CANADA POST CORPORATION REGISTERED PENSION PLAN

EFFECTIVE OCTOBER 1, 2000

Revised and approved by the
Pension Committee of the Board of Directors of
Canada Post Corporation on August 27, 2026

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FOREWORD

The Canada Post Corporation Registered Pension Plan (the "Plan") was adopted by Canada Post Corporation effective October 1, 2000 to provide benefits to employees under a defined benefit arrangement. Prior to October 1, 2000, Canada Post Corporation was deemed to be a public service corporation for purposes of the *Public Service Superannuation Act* so that its employees could participate in the retirement benefits provided under that statute.

The Plan automatically covers all employees of Canada Post Corporation who were employed as of September 30, 2000 and who were contributors under the *Public Service Superannuation Act,* as defined in that Act*,* on that date. Benefits accrued by these employees under the *Public Service Superannuation Act,* along with an appropriate amount of assets were transferred to the Plan pursuant to the terms of the *Public Sector Pension Investment Board Act*. In addition, all elections regarding elective service made by these employees under the terms of the *Public Service Superannuation Act* that were subsisting as of the September 30, 2000 were transferred to the Plan and all amounts payable on and after October 1, 2000 under such elections were payable to the fund of the Plan. The Plan also applies to all new employees of Canada Post Corporation after September 30, 2000 who meet the eligibility requirements of the Plan.

The Plan is intended to operate as a successor to the *Public Service Superannuation Act*. The Plan is also intended to qualify as a registered pension plan under the *Income Tax Act (Canada)* and for registration under the *Pension Benefit Standards Act, 1985*. Canada Post Corporation intends that the terms of the Plan will continue to be subject to the requirements of the *Income Tax Act (Canada)* and the *Pension Benefit Standards Act, 1985* as amended from time to time to maintain such registration.

Canada Post Corporation intends the Plan to operate together with the Canada Post Corporation Supplementary Retirement Arrangement to provide overall defined benefit pension benefits to eligible employees of Canada Post Corporation. Accordingly, the terms of the Plan should be read in conjunction with the terms of the Canada Post Corporation Supplementary Retirement Arrangement. Benefits to be provided by Canada Post Corporation under the *Public Sector Pension Investment Board Act* or otherwise that are not permissible in a registered pension plan under the *Income Tax Act (Canada)* will be provided by the Canada Post Corporation Supplementary Retirement Arrangement to the extent specified in that arrangement.

Effective January 1, 2010, Canada Post Corporation added a new defined contribution component to the Plan. All employees accruing pension benefits in the Plan as at December 31, 2009 continue to accrue pension benefits under the defined benefit component of the Plan on January 1, 2010. A description of the employee classes that are required to join the defined contribution component of the Plan is now included in Appendix D.

The defined contribution component of the Plan operates together with a supplementary retirement arrangement to provide defined contribution benefits to eligible employees of Canada Post Corporation. Accordingly, the terms of the Plan should be read in conjunction with the terms of this supplementary retirement arrangement with respect to defined contribution benefits.

As a result of the collective agreement effective January 1, 2024, all actual hours paid to permanent flex employees (formerly known as permanent relief employees) and to route holders with routes of at least twelve (12) hours per week, excluding overtime, for the period on or after June 18, 2026 shall constitute pensionable service under the Defined Benefit Component.

Unless otherwise specifically indicated, the terms of the Plan contained in this text apply to Members who terminate employment, retire, or die on or after January 1, 2024. Benefits payable in respect of Members who terminated employment, retired or died before January 1, 2024 shall be governed by the provisions of the Plan as then in effect unless otherwise specifically indicated.

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PART A

GENERAL INTERPRETATION AND MEMBERSHIP

1. GENERAL INTERPRETATION

Wherever used in the *Plan*, the following terms will have the meanings given below or the meanings given in Article 3 or 12 of the *Plan*, as the case may be, unless the context clearly indicates otherwise.

1.1 DEFINITIONS

"Account" has the meaning assigned under Section 12.1.

"*Administrator*" means Canada Post Corporation acting in its capacity as administrator of the Plan, as the term administrator is defined under the *PBSA* and the *Income Tax Rules*.

"*Annuity*" means, in respect of a *DB Member*, a periodic lifetime retirement income, as assigned under Section 3.1.

"APOC" means the Association of Postal Officials of Canada.

"*Assigned Hours*" of an *Employee* means the regular guaranteed weekly hours of work which are associated with a position for an *Employee*.

"*Average Assigned Hours*" has the meaning assigned under Section 1.3.

"*Beneficiary*" means the person or persons designated pursuant to Section 22.1.

"*Bridge Benefit*" means, in respect of a *DB Member*, a temporary periodic benefit, as assigned under Section 3.1.

"*Cash Termination Allowance*" [DELETED EFFECTIVE JULY 1, 2011]

"*Common-Law Partner*" in relation to a *Member*, means a person who is cohabiting with the *Member* in a conjugal relationship, having so cohabited for a period of at least one year.

"*Common-Law Partnership*" means the relationship between two persons who are *Common-Law Partners* of each other.

"*Commuted Value*" means a lump sum amount, representing the present value at the date of calculation of the person's *Pension Benefits* and other benefits under Part B of the *Plan*, determined on an actuarial basis, using the methods and assumptions adopted by the *Administrator*, subject to the *PBSA* and the *Income Tax Rules*.

"Continuous Service" has the meaning assigned under Section 12.1.

"*Corporation*" means Canada Post Corporation.

"CPAA" means the Canadian Postmasters and Assistants Association.

"*CUPW*" means the Canadian Union of Postal Workers.

"DB Component" or ***"Defined Benefit Component"*** refers to the provisions of Part B of the *Plan*.

"DB Member" means a *Member* who accrues or is entitled to benefits under the *DB Component*.

"*DC Benefit*" means the amount or amounts payable to a *Member*, *Spouse*, former *Spouse, Common-Law Partner*, former *Common-Law Partner* or *Survivor Pre-Retirement* pursuant to the terms of Part C of the *Plan*.

"DC Component" or ***"Defined Contribution Component"*** refers to the provisions of Part C of the *Plan*.

"DC Member" means a *Member* who accrues or is entitled to benefits under the *DC Component*.

"*Deferred*" has the meaning assigned by Section 3.1.

"Dependent Child" or "Dependent Children" has the meaning assigned under Section 3.1.

"*Disabled*" has the meaning assigned by Section 3.1.

"*Earnings*" has the meaning assigned by Section 1.2.

"*Eligibility Service*" means service determined pursuant to Section 3.2.

"*Employee*" means a person who is either a *Full-Time Employee*, *Part-Time Employee* or a *Temporary Employee*, as assigned under Section 1.3.

"Fiscal Year" means the fiscal year of the *Plan* as defined in Section 20.5.

"Forfeiture" [DELETED EFFECTIVE JANUARY 1, 2012]

"*Funding Agreement*" means the trust agreement(s) or pension investment contract(s), as amended, substituted or replaced from time to time, between the *Administrator* and the *Funding Agent* for the purpose of the *Plan*.

"Funding Agent" means the corporation or corporations which is or are, or the individuals who are, administering the *Pension Fund* and which have entered into a *Funding Agreement* in respect thereof with the *Administrator*. If the *Funding Agent* is comprised of individuals, at least three of them must reside in Canada and at least one of them must be independent of the *Corporation*.

"*Full-Time*" in relation to a period of service or a position means a period of service or a position of a *Full-Time Employee*, as assigned under Section 1.3.1.

"*Grandfathered DB Member*" means a *DB Member* who became a *DB Member* of the *Plan* on October 1, 2000 by operation of Section 2.1.1.

"Group A Member" means a *Member* who has to his credit only *Group A Pensionable Service*.

"Group A Pensionable Service" means the periods of *Pensionable Service,* other than *Group B Pensionable Service*.

*"**Group AB Member"*** means a *Member* who has to his credit periods of both *Group A Pensionable Service* and *Group B Pensionable Service* whose rights and obligations under the *Plan* are addressed in Section 1.5(g).

"***Group B Member***" means a *Member* who has to his credit only *Group B Pensionable Service*.

"Group B Pensionable Service" means the periods of *Pensionable Service,*

(a) accrued by an *Active DB Member,* or

(b) for which an election to purchase *Eligibility Service* is made by an *Active DB Member*,

while represented by *CUPW* under the collective agreement pertaining to Urban Postal Operations or Rural and Suburban Mail Carriers if the *Active DB Member's* current period of membership in the *Plan* began on or after December 21, 2012. *Group B Pensionable Service* excludes the *Pensionable Service* of a grandfathered *Part-Time Employee* by operation of subsection 2.1.2(ii) who elects or is required to become an *Active DB Member*.

"*Highest Average Earnings*" has the meaning assigned under Section 3.1.

"*Income Tax Rules*" means the provisions of the *Income Tax Act (Canada)* R.S.C. 1985, c.1 (5th Supp.) and the Regulations thereunder with respect to registered pension plans, as amended from time to time.

"*Immediate*" in relation to an *Annuity* or *Bridge Benefit* of a *DB Member* means an *Annuity* or *Bridge Benefit* that becomes payable to the *DB Member* on the date that he *Terminates Employment*. In relation to the *Survivor Allowance* payable to a *Survivor Pre-Retirement, Survivor Post-Retirement* or *Dependent Child*, *Immediate* means a *Survivor Allowance* that becomes payable no later than the first day of the month immediately after the death of the *DB Member*.

"Investment Income" has the meaning assigned under Section 12.1.

"***Long-Term Replacement Assignment***" means any of:

(a) a single predetermined work assignment that commences on or after January 1, 2004 under the collective agreement with *CUPW* pertaining to Urban Postal Operations, has a duration of more than six months, and schedules or assigns hours of work of at least twelve hours a week;

(b) a single predetermined work assignment that commences on or after January 1, 2016 under the collective agreement with *CPAA*, has a duration of more than six months, and has *Assigned Hours* of work of at least twelve hours a week; and any subsequent assignments thereto of the same *Employee* of more than twenty consecutive shifts in a single position where the *Assigned Hours* are at least twelve hours per week; or

(c) an assignment for a period of more than twenty consecutive shifts that commences on or after January 1, 2016 under the collective agreement with *CPAA*, has *Assigned Hours* of at least twelve hours per week for the duration of the assignment, and which, through one or more consecutive extensions of the assignment each of more than twenty consecutive

shifts, is lengthened to be greater than six months in duration of uninterrupted employment in a single position; and any subsequent assignments thereto of the same *Employee* of more than twenty consecutive shifts in a single position where the *Assigned Hours* are at least twelve hours per week. For greater clarity, the Long-Term Replacement Assignment in this situation shall begin on the day following the accumulation of six months of uninterrupted employment in the extended assignment. This six month period is referred to as the "qualifying assignment period".

"Management and Exempt Employee" means an *Employee* in a *Management and Exempt Position.*

"Management and Exempt Position" means an employment status with a *Participating Employer* that is not subject to collective bargaining or covered by a collective agreement.

"Member" includes each of, "*Active DB Member*", "*Active DC Member*", "*Deferred DB Member*", "*Inactive DB Member*", "*Retired DB Member*" and "*Terminated DC Member*" as defined by Section 1.4.

"*Participating Employer*" means the *Corporation* and any other affiliated employer which has been designated by the *Corporation* as eligible to participate in the *Plan* and which has adopted the *Plan*.

"*Part-Time*" in relation to a period of service or a position means a period of service or a position of a *Part-Time Employee*, as assigned under Section 1.3.2.

"*PBSA*" means the *Pension Benefit Standards Act, 1985*, R.S.C. 1985, c. 32 (2nd Supp.) and the Regulations thereunder, as amended from time to time.

"*Pensionable Age*" means, except as provided under Section 5.4, the earliest age at which a *DB Member* is entitled to an unreduced *Immediate Annuity,* which shall be

(a) for a *Group A Member*, on the earlier of

(i) the later of the date

(A) when the *Member* would attain sixty years of age, and

(B) when the *Member* has to his credit two years of *Eligibility Service* or, on the assumption that his membership continues, would have been a *Member* for two years, and

(ii) if at the date of determination, the *Member* has attained thirty years of *Eligibility Service*, the later of the date

(A) when the *Member* would attain fifty-five years of age, and

(B) the date the *Member* attained thirty years of *Eligibility Service*.

(b) for a *Group B Member*, on the earlier of

(i) the later of the date

(A) when the *Member* would attain sixty-five years of age, and

(B) when the *Member* has to his credit two years of *Eligibility Service* or, on the assumption that his membership continues, would have been a *Member* for two years, and

(ii) if at the date of determination, the *Member* has attained thirty years of *Eligibility Service*, the later of the date

(A) when the *Member* would attain sixty years of age, and

(B) the date the *Member* attained thirty years of *Eligibility Service.*

"Pensionable Service" means service determined pursuant to Section 3.3.

"Pension Benefit" means the periodic amount or amounts payable to a *Member*, *Spouse*, former *Spouse, Common-Law Partner*, former *Common-Law Partner*, *Survivor Pre-Retirement, Survivor Post-Retirement* or *Dependent Child* pursuant to the terms of Part B of the *Plan*.

"*Pension Fund*" means the pension fund and assets thereof established pursuant to the terms of the *Plan* and the *Funding Agreement* into which contributions are to be paid and from which *Pension Benefits, DC Benefits* and other benefits under the *Plan* are to be paid.

"*Plan*" means this Canada Post Corporation Registered Pension Plan, as amended from time to time.

"*Provincial Pension Plan*" has the same meaning as in the Canada Pension Plan.

"PSAC" means the Union of Postal Communications Employees of the Public Service Alliance of Canada.

"*PSSA*" means the *Public Service Superannuation Act*. R.S., c. P-36, as amended to September 30, 2000 except to the extent that a provision of the *Plan* specifies another date.

"*Public Service*" means the several positions in or under any department or portion of the executive government of Canada, except those portions of departments or portions of the executive government of Canada prescribed under the *PSSA*, of the Senate and House of Commons, the Library of Parliament and any board, commission, corporation or portion of the Public Service of Canada specified in Schedule I of the *PSSA*.

"*Public Service Pension Fund*" means the Public Service Pension Fund as that term is defined in the *PSSA*.

"*Reciprocal Transfer Agreement*" means any agreement, including any reciprocal transfer agreement, memorandum of agreement, pension transfer agreement or such other agreement entered into by the *Administrator* as contemplated under Section 20.7 of the *Plan*, which provides for the transfer to or from the *Plan* of a *Member's* pension benefits following a transfer of employment to or from a *Participating Employer.*

"*Return of Contributions*" has the meaning assigned under Section 3.1.

"*Spouse*" in relation to a *Member*, means, a person who is married to the *Member* or a person who is party to a void or null marriage with the *Member*.

How* "*Spouse or Common-Law Partner*" *to be read, except for Section 18.2, where, at the time when a determination is necessary, a *Member* has a *Spouse* from whom they are separated and a

Common-Law Partner with whom they are cohabiting, a reference to "*Spouse* or *Common-Law Partner*" means the *Common-Law Partner*.

"*Superannuation Account*" means the account established under the *Civil Service Superannuation Act,* chapter 50 of the Revised Statutes of Canada*,* 1952 and continued under the *PSSA*.

"*Survivor Allowance*" has the meaning assigned under Section 3.1

"*Survivor Pre-Retirement*" means in relation to an *Active Member, Inactive DB Member, Deferred DB Member or Terminated DC Member*:

(a) if there is no person described in paragraph (b), the *Spouse* of the *Member* at the time of the *Member*'s death; or

(b) a person who was the *Common-Law Partner* of the *Member* at the time of the *Member'*s death.

"*Survivor Post-Retirement*" in relation to a *Retired DB Member* means the *Spouse* or *Common-Law Partner* at the time the *DB Member* started receiving an *Annuity*.

"*Temporary*" in relation to a period of service or a position means a period of service or a position of a *Temporary Employee*, as assigned under Section 1.3.3.

"Termination of Employment" and ***"Terminates Employment"*** have the meanings assigned under Section 1.3.4.

"*YMPE*" has the same meaning as the term Year's Maximum Pensionable Earnings in the Canada Pension Plan.

1.2 EARNINGS

1.2.1 Definition of Earnings

(a) **"*Earnings*"** of a *Member,* other than a postmaster or assistant postmaster in a revenue post office,

(i) in respect of *Eligibility Service* for the period prior to October 1, 2000

(A) that is counted as *Eligibility Service* of the *DB Member* on October 1, 2000, has the same meaning as the term "Salary" had under the terms of *PSSA*, namely, the basic pay and other remuneration received by the *DB Member* in respect of whom the expression is being applied for the performance of the regular duties of a position or office, inclusive of corporate team incentive payments and exclusive of any amount received as an allowance, special remuneration, individual incentive compensation, payment for overtime or as a gratuity, or other compensation, except as specifically included pursuant to Appendix A, and

(B) that is counted as *Eligibility Service* of the *DB Member* as a result of the *DB Member's* election after September 30, 2000, has the meanings specified in subparagraph (ii), and

(ii) in respect of the period after September 30, 2000, means the basic pay and other remuneration received by the *Member* in respect of whom the expression is being applied for the performance of the regular duties of a position or office, inclusive of corporate team incentive payments and exclusive of any amount received as an allowance, special remuneration, individual incentive compensation, payment for overtime or as a gratuity, payment or payments in lieu of any period of notice as a result of *Termination of Employment* or other compensation, except as specifically included pursuant to Appendix A,

all as modified by Sections 1.2.2, 1.2.3 and 3.4.

(b) For purposes of paragraph (a), the basic pay of a *Part-Time Employee* or a *Temporary Employee* on a *Long-Term Replacement Assignment* who is a *Member* equals

(i) where a *Part-Time Employee* or a *Temporary Employee* on a *Long-Term Replacement Assignment* works less than his *Average Assigned Hours*, the basic pay that the *Employee* would have received if the *Employee* had worked his *Average Assigned Hours*,

(ii) where a *Part-Time Employee* represented by *CUPW* under the collective agreement pertaining to Urban Postal Operations or a *Temporary Employee* on a *Long-Term Replacement Assignment* works at least his *Average Assigned Hours*, the basic pay received by the *Employee* for the period on or after January 1, 2004,

(iii) where a *Part-Time Employee* represented by *PSAC* works at least his *Average Assigned Hours*, the basic pay received by the *Employee* for the period on or after April 6, 2005,

(iv) where a *Part-Time Employee* represented by *CPAA* works at least his *Average Assigned Hours*, the basic pay received by the *Employee* for the period on or after July 1, 2006, or where a *Temporary Employee* on a *Long-Term Replacement Assignment* represented by *CPAA* works at least his *Average Assigned Hours*, the basic pay received by the *Employee* for the period on or after January 1, 2016 and

(v) in any other case, the basic pay received by a *Part-Time Employee* in respect of his *Average Assigned Hours*.

(c) For the purpose of Part B of the *Plan*, any incentive pay or other form of remuneration that is included in *Earnings* but which is paid in a lump sum is deemed to be received uniformly in equal instalments over the portion of the *Fiscal Year* for which it is paid and for which the *Member* accrued *Eligibility Service***.**

(d) *"Earnings"* of a *Member* who is a postmaster or assistant postmaster in a revenue post office means the amounts specified in the applicable column in Appendix B.

1.2.2 Adjustment to Earnings for Temporary Service while on a Long-Term Replacement Assignment or Part-Time Service or Concurrent Positions

Where the *Eligibility Service* of a *DB Member* includes a period of service while the *DB Member* was a *Part-Time Employee* or a *Temporary Employee* on a *Long-Term Replacement Assignment,* or the *DB Member* was engaged to work in two or more concurrent positions, the basic pay of the *DB Member* for purposes of determining his *Highest Average Earnings* shall be

(a) in respect of any period of *Eligibility Service* during which the *DB Member* was engaged to work on a *Part-Time* or *Temporary* basis in a single position, the amount determined by the formula

A x B/C

provided that the result of B divided by C shall not be less than one,

(b) in respect of any period of Eligibility Service during which the DB Member was a Part-Time Employee or a Temporary Employee and was engaged to work in two or more concurrent positions on a Part-Time or Temporary basis and the aggregate of the ratios C divided by B is less than or equal to one, the weighted average of the amount determined under paragraph (a) for each Part-Time or Temporary position, where the weighting is based on the ratio of C divided by B for each Part-Time or Temporary position, and

(c) in respect of any period of *Eligibility Service* during which the *DB Member* was engaged to work in two or more concurrent positions and the aggregate of the ratios C divided by B is greater than one, the amount determined under paragraph (b) multiplied by the aggregate of the ratios C divided by B

where, in either case,

A is the actual amount of basic pay received by the *DB Membe*r during the period,

B is the normal hours of work per week established for *Full-Time Employees* in the same occupational group as the *DB Member*, and

C is the *DB Member's Average Assigned Hours* associated with the position as if the *DB Member* worked only in that one position.

1.2.3 Deemed Earnings During Leave of Absence

(a) A *Member* who is absent from service with a *Participating Employer* on leave without pay is deemed to have received, during that absence, *Earnings* equal

(i) in respect of a *DB Member*, to the *Earnings* that would have been authorized to be paid to the *DB Member* had the *DB Member* not been absent, or

(ii) in respect of a *DC Member*, to the *Earnings* that were paid to the *DC Member* immediately prior to such period of absence, exclusive of corporate team

incentive payments paid to the *DC Member* immediately prior to such period of absence and subject to the last paragraph of Section 13.3.

(b) Where a *DB Member's Earnings* is calculated for the purposes of paragraph (a)(i), any *Earnings* increase that would have been paid to the *DB Member* if the *DB Member* had not been absent on leave without pay shall apply, except in a case where the collective agreement or another authority governing the *DB Member's* working conditions provides otherwise.

1.3 EMPLOYMENT STATUS

1.3.1 Full-Time Employee

"*Full-Time Employee*" means a person employed by a *Participating Employer* who is

(a) where normal hours of work per week are established for employees in the same occupational group as the *Member*, engaged to work for the greater of the normal hours of work per week so established and thirty hours per week,

(b) where no normal hours of work per week are established for employees in the same occupational group as the *Member*, engaged to work thirty-seven and one-half hours per week, or

(c) employed concurrently in more than one *Part-Time* position where the aggregate of the quotients of A divided by B, calculated in respect of each such position, is equal to or greater than one, where, in respect of each position

A is the *Average Assigned Hours* of the *Member* associated with the position as if the *Member* worked only in that one position, and

B is the normal hours of work per week established for *Full-Time Employee*s in the same occupational group as the *Member*.

For the purposes of the *Plan*, a *DB Member* who, immediately before July 4, 1994, was employed by the *Corporation* or the Post Office Department or in the *Public Service* on a *Full-Time* basis within the meaning of *PSSA* as it read at that time is, until such time as that person ceases to be so employed or until that person has *Assigned Hours* of less than thirty hours per week, deemed to be employed by a *Participating Employer* on a *Full-Time* basis.

1.3.2 Part-Time Employee

"*Part-Time Employee*", in respect of a person employed by a *Participating Employer*, means a person who is not a *Full-Time Employee* but who is engaged to work, on average, for a total of at least twelve hours per week in all positions with the *Participating Employer* in which the person is employed.

The *Average Assigned Hours* of a *Part-Time Employee* who is a *Member* are

(a) where the *Part-Time Employee* has *Assigned Hours* for one or more positions, the total of those hours,

(b) notwithstanding paragraph (a), where a *Part-Time Employee* is represented by *CUPW* under the collective agreement pertaining to Urban Postal Operations, the greater of

(i) the actual hours paid excluding any overtime hours, and

(ii) the *Assigned Hours*

for the period on or after January 1, 2004

(c) notwithstanding paragraph (a), where a *Part-Time Employee* is represented by *PSAC,* the greater of
   (i) the actual hours paid excluding any overtime hours, and
   (ii) the *Assigned Hours*
   for the period on or after April 6, 2005
(d) notwithstanding paragraph (a), where a *Part-Time Employee* is represented by *CPAA*, the greater of
   (i) the actual hours paid excluding any overtime hours, and
   (ii) the *Assigned Hours*
   for the period on or after July 1, 2006
(e) notwithstanding paragraph (a), where a *Part-Time Employee* is represented by *CUPW* under the collective agreement pertaining to Rural and Suburban Mail Carriers, and is employed as a permanent flex employee or as a route holder with a route of at least twelve (12) hours per week, the greater of
   (i) the actual hours paid excluding any overtime hours, and
   (ii) the *Assigned Hours*
   for the period on or after June 18, 2026.

A *Part-Time Employee* who becomes an *Active Member* of the *Plan*, on or after October 1, 2000 and whose *Average Assigned Hours* subsequently is reduced to less than twelve hours per week remains an *Active Member* unless he has an interruption of employment for more than one complete calendar day.

1.3.3 Temporary Employee

"*Temporary Employee*" means a person employed by a *Participating Employer* who
(a) is employed on a temporary and/or call-in basis, who has no *Assigned Hours* and who is neither on a fixed term contract nor hired for an indeterminate period of time, or
(b) is engaged on a *Long-Term Replacement Assignment*.

The *Average Assigned Hours* of a *Temporary Employee* on a *Long-Term Replacement Assignment* who is a *Member* are the greater of the actual hours paid excluding any overtime hours, and the scheduled or assigned hours under the *Long-Term Replacement Assignment*.

1.3.4 Termination of Employment

For the purposes of the *Plan*, a *Member* is considered to have terminated his employment with a *Participating Employer* on the day following the earlier of
(a) the later of
   (i) the day that his employment with the *Participating Employer* terminates, which for greater certainty does not include any period of notice as a result of *Termination of Employment* for which a payment or payments in lieu of such period of notice is or are provided, and
   (ii) the last day for which he receives *Earnings,*
(b) December 29 of the year in which he attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits

except that if the *Member* dies while employed by a *Participating Employer,* then he is considered to terminate his employment on the date of death.

"*Termination of Employment*" and "*Terminates Employment*" have corresponding meanings.

1.4 CLASSES OF MEMBERS

"Member" means a person who has become a *Member* pursuant to Article 2 and who has not ceased to be a *Member* pursuant to Section 2.3.

1.4.1 Active Member

"Active Member" means a *Member* who is an *Employee* and who is not an *Inactive DB Member*, or a *Retired DB Member"*.

"*Active DB Member*" means an *Active Member* who is accruing benefits under the *DB Component*.

"Active DC Member" means an *Active Member* who is accruing benefits under the *DC Component*.

1.4.2 Deferred DB Member

"Deferred DB Member" means a *DB Member* who is no longer an *Employee* and who is entitled to receive a *Deferred Annuity* pursuant to Section 5.3.

1.4.3 Inactive DB Member

"Inactive DB Member" means either:

(a) a person who becomes a *DB Member* pursuant to subsection 2.1.1(b) and who is an *Employee* but who is not required to contribute to the *DB Component* of the *Plan* pursuant to Section 4.1.1 because he does not meet the conditions to become an *Active DB Member* stated in Section 2.1.2, 2.1.3, 2.1.4, 2.1.5 or 2.1.6; or

(b) a *DB Member* who is an *Employee* but who is not required to contribute to the *DB Component* of the *Plan* pursuant to Section 4.1.1 because he does not meet the conditions stated in Section 2.1.2, 2.1.3, 2.1.4, 2.1.5 or 2.1.6 to remain an *Active DB Member* at any given point in time.

1.4.4 Retired DB Member

"Retired DB Member" means a *DB Member* who is receiving an *Annuity* pursuant to the terms of Part B of the *Plan*.

1.4.5 Terminated DC Member

"Terminated DC Member" means a *DC Member* who is no longer an *Employee* and who is entitled to receive *DC Benefits* pursuant to Section 14.2.

1.5 OTHER GENERAL INTERPRETATION

(a) For the purposes of the *Plan*, a person is deemed to have reached eighteen years of age at the beginning of the month following the month in which the person actually reached that age and, for the purposes of Section 5.1, a person is deemed to have reached sixty-five years of age at the beginning of the month following the month in which he actually reached that age.

(b) For the purposes of Part B of the *Plan*, references to contributions made to the *Pension Fund* by a *Grandfathered DB Member* that apply to contributions made prior to October

1, 2000 shall include contributions made by the *Grandfathered DB Member* to the *Superannuation Account* or the *Public Service Pension Fund*.

(c) For the purposes of Part B of the *Plan*, references to contributions that a *Grandfathered DB Member* is required to make to the *Plan* after September 30, 2000 shall include contributions that the *Grandfathered DB Member* is required to make after September 30, 2000 pursuant to a valid election made under the terms of the *PSSA* prior to October 1, 2000.

(d) For the purposes of Part B of the *Plan*, a *Member* who became a *DB Member* of the *Plan* on October 1, 2000 by operation of Section 2.1.1 is considered to have become a *DB Member* of the *Plan* when he became a contributor under the *PSSA*, and a reference to the occasion when the *DB Member* most recently became a *DB Member* of the *Plan* means the date when the *DB Member* most recently became a contributor under the *PSSA*.

(e) For the purposes of the *Plan*, other than for the purpose of ascertaining the commencement of the period within which an election may be made, the effective date on which a person shall be deemed to have become employed by the *Corporation*, another *Participating Employer* or the Post Office Department, as applicable, is

(i) the first day in respect of which the person received remuneration as a *Full-Time Employee*,

(ii) where the person's first employment by the *Corporation*, another *Participating Employer* or the Post Office Department was as a *Part-Time Employee*, the later of

(A) January 1, 1981, and

(B) the first day in respect of which the *Employee* received remuneration as a *Part-Time Employee*, and

(iii) where the person's first employment by the *Corporation*, another *Participating Employer* or the Post Office Department was as a *Temporary Employee* on a *Long-Term Replacement Assignment*, the first day in respect of which the *Employee* received remuneration as a *Temporary Employee* on a *Long-Term Replacement Assignment*.

(f) In the *Plan*, unless the context clearly requires otherwise, the masculine pronoun as used herein, shall include the feminine pronoun, and the feminine pronoun shall include the masculine. Furthermore, in the *Plan*, unless the context clearly requires otherwise, the singular as used herein, shall include the plural, and the plural shall include the singular.

(g) Subject to Section 5.3.7, the *PBSA* and the *Income Tax Rules*, the determination of a *Group AB Member's* rights and obligations under the *Plan* shall be determined based upon the applicable periods of *Group A Pensionable Service* and *Group B Pensionable Service*, respectively.

2. MEMBERSHIP

2.1 PERSONS ELIGIBLE TO PARTICIPATE IN THE PLAN

2.1.1 Transfer from PSSA

(a) Each person who

(i) was a contributor as defined under the *PSSA* on September 30, 2000,

(ii) was required to contribute to the *PSSA* during the pay period that includes September 30, 2000 or who would have been required to so contribute but for the fact that he was on a leave of absence during that time, and

(iii) was employed by a *Participating Employer* on October 1, 2000

became an *Active DB Member* of the *Plan* on October 1, 2000.

(b) Each person who

(i) was a contributor as defined under the *PSSA* on September 30, 2000,

(ii) was not required to contribute to the *PSSA* during the pay period that includes September 30, 2000 because he had *Average Assigned Hours* of less than twelve hours a week, and

(iii) was employed by a *Participating Employer* on October 1, 2000

became an *Inactive DB Member* of the *Plan* on October 1, 2000.

2.1.2 Employee Eligibility

Each *Employee* who was a *DB Member* of the *Plan* on December 31, 2009 automatically remains a *DB Member* on January 1, 2010.

Each person who commences employment on a permanent basis on or after January 1, 2010 with a *Participating Employer* or is required to become a *Member* of the *Plan* pursuant to Section 2.1.4, 2.1.5 or 2.1.6, other than a person eligible under subsection 2.1.1(a), is eligible to participate in the *Plan* pursuant to this Section 2.1.2 and required to become

(a) an *Active DC Member*, if such person is in a position eligible to participate in the *DC Component*, as listed under Appendix D, or

(b) an *Active DB Member*, if such person is not in a position listed under Appendix D,

except

(i) an *Employee* who is engaged for a term of six months or less,

(ii) a person who immediately before July 4, 1994 was employed as a *Part-Time Employee* within the meaning of the *PSSA* as it read at that time and who has been so employed without an interruption, for any reason, of more than one complete calendar day since that time, except that such a person who is engaged to work on average at least twelve hours a week may elect to contribute to the *Plan*. Membership will be effective the first day of the pay period following receipt of the election by the *Administrator*.

(iii) a person whose *Average Assigned Hours* have not reached or exceeded twelve hours a week since October 1, 2000,

(iv) an *Employee* on leave of absence from employment outside a *Participating Employer* who, in respect of his current service, continues to contribute to or under any superannuation or pension fund or plan established for the benefit of employees of the employer from whose employment he is absent,

(v) a *Temporary Employee*, other than a *Temporary Employee* who is engaged on a *Long-Term Replacement Assignment*,

(vi) a postmaster or assistant postmaster in a revenue post office, except as provided in Appendix B,

(vii) a person who has attained, in a prior calendar year, the latest age permitted under the Income Tax Rules for the commencement of pension benefits,

(viii) an *Employee* engaged outside Canada to provide services outside Canada,

(ix) subject to Section 2.1.6, an *Employee* who commenced employment between October 1, 2006 and December 31, 2009 in a *Management and Exempt Position* or an *Employee* who was not in a *Management and Exempt Position* who changed or transferred employment status with a *Participating Employer* to a *Management and Exempt Position* on a permanent basis between October 1, 2006 and December 31, 2009, who did not make an election and file it with the *Administrator* within ninety days of the date of hire, change, or transfer, to participate, or to continue to participate, as applicable, in Part B of the *Plan* unless, or until, such *Employee* was no longer employed in a *Management and Exempt Position*, provided that a *Management and Exempt Employee* who made such election to participate in the *Plan* and filed it with the *Administrator* within such ninety day period was eligible and required to become an *Active DB Member* effective the date of hire, change, or transfer, as applicable, and

(x) notwithstanding any other provision of the *Plan*, an *Employee* who is in receipt of a *Pension Benefit* under Part B of the *Plan*, or a defined benefit retirement benefit under any pension plan registered under the *Income Tax Rules* if such benefit related to employment with a *Participating Employer*, the Post Office Department, or any employer that does not deal at arms length (as determined under the *Income Tax Rules*) with a *Participating Employer* unless and until receipt of such *Pension Benefit* or retirement benefit ceases, unless the *Employee* becomes an *Active DC Member*.

2.1.3 Grandfathered Part-Time Employee

Effective January 1, 2010, and for the purposes of the *Plan*, a grandfathered *Part-Time Employee* by operation of subsection 2.1.2(ii) is required to become an *Active Member* of the *Plan* in accordance with subsection 2.1.2(a) or (b) if he accepts an assignment as a *Full-Time Employee* for more than three months.

2.1.4 Employee After Six Months Continuous Employment

Notwithstanding the provisions of Sections 2.1.1 and 2.1.2, an *Employee* who has been employed by a *Participating Employer* for a period of more than six months without an interruption of more than one complete calendar day, other than a person described in subsection 2.1.2(iii), (iv), (v), (vi), (vii) or (ix), is required to become a *Member* and participate in the *Plan* in accordance with subsection 2.1.2(a) or (b) on completion of six months continuous employment with a *Participating Employer*. However, despite the preceding sentence, a person who was employed on a *Part-Time* basis immediately prior to July 4, 1994 as described in subsection 2.1.2(ii) may elect to participate in the *Plan* when eligible pursuant to this Section 2.1.4 but he is not compelled to do so.

2.1.5 Minimum Period of Eligibility

Notwithstanding the provisions of subsections 2.1.2(i), (ii) and (iii), each person employed by a *Participating Employer* on a *Part-Time* basis, other than a person described in subsection 2.1.2(iv), (v), (vi), (vii) or (ix), is required to become a *Member* and participate in the *Plan* in accordance with subsection 2.1.2(a) or (b) on the day on which both the following requirements have been fulfilled, namely,

(a) the employee has been employed by a *Participating Employer* for an uninterrupted period of at least twenty-four months and

(b) has received compensation from a *Participating Employer* of at least thirty-five per cent of the *YMPE* in each of the preceding two calendar years.

However, despite the preceding sentence, a person who was employed on a *Part-Time* basis immediately prior to July 4, 1994 as described in subsection 2.1.2(ii) may elect to participate in the *Plan* when eligible pursuant to this Section 2.1.5 but he is not compelled to do so.

2.1.6 Employee Commencing Employment in or Changing or Transferring Employment Status to a *Management and Exempt Position* Between October 1, 2006 and December 31, 2009

An *Employee* who commenced employment between October 1, 2006 and December 31, 2009, in a *Management and Exempt Position* or an *Employee* who was not in a *Management and Exempt Position* who changed or transferred employment status with a *Participating Employer* to a *Management and Exempt Position* on a permanent basis between October 1, 2006 and December 31, 2009, who did not elect to participate or continue to participate in the *Plan* pursuant to subsection 2.1.2(ix) may elect to join Part C of the *Plan* on January 1 of each year between January 1, 2010 and January 1, 2017 and become an *Active DC Member* by filing his election form with the *Administrator* within the period determined by the *Corporation*. Such election to join Part C of the *Plan* shall be irrevocable.

Notwithstanding the foregoing, each *Employee* who, on February 28, 2018 is actively participating in the Canada Post Group Retirement Savings Plan is eligible, on March 1, 2018, to participate in the *Plan* pursuant to this Section 2.1.6 and is required to become an *Active DC Member* on that date.

2.1.7 Exemption for Religious Reason

Notwithstanding the preceding provisions of Article 2, a person shall not be compelled to become a *Member* of the *Plan* if he objects to joining the *Plan* because of his religious beliefs.

2.2 ENROLMENT

2.2.1 Application for Enrolment

Each person, other than a person referenced in Section 2.1.1, who is required to become a *Member* shall complete an application form, as a condition of employment, which authorizes the payroll deduction of the contributions described in Section 4.1 or 13.1 and provides information required for the administration of the *Plan.*

2.2.2 Effective Date of Membership

Once he has completed the application referenced in Section 2.2.1, a person eligible to be a *Member* shall become an *Active Member* effective as of the date that he is first eligible to become a *Member* or, in the case of a *Part-Time Employee* described in subsection 2.1.2(ii), beginning on the first day of the month following the month in which that person makes the appropriate election and completes an application.

2.3 CESSATION OF MEMBERSHIP

A *Member* shall cease to be a *Member* on the earlier of the date of death of the *Member* and the date of the last payment to the *Member* in respect of his entitlements under the *Plan.* Subject to Section 1.4.3, a *Member* shall not cease to be an *Active Member* during a continuous period of employment by a *Participating Employer* except as required by Section 5.5 or 13.7.

2.4 PERSONS RE-EMPLOYED

2.4.1 Re-Employed Person Eligible to become a DC Member

A person who is re-employed by a *Participating Employer* and becomes an *Active DC Member* shall have his *Continuous Service* from his previous employment with any *Participating Employer* be counted as *Continuous Service* for the purposes of Part C of the *Plan*. This provision does not affect in any way any *Pension Benefits* and *DC Benefits* to which he is entitled in respect of any period before his latest re-employment with a *Participating Employer*.

2.4.2 Re-Employed Person Eligible to become a DB Member

A person who is re-employed by a *Participating Employer* and becomes an *Active DB Member* shall be treated as a new *Employee* for the purposes of eligibility for membership and *Pension Benefits* under Part B of the *Plan*.

For greater certainty, a person who is re-employed by a *Participating Employer* as an *Active DB Member* shall accrue *Group B Pensionable Service* if the person meets the conditions to do so on the date the person's current period of membership in the *Plan* begins, and otherwise shall accrue *Group A Pensionable Service*.

Notwithstanding the above, if such re-employed person eligible to become an *Active DB Member* is entitled to any *Pension Benefits* under Part B of the *Plan* from a previous employment, the provisions provided under subsection 2.4.2.5 shall apply.

2.4.2.1 Return of Contributions Not Yet Paid

[DELETED EFFECTIVE JULY 1, 2011]

2.4.2.2 Benefit Option Not Yet Exercised

If a *DB Member* is entitled to a benefit at his option, under Section 5.3 or 5.4, and if he is re-employed by a *Participating Employer* and becomes an *Active DB Member* under Part B of the *Plan*, without having exercised or been deemed to have exercised the option, he ceases to be entitled to exercise the option until the time that he ceases to be so re-employed, and the period on which that benefit was based shall be counted as *Eligibility Service*.

2.4.2.3 Suspension of Entitlement to Annuity

A *DB Member* who:

(a) is entitled to an *Immediate* or *Deferred Annuity;*

(b) is re-employed by a *Participating Employer*; and

(c) suspends whatever right or claim that he may have to *Pension Benefits* under Part B of the *Plan* in respect of his prior period of *Eligibility Service* until his subsequent *Termination of Employment*,

and therefore once again becomes an *Active DB Member* under Part B of the *Plan* and has, since his re-employment, completed at least two years of *Eligibility Service* or been a *Member* for at least two years, will have the period of *Eligibility Service* on which his previous *Pension Benefits* were based counted as *Eligibility Service*.

For greater certainty, a *DB Member* who does not suspend his right or claim as described above will not become an *Active DB Member*.

2.4.2.4 Adjustment to Reduced Annuity

(a) Where a *DB Member* who was receiving an *Annuity* payable under Part B of the *Plan* which is reduced for early commencement as a result of a *Termination of Employment*, not having reached *Pensionable Age*, for any reason other than *Disability*, is subsequently re-employed by a *Participating Employer*, the amount of any *Annuity* to which that *DB Member* may become entitled under Part B of the *Plan* on again ceasing to be employed by a *Participating Employer* shall be adjusted as follows to take into account the amount of the reduced *Annuity* he has received.

Subject to Section 1.5(g) the *Annuity* to which the *DB Member* is entitled shall be adjusted by deducting therefrom an amount determined by the formula

$$A \times B$$

where

A equals five per cent of the amount of the annual reduced *Annuity* and of the annual *Bridge Benefit,* both excluding any increases determined pursuant to Section 8.2, that were payable to the *DB Member* before becoming re-employed,

and

B is the number of years, calculated to the nearest one-tenth, during which the *DB Member* received a reduced *Annuity*, other than those years, calculated to the nearest one-tenth, after the day on which he attained the age at which he could otherwise have retired and been entitled to an unreduced *Immediate Annuity* based on the amount of *Eligibility Service* on which the *Annuity* was calculated.

(b) Subject to Section 1.5(g) the total amount to be deducted pursuant to paragraph (a) shall not exceed the total amount that was received as a reduced *Annuity* and as a *Bridge Benefit* excluding any increases determined pursuant to 8.2, by the *DB Member* before the earlier of

(i) the date the *DB Member* became re-employed and

(ii) the date on which the *DB Member* attained the age at which the *DB Member* could otherwise have retired and been entitled to an unreduced *Immediate Annuity*.

2.4.2.5 No Reduction in Benefits or Rights

(a) Notwithstanding the preceding provisions of this Section 2.4.2, the amount of the *Pension Benefits* to which a *DB Member* may become entitled under Part B of the *Plan* on his subsequent *Termination of Employment* shall not be less than the *Pension Benefits* to which he was entitled before his latest re-employment with a *Participating Employer*.

(b) If a *DB Member*'s *Annuity* and *Bridge Benefit*, if any, are suspended pursuant to subsection 2.4.2.3,

(i) the *DB Member's Spouse* or *Common-Law Partner* and *Dependent Children* at the date such benefits commenced to be paid, if any, shall be entitled to benefits at least equal to the benefits that would have been payable if the suspension of benefits had not occurred, and

(ii) if benefits are payable pursuant to subparagraph (i), a *Spouse, Common-Law Partner* or *Dependent Children* acquired subsequent to the date of re-employment, shall be entitled to benefits solely in respect of the period of *Eligibility Service* to his credit as a result of his being so re-employed.

2.5 CHANGE OR TRANSFER OF EMPLOYMENT STATUS

2.5.1 Change or Transfer of Employment Status for an Active DB Member

2.5.1.1 Resulting in No Change in Eligibility

If an *Active DB Member*'s position is changed or transferred on a permanent basis to an eligible position not governed by the *DC Component* as listed under Appendix D, or to a position governed by the *DC Component* as listed under Appendix D and he became eligible to join the *Plan* before the date the *DC Component* was introduced for this position, the *Active DB Member* shall remain an *Active DB Member* pursuant to Appendix E. For greater certainty an *Employee* who was a *DB Member* of the *Plan* on December 31, 2009 will remain a *DB Member* if his position is changed or transferred on a permanent basis to any other eligible position.

2.5.1.2 Resulting in a Change in Eligibility from DB Component to DC Component

If an *Active DB Member's* position is changed or transferred on a permanent basis to an eligible position governed by the *DC Component* as listed under Appendix D, and he became eligible to join the *Plan* on or after the date the *DC Component* was introduced for this position , the *Active DB Member* shall become an *Active DC Member* effective as of the date of change or transfer pursuant to Appendix E.

In such case,

(a) the *Pension Benefits* accrued under Part B of the *Plan* shall remain under the *DB Component;*

(b) in respect of the period of service before the date of change or transfer, *Continuous Service* for the purpose of Part C of the *Plan* shall be determined as if the *Active DC Member* had been an *Active DC Member* during such period of service and by including *Elective Service* while a *DB Member*;

(c) in respect of the period of service on or after the date of change or transfer, *Eligibility Service* for the purpose of Part B of the *Plan* shall be determined as if the *Active DC Member* was an *Active DB Member* during such period of service; and

(d) for greater certainty, the *Active DC Member* shall cease to accrue *Pensionable Service* under Part B of the *Plan* on the date that precedes the date of change or transfer and the *DB Membe*r contributions made pursuant to Section 4.1 shall also cease on such date, except for those made in respect of a period of *Elective Service* pursuant to subsection 4.1.4.4 and a period of leave of absence pursuant to subsection 4.1.2.2(a)(ii).

2.5.2 Change or Transfer of Employment Status for an Active DC Member

2.5.2.1 Resulting in No Change in Eligibility

If an *Active DC Member*'s position is changed or transferred on a permanent basis to an eligible position governed by the *DC Component* as listed under Appendix D, and he became eligible to join the *Plan* on or after the date the *DC Component* was introduced for this position, the *Active DC Member* shall remain an *Active DC Member* pursuant to Appendix E.

2.5.2.2 Change in Eligibility from DC Component to DB Component

If an *Active DC Member*'s position is changed or transferred on a permanent basis to an eligible position not governed by the *DC Component* as listed under Appendix D, or is changed or transferred on a permanent basis to a position governed by the *DC Component* as listed under Appendix D but he became eligible to join the *Plan* before the date the *DC Component* was introduced for this position, the *Active DC Member* shall become an *Active DB Member* effective as of the date of change or transfer pursuant to Appendix E.

In such case,

(a) the *DC Benefits* accrued under Part C of the *Plan* shall remain under the *DC Component;*

(b) in respect of the period of service before the date of change or transfer, the *Eligibility Service* for the purpose of Part B of the *Plan* shall be determined as if the *Active DB Member* had been an *Active DB Member* during such period of service;

(c) in respect of the period of service on or after the date of change or transfer, the *Continuous Service* for the purpose of Part C of the *Plan* shall be determined as if the *Active DB Member* was an *Active DC Member* during such period of service; and

(d) for greater certainty, the *Active DB Member* shall cease to accrue *DC Benefits* under Part C of the *Plan* on the date that precedes the date of change or transfer and the *Member* shall commence to make required contributions and accrue *Pensionable Service* under Part B of the *Plan* on the date of change or transfer.

PART B

DEFINED BENEFIT COMPONENT

3. INTERPRETATION

Wherever used in Part B of the *Plan*, the following terms will have the meanings given below unless the context clearly indicates otherwise. The terms used in Part B that are defined in Article 1 of Part A shall be construed in accordance therewith, subject to the necessary adjustments. Where a term defined in this Article 3 is also defined in Article 1 of Part A, the definition in this Article 3 shall prevail for the purposes of Part B of the *Plan.*

3.1 DEFINITIONS

"Actuarial Equivalent" of a benefit means another benefit of equal value computed on an actuarial basis recommended by the *Actuary* for that purpose and adopted by the *Administrato*r, subject to the *PBSA* and the *Income Tax Rules*.

"*Actuary*" means the independent qualified actuary, who is a Fellow of the Canadian Institute of Actuaries, or the firm of independent qualified actuaries, at least one of whose members is a Fellow of the Canadian Institute of Actuaries, selected by the *Administrator* for the purposes of Part B of the *Plan*.

"*Annuity*" means a periodic lifetime retirement income computed by reference to Sections 5.1.1 and 5.1.3 and adjusted as required under Sections 5.3, 5.4 or 5.8 including any increases determined pursuant to Section 8.2.

"*Average Maximum Pensionable Earnings*" means, with respect to any *DB Member*, the average of the *YMPE* for the year in which the *DB Member*

(a) *Terminates Employment*, or

(b) reaches sixty-five years of age,

whichever is earlier, and for each of the four preceding years.

"*Basic Allowance*" is the product obtained by multiplying one per cent of the *Highest Average Earnings* of the *DB Member* by the number of years of *Pensionable Service* to his credit.

"*Benefit Index*" has the meaning assigned under Section 8.1.

"*Bridge Benefit*" means a temporary periodic benefit computed pursuant to Section 5.1.2, including any increases determined pursuant to Section 8.2, and payable commencing when payment of the *DB Member's Annuity* commences and ceasing with the payment for the month in which

(a) the *DB Member* dies,

(b) the *DB Member* attains sixty-five years of age, in the case of a *DB Member* receiving an *Annuity* pursuant to Section 5.3, or

(c) the *DB Member* becomes entitled to a disability pension payable under paragraph 44(a) and (b) of the Canada Pension Plan or a provision of a *Provincial Pension Plan* similar thereto, or the *DB Member* attains sixty-five years of age, whichever occurs first, in the case of a *DB Member* receiving an *Annuity* pursuant to Section 5.4,

whichever is earliest.

"*Deferred*" in relation to an *Annuity* or *Bridge Benefit* means an *Annuity* or *Bridge Benefit*, as the case may be, that becomes payable to the *DB Member* at the time he reaches *Pensionable Age*.

"Dependent Child" or "Dependent Children" means a child or children, or stepchild or stepchildren of, or an individual adopted either legally or in fact by, a *DB Member* who at the time of the *DB Member's* death was dependent on the *DB Member* for support, and who

(a) is less than eighteen years of age, or

(b) is eighteen or more years of age but less than twenty-five years of age, and is in full-time attendance at a school or university, having been in such attendance substantially without interruption since the child reached eighteen years of age or the *DB Member* died, whichever occurred later.

"*Disabled*" means suffering from a condition of physical or mental impairment which, in the opinion of the *Administrator*, prevents the *DB Member* from engaging in any employment for which the *DB Member* is suited by virtue of his education, training or experience, where such impairment can reasonably be expected to last for the remainder of the *DB Member's* lifetime. The determination of the *Administrator* shall be based on medical evidence provided in writing from a medical doctor licensed to practice in Canada. ***"Disability"*** has a corresponding meaning.

"*Elective Service*" means prior service which is available to the *Active DB Member* for election pursuant to Section 3.2.3 and for which the *DB Member* makes a valid election pursuant to subsection 4.1.4.1.

"*Elective Service Interest*" means, unless otherwise specified, simple interest at four per cent per annum from the middle of the *Fiscal Year* in which the contributions would have been made, had the *DB Member* been required to make those contributions during the period for which he elects to pay, until the first day of the month in which the election is made.

"***Excess Contributions Annuity***" has the meaning assigned under Section 5.8 or 7.3.1, as applicable.

"Highest Average Earnings" of a DB Member means

(a) the average of the annual *Earnings* received by the *DB Member* during the five consecutive year period of *Eligibility Service*, or during any period consisting of consecutive periods of *Eligibility Service* totalling five years, which results in the highest average, or

(b) in the case of a *DB Member* who has to the *DB Member's* credit less than five years of *Eligibility Service*, the average annual *Earnings* received by the *DB Member* during the period of *Eligibility Service* to the *DB Member's* credit.

For the purposes of paragraphs (a) and (b), a period of *Eligibility Service* to the *DB Member's* credit is deemed to include any period of service during which the *DB Member* was employed by a *Participating Employer* or the Post Office Department and was required to make contributions under subsection 4.1.1(c) or the equivalent provision of the *PSSA*.

"*Non-Elective Service*" means *Eligibility Service* which a *DB Member* accumulates automatically as a result of contributing on a current service basis under the terms of Part B of the *Plan* subject to Section 2.5.2.2, or in the case of service prior to October 1, 2000, under the terms of the *PSSA* as determined pursuant to subsection 3.2.1(a) and 3.2.2(a).

"*Other Eligibility Service*" means years of service prior to October 1, 2000 giving rise to a superannuation or pension benefit payable

(a) out of the Consolidated Revenue Fund of the Government of Canada, or out of any account in the accounts of Canada other than the *Superannuation Account*,

(b) out of or under a superannuation or pension fund or plan pursuant to which contributions have been paid out of the Consolidated Revenue Fund of the Government of Canada in respect of employees engaged locally outside of Canada,

(c) out of the Canadian Forces Pension Fund within the meaning of the *Canadian Forces Superannuation Act* or the Royal Canadian Mounted Police Pension Fund within the meaning of the *Royal Canadian Mounted Police Superannuation Act*, or

(d) out of the *Public Service Pension Fund*.

"*Pension Index*" has the meaning assigned under Section 8.1.

"*Recipient*" means a *DB Member, Spouse,* former *Spouse*, *Common-Law Partner,* former *Common-Law Partner*, *Survivor Pre-Retirement*, *Survivor Post-Retirement* or *Dependent Child* of a *DB Member* to whom any benefit is or is about to become payable under Part B of the *Plan* or out of the *Pension Fund*.

"*Retirement Year*" and **"*Retirement Month*"** have the meanings assigned in Section 8.1.

"Return of Contributions" means a return of

(a) the sum of

  (i) the amount paid by the *DB Member* into the *Pension Fund*, plus

  (ii) any amount to his credit in the *Pension Fund* that has been transferred to the *Pension Fund* from the *Superannuation Account* or the *Public Service Pension Fund*, and

  (iii) any amount paid by him into any other account or fund, together with interest, if any, that has been transferred to the *Pension Fund*,

(b) less any amount previously paid or transferred to the *DB Member* and any amount paid or transferred in respect of a *Spouse* or former *Spouse* or former *Common-Law Partner* of a *DB Member* pursuant to Section 18.2

to the extent that the amount remains to his credit in Part B of the *Plan* together with interest, if any. Such interest for the period prior to October 1, 2000 shall be calculated in the manner prescribed under the *PSSA*. Interest for the period after September 30, 2000 shall be calculated at the rate of return attributable to the operation of the *Pension Fund* and net of investment expenses both as determined by the *Administrator*. The rate of return applicable during a calendar year shall be based on the rate of return computed for the twelve-month period ending on September 30 of the preceding year.

"*Survivor Allowance*" means a periodic income payable to the *Survivor Pre-Retirement*, *Survivor Post-Retirement* or *Dependent Child* of a *DB Member* pursuant to Section 7.1.

3.2 ELIGIBILITY SERVICE

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan*, a *DB Member's Eligibility Service* shall consist of the periods *of Non-Elective Service* and *Elective Service* determined pursuant to Sections 3.2.1, 3.2.2 and 3.2.3 and subject to the limitations imposed by Sections 3.2.4, 3.2.5, 5.7 and 14.4. *Eligibility Service* shall be measured in years and parts thereof and shall not exceed 35 years.

3.2.1 Eligibility Service Prior to October 2000

A *DB Member's Eligibility Service* for the period prior to October 1, 2000 shall be comprised of

(a) the *Non-Elective Service* of the *DB Member* prior to October 1, 2000 that was eligible to be counted as non-elective pensionable service under the *PSSA*, as determined by the *Administrator*, and

(b) the *Elective Service* of the *DB Member* for the period prior to October 1, 2000 for which the *DB Member* is required to contribute pursuant to Section 4.1.4 or for which the *DB Member* is or was required to contribute pursuant to the applicable provisions of the *PSSA*.

3.2.2 Eligibility Service After September 2000

A *DB Member's Eligibility Service* for the period on and after October 1, 2000 shall be comprised of

(a) the *Non-Elective Service* of the *DB Member* on and after October 1, 2000 for which he is required by Section 4.1.1 or 4.1.2 to contribute to the *Pension Fund* or would be required to contribute but for

  (i) a determination by the Board of Directors of the *Corporation* under subsection 4.1.1(b) or (c) that the contribution rate is zero, or

  (ii) relief from the contributions otherwise required under Section 4.1.1 is granted by the *Corporation* pursuant to Section 19.6(b), and

(b) the *Elective Service* of the *DB Member* on and after October 1, 2000 for which the *DB Member* is required to contribute pursuant to Section 4.1.4, and

(c) the period of service recognized under the *Plan* for a *DB Member* pursuant to a *Reciprocal Transfer Agreement* contemplated in Section 20.7 of the *Plan*, and

(d) following a change or transfer of employment status pursuant to Section 2.5, the *Continuous Service* accumulated under Part C of the *Plan,* as provided and described under subsection 2.5.1.2(c) or 2.5.2.2(b), as applicable.

3.2.3 Elective Service

A *DB Member's Elective Service* that is available to be counted as *Eligibility Service* upon the proper election and contribution by the *Active DB Member* is comprised of

(a) any period of service before becoming a *DB Member* under Part B of the *Plan* or of the *PSSA*, during which he was employed in the service of a *Participating Employer* or the Post Office Department and was in receipt of *Earnings*, if he elects, within one year of becoming a *DB Member* under Part B of the *Plan*, to pay for that service,

(b) any period of service with a *Participating Employer* or the Post Office Department in respect of which he has received any amount by way of a *Return of Contributions* or other lump sum payment under the *Plan* or under Part I of the *PSSA* or the *Superannuation Act*, except a period described in paragraph (e) or (f), for which he elects, within one year of subsequently becoming a *DB Member* under Part B of the *Plan*, to pay for that service,

(c) any period of service with a *Participating Employer* or the Post Office Department described in this Section 3.2.3, except a period described in paragraph (d), (e) or (f), for which the *DB Member* might have elected under Part B of the *Plan*, Part I of the *PSS*A, or Part I of the *Superannuation Act*, to pay, but for which the *DB Member* failed so to elect within one year of the initial time prescribed for such an election, if the *DB Member* elects, at any time before ceasing to be employed in the service of a *Participating Employer*, to pay for that service,

(d) any period of service in respect of which the *DB Member* makes or has made an election under subsection 4.1.2.3 or under an equivalent provision of the *PSSA* to not make current service contributions during a leave of absence, if the *DB Member* elects, at any time before the *DB Member* ceases to be employed in the service of a *Participating Employer*, to pay for that service, except in respect of any part of that leave of absence after December 31, 1995 for which the *DB Member* accrued benefits under another registered pension plan,

(e) the full period of service in respect of which payment of a *Commuted Value* to a *DB Member* has been effected in accordance with Article 6 or under an equivalent provision of the *PSSA*, provided that the *DB Member* elects, within one year of becoming an *Active DB Member* under Part B of the *Plan*, to pay for that service, and

(f) subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan,* any period of service in respect of which a payment has been received or made in respect of the *DB Member* pursuant to a *Reciprocal Transfer Agreement*, if the *DB Member* elects, in the manner and time prescribed by the *Administrator*, to pay for that service;

however,

(g) a period of service that occurred prior to January 1, 1992 and which is described in paragraph (b), other than a period in respect of which the *DB Member* received a *Return of Contributions,* or a period of service that occurred prior to January 1, 1992 and which is described in paragraph (e) may only be counted as *Eligibility Service* to the extent that the *DB Member* arranges to satisfy the contributions required under Section 4.1.4 by way of a transfer to the *Pension Fund* from a registered retirement savings plan, registered pension plan or deferred profit sharing plan.

3.2.4 Exclusions from Elective Service

A *DB Member* may not elect to count as *Elective Service*

(a) any period of service before January 1, 1981 as a *Part-Time Employe*e, within the meaning of the *PSSA* as it read from time to time before that date,

(b) any period of service after December 31, 1980 and before October 1, 2000 and any period of service after September 30, 2000 and prior to becoming a *DB Member*, as a *Part-Time Employee*, unless the *DB Member* had, during that period, *Average Assigned Hours* of at least twelve hours a week,

(c) any period during which the *DB Member* is absent from work and for which he does not receive any *Earnings* except such periods of absence that are explicitly authorized in the *Plan*,

(d) any period of service in a *Fiscal Year* in which the total number of days during which the *DB Member* was employed is less than ninety days unless

  (i) it is service that may be counted under subsection 3.2.3(a) and it immediately precedes the day on which the *DB Member* became a *DB Member* or is part of a continuous period of service of at least ninety days that begins in one *Fiscal Year* and ends in the succeeding *Fiscal Year*, or

  (ii) it is service that may be counted under subsection 3.2.3(b),

(e) any period of service that is after 1965 and before September 9, 1993, and which precedes the day on which the *DB Member* reached eighteen years of age,

(f) any period of service of a *Grandfathered DB Member* prior to October 1, 2000 during which the *Grandfathered DB Member* was not required to contribute under section 5(1.1) or (1.2) of the *PSSA* or the equivalent predecessor provisions of the *PSSA* because he satisfied the conditions under section 5(3), (3.1) or (4) of the *PSSA* or the equivalent predecessor provisions of the *PSSA,*

(g) any period of service as a *Temporary Employee*, other than the qualifying assignment period of a *CPAA Temporary Employee* on a *Long-Term Replacement Assignment* pursuant to paragraph (c) of the definition of *Long-Term Replacement Assignment*,

(h) any period of service during which the *DB Member* participated in a registered retirement savings plan provided by a *Participating Employer* or Part C of the *Plan*, or

(i) any period of service in the year 2005 or 2006 where an *Employee* had attained age sixty-nine years of age in the year 2005 or 2006 and was in receipt of a *Pension Benefit.*

3.2.5 Certification of Past Service Pension Adjustment

(a) Notwithstanding the preceding provisions of this Section 3.2, an election made after September 30, 2000, to count as *Elective Service* any period of service or employment that includes service or employment after December 31, 1989 is void in respect of that period if the Minister of National Revenue refuses to certify, pursuant to paragraph 147.1(10)(*a*) of the *Income Tax Act (Canada),* that the conditions prescribed pursuant to that paragraph, were met in respect of the service or employment after December 31, 1989.

(b) No person shall count as *Elective Service* pursuant to a *Reciprocal Transfer Agreement* any period of service that includes service after December 31, 1989 unless a certification referred to in paragraph (a) has been issued.

3.3 PENSIONABLE SERVICE

A *DB Member's Pensionable Service* shall consist of the *DB Member's Eligibility Service* as modified by the following provisions of this Section 3.3 and subsections 2.5.1.2(d) and 2.5.2.2(d). *Pensionable Service* shall be measured in years and parts thereof. For greater certainty and notwithstanding anything else to the contrary in the *Plan*, *Pensionable Service* for a *Temporary Employee* who becomes a *DB Member* shall consist of only that service while the *Employee* is engaged under a *Long-Term Replacement Assignment*.

3.3.1 Adjustment to Pensionable Service for Temporary Service while on a Long-Term Replacement Assignment or for Part-Time Service

Where the *Eligibility Service* of a *DB Member* includes a period of *Part-Time* service, or *Temporary* service while on a *Long-Term Replacement Assignment*, the *DB Member's Pensionable Service* for such *Part-Time* or *Temporary Eligibility Servic*e is equal to the aggregate of

(a) in respect of any period of *Eligibility Service* that is *Part-Time* or *Temporary* service in a single position, an amount determined by the formula

$$A \times \frac{B}{C}$$

provided that the result of B divided by C shall not exceed one,

plus

(b) in respect of any period during which the *DB Member* was engaged to work as a *Part-Time Employee* or a *Temporary Employee* concurrently in two or more positions, the amount determined by the formula

$$A \times D$$

where, in either case

A is the *DB Member's* relevant period of *Part-Time* or *Temporary Eligibility Service*,

B is the *DB Member's Average Assigned Hours* associated with the position,

C is the normal hours of work per week established for *Full-Time Employees* in the same occupational group as the *DB Member*, and

D is the aggregate of the quotients of B divided by C calculated for each *Part-Time* or *Temporary* position but it may not exceed one.

3.3.2 Limitations on Pensionable Service

Notwithstanding the preceding provisions of this Section 3.3, a *DB Member* shall not count as *Pensionable Service* any period of layoff or leave of absence without pay, or any portion of such a period, that begins after December 31, 1995 if the absence does not meet the conditions specified in this Section 3.3.2. During the period of layoff or leave of absence the *DB Member* shall be deemed to receive earnings ("prescribed earnings") equal to the difference between the amount the *DB Member* would have received but for the layoff or leave and the amount the *DB Member* actually received in respect of such period. A fraction (the "prescribed earnings fraction") shall be determined in respect of each period equal to the prescribed earnings for the period divided by the sum of the earnings that the *DB Member* actually received for the period plus the prescribed

earnings for that period, and further multiplied by the length of the period expressed as a fraction of a year. A *DB Member* shall not accrue *Pensionable Service* in respect of the periods described above to the extent that

(a) the *DB Member*'s cumulative prescribed earnings fraction in respect of periods other than

(i) a period of disability as defined under the *Income Tax Rules*, or

(ii) a period when a *DB Member* is on a leave of absence to serve as a paid official of a bargaining agent that represents *Members* and during which the *DB Member* qualifies as a "loaned employee" under the *Income Tax Rules* during that period,

exceeds five, and

(b) the *DB Member*'s cumulative prescribed earnings fraction in respect of periods of parenting exceeds three.

3.3.3 Limits on Foreign Service

A *DB Member* shall not count as *Pensionable Service* after September 30, 2000 any period of employment outside Canada by a *Participating Employer* that is not resident in Canada, except to the extent that

(a) the *DB Member* is resident in Canada while accruing such *Pensionable Service* or has previously been resident in Canada,

(b) the *DB Member* has previously rendered services in Canada under an employment contract with a *Participating Employer* that is resident in Canada,

(c) the *Pensionable Service* accrues as *Non-Elective Service*, and

(d) the *Pensionable Service* accrues during the first five years of the *DB Member's* employment outside Canada.

If a *DB Member* subsequently returns to employment in Canada for at least twelve months with a *Participating Employer* that is resident in Canada then the limit in paragraph (d) applies to any subsequent employment outside Canada as if the *DB Member* had not previously been employed outside Canada.

3.4 DEEMED EARNINGS FOR ELECTIVE SERVICE

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan*

(a) a person who has to that person's credit *Elective Service* described in subsection 3.2.3(e) or (f) is deemed to have received during that period such *Earnings* as were authorized as payable to that person during such period.

(b) where a person has to his credit *Elective Service* that includes any period of service for which he elected or might have elected under Part B of the *Plan* or the *PSSA* to pay an amount calculated on the basis of his *Earnings* at the rate authorized to be paid to him on the most recent occasion on which he became a *DB Member* under Part B of the *Plan*, he shall be deemed to have received during that period *Earnings* at that rate.

(c) where the *Elective Service* of a *DB Member* includes a period during which the *DB Member* was employed as a *Part-Time Employee* in one position, his *Earnings* for purposes of determining his *Highest Average Earnings* shall be calculated as follows

(i) in respect of any period of *Part-Time* service that is service referred to in subsection 4.1.4.3, in respect of which the *DB Member* has made an election under subsection 3.2.3(a), (b) or (c), notwithstanding subsection 1.2.1(b), his *Earnings* during the period shall be determined on the basis of

(A) where the *DB Member* was employed on a *Full-Time* basis on the most recent occasion on which the *DB Membe*r became an *Active DB Member*, the *Earnings* authorized to be paid to the *DB Member* on that occasion, and

(B) where the *DB Member* was employed on a *Part-Time* basis on the most recent occasion on which the *DB Member* became an *Active DB Member*, the *Earnings* that would have been payable to the *DB Member* if the *DB Member* had been a *Full-Time Employee* on that occasion,

(ii) in respect of any period of service with the *Corporation* or the Post Office Department after December 31, 1980 and before July 4, 1994 as a *Part-Time Employee* in respect of which the *DB Member* has made an election under subsection 3.2.3(c) or the equivalent clause in the PSSA, notwithstanding Section 3.4(b), his *Earnings* during the period shall be determined on the basis of the *Earnings* payable to the *DB Member* on July 4, 1994,

(iii) in respect of any period of *Part-Time* service other than a period of service referred to in paragraph (i) or (ii), his *Earnings* during the period shall be determined on the basis of the *Earnings* that would have been payable to the *DB Member* had the *DB Member* been a *Full-Time Employee* during that period of service, and

(iv) in respect of any period of *Full-Time* service that is service referred to in subsection 4.1.4.2 or 4.1.4.3, notwithstanding subsection 1.2.1(b), his *Earnings* during the period shall be determined on the basis of the *Earnings*

(A) where the *DB Member* was employed on a *Full-Time* basis on the most recent occasion on which the *DB Member* became an *Active DB Member*, the *Earnings* authorized to be paid to the *DB Member* on that occasion, and

(B) where the *DB Member* was employed on a *Part-Time* basis on the most recent occasion on which the *DB Member* became an *Active DB Member*, the *Earnings* that would have been payable to the *DB Member* if the *DB Member* had been a *Full-Time Employee* on that occasion.

(d) where a period of *Elective Service* includes a period during which a *DB Member* who is a *Part-Time Employee* was employed concurrently in two or more positions on a *Part-Time* basis, for the purposes of paragraph (c), the *Earnings* for the period of concurrent employment shall be the total of the amounts determined for each such position by the formula

$$A \times B/C$$

where

A is the *Earnings* that would have been payable to the *DB Member* if the *DB Member* were employed on a *Full-Time* basis, calculated in accordance with paragraph (c),

B is the *Average Assigned Hours* of the *DB Member* associated with the position as if the *DB Member* worked only in that one position, and

C is the total of the *Average Assigned Hours* associated with all positions.

4. CONTRIBUTIONS

4.1 DB MEMBER CONTRIBUTIONS

Each *Active DB Member* shall contribute to Part B of the *Plan* as required by the applicable subsections below.

All contributions by *Active DB Members* shall be remitted to the *Administrator* not later than fifteen days after they are reserved from *Earnings* or otherwise received by the *Participating Employer* from an *Active DB Member*. The *Administrator* shall immediately upon receipt pay to the *Pension Fund* any *Active DB Member* contributions remitted to it.

4.1.1 Required Contributions for Current Service

(a) Each *Active DB Member* shall contribute, in respect of every year in the period beginning October 1, 2000 and ending on December 31, 2003, by reservation from *Earnings* or otherwise,

(i) four per cent of the portion of his *Earnings* that is less than or equal to the *YMPE*, and

(ii) seven and one-half percent of the portion of his *Earnings* that is greater than the *YMPE*.

The contributions to Part B of the *Plan* of an *Active DB Member* for the period October 1, 2000 to December 31, 2000, shall be determined as if his contributions under the *PSSA* for the period January 1, 2000 to September 30, 2000 were made under the terms of Part B of the *Plan*.

(b) Each *Active DB Member* shall contribute, in respect of every portion of the period beginning on January 1, 2004, by reservation from *Earnings* or otherwise, at the contribution rates determined by the Board of Directors of the *Corporation* in respect of that portion.

(c) Except as modified by paragraph (d), an *Active DB Member* who has to his credit a period of *Eligibility Service* totalling thirty-five years is only required to contribute under paragraph (a) or (b) until the day before the *Active DB Member* has to his credit those thirty-five years and after that day is not required to contribute under paragraphs (a) or (b) but is required to contribute to the *Pension Fund*, by reservation from *Earnings* or otherwise,

(i) in respect of the period beginning on that day and ending on December 31, 2003, in addition to any other amount required under Part B of the *Plan*, at a rate of one per cent of his *Earnings*, and

(ii) in respect of the period beginning on January 1, 2004, in addition to any other amount required under Part B of the *Plan*, at the rates determined by the Board of Directors of the *Corporation*.

(d) Despite paragraph (c), a *Grandfathered DB Member* may make an irrevocable election to cease contributing pursuant to paragraph (a) and (b) at any time after his *Eligibility Service* and *Other Eligibility Service* total thirty-five years. To be effective, such election must be made by the *Grandfathered DB Member* in the form and manner prescribed by the *Administrator*. If the *Grandfathered DB Member* makes such election, then he shall contribute pursuant to paragraph (c) after the later of the date when his *Eligibility Service* and *Other Eligibility Service* total thirty-five years, and thirty days after making such election.

(e) Notwithstanding paragraph (a), (b) or (c), an *Active DB Member* who has attained the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits shall not contribute to Part B of the *Plan* under those provisions in respect of any employment with a *Participating Employer* after December 31 of the year in which the *Active DB Member* attains that age.

4.1.2 Current Service Contributions During Leave of Absence

4.1.2.1 Amount of Contribution

Except to the extent that an *Active DB Member* may not accrue *Pensionable Service* due to the limits imposed under Section 3.3.2, an *Active DB Member* who is absent from active employment with a *Participating Employer* on leave without pay and who was contributing pursuant to subsection 4.1.1(a), (b) or (c) immediately prior to the leave is required to contribute to the *Pension Fund,* in respect of the first three consecutive months of any such absence, the amount required to be paid by that *Active DB Member* pursuant to subsection 4.1.1(a), (b) or (c) had the *Active DB Member* not been absent.

Except to the extent that an *Active DB Member* has elected to not make current service contributions during a leave of absence pursuant to subsection 4.1.2.3, and subject to the limits imposed under Section 3.3.2, an *Active DB Member* who is absent from active employment with a *Participating Employer* on leave without pay beyond the first three consecutive months is required to contribute to the *Pension Fund* the amounts specified in the applicable provisions of paragraph (a), (b) and (c).

(a) Where an *Active DB Member* is absent from active employment with a *Participating Employer* on leave without pay
   (i) for the purpose of undergoing training or instruction that is advantageous to a *Participating Employer*,
   (ii) by reason of illness or injury,
   (iii) because of the pregnancy of the *Active DB Member*,
   (iv) because of personal needs for a period not exceeding three months and leave for personal needs was approved by the appropriate authority,
   (v) for the purpose of serving with a board, commission or agency that is an agent of Her Majesty in right of Canada but not part of the *Public Service*,
   (vi) for the purpose of serving with any organization, including a government other than the Government of Canada, but not including a *Public Service* bargaining agent or a credit union, and the service of that contributor with that organization is to the advantage of a *Participating Employer* or is being performed at the request of the Government of Canada,
   (vii) for the purpose of serving in the Canadian Forces, or
   (viii) is during that absence an employee engaged locally outside Canada by Her Majesty in right of Canada,

   the *Active DB Member* shall contribute the amount required to be paid by that *Active DB Member* pursuant to subsection 4.1.1(a), (b) or (c) had the *Active DB Member* not been absent.

(b) Where an *Active DB Member* is absent from active employment with a *Participating Employer* on leave without pay
   (i) because of the birth of a child of the *Active DB Member*,

(ii) in order to carry out parental responsibilities in respect of the acceptance of custody of a child for adoption, or

(iii) to provide a child of the *Active DB Member* with care and custody,

in respect of any portion of the period of absence that falls within the seventy-eight week period following the day of birth of a child of the *Active DB Member* or the day of adoption of a child by the *Active DB Member*, the *Active DB Member* shall contribute the amount that the *Active DB Member* would have had to pay pursuant to subsection 4.1.1(a), (b) or (c) had the *Active DB Member* not been absent.

(c) In respect of any portion of the period of absence not referenced in paragraphs (a), and (b), the *Active DB Member* shall contribute two hundred per cent of the amount required to be paid by that *Active DB Member* pursuant to subsection 4.1.1(a), (b) or (c) had the *Active DB Member* not been absent.

4.1.2.2 Payment of Contributions for Leave of Absence

(a) A *DB Member* may elect to pay an amount payable pursuant to subsection 4.1.2.1

(i) in a lump sum, within thirty days after the *DB Member's* return to duty in a position in respect of which the *DB Member* is required under Section 4.1.1 to contribute to the *Pension Fund* and in a capacity other than on leave without pay from another position with a *Participating Employer*, or

(ii) in approximately equal instalments, by reservation from the *DB Member's Earnings*, over a period beginning on the *DB Member's* return to duty in a position and capacity referred to in Section 4.1.1 and equal to twice the period of leave in respect of which the *DB Member* is contributing.

(b) Where a *DB Member* who is paying an amount by instalments, pursuant to paragraph (a) in respect of an absence, commences another absence from active employment with a *Participating Employer* on leave without pay before all of the instalments have been paid,

(i) payment of the unpaid instalments is deferred until the *DB Member* returns to duty in a position and capacity referred to in paragraph (a), and

(ii) an amount equal to the aggregate of the amount of the unpaid instalments and the amount payable pursuant to subsection 4.1.2.1 in respect of the latest absence is payable in the manner set out in paragraph (a), except that the period referred to in subparagraph (a)(ii) shall be equal to the total of the period over which the unpaid instalments were to have been deducted and twice the period of the latest leave of absence in respect of which the *DB Member* is contributing.

(c) An *Active DB Member* shall pay to the *Corporation* the contributions payable in advance of each year or each quarter of a period of absence of the *Active DB Member* in respect of that year or quarter where the *DB Member* is serving as a full-time paid official of bargaining agent representing employees of a *Participating Employer.*

(d) Where, on returning to duty, a *DB Member* described in paragraph (c) has not paid all of the amount that is required to be paid pursuant to subsection 4.1.2.1, the *DB Member* shall pay the balance remaining to the *Corporation* in a lump sum within thirty days after the *DB Member's* return to duty or by reservation in equal instalments for a period beginning on the *DB Member's* return to duty and not exceeding the period in respect of which advance payments were to have been made under that subsection.

(e) Nothing in this subsection prohibits minimum lump sum payments as established by the *Administrator,* at any time before the time specified herein of all or part of the amount that is payable pursuant to subsection 4.1.2.1.

4.1.2.3 Election to Cease Contributions During Leave of Absence

An *Active DB Member* who is or has been absent from employment with a *Participating Employer* on an authorized leave of absence without pay for a period that exceeds three months may elect not to contribute in respect of that portion of the period that exceeds three months and in respect of which the *Active DB Member* would have otherwise been required to contribute pursuant to subsection 4.1.1(a) or (b).

To be effective the *DB Member* must make such election

(a) in respect of a period of leave of absence without pay that ends on or after September 9, 1993, at any time during the period that begins three months after the period of leave commenced and ends three months after the day on which the *DB Member* returns to duty in a position in respect of which the *DB Member* is required to contribute to Part B of the *Plan* under Section 4.1.1 and in a capacity other than on leave without pay from another position with a *Participating Employer*, and

(b) in respect of a period of leave of absence without pay that ended before September 9, 1993 and in respect of which the *Active DB Member* has not, before that day, made all of the contributions otherwise required pursuant to Section 4.1.2 in respect of that period, at any time before all of those contributions have been made.

4.1.3 Limits on DB Member Contributions

4.1.3.1 Income Tax Limit

Notwithstanding the preceding provisions of this Article 4, an *Active DB Member's* current service contributions

(a) for a calendar year that does not contain a period of *Disability*, an eligible period of temporary absence or an eligible period of reduced pay shall not exceed the lesser of

  (i) nine per cent of the *Active DB Member's Earnings* for that calendar year, and

  (ii) one thousand dollars plus seventy per cent of the pension credit of the *Active DB Member* under Part B of the *Plan* in respect of that calendar year, and

(b) for a calendar year that contains a period of *Disability,* an eligible period of temporary absence or an eligible period of reduced pay, shall not exceed the amount specified under paragraph (a) plus an additional amount not exceeding the amount reasonably required to fund the *Active DB Member's* benefit in respect of the period of *Disability*, temporary absence or reduced pay.

For the purposes of this Section "pension credit", "eligible period of temporary absence", and "eligible period of reduced pay" have the meanings given to those terms under the *Income Tax Rules*.

Notwithstanding the preceding provisions of this Article 4, an *Active DB Member's* contributions for *Elective Service* shall not exceed the amount reasonably required to fund the past service benefit in respect of the *Elective Service*.

Subject to *Income Tax Rules*, the above limits on an *Active DB Member's* current service contributions may be waived by the Minister of National Revenue upon application, as long as the *Active DB Members'* cost sharing, in aggregate, is not expected to exceed fifty per cent over the long term.

4.1.3.2 Limitation on DB Member Proportion of Cost

When determining the contribution rates pursuant to Section 4.1.1, the Board of Directors of the *Corporation* must not set rates that result in a total amount of contributions by *Active DB Members* under Part B of the *Plan* that would exceed fifty per cent of the current service cost determined by the *Administrator* for the portion of the period in respect of benefits accruing under Part B of the *Plan.*

4.1.3.3 Limitations on Earnings Level

Notwithstanding anything in this Section 4.1, no *Active DB Member* shall, in respect of any period of service of that *Active DB Member* on or after December 15, 1994, make a contribution under Part B of the *Plan* in respect of any portion of that person's annual rate of *Earnings* that exceeds the amount determined by the formula

$$\frac{A - 0.013 \times B}{0.02} + B$$

and rounded to the next highest multiple of $100, where

A is the amount of the defined benefit limit determined for that year pursuant to Regulation 8500(1) of the *Income Tax Rules;* and

B is the *YMPE* for that year.

4.1.4 Contributions For Elective Service

4.1.4.1 Election to Contribute for Elective Service

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan*, an *Active DB Member* may elect to pay for a period of *Elective Service* by completing and submitting an election to the *Administrator* pursuant to the provisions of Article 10. An *Active DB Member* who is entitled under Part B of the *Plan* to elect to pay for a period of *Elective Service* is entitled, unless the *Plan* specifically provides otherwise, to elect to pay for any part of that period.

4.1.4.2 Amount of Contribution for Elective Service

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan* and subject to subsection 4.1.4.3 regarding the purchase of *Part-Time Elective Service*, an *Active DB Member* who is entitled under Part B of the *Plan* to count as *Eligibility Service* any period of *Elective Service* specified in Section 3.2.3 is required to pay, in respect thereof, the following

(a) in respect of any period specified in subsection 3.2.3(a), an amount equal to the amount that he would have been required to contribute under the terms of the *PSSA* or Part B of the *Plan*, if he had been required to contribute during the period, with such rates from the *PSSA* as specified in Appendix C based on *Earnings* at the rate authorized to be paid to

him on the most recent occasion on which he became an *Active DB Member* under Part B of the *Plan*, together with *Elective Service Interest*,

(b) in respect of any period described in subsection 3.2.3(b), an amount equal to the amount that he would have been required to contribute if he had elected under the applicable provisions of the *PSSA* or Part B of the *Plan*, within the time prescribed for the making of the election, to pay for that period, and if during that period the rate of the *Earnings* authorized to be paid to him had been equal to the rate of *Earnings* authorized to be paid to him on the most recent occasion on which he became an *Active DB Member* under Part B of the *Plan*, or a contributor under the *PSSA* if he is a *Grandfathered DB Member*, together with *Elective Service Interest*,

(c) notwithstanding anything in this subsection 4.1.4.2, in respect of any period described in subsection 3.2.3(c), an amount equal to the amount that he would have been required to pay if he had elected under Part I of the *PSSA* within the time prescribed for the making of the election, to pay for that period, and if during that period the rate of *Earnings* authorized to be paid to him had been equal to the rate of *Earnings* so authorized at the time when he made the election to purchase such service, together with *Elective Service Interest*,

(d) in respect of any period specified in subsection 3.2.3(d), an amount that the person would have been required, under Section 4.1.2 regarding contributions during a leave of absence, to contribute in respect of that service, if the person had received *Earnings* during that period equal to the *Earnings* authorized to be paid to the person on the day the person made the election to purchase such service, plus *Elective Service Interest*,

(e) in respect of any period specified in subsection 3.2.3(e), the *Commuted Value* of the *Pension Benefits* that would be payable in respect of such period, determined by the *Administrator* at the time that the *Active DB Member* makes such election, and

(f) in respect of any period specified in subsection 3.2.3(f), the amount computed according to a basis determined by the *Administrator*, that is required to fund the *Pension Benefits* under Part B of the *Plan* in respect of such period.

4.1.4.3 Cost of Part-Time Elective Service

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan*

(a) if an *Active DB Member* elects to count as *Eligibility Service* any period of *Elective Service* specified in subsection 3.2.3(b) or (c), and

  (i) that period of service consists of or includes service during which the *Active DB Member* was employed by a *Participating Employer* or the Post Office Department as a *Part-Time Employee*, or

  (ii) that period of service consists of or includes service of the *Active DB Member* during which the *Active DB Member* was employed by a *Participating Employer* or the Post Office Department on a *Full-Time* basis and the *Active DB Member* is employed by a *Participating Employer* as a *Part-Time Employee* at the time the *Active DB Member* elects to pay for that service,

then the *Active DB Member* shall pay, in respect thereof and in lieu of any amount required under subsection 4.1.4.2, the amount as determined under paragraphs (b), (c) or (d).

(b) if the *Active DB Member* elects within one year after becoming an *Active DB Member,* then he shall contribute to the *Pension Fund* an amount equal to the total of

(i) in respect of any period of service that is *Full-Time* service, the amount that the *Active DB Member* would have been required to contribute under subsection 4.1.4.2 on the basis of *Earnings* equal to

(A) where the *Active DB Member* was employed on a *Full-Time* basis on the most recent occasion on which the *Active DB Member* became an *Active DB Member* under the *Plan*, the *Earnings* authorized to be paid to the *Active DB Member* on that occasion, and

(B) where the *Active DB Member* was employed on a *Part-Time* basis on the most recent occasion on which the *Active DB Member* became an *Active DB Member* under the *Plan*, the *Earnings* that would have been payable to the *Active DB Member* if the *Active DB Member* had been a *Full-Time Employee* in the same occupational group on that occasion, and

(ii) in respect of each period of service that is *Part-Time* service, the amount that the *Active DB Member* would have been required to contribute under subsection 4.1.4.2 on the basis of *Earnings* equal to the amount determined by the formula

$$A \times B$$

where

A is, where the *DB Member* was employed on a *Full-Time* basis on the most recent occasion on which the *DB Member* became an *Active DB Member* under Part B of the *Plan*, the *Earnings* authorized to be paid to the *Active DB Member* on that occasion, and

where the *DB Member* was employed on a *Part-Time* basis on the most recent occasion on which the *DB Member* became an *Active DB Member* under Part B of the *Plan*, the *Earnings* that would have been payable to the *Active DB Member* if the *Active DB Member* had been a *Full-Time Employee* in the same occupational group on that occasion,

B is the aggregate of the amounts determined for each *Part-Time* position in which the *DB Member* was engaged to work during the period by the formula

$$C \div D$$

where, in respect of each position

C is the *Average Assigned Hours* of the *DB Member* associated with the position, and

D is the normal hours of work per week established for *Full-Time Employee*s in the same occupational group as the *DB Member*.

(c) if the *Active DB Member* elects more than one year after becoming an *Active DB Member,* then he shall contribute to the *Pension Fund* an amount calculated in accordance with paragraph (b)

(i) where the *Active DB Member* was employed on a *Full-Time* basis at the time the *Active DB Member* made the election, on the basis of the *Earnings* authorized to be paid to the *Active DB Member* at the time of the election, and

(ii) where the *Active DB Member* was employed on a *Part-Time* basis at the time the *Active DB Member* made the election, subject to paragraph (d), on the basis of the *Earnings* that would have been payable to the *Active DB Member* if the *Active DB Member* had been a *Full-Time Employee* in the same occupational group at the time of the election.

(d) for the purposes of subsections 4.1.4.3 (b) and (c), where at a time referred to in subparagraph (b)(i)(B), the second paragraph of variable "A" in subparagraph (b)(ii) or subparagraph (c)(ii), an *Active DB Member* was employed concurrently in two or more positions, the *Active DB Member's Earnings* shall be the total of the amounts determined for each such position by the formula

$$A \times B/C$$

where

A is the *Earnings* that would have been payable to the *Active DB Member* if the *Active DB Member* had been employed on a *Full-Time* basis in the same occupational group,

B is the *Average Assigned Hours* of the *Active DB Member* associated with the position, and

C is the total of the *Average Assigned Hours* of the *Active DB Member* associated with all positions.

4.1.4.4 Elective Service Contribution(s)

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan,* an *Active DB Member* who elects to pay for *Elective Service* shall pay the required contributions into the *Pension Fund*

(a) in a lump sum, within thirty days of making the election, or

(b) in instalments, on such terms and computed on such bases as to mortality and interest as the *Administrator* prescribes.

Notwithstanding the foregoing, an *Active DB Member* who elects to pay for the period of *Elective Service* specified in subsection 3.2.3(e), shall pay the required contributions into the *Pension Fund* in a lump sum within 30 days of making the election and may, notwithstanding Section 4.1.7, pay the required contributions by transfer of funds from a locked-in retirement savings vehicle which holds the payment referenced in subsection 3.2.3(e).

4.1.5 Medical Examination

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan,* when an *Active DB Member* elects to pay for *Elective Service*, he must undergo and pass a medical examination unless the election is made within one-year of being notified by the *Administrator* that the *Active DB Member* has become an *Active DB Member* under Part B of the *Plan* and no interruption of employment for more than one complete calendar day has occurred.

Where the *Active DB Member* has so elected and the *Active DB Member* has undergone and passed a medical examination or the *Active DB Member* has made the election within one-year of being notified by the *Administrator* that the *Member* has become an *Active DB Member* under Part B of the *Plan* and no interruption of employment for more than one complete calendar day has occurred the *Active DB Member* shall have the payment options identified in subsection 4.1.4.4.

Where the election is not made within one-year of being notified by the *Administrator* that the *DB Member* has become an *Active DB Member* under Part B of the *Plan* where no interruption of employment for more than one complete calendar day has occurred and the medical examination is not passed, the *Active DB Member* shall have the payment option identified in subsection 4.1.4.4 (a) only.

4.1.6 Amounts Unpaid When DB Member Leaves Employment

4.1.6.1 Elective Service Contributions Due and Payable and Contributions Due and Payable for Leave of Absence

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan*

(a) where an amount that is due and payable by a *DB Member* pursuant to Section 4.1.4 or an amount that is payable pursuant to subsection 4.1.2.1 is unpaid at the time the *DB Member Terminates Employment*, that amount is immediately payable in full.

(b) where an amount payable by a *DB Member* into the *Pension Fund* by reservation from *Earnings* or otherwise has become due, but remains unpaid at the time of his death, the *Administrator* may deduct or seek recovery of that amount, with interest at four per cent per annum from the time when it became due, from the *Survivor Allowance*, the amount payable to the *Beneficiary* or the amount payable to the estate of the deceased *DB Member.* Any amount so recovered shall be credited to the *Pension Fund* and shall be deemed, for the purposes of the definition "*Return of Contributions*", to have been paid into the *Pension Fund* by the *DB Member*.

4.1.6.2 Elective Service Contributions Payable in the Future

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is a conflict between its terms and the provisions of the *Plan,* if a *DB Member* has elected to contribute for *Elective Service* in instalments pursuant to Section 4.1.4 and he subsequently *Terminates Employment* before he has fully paid all instalments that will become payable after his *Termination of Employment,* then

(a) if the *DB Member* elects a transfer pursuant to Article 6, he may elect either
  (i) to pay the remaining instalments in a lump sum prior to the completion of the transfer under Article 6, in which case he will receive a *Commuted Value* of his benefits that includes all of his *Elective Service* for which he has contributed, or
  (ii) not to pay the remaining instalments, in which case the *Elective Service* on which his *Commuted Value* is based will be adjusted to reflect the portion of the instalments that he has paid,

(b) if the *DB Member* elects an *Immediate Annuity*, his obligation to pay instalments shall continue unchanged or he may pay the remaining instalments in a lump sum, and

(c) if the *DB Member* elects a *Deferred Annuity*, the *DB Member* may elect to pay the remaining instalments in a lump sum, within thirty days after he elects a *Deferred Annuity*, otherwise, the *DB Member* will only be entitled to receive credit for the periods of *Elective Service* for which he has contributed.

If a *DB Member* has elected to contribute for *Elective Service* in instalments pursuant to Section 4.1.4 and he subsequently dies before he has fully paid all instalments, then the remaining instalments that had not yet fallen due are forgiven and any benefit payable under Section 7 of Part B of the *Plan* shall be determined based on all of the *Elective Service* for which the *DB Member* was contributing.

4.1.7 Source of Lump Sum Payment of Contributions for Leave of Absence or Elective Service

A lump sum payment made by a *DB Member* under subsections 4.1.2.2, 4.1.4.4, 4.1.6.1 and 4.1.6.2 may include a transfer of funds from a registered retirement savings plan of which the *DB Member* is the annuitant or other registered vehicle as permitted from time to time under the *Income Tax Rules*. For greater certainty, no lump sum may include a transfer of funds from a registered retirement savings plan of which the *DB Member* is not the annuitant, or, subject to subsection 4.1.4.4, any locked-in registered savings plan or life income fund that is of the kind prescribed under the *PBSA* or any provincial pension legislation. Notwithstanding anything else in the *Plan*, the source of the payment of required contributions must be in accordance with the *Income Tax Rules*.

4.2 EMPLOYER CONTRIBUTIONS

(a) Each *Participating Employer* shall contribute to the *Pension Fund* the amount or amounts determined pursuant to this Section, subject to the requirements of the *PBSA* and the *Income Tax Rules*.

(b) The contribution, if any, of each *Participating Employer* in respect of current service shall be determined by the *Administrator,* based on the recommendations of the *Actuary,* as necessary to fund the benefits accruing under Part B of the *Plan* in respect of persons employed by that *Participating Employer*, taking account of the existing assets of the *Pension Fund*. Such contributions shall be allocated between the *Participating Employer*s on a reasonable and equitable basis, taking account of the *Active DB Member*s employed by each *Participating Employer*. Such *Participating Employer* contributions, if any are required, shall be deposited into the *Pension Fund* in monthly instalments, within thirty days after the end of the month for which the contributions are payable. For greater clarity, the *Administrator* may permit a *Participating Employer* to apply all or any part of an excess of assets in the *Pension Fund* over the liabilities of the *Plan* towards the current service cost of the *Participating Employer* or towards its contributions under Section 13.2 or 13.3 provided that current service contributions cannot be reduced or eliminated unless the solvency ratio of Part B of the *Plan* calculated by the *Actuary* is 1.05 or more, or such other number prescribed under the *PBSA*.

(c) A *Participating Employer* shall also make equal monthly contributions to the *Pension Fund* throughout the *Fiscal Year*, if any are required under the *PBSA,* to amortize any unfunded liability or solvency deficiency determined by the *Actuary* in respect of Part B of the *Plan*. For greater certainty, the required contributions to amortize a solvency deficiency shall be reduced as permitted in accordance with section 9.16 of the *PBSA*. The *Administrator* shall allocate such contributions between the *Participating Employer*s on a reasonable and equitable basis. Such *Participating Employer* contributions shall be deposited within thirty days after the end of the month for which the contributions are payable.

5. BENEFITS ON RETIREMENT OR TERMINATION

5.1 AMOUNT OF PENSION

5.1.1 Amount of Lifetime Annuity

Subject to Article 9, the amount of any *Annuity* which may be payable to a *DB Member* under Part B of the *Plan* is computed as

(a) an amount equal to the product of

(i) the number of years of *Pensionable Service* to the credit of the *DB Member,* not exceeding thirty-five,

multiplied by

(ii) two per cent of the *DB Member's Highest Average Earnings*,

less

(b) an amount equal to the product of

(i) the number of years of *Pensionable Service* after December 31, 1965 to the credit of the *DB Member,* not exceeding thirty-five,

multiplied by

(ii) seven-tenths of one per cent of the lesser of the *DB Member's Highest Average Earnings* and his *Average Maximum Pensionable Earnings.*

5.1.2 Amount of Bridge Benefit

Subject to Article 9, the amount of *Bridge Benefit* which may be payable to a *DB Member* who commences payment of his *Annuity* prior to sixty-five years of age is an amount equal to

(a) the number of years of *Pensionable Service* after December 31, 1965 to the credit of the *DB Member*, not exceeding thirty-five,

multiplied by

(b) seven-tenths of one per cent of the lesser of the *DB Member's Highest Average Earnings* and his *Average Maximum Pensionable Earnings*.

5.1.3 Additional Benefit for Pre-1966 DB Members

Where a *Grandfathered DB Member* who was a contributor under the *PSSA* on December 31, 1965, and who has been employed in the *Public Service* or by a *Participating Employer* without any interruption exceeding three continuous months since that day,

(a) has become entitled to an *Immediate Annuity* under Part B of the *Plan* that is not reduced for early commencement, and

(b) the amount of the *Immediate Annuity* together with

(i) the amount of any disability pension to which that person is entitled under the Canada Pension Plan or a *Provincial Pension Plan*, in the case of a *DB Member* who is receiving an *Annuity* pursuant to Section 5.4, or

(ii) the amount of any retirement pension to which that person is entitled under the Canada Pension Plan or a *Provincial Pension Plan* commencing at sixty-five years of age or, to which he would be entitled thereunder, if he applied therefor and it had not been commuted, in the case of a *DB Member* receiving an *Annuity* pursuant to Section 5.3,

that is attributable to contributions made thereunder in respect of his employment with the *Corporation*, a *Participating Employer*, the Post Office Department, and any other employment in the *Public Service* that is counted as *Pensionable Service*

is less than

(c) the amount of *Annuity* that would be payable pursuant to subsection 5.1.1(a) without the reduction otherwise applicable pursuant to subsection 5.1.1(b)

the amount of the *Annuity* payable to him under Part B of the *Plan* shall, on application therefor by him in the manner prescribed by the *Administrator*, be increased by the amount of the difference calculated above effective from the day on which payment of the *DB Member's Bridge Benefit* ceases or the day on which payment of the *DB Member's Annuity* commences if later.

For the purposes of this subsection, the amount of any retirement or disability pension to which a person described in this subsection is entitled under the Canada Pension Plan or a *Provincial Pension Plan* is the pension that he would have received

(d) commencing at sixty-five years of age in the case of a retirement pension, and

(e) commencing when the *DB Member* demonstrates disability for purposes of the Canada Pension Plan in the case of a disability pension,

if the *Earnings* received or deemed to have been received by him during his *Eligibility Service* under Part B of the *Plan* had been the total amount of his income from pensionable employment, as defined in the Canada Pension Plan, and if the Canada Pension Plan had applied to him during such *Eligibility Service*.

5.2 TERMINATION WITH LESS THAN TWO YEARS OF ELIGIBILITY SERVICE AND AS A MEMBER LESS THAN TWO YEARS

5.2.1 Return of Contributions

[DELETED EFFECTIVE JULY 1, 2011]

5.2.2 Termination with Entitlement to Vested Annuity

[DELETED EFFECTIVE JULY 1, 2011]

5.3 TERMINATION BENEFITS

5.3.1 Eligibility

[DELETED EFFECTIVE JULY 1, 2011]

5.3.2 Termination On or After Pensionable Age

Subject to Section 1.5(g), if the *DB Member Terminates Employment*, after he has reached *Pensionable Age*, then the *DB Member* is entitled to an *Immediate Annuity* and an *Immediate Bridge Benefit*, if any, computed pursuant to Section 5.1.

5.3.3 Involuntary Termination

Subject to Section 1.5(g), if the *DB Member Terminates Employment* for any reason other than *Disability* and he does not satisfy the conditions of Section 5.3.2, and if at the time he *Terminates Employment* he has reached sixty years of age for a *Group B Member*, or fifty-five years of age for a *Group A Member*; has been employed by a *Participating Employer*, the Post Office Department or, prior to October 1, 2000 in any other part of the *Public Service* on a *Full-Time* or *Part-Time* basis for a period of, or for periods totalling, at least ten years; and if he does not voluntarily retire from employment, then he is entitled to receive, at his option and in lieu of any entitlement under Section 5.3.4

(a) a *Deferred Annuity* and a *Deferred Bridge Benefit*, or

(b) an *Immediate Annuity* and an *Immediate Bridge Benefit*, payable immediately on his so ceasing to be employed, with the amount of the *Immediate Annuity* equal to the amount of the *Annuity* computed pursuant to Section 5.1.1 less the product obtained by multiplying

(i) five per cent of the amount of the *Annuity* computed pursuant to subsection 5.1.1(a),

by

(ii) thirty minus the number of years, to the nearest one-tenth of a year, of *Eligibility Service* to his credit,

or less the reduction determined pursuant to subsection 5.3.4(c), whichever reduction is less, subject to the limitations imposed by Section 5.3.7. However, the *Corporation* may, from time to time, at its unfettered discretion, waive the whole or any part of the reduction provided by this clause for one or more classes of *DB Member*s, provided that the amount of *Immediate Annuity* that becomes payable to a *DB Member* shall not exceed the amount calculated according to the formula set out in Regulation 8503(3)(*c*) of the *Income Tax Rules*.

5.3.4 Other Termination Eligible for an Immediate Annuity

If the *DB Member Terminates Employment* for any reason other than *Disability,* he does not satisfy the conditions of Section 5.3.2 and he is not eligible or does not elect a benefit under Section 5.3.3, then he is entitled to receive, at his option

(a) a *Deferred Annuity* and a *Deferred Bridge Benefit*, which he may subsequently elect to commence early pursuant to subsection (b) or (c) provided that, at the time he ceased to be so employed, he satisfied the requirements of subsection (b) or (c),

(b) if at the time he ceases to be so employed he has reached fifty years of age for a *Group A Member*, or, for a *Group B Member*, fifty-five years of age, and has to his credit not less than twenty-five years of *Eligibility Service*, an *Annuity* and a *Bridge Benefit*, payable immediately after he exercises his option, with the amount of the *Annuity* equal to the amount of an *Annuity* computed pursuant to Section 5.1.1 less the product obtained by multiplying

(i) five per cent of the amount of the *Annuity* computed pursuant to subsection 5.1.1(a), by the greater of (ii) or (iii)

(ii) fifty-five minus his age in years for a *Group A Member*, or for a *Group B Member*, sixty minus his age in years, to the nearest one tenth of a year, at the time he exercises his option, or

(iii) thirty minus the number of years, to the nearest one tenth of a year, of *Eligibility Service* to his credit,

subject to Sections 5.3.7 and 1.5(g),

or

(c) if at the time he ceases to be so employed he is within ten years of his *Pensionable Age*, an *Annuity* and *Bridge Benefit* are payable immediately on his exercising his option, with the amount of the *Annuity* equal to the amount of the *Annuity* computed pursuant to Section 5.1.1 less the product obtained by multiplying

(i) five per cent of the amount of the *Annuity* computed pursuant to subsection 5.1.1(a),

by

(ii) his *Pensionable Age* minus his age, in years to the nearest one-tenth of a year, both determined on the date when his *Pension Benefits* become payable,

subject to Sections 5.3.7 and 1.5(g).

Notwithstanding the provisions of Sections 5.3.4(b) and 5.3.4(c), the *Corporation* may, from time to time, at its unfettered discretion, waive the whole or any part of the reduction provided by these clauses for one or more classes of *DB Members*, provided that the amount of *Immediate Annuity* that becomes payable to a *DB Member* shall not exceed the amount calculated according to the formula set out in Regulation 8503(3)(c) of the Income Tax Rules.

In lieu of the foregoing, the *DB Member* may elect to transfer the *Commuted Value* of his *Pension Benefits* in accordance with the provisions of Section 6.1(a) if he has to his credit less than two years of *Eligibility Service* and has been a *Member* for less than two years.

5.3.5 Termination Prior to Eligibility for Early Retirement

If the *DB Member Terminates Employment* for any reason other than *Disability* and he does not satisfy the conditions for an *Immediate Annuity* under Section 5.3.2, 5.3.3 or 5.3.4, then he is entitled to receive, a *Deferred Annuity* and a *Deferred Bridge Benefit* which he may subsequently elect to commence early pursuant to Section 5.3.6. In lieu of the foregoing, the *DB Member* may elect to transfer the *Commuted Value* of his *Pension Benefits*, in accordance with the provisions of Section 6.1(a).

5.3.6 Early Commencement of Deferred Annuity

A DB Member entitled to a *Deferred Annuity* and *Bridge Benefit* pursuant to Section 5.3.3, 5.3.4 or 5.3.5 may elect to commence payment of such *Annuity* and *Bridge Benefit* on any date that is within ten years of his *Pensionable Age* and in such case the amount of the *Annuity* shall be equal

to the amount of the *Annuity* computed pursuant to Section 5.1.1 less the product obtained by multiplying

(a) five per cent of the amount of the *Annuity* computed pursuant to subsection 5.1.1(a),

by

(b) his *Pensionable Age* minus his age, in years to the nearest one-tenth of a year, both determined on the date when his *Pension Benefits* become payable,

subject to Sections 5.3.7 and 1.5(g).

5.3.7 Limitations on Adjustment of Annuity for Early Commencement

Notwithstanding the provisions of Sections 5.3.3, 5.3.4, 5.3.5 and 5.3.6, the *Immediate Annuity* payable to the *DB Member* after reduction for early commencement shall not be less than the *Immediate Annuity* that would be payable if such *Annuity* and *Bridge Benefit* were the *Actuarial Equivalent* on an aggregate basis of the *Deferred Pension Benefits* that would have been payable pursuant to subsection 5.3.3(a), subsection 5.3.4(a), or Section 5.3.5, as applicable and the reduction to the *Immediate Annuity* for early commencement shall not be less than the minimum reduction required under Regulation 8503(3)(*c*) of the *Income Tax Rules*.

5.4 DISABILITY BENEFITS

5.4.1 Disability Retirement

If an *Active Member* or *Inactive DB Member* who has not reached sixty-five years of age *Terminates Employment* by reason of having become *Disabled*, then the *DB Member* is entitled to elect to

(a) receive an *Immediate Annuity* and an *Immediate Bridge Benefit*, if the *Member* has to his credit two or more years of *Eligibility Service* or has been a *Member* for two or more years,

(b) receive a *Deferred Annuity* and a *Deferred Bridge Benefit* pursuant to Section 5.3.5 where the *DB Member* will be treated as if he *Terminates Employment* by reason of not having become *Disabled,* or

(c) transfer the *Commuted Value* of his *Pension Benefits* in accordance with the provisions of Section 6.1(a), or

(d) receive the *Commuted Value* of his *Pension Benefits* as a lump sum if the *Commuted Value* of the *Pension Benefits* the *Disabled Member* is entitled to receive under Part B of the *Plan* (plus, if applicable, the value of the *DC Benefit* under Part C of the *Plan*) is less than twenty per cent of the *YMPE* for the calendar year in which the *DB Member Terminates Employment* by reason of becoming *Disabled*, or such other amount as may be prescribed under the *PBSA*. Such a lump sum payment shall be in lieu of any other benefit under Part B of the *Plan*. For greater certainty, the provisions of Section 11.2 do not apply to a *DB Member* who has become *Disabled*.

5.4.2 Disability after Termination of Employment

(a) If a *Deferred DB Member* becomes *Disabled*, before he has reached sixty-five years of age and has to his credit not less than two years of *Eligibility Service* or has been a

Member at least two years, then he may elect to receive an *Immediate Annuity* and *Immediate Bridge Benefit* in lieu of his *Deferred* entitlements.

(b) If a *Retired DB Member* who is receiving an *Annuity* that is reduced for early commencement becomes *Disabled* before he has reached sixty-five years of age and has to his credit not less than two years of *Eligibility Service* or has been a *Member* at least two years, then he may elect to receive, in lieu of that reduced *Annuity,* an *Immediate Annuity* which shall be adjusted as follows to take into account the amount of the reduced *Annuity* he has received. Subject to Section 1.5(g) the *Annuity* to which the *DB Member* is entitled shall be adjusted by deducting therefrom an amount equal to the product obtained by multiplying

(i) five per cent of the amount of the *Annuity* computed pursuant to subsection 5.1.1(a) that the *DB Member* would have been entitled to receive if he had not elected to receive a reduced *Immediate Annuity,*

by

(ii) the number of years, calculated to the nearest one-tenth, during which the *DB Member* received a reduced *Immediate Annuity*, other than those years, calculated to the nearest one-tenth, after the day on which he attained the age at which he could otherwise have retired and been entitled to an unreduced *Immediate Annuity* based on the length of *Pensionable Service* on which the reduced *Annuity* was calculated.

5.4.3 Recovery from Disability

Where a *DB Member* who

(i) is less than sixty-five years of age, and

(ii) is in receipt of an *Annuity* payable under Part B of the *Plan* in respect of a *Disability* previously incurred by him,

is certified to have regained his health or to be capable of performing the duties of his former position with a *Participating Employer* or any other position with a *Participating Employer* commensurate with his qualifications, then payment of his *Annuity* and any *Bridge Benefit* that he may have been receiving shall cease. If he is re-employed by a *Participating Employer* at that time, then his entitlements under Part B of the *Plan* shall be governed by the provisions of Section 2.4. If he does not return to employment with a *Participating Employer,* then he is entitled to a *Deferred Annuity* and a *Deferred Bridge Benefit* pursuant to Section 5.3.

5.5 Mandatory Commencement of Pension

Notwithstanding the provisions of Sections 5.3 and 5.4, a *DB Member* may not postpone commencement of his *Annuity* beyond the end of the year in which he attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits. A *DB Member* shall not accrue any further *Eligibility Service* or *Pensionable Service* beyond the date when payment of his *Annuity* commences pursuant to this Section 5.5.

5.6 Deemed Election of Option

Where, under Section 5.3 or 5.4, a *DB Member* is entitled to a benefit therein specified at his option, if he fails to exercise the option within ninety days from the time he became so entitled, he shall be deemed to have exercised it in favour of a benefit in the form of a *Deferred Annuity* and a *Deferred Bridge Benefit*, as applicable.

5.7 Pension Accrual After Termination of Employment and Pension Loss Claims

Notwithstanding any other provision of the *Plan*, the *Pension Benefit* under Article 5 to which a *DB Member* is entitled upon *Termination of Employment* shall not include *Pension Benefits* that would have accrued during any period of notice as a result of *Termination of Employment* for any reason (regardless of whether the *DB Member's* employment is terminated lawfully or unlawfully) for which a payment or payments in lieu of such period of notice is or are provided, or in respect of any remedy, statutory or otherwise, arising from or related to the termination of such employment. A terminated *DB Member* is also disentitled to damages as compensation for the loss of the value of *Pension Benefits* that the *DB Member* would have accrued during the period of notice.

5.8 Minimum Benefit From DB Member Contributions

Notwithstanding Section 5.1.1, if a *DB Member* who *Terminates Employment* elects to receive an *Immediate Annuity* pursuant to Sections 5.3.2, 5.3.3, 5.3.4 or 5.4.1, as the case may be, and if:

(a) the sum of

(i) the *DB Member's* contributions pursuant to paragraphs(a)(i) and (ii) of the definition of *Return of Contributions*,

less

(ii) all contributions made by the *DB Member* pursuant to or in reference to subsection 4.1.4.2(e) or (f)),

plus

(iii) interest as described in the definition of *Return of Contributions*,

calculated to the date the *DB Member Terminates Employment*,

exceeds

(b) 50% of the *DB Member's Commuted Value* (including any benefit payable to a *Spouse,* former *Spouse* or former *Common-Law Partner* of the *DB Member* pursuant to Section 18.2) determined without reference to this Section 5.8 at the date the *DB Member Terminates Employment,*

the *DB Member* will be entitled, from the date on which the *Immediate Annuity* begins to be paid, to an increase in his *Annuity* equal to the *Actuarial Equivalent* of the excess amount determined in this Section 5.8 (such increase in the *DB Member's Annuity* being referred to as *Excess Contributions Annuity*).

In the case of a re-employed person eligible to become a *DB Member* pursuant to Section 2.4.2, if such *DB Member* later *Terminates Employment* and elects to receive an *Immediate Annuity* pursuant to Section 5.3.2, 5.3.3, 5.3.4 or 5.4.1, as the case may be, the *Excess Contributions Annuity*, if any, shall only be calculated in accordance with this Section 5.8 for *Pensionable Service* accrued and contributions made after the *DB Member's* date of re-employment.

6. PORTABILITY

6.1 ELIGIBILITY

(a) A *DB Member* who *Terminates Employment,* and

(i) is not entitled to an *Immediate Annuity* or

(ii) is entitled to an *Immediate Annuity*, has less than two years of *Eligibility Service,* has been a *Member* for less than two years and to whom Section 11.2(a) does not apply,

may elect a transfer pursuant to Section 6.2 of the *Commuted Value* of the *Pension Benefits* that would otherwise be payable in respect of his *Pensionable Service* other than any benefits that have been assigned to a *Spouse,* former *Spouse* or former *Common-Law Partner* pursuant to Section 18.2, in lieu of any other benefit under Part B of the *Plan*. To be effective, the *DB Member* must make such election within three months of receiving from the *Administrator* the statement that indicates his options on *Termination of Employment*. The election of a *DB Member* who is entitled to an *Immediate Annuity* and has a *Spouse* or *Common-Law Partner* is subject to the consent of his *Spouse* or *Common-Law Partner* as may be required in accordance with the *PBSA*.

(b) A *Spouse*, former *Spouse* or former *Common-Law Partner* of a *DB Member* who has been assigned a *Pension Benefit* under Section 18.2 may elect a transfer pursuant to Section 6.2 of the *Commuted Value* of the *Pension Benefits* even if the *Spouse*, former *Spouse* or former *Common-Law Partner* is entitled to an *Immediate Annuity*. To be effective, the *Spouse*, former *Spouse* or former *Common-Law Partner* must make such election within three months of receiving from the *Administrator* the statement that indicates options on *Termination of Employment*.

6.2 TYPE OF RECEIVING PLAN

6.2.1 For Locked-In Benefits

A *DB Member* who has to the *DB Member's* credit two or more years of *Eligibility Service* or has been a *Member* for two or more years and who is entitled pursuant to Section 6.1 to transfer a *Commuted Value*, may transfer it to

(a) a pension plan selected by the *DB Member* that is registered under the *Income Tax Act*, if that pension plan so permits,

(b) a locked-in retirement savings plan or a life income fund for the *DB Member* that is of the kind prescribed under the *PBSA*, or

(c) a financial institution licensed or otherwise authorized under the laws of Canada or a province to sell immediate or deferred life annuities of the kind prescribed under the *PBSA*, for the purchase from that financial institution of such an annuity for the *DB Member*.

6.2.2 For Non Locked-In Benefits

A *DB Member* who has to the *DB Member's* credit less than two years of *Eligibility Service* and has been a *Member* for less than two years and who is entitled pursuant to Section 6.1 to transfer a *Commuted Value*, may direct

(a) a transfer on the *DB Member's* behalf to a registered retirement savings plan, or

(b) a payment to the *DB Member* in a lump sum.

6.3 OTHER SITUATIONS

[DELETED EFFECTIVE JULY 1, 2011]

6.4 MANDATORY TRANSFER

[DELETED EFFECTIVE DECEMBER 15, 2010]

6.5 SOLVENCY RESTRICTIONS

A transfer under Section 6.2 is subject to the solvency limitations prescribed under the *PBSA* in respect of the transfer of monies from the *Pension Fund.*

6.6 TAX LIMITATIONS ON COMMUTED VALUE

(a) An amount transferred in accordance with Section 6.2 shall not exceed the greater of the *DB Member's Return of Contributions* and the product of

(i) the annual amount of the *DB Member's Annuity* foregone as a result of the transfer, and

(ii) the applicable present value factor specified in the *Income Tax Rules*.

(b) If the amount of a *DB Member's Commuted Value* exceeds the maximum transferable amount in accordance with paragraph (a), the excess shall be paid in cash to the *DB Member*.

7. BENEFITS ON DEATH OF A DB MEMBER

7.1 SURVIVOR ALLOWANCE ON THE PRE-RETIREMENT DEATH OF A MEMBER

7.1.1 Survivor Allowance to Spouse/Common-Law Partner

The *Survivor Allowance* payable to a *Survivor Pre-Retirement* of a *DB Member* is an *Immediate Survivor Allowance* equal to the *Basic Allowance*.

7.1.2 Survivor Allowance to Dependent Children on the Pre-Retirement Death of a DB Member

a) The *Survivor Allowance* payable to each *Dependent Child* of the *DB Member* who dies before becoming a *Retired DB Member* is an *Immediate Survivor Allowance* equal to one-fifth of the *Basic Allowance* but the total amount of the allowances paid under this paragraph shall not exceed four-fifths of the *Basic Allowance*.

b) If the *DB Member* dies before becoming a *Retired DB Member* without leaving a *Survivor Pre-Retirement*, or the *Survivor Pre-Retirement* survives the *DB Member* but subsequently dies, then the *Survivor Allowance* payable to each *Dependent Child* of the *DB Member* shall equal two-fifths of the *Basic Allowance* but the total amount of the allowances paid under this paragraph shall not exceed eight-fifths of the *Basic Allowance*.

c) A *Dependent Child* ceases to be entitled to payment of a *Survivor Allowance* when he ceases to qualify as a *Dependent Child*.

7.1.2.1 Apportionment Among Dependent Children

[MOVED TO BECOME SECTION 7.13.2 EFFECTIVE JULY 1, 2011]

7.1.2.2 Payment to Minors

[MOVED TO BECOME SECTION 7.13.3 EFFECTIVE JULY 1, 2011]

7.1.3 Limit on Survivor Allowance on the Pre-Retirement Death of a DB Member

(a) The monthly amount of *Survivor Allowance* payable under Article 7 to the *Survivor Pre-Retirement* of a *DB Member* deceased before becoming a *Retired DB Member* in respect of *Pensionable Service* after December 31, 1991 shall not exceed the greater of

(i) the greater of

(A) two-thirds of the monthly amount of the *Annuity* that was accrued to the credit of the *DB Member* on the date of death, and

(B) two-thirds of the monthly amount of the *Annuity* that he would have accrued if he had continued in employment with a *Participating Employer* until he reached sixty-five years of age and he received earnings at the same level as in effect on the date of death, but such projected amount shall not exceed one twelfth of one hundred and fifty per cent of the *YMPE* in the year of his death, and

(ii) a *Survivor Allowance* with a *Commuted Value* equal to the *Commuted Value* that would have been available for transfer pursuant to Article 6 if the *DB Member* had *Terminated Employment* on the date of death.

(b) The aggregate of all monthly amounts payable to the *Survivor Pre-Retirement* and *Dependent Children* of a *DB Member* deceased before becoming a *Retired DB Member* under Article 7 in respect of *Pensionable Service* after December 31, 1991 shall not exceed the greater of

(i) the monthly amount of the *Annuity* that was accrued to the credit of the *DB Member* on the date of death, and

(ii) the monthly amount of the *Annuity* that he would have accrued if he had continued in employment with a *Participating Employer* until he reached sixty-five years of age and he received *Earnings* at the same level as in effect on the date of death, but such projected amount shall not exceed one twelfth of one hundred and fifty per cent of the *YMPE* in the year of his death.

(c) If payment is required to be made to the *DB Member's Beneficiary* or to the estate of the *DB Member* pursuant to Section 7.2.5, the amount payable under Section 7.2.2 to the *Dependent Children* of a *DB Member* deceased before becoming a *Retired DB Member*, is nil.

7.2 PRE-RETIREMENT DEATH BENEFITS

7.2.1 Death Prior to Two Years of Eligibility Service and as a Member for Less Than Two Years

On the death of a *DB Member*, other than a *Retired DB Member*, who has less than two years of *Eligibility Service* to his credit and has been a *Member* less than two years, the *Commuted Value* of the *Pension Benefits* that would otherwise be payable in respect of the *DB Member's Pensionable Service* shall be paid as a lump sum benefit to the *Survivor Pre-Retirement*. If the *DB Member* is not survived by a *Survivor Pre-Retirement*, then the payment shall be made to the *Beneficiary* of the *DB Member*, or if no *Beneficiary* exists, to the estate of the *DB Member*.

7.2.2 Eligibility for Survivor Allowance

On the death of a *DB Member*, other than a *Retired DB Member* and who had to the *DB Member's* credit two or more years of *Eligibility Service* or has been a *Member* for two or more years subject to the minimum benefits under Section 7.3 and the limits under Section 7.1.3, the *Survivor Pre-Retirement* and *Dependent Children* of the *DB Member* are entitled to the *Survivor Allowance*s specified in Sections 7.1.1 and 7.1.2.

7.2.3 Post-Retirement Death

[DELETED EFFECTIVE JULY 1, 2011]

7.2.4 Death After Two Years of Eligibility Service or as a Member for More Than Two Years with a Survivor Pre-Retirement

On the death of a *DB Member* who is not a *Retired DB Member*, where a *Survivor Allowance* is payable to a *Survivor Pre-Retirement*, once the last of the *Survivor Pre-Retirement* and any *Dependent Children* to whom a *Survivor Allowance* may be paid dies or ceases to be entitled to a *Survivor Allowance* and no other amount may be paid to them under Part B of the *Plan*, then an amount equal to the amount by which

(a) the greater of
  (i) the amount of a *Return of Contributions* determined at the date of the *DB Member's* death, and

  (ii) an amount equal to five times the unreduced annual *Pension Benefit* to which the *DB Member* was or would have been at the time of his death entitled, determined in accordance with subsection 5.1.1(a),

exceeds

(b) the aggregate of all amounts of *Annuity*, *Bridge Benefit* and *Survivor Allowance* paid in respect of the *DB Member* under Part B of the *Plan*, plus the aggregate of all amounts of *Annuity*, *Bridge Benefit* and *Survivor Allowance* that would have been paid in respect of the *DB Member* under Part B of the *Plan* but for the operation of
  (i) the limit applied by the proviso contained in the last sentence of Section 5.3.3,
  (ii) the limits contained in Section 7.1.3,
  (iii) the limit contained in the last sentence of Section 9.1.1,

shall be paid, as a lump sum benefit to the *Beneficiary* of the *DB Member*, or if no *Beneficiary* exists, to the estate of the *DB Member*. For the purposes of this Section, all amounts of *Pension Benefits* used in the determination of the benefit payable under this paragraph shall be determined excluding any increases determined pursuant to Section 8.2.

However, such resulting amount shall not exceed the greater of

(a) an amount equal to twice a *Return of Contributions*, and
(b) the *Commuted Value* of the *Pension Benefits* that would otherwise be payable in respect of the *DB Member's Pensionable Service*.

7.2.5 Death After Two Years of Eligibility Service or as a Member for More Than Two Years Without a Survivor Pre-Retirement

On the death of a *DB Member* who is not a *Retired DB Member*, who had to the *DB Member's* credit two or more years of *Eligibility Service* or has been a *Member* for two or more years, and there is no *Survivor Pre-Retirement*, the *Commuted Value* of the *Pension Benefits* that would otherwise be payable in respect of the *DB Member's Pensionable Service* shall be paid as a lump sum benefit to the *Beneficiary* of the *DB Member*, or if no *Beneficiary* exists, to the estate of the *DB Member*.

7.3 MINIMUM PRE-RETIREMENT DEATH BENEFIT

(a) Notwithstanding the provisions of Section 7.2.2, if a *DB Member* who is not a *Retired DB Member* dies and if the *Commuted Value* of the *Survivor Allowance* payable to a *Survivor Pre-Retirement* pursuant to the terms of Section 7.2.2 is less than the *Commuted Value* of the *Pension Benefits* that would have been payable to the *DB Member* and the *Spouse* or *Common-Law Partner* in respect of the *DB Member's Pensionable Service* if he had *Terminated Employment* on the date of death ("Minimum *Commuted Value*"), then the amount of the *Survivor Allowance* payable to the *Survivor Pre-Retirement* shall be increased so that it has a *Commuted Value* equal to such Minimum *Commuted Value*.

(b) Notwithstanding the provisions of Section 7.2.2, if a *DB Member* who is not a *Retired DB Member* dies and

(i) if the death had occurred on July 1, 2011 after he would have been eligible to elect an *Immediate Annuity* pursuant to Section 5.3 on *Termination of Employment,* and

(ii) if the provisions of Section 7.11 would have applied to the *DB Member* if he had *Terminated Employment* on the date of death and elected to receive an *Immediate Annuity*,

then the *Pension Benefits* payable to the *Survivor Pre-Retirement* of such *DB Member* pursuant to Section 7.2.2 for all *Pensionable Service* in respect of periods to July 1, 2011 shall not be less than sixty percent of the *Annuity* that would be payable to the *DB Member* at that time, if he were alive.

7.3.1 Minimum Pre-Retirement Death Benefit from DB Member Contributions

If, upon the death of a *DB Member* who is not a *Retired DB Member*, a *Survivor Pre-Retirement* elects to receive an *Immediate Survivor Allowance* pursuant to Section 7.1.1, and if:

(a) the sum of

(i) the *DB Member's* contributions pursuant to paragraphs(a)(i) and (ii) of the definition of *Return of Contributions*,

less

(ii) all contributions made by the *DB Member* pursuant to or in reference to subsection 4.1.4.2(e) or (f)),

plus

(iii) interest as described in the definition of *Return of Contributions,*

calculated to the date of the *DB Member's* death,

exceeds

(b) 50% of the *DB Member's Commuted Value* (including any benefit payable to a *Spouse,* former *Spouse* or former *Common-Law Partner* of the *DB Member* pursuant to Section 18.2), determined without reference to this Section 7.3.1 that would have been available for transfer pursuant to Article 6 if the *DB Member* had *Terminated Employment* on the date of death,

the *Survivor Pre-Retirement's Survivor Allowance* shall be increased so that it has a *Commuted Value* at least equal to the *Commuted Value* that would have been available for transfer pursuant to

Article 6 if the *DB Member* had *Terminated Employment* on the date of death, increased by the excess amount calculated above (such excess being referred to as *Excess Contributions Annuity*).

7.4 MINIMUM POST-RETIREMENT DEATH BENEFIT

[MOVED TO BECOME SECTION 7.11 EFFECTIVE JULY 1, 2011]

7.5 WAIVER OF SPOUSAL SURVIVOR ALLOWANCE

After the death of a *DB Member* who is not a *Retired DB Member*, a *Survivor Pre-Retirement* may execute an irrevocable written waiver surrendering his entitlement to a *Survivor Allowance* or a *Commuted Value* that is payable as a result of the death of a *DB Member* who is not a *Retired DB Member* if it will result in an increase in the *Survivor Allowance* payable to a *Dependent Child* under Section 7.1.2.

A waiver must be executed no later than three months after the *Survivor Pre-Retirement* is notified of his entitlement to a *Survivor Allowance* under Part B of the *Plan* and takes effect as of the date of the death of the *DB Member*.

7.6 PORTABILITY OF SPOUSAL SURVIVOR ALLOWANCE

(a) A *Survivor Pre-Retirement* who is entitled to a *Survivor Allowance* pursuant to Section 7.2.2 or 7.3(a) may elect, within ninety days of the death of the *DB Member* who is not a *Retired DB Member*, or such longer period as may be permitted under the PBSA, to transfer the *Commuted Value* of such *Survivor Allowance* in lieu of his entitlement to the *Survivor Allowance*, except as specified in paragraph (b). Sections 6.2, 6.5 and 6.6 apply to such a transfer.

(b) If the monthly amount of the *Survivor Allowance* payable to a *Survivor Pre-Retirement* exceeds the amount determined pursuant to subsection 7.1.3(a)(ii), then the transfer of the *Commuted Value* is subject to the prior approval of the Minister of National Revenue.

(c) Notwithstanding the provisions of Sections 7.2.2 and 7.3(a), if a *Survivor Pre-Retirement* who is entitled to elect a *Commuted Value* of the *Survivor Allowance* therein specified at his option, dies prior to making an election and within the period permitted for exercising the option under paragraph (a), he shall be deemed to have exercised it in favour of the *Commuted Value* of the *Survivor Allowance*. The *Commuted Value* of such *Survivor Allowance* shall be calculated at the date of the *DB Member's* death and shall be paid as a lump sum cash payment to the estate of the *Survivor Pre-Retirement*.

7.7 JOINT AND SURVIVOR FORM WITH ACTUARIAL ADJUSTMENT

[MOVED TO BECOME SECTION 7.12 EFFECTIVE JULY 1, 2011]

7.8 SPOUSE OR COMMON-LAW PARTNER ACQUIRED AFTER RETIREMENT OR DEPENDENT CHILD ACQUIRED AFTER TERMINATION OF EMPLOYMENT

[MOVED TO BECOME SECTION 7.13.1 EFFECTIVE JULY 1, 2011]

7.9 SURVIVOR ALLOWANCE ON THE POST-RETIREMENT DEATH OF A DB MEMBER

7.9.1 Survivor Allowance to Spouse/Common-Law Partner

The *Survivor Allowance* payable to a *Survivor Post-Retirement* of a *DB Member* is an *Immediate Survivor Allowance* equal to the *Basic Allowance*.

7.9.2 Survivor Allowance to Dependent Children on the Post-Retirement Death of a DB Member

(a) The *Survivor Allowance* payable to each *Dependent Child* of the *DB Member* who dies after becoming a *Retired DB Member* is an *Immediate Survivor Allowance* equal to one-fifth of the *Basic Allowance* but the total amount of the allowances paid under this paragraph shall not exceed four-fifths of the *Basic Allowance*.

(b) If the *DB Member* dies after becoming a *Retired DB Member* without leaving a *Survivor Post-Retirement*, or the *Survivor Post-Retirement* survives the *DB Member* but subsequently dies, then the *Survivor Allowance* payable to each *Dependent Child* of the *DB Member* shall equal two-fifths of the *Basic Allowance* but the total amount of the allowances paid under this paragraph shall not exceed eight-fifths of the *Basic Allowance*.

(c) A *Dependent* Child ceases to be entitled to payment of a *Survivor Allowance* when he ceases to qualify as a *Dependent Child*.

7.9.3 Limit on Survivor Allowance on the Post-Retirement Death of a DB Member

(a) The monthly amount of *Survivor Allowance* payable under Article 7 to the *Survivor Post-Retirement* of a *DB Member* deceased after becoming a *Retired DB Member*, in respect of *Pensionable Service* after December 31, 1991 shall not exceed two-thirds of the monthly *Pension Benefit* that would have been payable to the *DB Member* if the *DB Member* were alive.

(b) The aggregate of all monthly amounts payable to the *Survivor Post-Retirement* and *Dependent Children* of a *DB Member* deceased after becoming a *Retired DB Member* under Article 7 in respect of *Pensionable Service* after December 31, 1991, shall not exceed the monthly *Pension Benefit* that would have been payable to the *DB Member* if the *DB Member* were alive.

7.10 ELIGIBILITY FOR POST-RETIREMENT DEATH BENEFITS

7.10.1 Post-Retirement Death Survivor Allowance

On the death of a *Retired DB Member* who, at the time of his death, was entitled to an *Immediate Annuity*, and subject to the minimum benefits under Section 7.11, the *Survivor Post-Retirement* and *Dependent Children* of the *DB Member* are entitled to a *Survivor Allowance* respectively, as described in Sections 7.9.1 and 7.9.2.

7.10.2 Post-Retirement Death When No Survivor Allowance Payable

If, on the death of a *DB Member*, after becoming a *Retired DB Member* there is no person to whom a *Survivor Allowance* may be paid, or the persons to whom that *Survivor Allowance* may be paid die or cease to be entitled to that *Survivor Allowance* and no other amount may be paid to them under Part B of the *Plan*, then an amount equal to the amount by which

(a) the greater of

(i) the amount of a *Return of Contributions* determined at the date the *DB Member's Annuity* commenced, and

(ii) an amount equal to five times the unreduced annual *Pension Benefit* to which the *DB Member* was entitled at the time of his death, determined in accordance with subsection 5.1.1(a),

exceeds

(b) the aggregate of all amounts of *Annuity*, *Bridge Benefit* and *Survivor Allowance* paid in respect of the *DB Member* under Part B of the *Plan*, plus the aggregate of all amounts of *Annuity*, *Bridge Benefit* and *Survivor Allowance* that would have been paid in respect of the *DB Member* under Part B of the *Plan* but for the operation of

(i) the limit applied by the proviso contained in the last sentence of Section 5.3.3,

(ii) the limits contained in Section 7.1.3,

(iii) the limit contained in the last sentence of Section 9.1.1,

shall be paid, as a lump sum benefit to the *Beneficiary* of the *DB Member*, or if no *Beneficiary* exists, to the estate of the *DB Member*. For the purposes of this Section, all amounts of *Pension Benefits* used in the determination of the benefit payable under this paragraph shall be determined excluding any increases determined pursuant to Section 8.2.

However, such resulting amount shall not exceed the greater of

(a) an amount equal to twice a *Return of Contributions*, and

(b) the *Commuted Value* of the *Pension Benefits* that would otherwise be payable in respect of the *DB Member's Pensionable Service*.

7.11 Minimum Post-Retirement Death Benefit

Notwithstanding the provisions of Section 7.9, if a *DB Member* has a *Survivor Post-Retirement*, the amount of *Survivor Allowance* payable to such *Survivor Post-Retirement* at any time following the death of the *DB Member* shall not be less than sixty per cent of the *Annuity* that would be payable to the *DB Member* at that time, if he were alive.

7.12 Joint And Survivor Form With Actuarial Adjustment

(a) Where a *DB Member* who is entitled to an *Annuity* under Part B of the *Plan* has a *Spouse* or *Common-Law Partner* and the *Spouse* or *Common-Law Partner* would not be entitled to an *Immediate Survivor Allowance* under any other provision of Part B of the *Plan* in the event of the *DB Member's* death, the *DB Member* may elect to reduce the amount of the *Annuity* to which the *DB Member* is entitled in order that the *Spouse* or *Common-Law Partner* could become entitled to receive an *Immediate Survivor Allowance* on the death of the *DB Member* equal to thirty per cent, forty per cent or fifty per cent, as the *DB Member* may elect, of the amount of the *Annuity* to which the *DB Member* is entitled.

A *DB Member* may make such an election not later than one year after the later of

(i) the day on which the other person becomes the *DB Member's Spouse* or *Common-Law Partner,* and

(ii) the day on which the *DB Member's Annuity* becomes payable.

The *Administrator* may require the *DB Member* to submit medical information acceptable to the *Administrator* which indicates that the life expectancy of the *DB Member* is not materially shorter than the average life expectancy of people who are the same age and gender. If the *Administrator* requires such medical information, then the election under this subsection is not valid until the *DB Member* provides such information.

(b) If a *DB Member* makes an election under paragraph (a), then the amount of the *Annuity* to which the *DB Member* is entitled shall be reduced so that the reduced *Annuity* and the *Immediate Survivor Allowance* to which the *Spouse* or *Common-Law Partner* could become entitled if the *DB Member* dies will be the *Actuarial Equivalent* of the *Annuity* to which the *DB Member* is entitled immediately before the reduction is made. If the *Spouse* or *Common-Law Partner* dies before the *DB Member,* then the reduction of the *DB Member's Annuity* pursuant to this paragraph ceases to apply to any further payment of the *Annuity* to the *DB Member*.

(c) If a *DB Member* who makes an election under paragraph (a) is subsequently re-employed by a *Participating Employer* and required by Section 4.1 to contribute to the *Pension Fund*, then the election is deemed to be revoked on the day that the *DB Member* is so required to contribute.

(d) Where a *DB Member* who has made an election under paragraph (a) dies and the election is not deemed to be revoked under paragraph (c), the person, if any, who was the *Spouse* or *Common-Law Partner* of the *DB Member* both at the time of the election and at the time of death is entitled to an *Immediate Survivor Allowance* equal to the percentage selected under paragraph (a) of the *Annuity* that would have been payable to the *DB Member* at the time of his death but for the application of paragraph (b). Such *Survivor Allowance* however, may not exceed the amount of *Annuity* that would have been payable to the *DB Member* if he were still alive.

7.13 GENERAL PROVISIONS

7.13.1 Spouse Or Common-Law Partner Acquired After Retirement Or Dependent Child Acquired After Termination of Employment

(a) Except as provided by Section 7.12, the *Spouse* or *Common-Law Partner* of a *DB Member* is not entitled to a *Survivor Allowance* under Part B of the *Plan* in respect of the *DB Member* if that *DB Member* married the *Spouse* or began to cohabit with the *Common-Law Partner* in a relationship of a conjugal nature after payment of his *Annuity* commences, unless, after the marriage, or after the beginning of the period of cohabitation, the *DB Member* became or continued to be an *Active DB Member* under Part B of the *Plan*.

(b) Notwithstanding anything in Part B of the *Plan*, a *Dependent Child* who is born to or adopted by a *DB Member* or who becomes the stepchild of a *DB Member* after that *DB Member Terminates Employment* is not entitled to a *Survivor Allowance* under Part B of the *Plan* except where it appears to the *Administrator* that the *Dependent Child* was born following a gestation period that commenced prior to the date when the *DB Member Terminated Employment.*

Nothing in this Section prejudices any right that a *Dependent Child* of an earlier marriage or relationship of the *DB Member* has to a *Survivor Allowance* under Section 7.2.

7.13.2 Apportionment Among Dependent Children

Where, in computing the *Survivor Allowances* to which the *Dependent Children* of a *DB Member* are entitled, there are more than four *Dependent Children* of the *DB Member* entitled to a *Survivor Allowance*, the total amount of the *Survivor Allowances* shall be apportioned among the *Dependent Children*.

7.13.3 Payment to Minors

When a *Dependent Child* of a *DB Member* is entitled to a *Survivor Allowance* or other amount under Part B of the *Plan*, payment of it shall, if the *Dependent Child* is less than eighteen years of age, be made to the person having custody and control of the *Dependent Child*, or, if there is no person having custody and control of the *Dependent Child*, to the person whom the *Administrator* may direct.

8. INDEXATION

8.1 DEFINITIONS

(a) For the purposes of this Article,

(i) the *Benefit Index* for the year 2000 equals 1, and

(ii) the *Benefit Index* for any subsequent year shall be calculated as

$$A \times B$$

where

A is the *Benefit Index* for the year immediately preceding that calendar year, and

B is the ratio that the *Pension Index* for that calendar year bears to the *Pension Index* for the immediately preceding calendar year.

(b) For the purposes of this Article, *Pension Index*, with respect to any year, means the average for that year of the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act*, for each month in the twelve month period ending on September 30 in the immediately preceding year.

(c) For the purposes of this Article

(i) the *Retirement Year* or *Retirement Month* of a person to or in respect of whom or in respect of whose service a *Pension Benefit* is payable under Part B of the *Plan*, other than a person referred to in subparagraph (ii) or (iii), is the year or month, as the case may be, in which that person most recently *Terminated Employment*, and

(ii) the *Retirement Year* or *Retirement Month* of a person who is in receipt of a *Survivor Allowance* by virtue of being a *Spouse*, *Common-Law Partner* or a *Dependent Child*, is the *Retirement Year* or *Retirement Month*, as the case may be, of the person in respect of whom or in respect of whose service the *Survivor Allowance* is payable, and

(iii) the *Retirement Year* of a *DB Member* who remains an *Employee* beyond the end of the year in which he attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits, in respect of whom or in respect of whose service a *Pension Benefit* is payable is the year in which the *DB Member* attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits, and the *Retirement Month* for such *DB Member* is December of that year.

(d) For the purposes of this Article 8, *Initial Benefit Index*, with respect to any *Recipient,* is determined by the formula

$$\frac{A \times B + (12 - A) \times C}{12}$$

where

A is the number of months in a year following the *Retirement Month* of the *Recipient,*

B is the *Benefit Index* for the *Retirement Year* of the *Recipient*, and

C is the *Benefit Index* for the calendar year immediately following the *Retirement Year* of the *Recipient.*

8.2 INCREASED AMOUNT

Notwithstanding Article 5 and 7, the *Pension Benefit* payable to a *Recipient* for any month in a year following the *Recipient's Retirement Year* is equal to the amount determined by the formula

A x B/C

where

A is the amount of the *Pension Benefit* otherwise payable to the *Recipient* pursuant to Article 5 or 7,

B is the maximum of the *Initial Benefit Index* and the *Benefit Index* for the year immediately following the *Retirement Year* of the *Recipient* and for any subsequent calendar year prior to and including the year of payment, and

C is the *Initial Benefit Index*.

9. MAXIMUM PENSION BENEFITS

9.1 MAXIMUM LIFETIME ANNUITY

9.1.1 Year of Commencement

Notwithstanding the provisions of Article 5, the annual *Annuity* payable to a *DB Member* under Part B of the *Plan* in the year of commencement (including any benefit payable to a *Spouse,* former *Spouse* or former *Common-Law Partner* of the *DB Member* pursuant to Section 18.2) in respect of *Pensionable Service* after December 14, 1994 shall not exceed the lesser of

(a) the defined benefit limit for the year in which the *Annuity* commences, and

(b) two per cent of the *DB Member's* highest average compensation indexed to the year of commencement pursuant to the *Income Tax Rules*,

multiplied by the *DB Member's Pensionable Service* that occurred in the period after December 14, 1994. For the purposes of this paragraph "defined benefit limit" shall have the meaning given to that term under the *Income Tax Rules*. The limit contained in the first paragraph of this Section applies in respect of *Pensionable Service* after December 31, 1991 if that *Pensionable Service* is granted to a *DB Member* pursuant to a *Reciprocal Transfer Agreement* for *Eligibility Service* described in subsection 3.2.3(f).

The amount of the *Annuity* referred to in the first paragraph of this Section 9.1.1 is determined without reference to the *Excess Contributions Annuity*, if any, calculated in accordance with Section 5.8.

In respect of years of *Elective Service* prior to December 15, 1994 that were not previously counted as pensionable service under Part B of the *Plan* or another registered pension plan, the phrase "defined benefit limit" in paragraph (a) shall be read as "two thirds of the defined benefit limit".

9.1.2 Maximum Early Retirement Annuity

The maximum *Annuity* determined pursuant to Section 9.1.1 shall be reduced by one-quarter of one percent for each complete month by which commencement of the *Annuity* precedes the earliest of

(a) the date the *DB Member* would attain sixty years of age,

(b) the date the age and *Eligibility Service* of the *DB Member* would total eighty years,

(c) the date the *DB Member* would accrue thirty years of *Eligibility Service*, and

(d) the date the *DB Member* becomes *Disabled*,

if the *DB Member* continued to participate in the *DB Component* of the *Plan* until that date.

9.1.3 Years Following Commencement

Notwithstanding the provisions of Article 5 and 8, the annual *Annuity* payable to a *DB Member* under Part B of the *Plan* in respect of *Pensionable Service* after December 14, 1994 for any year following the year of commencement (including any benefit payable to a *Spouse,* former *Spouse* or former *Common-Law Partner* of the *DB Member* pursuant to Section 18.2) shall not exceed the amount determined under Sections 9.1.1 and 9.1.2 multiplied by the cumulative increase in the

Consumer Price Index (as published by Statistics Canada under the authority of the Statistics Act) from the month in which the *Annuity* commenced to the beginning of the current year.

9.2 MAXIMUM BRIDGE BENEFIT

9.2.1 Year of Commencement

Notwithstanding the provisions of Article 5, the amount of a *DB Member's Bridge Benefit* in the year of commencement shall not exceed an amount equal to

$$(A \times B) + A \times (1 - 0.0025 \times C) \times (1-B) \times (D \div 10)$$

where

A is the sum of

(i) the maximum Old Age Security benefit payable to a person aged sixty-five on the date that payment of *Pension Benefits* to the *DB Member* commences, and

(ii) the maximum Canada Pension Plan/Quebec Pension Plan retirement benefit that would be payable to a person sixty-five years of age on the date that payment of *Pension Benefits* to the *DB Member* commences multiplied by a fraction (not exceeding one) the numerator of which is the sum of the *DB Member's Earnings* for the three calendar years which produce the highest total and the denominator of which is the sum of the *YMPE* for the same three calendar years,

B is a fraction the numerator of which is the *DB Member's Pensionable Service* accrued prior to December 15, 1994 and the denominator of which is the *DB Member's* total *Pensionable Service*,

C is the number of months by which the retirement date of the *DB Member* precedes the date the *DB Member* would attain sixty years of age (this number shall be zero in the case of a *DB Member* who is *Disabled*), and

D is the *DB Member's Pensionable Service,* not exceeding ten years (this number shall be ten in the case of a *DB Member* who is *Disabled*).

9.2.2 Years Following Commencement

Notwithstanding the other provisions of Part B of the *Plan*, the annual *Bridge Benefit* payable to a *DB Member* under Part B of the *Plan* in respect of *Pensionable Service* after December 14, 1994 for any year following the year of commencement (including any benefit payable to a *Spouse,* former *Spouse* or former *Common-Law Partner* of the *DB Member* pursuant to Section 18.2) shall not exceed the amount determined under Section 9.2.1 multiplied by the cumulative increase in the Consumer Price Index (as published by Statistics Canada under the authority of the Statistics Act) from the month in which the *Bridge Benefit* commenced to the beginning of the current year.

9.3 COMBINED LIFETIME ANNUITY AND BRIDGE BENEFIT

9.3.1 Year of Commencement

Notwithstanding the provisions of Article 5, any *Bridge Benefit* payable to a *DB Member* under the terms of Part B of the *Plan* in respect of *Pensionable Service* after December 14, 1994 when added to the annual *Annuity* payable to the *DB Member* under the terms of Part B of the *Plan* in respect of *Pensionable Service* after December 14, 1994 shall not, in the year of commencement, exceed the sum of

(a) the defined benefit limit for the year of commencement multiplied by the *DB Member's Pensionable Service* which occurred in the period after December 14, 1994, and

(b) twenty-five per cent of the average of the *YMPE* for the year of commencement and the two immediately preceding years multiplied by a fraction the numerator of which is the *DB Member's Pensionable Service* (not exceeding thirty-five years) which occurred in the period after December 14, 1994 and the denominator of which is thirty-five.

For the purposes of this Section the term "defined benefit limit" has the meaning given to that term under the *Income Tax Rules*.

The amount of the *Annuity* referred to in the first paragraph of this Section 9.3.1 is determined without reference to the *Excess Contributions Annuity*, if any, calculated in accordance with Section 5.8.

9.3.2 Years Following Commencement

Notwithstanding the other provisions of Part B of the *Plan*, the sum of the annual *Annuity* and any *Bridge Benefit* payable to a *DB Member* under the terms of Part B of the *Plan* in respect of *Pensionable Service* which occurred in the period after December 14, 1994 in any year following the year of commencement (including any benefit payable to a *Spouse,* former *Spouse* or former *Common-Law Partner* of the *DB Member* pursuant to Section 18.2), shall not exceed the amount determined under Section 9.3.1 multiplied by the cumulative increase in the Consumer Price Index (as published by Statistics Canada under the authority of the Statistics Act) from the month in which the *Pension Benefit* commenced to the beginning of the current year.

10. ELECTIONS

10.1 ELECTIONS

Every election made by a *DB Member* under Part B of the *Plan* shall be evidenced in writing, in the form prescribed by the *Administrator*, and signed by the person making the election, and the original thereof shall be forwarded to the *Administrator* in the manner prescribed by the *Administrator* within the time prescribed by Part B of the *Plan* for the making of the election or, in the case of an election that may be made by the *DB Member* at any time before he *Terminates Employment*, within one month from the time of making the election. An election for *Elective Service* must be made by the *DB Member* while employed by a *Participating Employer*.

10.2 AMENDING OR REVOKING AN ELECTION

An election under Part B of the *Plan* may be amended by the elector, within the time prescribed under Part B of the *Plan* for the making of the election, by increasing the period or periods of service for which he elects to pay, and is otherwise irrevocable except under such circumstances and on such terms and conditions as the *Administrator* may prescribe.

An election that gives rise to *Eligibility Service* under Part B of the *Plan* for which the *DB Member* is contributing under Part B of the *Plan* is irrevocable except under such circumstances and on such terms and conditions as the *Administrator* may prescribe.

10.3 ELECTION DEEMED VALID

Where the *Administrator* is of the opinion that a person has made an election under Part B of the *Plan* in purported compliance with Part B of the *Plan* and that the election was made in good faith and was invalid by reason only of circumstances not attributable to fault on the part of that person, that person shall be deemed to have made a valid election for the purposes of the relevant provisions of Part B of the *Plan*, on such date and subject to such terms and conditions as may be prescribed by the *Administrator*.

11. PAYMENT OF BENEFITS

11.1 PENSION BENEFITS PAYABLE IN MONTHLY INSTALMENTS

(a) Where an *Annuity* becomes payable under Part B of the *Plan* to a *DB Member*, it shall, except as specifically provided otherwise in the *Plan*, be paid in equal monthly instalments in arrears and shall continue during the lifetime of the *DB Member* and thereafter until the end of the month in which he dies, and any amount in arrears thereof that remains unpaid at any time after his death shall be paid as provided in Section 7.2 in respect of a *Return of Contributions*.
Where a *Bridge Benefit* becomes payable under Part B of the *Plan* to a *DB Member*, it shall except as specifically provided otherwise in the *Plan*, be paid in equal monthly instalments in arrears and shall continue during the lifetime of the *DB Member* until the date specified in Section 3.1 and any amount in arrears thereof that remains unpaid at any time after his death shall be paid as provided in Section 7.2 in respect of a *Return of Contributions*.
The first payment of an *Annuity* or *Bridge Benefit* to the *DB Member* shall be multiplied by the ratio of the number of days from the commencement of the *Annuity* or *Bridge Benefit* to the end of that month, divided by the total number of days in that month.

(b) When a *Survivor Allowance* becomes payable under Part B of the *Plan* to a *Survivor Pre-Retirement, Survivor Post-Retirement* or *Dependent Child* of a *DB Member*, it shall, except as specifically provided otherwise in the *Plan*, be paid in equal monthly instalments in arrears and shall continue until the end of the month in which the *Recipient* dies or otherwise ceases to be entitled to receive a *Survivor Allowance*, and any amount in arrears thereof that remains unpaid at any time after the death of the *Recipient* shall be paid to the estate or succession of the *Recipient* or, if less than one thousand dollars, as the *Administrator* may direct.

The first payment of a *Survivor Allowance* to a *Survivor Pre-Retirement, Survivor Post-Retirement* or *Dependent Child* shall be multiplied by the ratio of the number of days from the commencement of the *Survivor Allowance* to the end of the month, divided by the total number of days in that month.

11.2 SMALL BENEFIT

(a) When the *Commuted Valu*e of the *Pension Benefits* that a *DB Member*, other than a *Retired DB Member* or a *DB Member* who is considered *Disabled*, has become entitled to receive under Part B of the *Plan* (plus, if applicable, the value of the *DC Benefit* under Part C of the *Plan*) is less than twenty per cent of the *YMPE* for the calendar year in which the *DB Member Terminates Employment*, or such other amount as may be prescribed by the *PBSA*, the *DB Member* shall receive a lump sum payment equal to the *Commuted Value* of such *Pension Benefits*, which payment shall be in lieu of any other benefit under Part B of the *Plan*.

(b) When the *Commuted Value* of the *Survivor Allowance* that is payable to a *Survivor Pre-Retirement* of a deceased *DB Member* (plus, if applicable, the value of the *DC Benefit*

under Part C of the *Plan*) is less than twenty per cent of the *YMPE* for the calendar year in which the *DB Member* dies, or such other amount as may be prescribed by the *PBSA*, the *Survivor Pre-Retirement* shall receive a lump sum payment equal to the *Commuted Value* of the *Survivor Allowance* that would otherwise be payable in respect of the *DB Member's Pensionable Service*, which payment shall be in lieu of any other benefit under Part B of the *Plan*.

When a *Survivor Allowance* is not payable to a *Survivor Pre-Retirement* and the *Commuted Value* of the *Pension Benefits* that a *DB Member* has become entitled to receive under Part B of the *Plan* becomes payable to a *Survivor Pre-Retirement* of a deceased *DB Member* (plus, if applicable, the value of the *DC Benefit* under Part C of the *Plan*) is less than twenty per cent of the *YMPE* for the calendar year in which the *DB Member* dies, or such other amount as may be prescribed by the *PBSA*, the *Survivor Pre-Retirement* shall receive a lump sum payment equal to the *Commuted Value* of such *Pension Benefits*, which payment shall be in lieu of any other benefit under Part B of the *Plan*.

11.3 RECOVERY OF AMOUNTS PAID IN ERROR

(a) Where an amount has been paid in error under Part B of the *Plan* to any person on account of any lump sum amount, *Annuity, Bridge Benefit or Survivor Allowance*, the *Administrator* shall forthwith demand payment from that person of an amount equal to the amount paid in error.

(b) A person from whom payment of an amount has been demanded by the *Administrator* pursuant to paragraph (a) shall, within thirty days from the day on which the demand is made

(i) pay that amount to the *Administrator* in one lump sum, or

(ii) make arrangements to pay the amount on instalments on a basis that is acceptable to the *Administrator* including provision for a reasonable rate of interest.

(c) Where any amount has been paid in error under Part B of the *Plan* on account of any *Annuity*, *Bridge Benefit* or *Survivor Allowance*, the *Administrator* may adjust any subsequent payment of that *Annuity*, *Bridge Benefit* or *Survivor Allowance*, to account for any overpayment made in error, without prejudice to any other recourse available to the *Administrator* with respect to the recovery thereof.

PART C

DEFINED CONTRIBUTION COMPONENT

12. INTERPRETATION

Wherever used in Part C of the *Plan*, the following terms will have the meanings given below unless the context clearly indicates otherwise. The terms used in Part C that are defined in Article 1 of Part A shall be construed in accordance therewith, subject to the necessary adjustments. Where a term defined in this Article 12 is also defined in Article 1 of Part A, the definition in this Article 12 shall prevail for the purposes of Part C of the *Plan*.

12.1 DEFINITIONS

"Account" means the account maintained by the *Funding Agent* for a *DC Member*, and to which the following amounts are allocated:

(a) *DC Member* contributions made pursuant to Sections 13.1 and 13.3;
(b) *Participating Employer* contributions made pursuant to Sections 13.2 and 13.3; and
(c) *Investment Income*.

"Continuous Service" means an *Employee*'s uninterrupted period of employment with a *Participating Employer* since his last date of hire, subject to subsections 2.5.1.2 and 2.5.2.2., including a previous period of service with a *Participating Employer* pursuant to Section 2.4.1, any period of lay-off and any other period of temporary suspension of active employment.

In respect of an *Employee* who commenced employment with a *Participating Employer* on or after January 1, 2010, *Continuous Service* may also include, at the discretion of the *Corporation*, the most recent period of service with a related employer immediately preceding the commencement of employment with the *Participating Employer*.

"Forfeiture" [DELETED EFFECTIVE JANUARY 1, 2012]

"Investment Income" means with respect to each *Account*, interest, dividends, any other income, capital gains or losses on contributions allocated to the *Account*, after deducting applicable fees and expenses related to investment management pursuant to Section 19.3, and calculated from the date contributions were allocated to the *Account* until the date on which the value of the *Account* is paid out.

13. CONTRIBUTIONS

13.1 DC MEMBER CONTRIBUTIONS

13.1.1 Required Contributions

A *DC Member* is not required to make contributions under Part C of the *Plan*.

13.1.2 Optional Contributions

Subject to Section 13.4, an *Active DC Member* may elect to contribute to his *Account*, by payroll deduction, at the rate of one per cent, two per cent, three per cent or four per cent of his *Earnings*.

The *Active DC Member* shall be deemed to have elected to contribute at the rate of four per cent of his *Earnings*, starting on the date the *Employee* becomes an *Active DC Member*, unless and until an election is made by the *Active DC Member*. Thereafter, the level of optional contributions may be changed every six months or on such other date that the *Corporation* may determine from time to time.

13.1.3 Additional Voluntary Contributions

A *DC Member* is not permitted to make additional voluntary contributions under Part C of the *Plan*.

13.2 EMPLOYER CONTRIBUTIONS

13.2.1 Base Contributions

13.2.1.1 Member Who Became Eligible to Join the Plan Before January 1, 2013

If an *Active DC Member* became eligible to join the *Plan* before January 1, 2013, subject to Sections 4.2(b) and 13.4, the applicable *Participating Employer* shall contribute to the *Active DC Member*'s *Account* four per cent of the *Active DC Member*'s *Earnings*.

13.2.1.2 Member Who Became Eligible to Join the Plan On or After January 1, 2013

If an *Active DC Member* became eligible to join the *Plan* on or after January 1, 2013, subject to Sections 4.2(b) and 13.4, the applicable *Participating Employer* shall contribute to the *Active DC Member*'s *Account* two per cent of the *Active DC Member*'s *Earnings*.

13.2.2 Matching Contributions

Subject to Sections 4.2(b) and 13.4, the applicable *Participating Employer* shall contribute to the *Active DC Member's Account*, a percentage of the *Active DC Member's* optional contributions made in accordance with Section 13.1.2 as indicated below:

Sum of DC Member's age and Continuous Service as at each pay	**Percentage of DC Member Optional Contributions**

Less than 35	75%
35 but less than 45	100%
45 and over	125%

13.3 CONTRIBUTIONS DURING LEAVE OF ABSENCE

Subject to Sections 4.2(b) and 13.4, a *Participating Employer* shall continue its base contributions pursuant to Section 13.2.1 during the following periods:

(a) a period of absence on account of maternity, child care, adoption or for family reasons granted under federal legislation, as approved by the *Participating Employer* and subject to the limitations under the *Income Tax Rules*; or

(b) a period of disability, up to a maximum of five (5) years, determined and administered in accordance with the *Corporation*'s disability management program, as may change from time to time; or

(c) any period of leave of absence at the discretion of the *Participating Employer* which is acceptable to the Minister under the *Income Tax Rules*.

Furthermore, the *Active DC Member* may elect to either continue or discontinue to make his optional contributions pursuant to Section 13.1.2 in respect of the above periods of absence. Should the *Active DC Member* elect to continue his optional contributions, the *Participating Employer* shall continue its matching contributions pursuant to Section 13.2.2 during such period of absence, up to a maximum of five (5) years in regard of a period of absence described under subsection (b) above.

Notwithstanding the foregoing, if a corporate team incentive payment is paid to a *DC Member* while the *DC Member* is on leave without pay, the *Participating Employer,* and the *Active DC Member* if the *Active DC Member* was contributing optional contributions prior to the period of absence, shall make contributions on the corporate team incentive payment.

13.4 LIMIT ON CONTRIBUTIONS

The *Active DC Member*'s and the *Participating Employer*'s contributions during a given *Fiscal Year* shall under no circumstances:

(a) exceed the limit prescribed under the *Income Tax Rules* for that *Fiscal Year*; or

(b) result in a pension adjustment for the *Active DC Member*, as defined in the *Income Tax Rules*, that exceeds the limit set for that *Fiscal Year* by the *Income Tax Rules*.

13.5 REMITTANCE OF CONTRIBUTIONS

The *Participating Employer* shall remit the contributions to the *Funding Agent*, for allocation to the *Active DC Member*'s *Account*, by the following deadlines:

(a) the *Active DC Member* contributions are remitted not later than 30 days after the end of the period in respect of which such contributions were deducted;

(b) the *Participating Employer* contributions shall be paid not less frequently than monthly and not later than 30 days after the end of the period in respect of which they were due.

13.6 TRANSFERS FROM ANOTHER PLAN

Subject to the terms of an applicable *Reciprocal Transfer Agreement* where there is conflict between its terms and the provisions of the *Plan*, in respect of an *Active DC Member*, transfers from another registered pension plan or from a locked-in retirement account are not permitted under Part C of the *Plan*.

13.7 MANDATORY CESSATION OF CONTRIBUTIONS

Notwithstanding Sections 13.1 and 13.3, an *Active DC Member* who has attained the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits shall not contribute to the *Plan* in respect of any employment with a *Participating Employer* after December 31 of the year in which the *Active DC Member* attains that age.

Notwithstanding Sections 13.2 and 13.3, each *Participating Employer* shall also cease to contribute to the *Plan* in respect of any employment with a *Participating Employer* after December 31 of the year in which the *Active DC Member* attains such above latest age.

14. BENEFITS ON RETIREMENT OR TERMINATION

14.1 TERMINATION WITH LESS THAN TWO YEARS OF CONTINUOUS SERVICE

[DELETED EFFECTIVE JULY 1, 2011]

14.2 TERMINATION BENEFITS

If a *DC Member Terminates Employment* for any reason other than death he may elect to:

(a) transfer the value of his *Account* pursuant to Section 15.1; or

(b) leave his *DC Benefits* in Part C of the *Plan*, subject to Sections 14.3, 15.2.1 and 19.3.

14.3 TIMING OF ELECTION AND PURCHASE OF ANNUITY

A *DC Member* who *Terminates Employment* shall make his election within ninety (90) days after the written information concerning his entitlement and election is sent to him by the *Administrator*.

(a) As permitted by the *PBSA* and the *Income Tax Rules* in the *Administrator's* sole discretion, or

(b) in the event that at the end of the calendar year in which a *DC Member* attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits, his *DC Benefits* are still left in Part C of the *Plan*,

the value of a *DC Member's DC Benefits* shall be applied to purchase a life annuity.

14.4 DC BENEFIT ACCRUAL AFTER TERMINATION OF EMPLOYMENT AND PENSION LOSS CLAIMS

Notwithstanding any other provision of the *Plan*, the *DC Benefit* under Article 14 to which a *DC Member* is entitled upon *Termination of Employment* shall not include *DC Benefits* that would have accrued during any period of notice as a result of *Termination of Employment* for any reason (regardless of whether the *DC Member*'s employment is terminated lawfully or unlawfully) for which a payment or payments in lieu of such period of notice is or are provided, or in respect of any remedy, statutory or otherwise, arising from or related to the termination of such employment. A terminated *DC Member* is also disentitled to damages as compensation for the loss of the value of *DC Benefits* that the *DC Member* would have accrued during the period of notice.

15. PORTABILITY

15.1 TRANSFERABILITY AND TYPE OF RECEIVING PLAN

15.1.1 Locked-In Benefits

Subject to Section 15.2, a *DC Member* whose *Termination of Employment* occurs after he has completed two or more years of *Continuous Service* may elect, in full satisfaction of his entitlements under Part C of the *Plan*, to have the value of his *Account* transferred to:

(a) a pension plan selected by the *DC Member* that is registered under the *Income Tax Act*, if that pension plan so permits,
(b) a locked-in retirement savings plan or a life income fund for the *DC Member* that is of the kind prescribed under the *PBSA*, or
(c) a financial institution licensed or otherwise authorized under the laws of Canada or a province to sell immediate or deferred life annuities of the kind prescribed under the *PBSA*, for the purchase from that financial institution of such an annuity for the *DC Member*.

Notwithstanding the foregoing, in the case of each *DC Member* who, on February 28, 2018, was actively participating in the Canada Post Group Retirement Savings Plan and who was required to become an *Active DC Member* on March 1, 2018 pursuant to Section 2.1.6, the phrase "*Continuous Service*" in this Section 15.1.1 shall read as "*Plan* membership".

15.1.2 Non Locked-In Benefits

Subject to Section 15.2, a *DC Member* whose *Termination of Employment* occurs before he has completed two or more years of *Continuous Service* may elect, in full satisfaction of his entitlements under Part C of the *Plan*, to have the value of his *Account*

(a) transferred directly on his behalf to a registered retirement savings plan, or
(b) paid to him in a lump sum.

Notwithstanding the foregoing, in the case of each *DC Member* who, on February 28, 2018, was actively participating in the Canada Post Group Retirement Savings Plan and who was required to become an *Active DC Member* on March 1, 2018 pursuant to Section 2.1.6, the phrase "*Continuous Service*" in this Section 15.1.2 shall read as "*Plan* membership".

15.2 REFUND OF ACCOUNT VALUE

15.2.1 Small Benefit

If the value of a *DC Member's Account* (plus, if applicable, the *Commuted Value* of the *Member's Pension Benefits* under Part B of the *Plan*), would be less than twenty per cent of the *YMPE* for the calendar year in which the *DC Member Terminates Employment* or dies, or such other amount as may be prescribed for this purpose by the *PBSA*, the *DC Member*, or the *Survivor Pre-Retirement* in case of the death of the *DC Member*, shall receive a lump sum payment equal to the value of his *Account*, which payment shall be in lieu of any other benefit under Part C of the *Plan*.

15.2.2 Reduced Life Expectancy

A *DC Member* may elect, in full satisfaction of his entitlements under Part C of the *Plan*, to receive a lump sum payment equal to the value of his *Account* if a medical doctor licensed to practice in Canada certifies that his life expectancy is likely to be considerably shortened by reason of his mental or physical disability.

In such cases, the *DC Member* may elect to have that refund or payment transferred directly to a registered retirement savings plan.

15.2.3 Non Locking-In for Non-Residents

The benefits described in Section 14.2 which would otherwise be transferred in accordance with Section 15.1 are exempted from the locking-in provisions prescribed by the *PBSA* provided that, at the relevant date, the *DC Member* has ceased to be a resident of Canada (as described in the *PBSA*) for at least two calendar years.

15.3 MANDATORY TRANSFER

[DELETED EFFECTIVE DECEMBER 15, 2010]

16. BENEFITS ON DEATH OF A DC MEMBER

16.1 DEATH BENEFIT

If a *DC Member* dies before the payment of the value of his *Account* , the value of the *DC Member*'s *Account* is payable.

16.2 PAYMENT OF DEATH BENEFIT

The value of the death benefit payable under Section 16.1 is payable to the *DC Member*'s *Survivor Pre-Retirement*. If the *DC Member* does not have a *Survivor Pre-Retirement* on the death of the *DC Member*, then the value of the death benefit is paid to the *DC Member*'s *Beneficiary* or if no *Beneficiary* exists, the value of the death benefit is paid to the *DC Member's* estate.

16.2.1 Payment or Portability of Spousal Death Benefit

(a) If a *DC Member* dies after the *DC Member* has completed two or more years of *Continuous Service* (except, in the case of a *DC Member* who, on February 28, 2018, was actively participating in the Canada Post Group Retirement Savings Plan and who was required to become an *Active DC Member* on March 1, 2018 pursuant to Section 2.1.6, the phrase "*Continuous Service*" shall read as "*Plan* membership" for the purpose of this subsection (a)), subject to Section 15.2, any amount payable to a *DC Member*'s *Survivor Pre-Retirement* under Section 16.1 shall be transferred in either of the following forms, at the *Survivor Pre-Retirement*'s option:

(i) a pension plan selected by the *Survivor Pre-Retirement* that is registered under the *Income Tax Act*, if that pension plan so permits,

(ii) a locked-in retirement savings plan or a life income fund for the *Survivor Pre-Retirement* that is of the kind prescribed under the *PBSA*, or

(iii) a financial institution licensed or otherwise authorized under the laws of Canada or a province to sell immediate or deferred life annuities of the kind prescribed under the *PBSA*, for the purchase from that financial institution of such an annuity for the *Survivor Pre-Retirement*.

The *Survivor Pre-Retirement* shall make his election within ninety (90) days after the written information concerning his entitlement and election is sent to him by the *Administrator* under this subsection.

Alternately, and subject to Section 19.3, the *DC Member*'s *Survivor Pre-Retirement* may leave the value of the *DC Member's Account* in Part C of the *Plan* until no later than the end of the calendar year in which the *Survivor Pre-Retirement* attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits.

(b) If a *DC Member* dies before the *DC Member* has completed two or more years of *Continuous Service* (except, in the case of a *DC Member* who, on February 28, 2018, was actively participating in the Canada Post Group Retirement Savings Plan and who was required to become an *Active DC Member* on March 1, 2018 pursuant to Section 2.1.6, the phrase "*Continuous Service*" shall read as "*Plan* membership" for the purpose of this subsection (b)), subject to Section 15.2, any amount payable to a *DC Member's Survivor Pre-Retirement* under Section 16.1 shall be paid in a lump sum or transferred directly on the *Survivor Pre-Retirement's* behalf to a registered retirement savings plan. The *Survivor Pre-Retirement* shall

make his election within ninety (90) days after the written information concerning his entitlement and election is sent to him by the *Administrator* under this subsection.

(c) *DC Benefits* under subsection (b) above shall be paid, at the *Survivor Pre-Retirement*'s option, at any time on or before the later of:

(i) the end of the calendar year in which the *Survivor Pre-Retirement* attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits; and

(ii) the first day of the eleventh calendar month following the month in which the *DC Member*'s death occurred.

(d) Notwithstanding paragraphs (a) (b) and (c),

(i) as permitted by the *PBSA* and the *Income Tax Rules* in the *Administrator's* sole discretion, or

(ii) in the event that at the end of the calendar year in which a *Survivor Pre-Retirement* attains the latest age permitted under the *Income Tax Rules* for the commencement of pension benefits, his *DC Benefits* are still left in Part C of the *Plan*,

the value of the *DC Benefits* shall be applied to purchase a life annuity.

16.2.2 Payment of Beneficiary Death Benefit

Any amount payable under this Article 16 to a *DC Member*'s *Beneficiary* other than a *Survivor Pre-Retirement* or, if no *Beneficiary* exists, the *DC Member's* estate is payable in a lump sum.

17. ELECTIONS

17.1 ELECTIONS

Every election made by a *DC Member* under Part C of the *Plan* shall be evidenced in writing, in the form prescribed by the *Administrator*, and signed by the person making the election, and the original thereof shall be forwarded to the *Administrator* or the *Funding Agent*, as applicable, in the manner prescribed by the *Administrator* within the time prescribed by Part C of the *Plan* or as otherwise determined by the *Administrator* for the making of the election or, in the case of an election that may be made by the *DC Member* at any time before he *Terminates Employment*, within one month from the time of making the election.

17.2 AMENDING OR REVOKING AN ELECTION

An election under Part C of the *Plan* may be amended by the elector, within the time prescribed under Part C of the *Plan* or as otherwise determined by the *Administrator* for the making of the election, and is otherwise irrevocable except under such circumstances and on such terms and conditions as the *Administrator* may prescribe.

17.3 ELECTION DEEMED VALID

Where the *Administrator* is of the opinion that a person has made an election under Part C of the *Plan* in purported compliance with Part C of the *Plan* and that the election was made in good faith and was invalid by reason only of circumstances not attributable to fault on the part of that person, that person shall be deemed to have made a valid election for the purposes of the relevant provisions of Part C of the *Plan*, on such date and subject to such terms and conditions as may be prescribed by the *Administrator*.

PART D

GENERAL PROVISIONS

18. ASSIGNMENT OF BENEFITS

18.1 NON ALIENATION

Subject to Section 18.2

(a) a benefit under the *Plan* is not capable of being assigned, charged, anticipated or given as security and any transaction that purports to assign, charge, anticipate or give as security any such benefit is void,

(b) a benefit to which a *Member*, *Spouse*, *Common-Law Partner, Survivor Pre-Retirement, Survivor Post-Retirement* or *Dependent Child* is entitled under the *Plan* is not capable of being surrendered or commuted except under Articles 6 or 15 or Section 18.2 and any transaction that purports to so surrender or commute any such benefit is null and void, and

(c) a benefit under the *Plan* is exempt from attachment, seizure and execution, either at law or in equity.

18.2 MARRIAGE BREAKDOWN/RELATIONSHIP BREAKDOWN

18.2.1 Assignment to Spouse/Common-Law Partner

In the event of the divorce, annulment or separation of a *Member*, a written domestic agreement or court order under the laws of the province applicable to the *Member* relating to the distribution of property between spouses or common-law partners may assign all or part of the *Member's* benefit entitlement under the *Plan* to the *Member*'s *Spouse,* former *Spouse* or former *Common Law Partner*. Upon such assignment, the *Spouse,* former *Spouse* or former *Common-Law Partner* shall be treated as if he was a *Member* of the *Plan* and had terminated employment with a *Participating Employer* on the effective date of such assignment and shall, at that time, be entitled to the same options that would apply to a *Member* upon terminating employment with a *Participating Employer*.

A subsequent spouse or common-law partner of a *Spouse,* former *Spouse* or former *Common-Law Partner* who is assigned a benefit under this Section is not entitled to any benefit under the *Plan* by virtue of spousal status in respect of the assigned benefit.

18.2.2 Administration of Order or Agreement

(a) When a certified copy of a court order from a court of competent jurisdiction or a valid written domestic agreement has been filed with the *Administrator* requiring division of a *Member's* benefits under the *Plan* due to marriage breakdown or relationship breakdown, the *Administrator* shall make such division in accordance with the order or agreement, as determined by the *Administrator* and subject to any requirements prescribed under applicable legislation. The *Administrator* shall not act on any division required by a court order until the time allowed for appeal of that order has expired or until all appeals are finally determined. When the *Administrator* receives a court order or domestic agreement from a *Member* or the *Member*'s *Spouse,* former *Spouse* or former *Common-Law Partner*, the *Administrator* shall notify the other party and provide that party with a copy of the court order or domestic agreement unless it is apparent that the court order or domestic agreement was submitted by both parties.

(b) The *Administrator* shall reduce the *Member's* benefit entitlement under the *Plan* to the extent necessitated by the division to meet the limit in Section 18.2.3.

18.2.3 Limitation on Value of Benefit Payable to Spouse or Common-Law Partner

The sum of the *Actuarial Equivalent* value of the benefits payable to the *Member* and the *Actuarial Equivalent* value of the benefits payable to the *Spouse*, former *Spouse* or former *Common-Law Partner* pursuant to Sections 18.2.1 and 18.2.2 shall not be greater than the *Actuarial Equivalent* value of the *Pension Benefits* and *DC Benefits* that would have been payable in respect of the *Member's Pensionable Service* had the marriage breakdown or relationship breakdown not occurred.

19. PENSION FUND

19.1 ESTABLISHMENT OF PENSION FUND

The *Administrator* shall establish and maintain a *Pension Fund* with a *Funding Agent* pursuant to a *Funding Agreement* for the purpose of funding the benefits under the *Plan*. The *Administrator* may amend or revoke a *Funding Agreement*, remove a *Funding Agent* and appoint an additional and/or a successor *Funding Agent* as it may deem appropriate.

19.2 INVESTMENT OF PENSION FUND

19.2.1 DB Component Investment

The *Administrator* shall direct the investment of assets in the *DB Component* of the *Pension Fund* and the investments shall comply with the *PBSA* and the *Income Tax Rules*. The *Administrator* may, in its sole discretion, engage investment counsel to give advice and direction on the investment of assets in the *DB Component* of the *Pension Fund*.

The *Administrator* shall adopt a statement of investment policies and procedures for the *DB Component* of the *Pension Fund* and the *DB Component* of the *Pension Fund* shall be invested in compliance with such statement.

19.2.2 DC Component Investment

19.2.2.1 Allocation of Assets in DC Member's Account

Each *DC Member* shall direct the allocation of the investment of assets in the *DC Member's Account* to investments available under subsection 19.2.2.2. A *DC Member*'s allocation of assets in his *Account*, and of contributions entering his *Account*, may be changed periodically by the *DC Member* as permitted under the rules prescribed by the *Administrator.*

If a *DC Member* does not provide investment directions for the investment of assets in his *Account*, assets in his *Account* shall be invested in the default investment option selected by the *Administrator* for the *DC Component* of the *Pension Fund.*

19.2.2.2 Investment Options

The *Administrator* shall provide a range of investment options to the *DC Member*.

The *DC Member's Account* shall be invested by the *Funding Agent* in the investment options selected by the *DC Member* and in the proportions so selected, from those investment options made available by the *Administrator*, subject to the rules prescribed by the *Administrator*.

The *Administrator* shall adopt a statement of investment policies and procedures for the *DC Component* of the *Pension Fund* and the *DC Component* of the *Pension Fund* shall be invested in compliance with such statement.

The *Administrator* reserves the right to change the investment manager(s) and investment options offered under Part C of the *Plan* at its sole discretion.

19.3 PAYMENT OF EXPENSES

All costs, charges and expenses in connection with the administration of the *Plan* and the *Pension Fund*, including fees and expenses for audit, legal and actuarial services, costs, charges and expenses of the *Administrator* which are attributable to the administration of the *Plan*, and the fees and expenses payable to the *Funding Agent* shall be paid out of the *Pension Fund*. The *Administrator* may seek reimbursement from the *Pension Fund* for all costs, charges and expenses related to the administration of the *Plan* that it has paid directly.

For greater certainty and subject to the foregoing paragraph:

(a) all reasonable costs, charges and expenses related to investment management of the *DC Component* of the *Plan* shall be paid by the *DC Members* as a charge to *Investment Income* as defined in Section 12.1; and

(b) pursuant to Articles 14 and 16, all costs, charges and expenses that may be applicable to a *Terminated DC Member* or a *DC Member*'s *Survivor Pre-Retirement* shall be paid from the related *DC Member's Account* if an election pursuant to Section 15.1 or Section 16.2.1, as applicable, has not been made within ninety (90) days from the receipt of his statement issued as a result of his *Termination of Employment*, or death, as applicable.

19.4 FORFEITURE

[DELETED EFFECTIVE JANUARY 1, 2012]

19.5 OBLIGATIONS OF THE PLAN

Each *Member* or other person who claims the right to payment of any benefit under the *Plan* shall be entitled to look only to the *Pension Fund* for such payment. The payment of any benefit under the *Plan* shall be a liability of the *Pension Fund* and not of the *Funding Agent*, the *Participating Employer*s, the *Administrator*, or the officers, directors or shareholders of the *Participating Employer*s or the *Administrator*.

The *Administrator* may in its discretion decide to purchase paid-up annuities to satisfy all or part of *Pension Benefits* and *DC Benefits* accrued under the *Plan* and in that case the purchase shall fully discharge the *Plan*'s obligation in respect of such *Pension Benefits* for *Pensionable Service* after September 30, 2000 and *DC Benefits*.

In accordance with the *PBSA*, if a person entitled to a benefit payment from the *Plan* cannot be located, the *Administrator* may transfer the person's benefit entitlement to an entity designated to receive such benefits under the *PBSA* and such payment shall be a complete discharge of the *Administrator*'s obligations in respect of such benefit entitlement.

19.6 USE OF SURPLUS

Subject to the *PBSA*, if the assets of the *Pension Fund* exceed the liabilities of the *Plan* on a going-concern basis at any time, then the *Corporation* may, in its discretion

(a) apply all or any part of such excess assets to reduce or eliminate any contributions required of an *Active DB Member* pursuant to Section 4.1.1 or 4.1.2,

(b) apply all or any part of such excess assets to reduce or eliminate any funding or contribution obligation of a *Participating Employer* as permitted under Sections 4.2, 13.2 and 13.3.

(c) enhance the benefits provided under the *Plan,* or

(d) any combination of the above.

19.7 REFUND OF OVER-CONTRIBUTIONS

Any contribution overpayment by a *Participating Employer* or a *Member* in excess of the amount permitted under the *Income Tax Rules* to be contributed to the *Plan,* if any, may be returned to the *Participating Employer* or the *Member*, as the case may be, out of the *Pension Fund* as directed by the *Administrator* to avoid revocation of registration under the *Income Tax Rules*, subject to any required prior approval of the Office of the Superintendent of Financial Institutions.

20. ADMINISTRATION

20.1 ADMINISTRATOR

The *Corporation* is the *Administrator* of the *Plan*. The *Administrator* shall have all powers necessary to carry out the administration of the *Plan* including, without limiting the generality of the foregoing, the following specific powers and authority

(a) to make and enforce such rules and regulations as it may consider necessary or proper for the efficient administration of the *Plan*,

(b) to decide all questions and make interpretations concerning the *Plan*, and such decisions and interpretations shall be final,

(c) to make all approvals required by the *Plan*,

(d) to maintain accurate data and compute the amounts of benefits or other payments payable to any person in accordance with the provisions of the *Plan* and to determine the persons to whom such amounts shall be paid,

(e) to obtain actuarial valuations of the *Plan* no less frequently than required by the *PBSA*,

(f) to authorize payments to be made from the *Pension Fund*,

(g) to prepare such accounts and other records of operation of the *Plan* as may be required from time to time and to arrange for the audit of such records and accounts by independent auditors, and

(h) to complete and file such returns and documents as may be required by some or all of the applicable regulatory authorities.

20.2 DELEGATION

In its capacity as *Administrator,* the *Corporation* shall act through its agents, officers and employees. The *Corporation* may establish one or more committees or councils to assist the *Corporation* in the discharge of its fiduciary and *Administrator's* responsibilities relating to the *Plan.* The *Corporation* may, in its unfettered discretion, delegate any of its powers as *Administrator* to such committee, committees or other persons as it may determine.

20.3 DUTY OF CARE

In the administration of the *Plan*, the *Administrator* shall exercise the degree of care that a person of ordinary prudence would exercise in dealing with the property of another person. The *Corporation* and the *Administrator* may rely in good faith on a statement or report of an auditor, actuary, lawyer or other professional person whose profession lends credibility to the report without contravening the above standard of care.

Employees and agents of the *Administrator* shall not knowingly permit their interests to conflict with their duties and powers in respect of the *Plan* and *Pension Fund*. If an employee or agent is in a position where the interests of the *Plan* or *Pension Fund* conflict with the personal interests of the person, then that person shall declare such conflict and refrain from taking part in any discussion or decision on any issue in which the conflict arises. If the conflict of interest is material and of a continuing nature which impairs the ability of that person to continue to act, then the person shall refrain from acting in such capacity. A person does not have a conflict of interest by reason only of the fact that he may be entitled to receive a benefit under the *Plan* that is generally available to other *Member*s of the *Plan* in similar circumstances.

20.4 UNISEX

Male and female *Member*s under the *Plan* have equality of status and equal rights and obligations under the *Plan* except in the calculation of a *Commuted Value*.

20.5 FISCAL YEAR

The first fiscal year of the *Plan* shall end on December 31, 2000 and each subsequent fiscal year shall end on the last day of December of each year.

20.6 INFORMATION FOR MEMBERS

The *Administrator* shall prepare and make available to each *Employee* who becomes, or is eligible to become, a *Member* and his *Spouse* or *Common-Law Partner* a written explanation of the terms and conditions of the *Plan* and amendments thereto applicable to the *Employee*, together with an explanation of the rights and duties of the *Employee* with reference to the benefits available to such *Employee* under the terms of the *Plan*.

In addition, the *Administrator* shall provide a *Member* and the *Member*'s *Spouse* or *Common-Law Partner*, and any other person entitled to payment from the *Plan* with such other information as may be required by the *PBSA,* including annual statements to *Members*, termination or retirement statements to *Members* who *Terminate Employment*, and death statements to the legal representative of the *Member* or other persons entitled to a benefit as a result of the death of a *Member*. In the event of any conflict between any statement made in such explanation and the provisions of the *Plan*, the provisions of the *Plan* shall govern.

A copy of the *Plan* together with such other documents as are prescribed under the *PBSA* shall be available for inspection and/or copying by any *Member*, a *Member*'s *Spouse* or *Common-Law Partner* or any other person entitled to such information under the *PBSA*, either personally or by an agent or mandatary authorized in writing for that purpose. Any person entitled to inspect *Plan* documents in accordance with this Section shall be entitled to make such inspection only once in each calendar year. The *Administrator* may charge a reasonable fee for any copies so provided.

20.7 RIGHT TO CONCLUDE RECIPROCAL TRANSFER AGREEMENTS

The *Administrator*, subject to the approval of the Board of Directors of the *Corporation*, may enter into a *Reciprocal Transfer Agreement* with any authority responsible for the administration of a registered pension plan for the purpose of permitting a *Member* to transfer pension benefits to or from the *Plan* following a transfer of employment to or from a *Participating Employer*. Without limiting the authority of the *Administrator* to address necessary matters, such *Reciprocal Transfer Agreement* may specify

(a) the recognition of service as *Pensionable Service* or *Continuous Service*, as the case may be, pursuant to the agreement,

(b) the recognition of earnings as *Earnings* pursuant to the agreement,

(c) the contributions which a *Member* may or must make regarding recognition of service pursuant to the agreement,

(d) the determination of any amount that may be transferred into the *Pension Fund* or from the *Pension Fund* pursuant to the agreement, and

(e) such other matters as the *Administrator* considers necessary.

21. AMENDMENT OR TERMINATION OF PLAN

21.1 AMENDMENT OF THE PLAN

The *Corporation* has established the *Plan* with the intention of operating it on the basis of pooled experience in respect of all *Members*, however, the *Corporation* reserves the right to amend or discontinue the *Plan* at any time or times, subject to the requirements of the *PBSA* or the *Income Tax Rules*. Without limiting the generality of the foregoing, such right to amend shall include the right to

(a) merge the Plan with another registered pension plan or plans of the *Corporation*,

(b) divide the *Plan* and the *Pension Fund* into two or more separate pension plans and funds,

(c) transfer assets and liabilities out of the *Plan* to another registered pension plan, or

(d) receive a transfer of assets and liabilities from another registered pension plan,

on a basis and under such terms and conditions as determined by the *Administrator,* subject to applicable legislation.

21.2 RESTRICTIONS IN THE EVENT OF AMENDMENT OR TERMINATION

No amendment to the *Plan* shall operate to reduce the benefits that have accrued to *Member*s prior to the date of such amendment. If the *Plan* terminates, the *Participating Employer*s shall not be obligated to make any further contributions to the *Plan* with respect to service after the date of such termination except as required under the *PBSA*. The *Administrator* shall file with the appropriate regulatory authorities any actuarial report required to obtain any necessary approvals to effect the amendment or termination.

21.3 COMPLETE TERMINATION OF PLAN

21.3.1 DB Component

If the *Plan* is terminated or otherwise discontinued, the assets related to the *DB Component* of the *Pension Fund* (after providing for the expenses of the *Plan*) shall be applied, to the extent sufficient, to provide for benefits accrued to the date of such termination by *DB Member*s, *Spouse*s, *Common-Law Partners* and *Beneficiaries* under the provisions of the *Plan* as determined by the *Administrator*, on the advice of the *Actuary* and subject to the requirements of the *PBSA*. A termination of the *Plan* shall be deemed to constitute a *Termination of Employment* in respect of all *Active DB Members* and *Inactive DB Members* on the effective date of the termination of the *Plan*, for purposes of determining the benefits payable under Part B of the *Plan* as a result of such termination.

Subject to the requirements under the *PBSA*, if the assets of the *Pension Fund* are insufficient to fully provide for all accrued benefits of *DB Member*s, *Spouse*s, *Common-Law Partners* and *Beneficiaries,* then the assets of the *Pension Fund* shall be allocated according to the following priority.

(a) Firstly, to provide for accrued benefits in respect of *Pensionable Service* prior to October 1, 2000. If the assets of the *Pension Fund* are insufficient to fully provide for all such benefits then each *Participating Employer* shall contribute an additional amount or amounts, as determined by the *Administrator*, to the extent that such amounts qualify as eligible contributions under the *Income Tax Rules*, so as to provide sufficient assets to fully provide for benefits payable in respect of *Pensionable Service* prior to October 1, 2000 accrued by *DB Members* while employed by that *Participating Employer* or its predecessor.

(b) Secondly, if assets remain after the allocation under paragraph (a), to provide for accrued benefits in respect of *Pensionable Service* after September 30, 2000. If the assets allocated for this purpose are insufficient to fully provide for all such benefits then they shall be applied to provide such benefits for affected *DB Member*s, *Spouse*s, *Common-Law Partners* and *Beneficiaries* on a pro rata basis in accordance with their respective interests as determined by the *Administrator*, on the advice of the *Actuary* and in a manner which meets the requirements of the *PBSA*.

The *Corporation* shall determine the application of any excess assets that remain in the *Pension Fund* after the satisfaction of all benefits accrued under the terms of Part B of the *Plan*.

Any distribution of funds will be conditional upon the prior approval of the applicable regulatory authorities.

21.3.2 DC Component

If the *Plan* is terminated or otherwise discontinued, each *DC Member* and each *DC Member*'s *Survivor Pre-Retirement* or *Beneficiary* or estate who is entitled to benefits accrued under Part C of the *Plan* shall be entitled to the assets in the applicable *DC Member Account*.

21.4 PARTIAL TERMINATION OF PLAN

21.4.1 DB Component

If a part of the *Plan* is terminated or otherwise discontinued and the termination relates to the *DB Component* of the *Plan*, a portion of the *Pension Fund* shall be allocated in respect of that part of the *Plan* that is being terminated. The portion of the *Pension Fund* to be allocated shall be determined by the *Administrator* in an equitable manner on the advice of the *Actuary* and subject to the *PBSA*. Such portion of the *Pension Fund* relating to the *DB Component* shall be applied in accordance with the provisions of Section 21.3.1 for the benefit of the *DB Member*s, *Spouse*s, *Common-Law Partners* and *Beneficiaries* affected by the partial termination. A partial termination of the *Plan* shall be deemed to constitute a *Termination of Employment* in respect of all *Active DB Members* and *Inactive DB Members* affected by the partial termination of the *Plan*, for purposes of determining the benefits payable under Part B of the *Plan* as a result of such partial termination.

Subject to the requirements under the *PBSA*, if the assets of the *Pension Fund* allocated to the partial termination of the *Plan* are insufficient to fully provide for all accrued defined benefits of all persons affected by the partial termination, then such assets shall be allocated according to the following priority.

(a) Firstly, to provide for accrued benefits in respect of *Pensionable Service* prior to October 1, 2000. If the allocated assets are insufficient to fully provide for all such benefits then

each *Participating Employer* shall contribute an additional amount or amounts, as determined by the *Administrator*, to the extent that such amounts qualify as eligible contributions under the *Income Tax Rules*, so as to provide sufficient assets to fully provide for benefits payable to *DB Members, Spouses*, *Common-Law Partners and Beneficiaries* affected by the partial termination in respect of *Pensionable Service* prior to October 1, 2000 accrued by *DB Members* while employed by that *Participating Employer* or its predecessor.

(b) Secondly, if assets remain after the allocation under paragraph (a), to provide for accrued benefits in respect of *Pensionable Service* after September 30, 2000. If the assets allocated for this purpose are insufficient to fully provide for all such benefits then such assets shall be applied to provide such benefits for affected *DB Member*s, *Spouse*s, *Common-Law Partners* and *Beneficiaries* on a pro rata basis in accordance with their respective interests as determined by the *Administrator*, on the advice of the *Actuary* and in a manner which meets the requirements of the *PBSA*.

The *Corporation* shall determine the application of any part of the allocated portion that remains after the satisfaction of all benefits accrued by affected persons under the terms of Part B of the *Plan* subject to the requirements under the *PBSA*.

21.4.2 DC Component

If a part of the *Plan* is terminated or otherwise discontinued and the termination relates to the *DC Component* of the *Plan*, each *DC Member* and each *DC Member*'s *Survivor Pre-Retirement* or *Beneficiary* or estate who is entitled to benefits accrued under Part C of the *Plan* and is affected by the partial termination or discontinuance shall be entitled to the assets in the applicable *DC Member Account*.

21.5 PROVISION OF BENEFITS

The benefits determined in accordance with the provisions of Section 21.3 or 21.4 may be provided through the purchase of annuity contracts from a company licensed to provide annuities in Canada, or by the transfer of benefits to which the respective *Member*s are entitled to the pension plans of subsequent employers or to registered retirement savings plans or registered retirement income funds or by the continuation of the *Pension Fund* or by the payment of cash refunds, all as determined by the *Administrator*, subject to the requirements of the *PBSA*.

21.6 LIMITATION ON LIABILITY

No liability shall attach to the *Administrator,* liquidator or trustee in bankruptcy in connection with any application of the *Pension Fund* pursuant to this Article 21 provided such application was made without negligence or wilful misconduct and in good faith and in accordance with the provisions of the *PBSA*.

22. MISCELLANEOUS

22.1 DESIGNATION OF BENEFICIARY

A *Member* may, by written notice to the *Administrator*, designate a person or persons to receive any benefits that may be payable to a *Beneficiary* after the *Member's* death pursuant to Section 7.2.1, 7.2.4, 7.2.5 or 16.2, and may by written notice to the *Administrator*, alter or revoke such designation from time to time, subject always to the provisions of any law governing designation of beneficiaries which may apply.

22.2 PROVISION OF INFORMATION

The *Administrator* may at any time require any person entitled to a benefit under the *Plan* to furnish it with evidence satisfactory to it as to age and with any information relevant to the payment of a pension under the *Plan*.

22.3 NO EFFECT ON TERMS OF EMPLOYMENT

The terms of the *Plan* and the benefits hereunder do not constitute a guarantee of employment between a *Participating Employer* and any *Employee* and shall not be deemed to be consideration for the employment of any *Employee*. All *Employee*s shall remain subject to discharge, discipline or lay-off to the same extent as if the *Plan* had not been put into effect.

22.4 CAPTIONS AND HEADINGS

The captions, headings, table of contents and Foreword of the *Plan* are inserted for convenience only and are not to be construed as part of the *Plan.*

22.5 COMPLIANCE WITH ACTS

Notwithstanding any provision of the *Plan*, the *Plan* shall be administered in accordance with the *PBSA* and the *Income Tax Rules* to which the *Plan* is subject as a condition of registration.

22.6 GOVERNING LAW

The Plan shall be construed in accordance with the laws of the province of Ontario and Canada.

22.7 SEVERABILITY

If any provision of the *Plan* is found to be invalid or unenforceable by a court of competent jurisdiction, such finding shall not affect any other provision of the *Plan* and the *Plan* shall be construed and enforced as if such provision had not been included in the *Plan.*

22.8 CURRENCY

The benefits payable under the *Plan* shall be paid in the lawful currency of Canada.

APPENDIX A
INCLUSIONS IN PENSIONABLE EARNINGS

For the purposes of subsection 1.2.1(a), the *Earnings* of a *Member* includes amounts received by the *Member* for

(a) a bilingual bonus,

(b) a compression allowance,

(c) a rest period allowance,

(d) a CPAA administration allowance,

(e) a CPAA field support allowance,

(f) a lead hand differential, or

(g) effective January 1, 2008, a market premium.

(h) effective January 1, 2016, a Rural and Suburban Mail Carriers personal contact item allowance

(i) effective January 1, 2016, a Rural and Suburban Mail Carriers lock-change allowance

APPENDIX B

Eligibility and Contribution Rules for Postmasters and Assistant Postmasters

Category of Post Office	Base Classification	Eligibility of Postmasters/ Assistants for Purposes of Subsection 2.1.2(vi)	Earnings for Purposes of Subsection 1.2.1(d)
Corporate Owned or Leased Office Semi-Staff Post Office Level 1-6 (bud group 87801)	RVSGB, RVSGC, or RVSGD	Postmaster or Assistant Postmaster with *Average Assigned Hours* of at least twelve hours weekly.	Same as defined in Section 1.2.1 for any other *Employee*
Corporate-Owned or Leased Group Office Level 2-6 (bud group 87802)	RVSGA	Postmaster only, with survey hours of at least twelve hours weekly	Based on regular pay for survey hours
Privately-Owned or Leased Group Office level 2-6 (bud group 87803)	RVSGA	Postmaster only, with survey hours of at least twelve hours weekly	Based on regular pay for survey hours and one-third of available hours

For purposes of this Appendix

(a) "survey hours" means the maximum weekly hours of work for each post office level as determined by the *Corporation's* work content measurement system, and

(b) "available hours" means the difference between survey hours and the hours per week the *Employee* is required by the *Corporation* to be available to provide postal service.

APPENDIX C

HISTORICAL MEMBER CONTRIBUTION RATES

Year	CPP Rate	PSSA Rate	SRBA Rate	YMPE	YBE
1954 to 1965	n.a.	6.00%for males	n.a.	n.a.	n.a.
1954 to 1975	n.a.	5.00%for females	n.a.	n.a.	n.a.
1966	1.80%	6.00%	n.a.	$5,000	$600
1967	1.80%	6.00%	n.a.	$5,000	$600
1968	1.80%	6.00%	n.a.	$5,100	$600
1969	1.80%	6.00%	n.a.	$5,200	$600
1970	1.80%	6.00%	0.50%	$5,300	$600
1971	1.80%	6.00%	0.50%	$5,400	$600
1972	1.80%	6.00%	0.50%	$5,500	$600
1973	1.80%	6.00%	0.50%	$5,600	$600
1974	1.80%	6.00%	0.50%	$6,600	$700
1975	1.80%	6.00%	0.50%	$7,400	$700
1976	1.80%	6.00%	0.50%	$8,300	$800
1977	1.80%	6.50%	1.00%	$9,300	$900
1978	1.80%	6.50%	1.00%	$10,400	$1,000
1979	1.80%	6.50%	1.00%	$11,700	$1,100
1980	1.80%	6.50%	1.00%	$13,100	$1,300
1981	1.80%	6.50%	1.00%	$14,700	$1,400
1982	1.80%	6.50%	1.00%	$16,500	$1,600
1983	1.80%	6.50%	1.00%	$18,500	$1,800
1984	1.80%	6.50%	1.00%	$20,800	$2,000
1985	1.80%	6.50%	1.00%	$23,400	$2,300
1986	1.80%	6.50%	1.00%	$25,800	$2,500
1987	1.90%	6.50%	1.00%	$25,900	$2,500
1988	2.00%	6.50%	1.00%	$26,500	$2,600
1989	2.10%	6.50%	1.00%	$27,700	$2,700
1990	2.20%	6.50%	1.00%	$28,900	$2,800
1991	2.30%	7.50%	n.a.	$30,500	$3,000
1992	2.40%	7.50%	n.a.	$32,200	$3,200
1993	2.50%	7.50%	n.a.	$33,400	$3,300
1994	2.60%	7.50%	n.a.	$34,400	$3,400
1995	2.70%	7.50%	n.a.	$34,900	$3,400

Year	CPP Rate	PSSA Rate	SRBA Rate	YMPE	YBE
1996	2.80%	7.50%	n.a.	$35,400	$3,500
1997	3.00%	7.50%	n.a.	$35,800	$3,500
1998	3.20%	7.50%	n.a.	$36,900	$3,500
1999	3.50%	7.50%	n.a.	$37,400	$3,500
2000*	3.90%	7.50%	n.a.	$37,600	$3,500

ABBREVIATIONS USED IN THIS APPENDIX:

CPP Rate Rate of contribution to the Canada Pension Plan

PSSA Rate *Public Service Superannuation Act* contribution rate.
Female rates constant 5.00 % up to February 1, 1976; then matches male rates

SRBA Rate *Supplemental Retirement Benefits Act* contribution rate.
Started April 1, 1970. Amalgamated with PSSA rates April 1, 1991.

YBE Year's Basic Exemption under Canada Pension Plan

YMPE Yearly Maximum Pensionable Earnings under the Canada Pension Plan

Note that effective January 1, 2000 the contribution rates under the PSSA were no longer integrated with CPP and instead became four percent of the portion of the Member's *Earnings* that is less than or equal to the *YMPE*, plus seven and one-half percent of the portion of his *Earnings* that is greater than the *YMPE*.

APPENDIX D

EMPLOYEE CLASSES GOVERNED BY THE DC COMPONENT

The following classes of employment are governed by the *DC Component*:

(a) a *Management and Exempt Employee* who became eligible to join the *Plan* on or after January 1, 2010,

(b) an *Employee* represented by *PSAC* who became eligible to join the *Plan* on or after June 1, 2014,

(c) an *Employee* represented by *APOC* who became eligible to join the *Plan* on or after March 1, 2015,

(d) an *Employee* represented by *CPAA* who became eligible to join the *Plan* on or after September 1, 2016, and

(e) a *Management and Exempt Employee* who chose to participate in the Group Retirement Savings Plan of Canada Post Corporation, offered before January 1, 2010.

APPENDIX E

CHANGE OR TRANSFER OF EMPLOYMENT STATUS

For an *Active DB Member*:

If an *Active DB Member* who	**is changed or transferred on a permanent basis to**	**then**
(a) became eligible to join the *Plan* on or after January 1, 2010,	a *Management and Exempt Position*	the *Active DB Member* shall become an *Active DC Member*, subject to the conditions under subsection 2.5.1.2
(b) became eligible to join the *Plan* on or after June 1, 2014,	a position represented by *PSAC*	the *Active DB Member* shall become an *Active DC Member*, subject to the conditions under subsection 2.5.1.2
(c) became eligible to join the *Plan* on or after March 1, 2015,	a position represented by *APOC*	the *Active DB Member* shall become an *Active DC Member*, subject to the conditions under subsection 2.5.1.2
(d) became eligible to join the *Plan* on or after September 1, 2016,	a position represented by *CPAA*	the *Active DB Member* shall become an *Active DC Member*, subject to the conditions under subsection 2.5.1.2
For all other *Active DB Member* changes and transfers of employment status, the *Active DB Member* shall remain an *Active DB Member.*		

For an *Active DC Member*:

If an *Active DC Member* who	**is changed or transferred on a permanent basis to**	**then**
(a) became eligible to join the *Plan* on or after January 1, 2010 and before June 1, 2014,	a position other than a *Management and Exempt Position*	the *Active DC Member* shall become an *Active DB Member*, subject to the conditions under subsection 2.5.2.2
(b) became eligible to join the *Plan* on or after June 1, 2014 and before March 1, 2015,	a position other than: - a *Management and Exempt Position*; or - a position represented by *PSAC*	the *Active DC Member* shall become an *Active DB Member*, subject to the conditions under subsection 2.5.2.2
(c) became eligible to join the *Plan* on or after March 1, 2015 and before September 1, 2016,	a position other than: - a *Management and Exempt Position*; - a position represented by *PSAC*; or - a position represented by *APOC*	the *Active DC Member* shall become an *Active DB Member*, subject to the conditions under subsection 2.5.2.2
(d) became eligible to join the *Plan* on or after September 1, 2016,	a position other than: - a *Management and Exempt Position*; - a position represented by *PSAC*; - a position represented by *APOC;* or - a position represented by *CPAA*	the *Active DC Member* shall become an *Active DB Member*, subject to the conditions under subsection 2.5.2.2
For all other *Active DC Member* changes and transfers of employment status, the *Active DC Member* shall remain an *Active DC Member*		