plan after January 1, 1987; plus the amount, if any, by which the commuted value of your MGP attributed to Credited Participation after January 1, 1987 exceeds the balance in the Money Purchase Component Account, if any. This amount is payable to an eligible spouse in lump sum or in the form of an immediate or deferred annuity. If you do not have an eligible spouse at the time of your death, or your spouse has waived	If you die before retirement, your eligible spouse is entitled to the full value of your pension unless they sign a waiver. The benefit will be paid as an immediate monthly pension for your spouse's life, unless they choose to: • leave the pension in UPP and collect a lifetime pension starting no later than December 1st of the year in which they turn age 71, or • take the benefit as a single lump sum payment, either as cash (with applicable tax withheld) or transferred to a registered retirement savings vehicle.

their rights to your survivor benefits, the amount is paid to your beneficiary or estate as a single taxable lump sum payment.	Your eligible spouse has the right to waive their entitlement to pre-retirement survivor benefits, in which case the benefit will instead to go your designated beneficiary or estate. If you don't have a spouse at the time of your death, or your spouse has waived their rights to your survivor benefits, the money will be paid to your beneficiary or estate as a single taxable lump sum payment.
Termination from current Plan	*Termination from UPP*
If you terminated from the current Plan, other than due to death or retirement, you have the following options: 1. Deferred Pension Option – Leave your benefits in the current Plan until you are eligible or decide to retire; 2. Lump Sum Transfer Option – Transfer the balance in your Money Purchase Component Account plus the excess, if any, of the commuted value of the MGP over the balance in the Money Purchase Component Account to a registered retirement vehicle or other registered plan, or purchase an annuity through an insurance company. The Lump Sum Transfer Option is available regardless of your age at termination.	If you terminate from the UPP before age 55, other than due to death or retirement, you have two options: 1. Deferred Pension Option (default) - Leave your benefits in the UPP until you become eligible to retire; or 2. Lump Sum Transfer Option - Transfer the commuted value of your UPP pension to a registered retirement vehicle (such as a LIRA) or other registered pension plan, or purchase an annuity through an insurance company. If you terminate after age 55 there is no Lump Sum Transfer Option under the UPP. However, the University and WLUFA will make a request to the Joint Sponsors of the UPP to permit WLUFA members to maintain the Lump Sum Transfer Option for terminations after age 55 as follows: i. for benefits earned for service before and after the Conversion date, if you terminate employment within 3 years of the Conversion date; and ii. for benefits earned for service before the Conversion date, if you terminate employment on or after the third anniversary of the Conversion date from but before the fifth anniversary of the conversion date.
Small Pensions	*Small Pensions*

If the annual pension you've earned in the current Plan - payable at your normal retirement date - is not greater than 4% of the YMPE at your date of termination, or the commuted value of your pension is less than 20% of the YMPE at your date of termination, you will be required to receive the commuted value of your benefit as a taxable lump sum payment or a tax-deferred transfer to a financial vehicle.	If the annual pension you've earned in the UPP - payable at your normal retirement date - is not greater than 4% of the YMPE at your date of termination, or the commuted value of your pension is less than 20% of the YMPE at your date of termination, you will be required to receive the commuted value of your benefit as a taxable lump sum payment or a tax-deferred transfer to a financial vehicle.
Employment After Normal Retirement Date	*Employment After Normal Retirement*
If you continue to work after your normal retirement date, you may elect to continue to contribute to the current Plan and accrue credited service until you retire or reach age 71, at which point you must begin to receive your pension. Alternatively, you may elect to cease contributions and pension accrual and either begin to receive your pension or defer your pension while continuing in employment. In either case, you must commence your pension no later than 1 December following the date at which you turn 71.	If you continue to work after your normal retirement date, you must continue to contribute to and accrue service in the UPP until you retire, or up to November 30th of the year you turn the maximum permitted age under applicable Canadian law, which is currently age 71. Once you meet the maximum permitted age, contributions will stop and you must elect a pension. Prior to age 71, you are not permitted to continue in employment and receive a UPP pension at the same time.
Additional Voluntary Contributions	*Additional Contributions*
Subject to ITA limits, members may also make additional voluntary contributions to their Money Purchase Component Accounts if they would like to increase their pension benefits at retirement. The University does not match these voluntary contributions.	Contributions in excess of required contributions are not permitted.

c) Service Before and After Conversion

Indexation: For service prior to the Conversion, indexing would be in accordance with the provisions of the current Plan. For service after the Conversion to UPP, indexing would be in accordance with the provisions of the UPP – i.e. for the first 7 years, UPP pensions in pay will be adjusted to reflect 75% of the change in the CPI; after that, funded conditional indexing at 75% of the CPI, conditional on the Joint Sponsors' funding policy.

Death and survivor benefits: for service prior to the Conversion, death and survivor benefits would be determined based on the provisions of the current Plan, as summarized above; whereas death benefits arising from service after the Conversion to UPP would be determined based on the provisions of the UPP, as summarized above.

d) Funded Status of the UPP:

The Schedule 2 Notice will summarize the funded status of the UPP as stated in the most recent valuation filed with the Financial Services Regulatory Authority of Ontario.[3]

As of December 31, 2021, the UPP's status was:

1. 110% funded on a "going concern" pure defined benefit basis. That means the UPP's assets were equal to 110% of the value of the benefits provided by the UPP, valued using assumptions about long-term investment returns and including the estimated value of future indexing adjustments. As of December 31, 2021, the UPP had a going concern surplus of $1,122,666,000.

2. 95% funded on a "solvency" basis. That means the UPP's assets were equal to 95% of the value of the benefits provided by the UPP, excluding the value of indexing adjustments and valuing future benefits based on short-term low-risk interest rates. The UPP had a solvency deficiency of $682,665,000.

3. 75% funded on a wind-up basis. That means that, if the UPP were wound up as of the valuation date, the assets on hand would be equal to 75% of the value of future benefits payable, including the estimated value of future indexing adjustments and using short-term low-risk interest rates.

e) Funding of current Plan benefits in the UPP

The University will be fully responsible for any going concern unfunded liability in the current Plan as of the date of Conversion. The University will be required to amortize that unfunded liability in the current Plan over a period not to exceed 15 years.

f) Joint sponsorship and governance of the UPP

The UPP has a two-tier governance structure:

i. Joint Sponsors

[3] https://myupp.ca/about-us/funded-status/

There are two sponsors. The Employer Sponsor, consisting of representatives of employers – the University of Toronto, the University of Guelph and Queen's University; and the Labour Sponsor, consisting of representatives of the Unions and faculty associations that represent Plan members.

The Joint Sponsors determine the benefits from and contributions to the UPP as well as its funding policy. The joint sponsors are also responsible for the appointment of the Board of Trustees which is the Administrator of the UPP.

ii. Board of Trustees

As the Administrator of the UPP, the Board of Trustees consists of 14 Trustees: an independent chair jointly appointed by the Sponsors; 6 appointed by the Employer Sponsor; 6 appointed by the Labour Sponsor; and one appointed by members not represented by a Union or faculty association in accordance with a process approved by the Joint Sponsors. The non-unionized nominee does not have a tie-breaking vote.

The Board of Trustees is responsible for the day-to-day administration of the UPP, including the provision of member services, the investment of UPP assets and compliance with applicable legislation.

g) Benefits on wind-up of a Jointly Sponsored Pension Plan

The University remains responsible for benefits earned prior to the date of Conversion. For benefits earned after Conversion, the UPP is responsible for the benefits. This is different from the current Plan. In the current Plan, the University is responsible for any unfunded liability on wind-up, whereas in the UPP, it is only responsible for an unfunded liability arising from service *prior to* the date of Conversion. In the event that the University is unable to pay (i.e., is insolvent with insufficient assets to cover the pension liability), members of the current Plan are eligible for coverage under the Pension Benefits Guarantee Fund, a provincial fund, that covers the unfunded portion of the first $1,500 in monthly benefits. This means, for example, that if the current Plan were to be wound up, the University was insolvent and the funded ratio on windup was 80%, members would receive the unfunded 20% of $1,500 (or $300) per month from the Guarantee Fund.

After Conversion, benefits are not covered by the Pension Benefits Guarantee Fund. Instead, the benefits are guaranteed by the UPP. In the unlikely event that the UPP itself were to be wound up, the University would be responsible for any wind-up deficit related to benefits transferred into the UPP from the current Plan.

h) Solvency Funding

The UPP, as a Jointly Sponsored Pension Plan (JSPP), is exempt from solvency funding and other special funding requirements for any JSPP that is named in a regulation to the Pension Benefits Act.

i) Grow-in benefits

The Pension Benefits Act provides for enhanced benefits to be paid to pension plan members whose plan membership is involuntarily terminated, subject to meeting certain eligibility requirements. These enhanced benefits are called "grow-in" benefits, and in such situations, terminated members derive the financial benefit from any early retirement benefits to which they might have become entitled had their employment continued uninterrupted. The UPP has not excluded the Plan from the operation of s. 74 of the Pension Benefits Act, which provides for grow-in benefits.

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