

ASBA

SUPPLEMENTAL INTEGRATED PENSION PLAN
(ASBA SiPP)

PLAN TEXT



EFFECTIVE: 2017 DECEMBER 31



ASBA Foundational Statements

Vision

Excellence in education through exceptional school board governance.

Mission

Leading the betterment of education by serving locally-elected school boards in their role of establishing the conditions for student success.

Values

The Alberta School Boards Association (ASBA) values **public education governed by locally-elected public, separate and francophone school boards**. ASBA's work is informed by this core value as well as the following:

- ASBA values **building understanding** by:
 - Respecting and reflecting diverse interests in the common goal of governing for excellence
 - Creating opportunities for unique perspectives to be shared and common interests to be explored
 - Advocating in the best interest of K-12 education
- ASBA values **collaboration** by:
 - Engaging school boards, stakeholders and partners
 - Inviting input and feedback
 - Encouraging teamwork and cooperation
- ASBA values **innovation** by:
 - Finding new approaches to problem-solving and service delivery
 - Identifying opportunities that allow for enhanced effectiveness and efficiency through continuous improvement
 - Providing opportunities for generative discussion
- ASBA values **responsiveness and proactivity** by:
 - Reacting in a timely and effective fashion to issues and developments impacting education
 - Staying abreast of trends within education, as well as other sectors, to better position boards to address challenges and seize opportunities
 - Recognizing and anticipating the needs of school boards in relation to systemic issues impacting education

ALBERTA SCHOOL BOARDS ASSOCIATION
ASBA SUPPLEMENTAL INTEGRATED PENSION PLAN

ASBA SiPP

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ARTICLE 1

DEFINITIONS

Wherever used in the Plan, the following terms will have the meaning given below unless the context clearly indicates otherwise.

- 1.01 “**Act**” means the *Employment Pension Plans Act* and any future legislation amending, supplementing, superseding or incorporating it, and any regulations issued pursuant to it and such other pension benefits legislation, which is applicable, as amended from time to time.
- 1.02 “**Active Member**” means an individual who meets the eligibility criteria set out in Section 2.01 and is employed in employment covered by the Plan if:
- (a) he is, with respect to that employment,
 - (i) accruing benefits under the Plan, or
 - (ii) Contributing to the Plan or having contributions made to the Plan on his behalf, or
 - (b) he is not, with respect to that employment, accruing benefits under the Plan or contributing to the Plan or having contributions made to the Plan on his behalf because
 - (i) he is deemed to be suspended pursuant to Section 2.05, or
 - (ii) the Plan is one under which benefits have ceased to accrue and that is continued with the consent of the Superintendent under section 115(1) of the Act, or
 - (iii) he is on a Temporary Absence from that employment
- 1.03 “**Actuarial(ly) Equivalent**” means a benefit of equal value computed upon an actuarial basis recommended by the Actuary and approved by the ASBA SiPP Governance Board.
- 1.04 “**Actuarial Excess**” means the value of the assets of the Plan less the value of the liabilities of the Plan, calculated in the prescribed manner.
- 1.05 “**Actuary**” means a Fellow of the Canadian Institute of Actuaries, appointed by the ASBA SiPP Governance Board for the purposes of the Plan.

- 1.06 “**Administrator**” means the person responsible for administering the Plan, and includes any person appointed by the Superintendent as an administrator or as a temporary administrator of the Plan under the Act.
- 1.07 “**Annual CPI**” for any calendar year means the arithmetic average of the Consumer Price Index for Alberta (as published by Statistics Canada) for the 12-month period ending on October 31 of the immediately preceding calendar year.
- 1.08 “**ASBA**” means Alberta School Boards Association.
- 1.09 “**ASBA SiPP Governance Board**” means the duly constituted board named in, and pursuant to the terms and conditions of the ASBA SiPP Governance Policy.
- 1.10 “**ATRF**” means the Alberta Teachers’ Retirement Fund.
- 1.11 “**ATRF Pension**” means the total monthly pension that would be payable under the ATRF in respect of Pensionable Service, if such pension was calculated on the following basis:
- (a) A monthly amount equal to one twelfth of:
 - (i) 1.4 % of the Member’s highest average capped salary, as defined under the ATRF, up to the Average YMPE, plus
 - (ii) 2.0 % of the Member’s highest average capped salary, as defined under the ATRF, in excess of the Average YMPE,
 - (iii) multiplied by the Member’s Early Retirement Factor, and
 - (iv) multiplied by the Member’s Pensionable Service.
 - (b) Payment of such pension is deemed to commence as of the Member’s Pension Commencement Date elected under the Plan.
 - (c) The normal pension is payable for life or for 60 monthly installments, with the further provision that:
 - (i) if the Member has no Pension Partner at retirement, the pension shall be adjusted and paid as a single life pension, payable for at least 120 months calculated as the Actuarial Equivalent of the aforementioned normal pension

- (ii) if the Member has a Pension Partner at retirement, the pension shall be adjusted and paid as a joint life pension calculated as the Actuarial Equivalent of the aforementioned normal pension. The amount of the adjusted joint life pension is payable in full for as long as both the Member and Pension Partner are alive. On the first death of either the Member or his Pension Partner, the adjusted monthly payment is reduced by one-third (1/3). If both the Member and Pension Partner die within 5 years from the commencement of pension payments, payment of the pension, after being reduced by one-third (1/3) on the first death, is guaranteed to continue to the designated Beneficiary or Beneficiaries for the balance of the 5-year period at the reduced amount.
- 1.12 “**Average YMPE**” means the average of the YMPEs during the same period as is used in the determination of the Member’s Final Average Earnings.
- 1.13 “**Beneficiary**” of a Member means the person designated pursuant to Section 8.05 which shall also meet the definition Designated Beneficiary.
- 1.14 “**Board of ASBA**” means the Board of Directors of ASBA, as established from time to time.
- 1.15 “**Commuted Value**” means in relation to benefits that a person is or may become entitled to receive under the Plan, means the actuarial present value of those benefits determined in accordance with the Act.
- 1.16 “**Continuous Service**” means service determined pursuant to Section 3.01.
- 1.17 “**CPP**” means the Canada Pension Plan.
- 1.18 “**Deferred Member**” means an individual who
- (a) has ceased to be an Active Member in the Plan,
 - (b) is entitled to receive a benefit under the Plan, and
 - (c) has not reached his Pension Commencement Date.
- 1.19 “**Designated Beneficiary**” means a beneficiary designated under section 71(2) of the *Wills and Succession Act*, as amended from time to time, or

other applicable legislation.

- 1.20 “**Disabled Member**” means an Active Member who is accruing Pensionable Service pursuant to Section 3.03.
- 1.21 “**Early Retirement Date**” means the date determined pursuant to Section 4.02.
- 1.22 “**Early Retirement Factor**” means, in relation to a Member:
- (a) 100%, if at the Member’s Retirement Date the Member has reached his Unreduced Retirement Date;
 - (b) 100% if the Member retires pursuant to Section 4.04; or
 - (c) if the provisions of Subsection 1.22 (a) or (b) do not apply, the Member’s Early Retirement Factor
 - (i) for purposes of determining his ATRF Pension shall be 100% reduced by a fraction, the numerator of which shall be 2 and the denominator of which will be 12, for each calendar month, including completed months and fractions thereof, by which the Member’s Retirement Date precedes the Member’s Unreduced Retirement Date, and
 - (ii) for all other determinations, including the Member’s Enhanced Pension and LAPP pension as may be applicable, shall be 100% reduced by 0.25% for each calendar month, including completed months and fractions thereof, by which the Member’s Retirement Date precedes the Member’s Unreduced Retirement Date.

The foregoing provisions of this Section 1.22 notwithstanding, the Early Retirement Factor in relation to a Member shall not reduce a pension to less than the Actuarial Equivalent of the amount of pension which would have otherwise been payable commencing on the Member’s Normal Retirement Date subject to the minimum reduction required under the Income Tax Rules.

- 1.23 “**Earnings**” of a Member means:
- (a) The remuneration paid to the Member by the Participating Employer that is regarded by the Participating Employer as pensionable salary for purposes of the ATRF or LAPP, as applicable, but without reference to the any capped earnings limit under the ATRF or LAPP, as applicable.

- (b) During a period of approved absence in accordance with Subsections 3.02(b) and 3.02(c), during which the Member receives less than his full rate of Earnings, or during a period of disability described in Section 3.03, a Member shall be deemed to receive Earnings at the same rate, on an annualized basis, as the Member's rate of Earnings in effect immediately prior to such period of absence or period of disability, adjusted in accordance with any subsequent general adjustments that are granted to the class of Employees that include the Member immediately prior to the beginning of the period of absence or period of disability. Earnings deemed for such eligible periods shall not exceed the "prescribed compensation" limits under the Income Tax Rules.

The foregoing provisions of this Section 1.23 notwithstanding, a Member's Earnings shall not include remuneration from the Participating Employer in respect of any period after the Member ceases to be an Active Member or the Plan is terminated, whichever occurs first, and

1.24 "**Effective Date**" means January 1, 2004.

1.25 "**Effective Date of Termination**" means,

- (i) for a voluntary termination elected under section 117 of the Act, the date that under section 117(5) of the Act is the effective date of the termination of the plan,
- (ii) for a termination directed by the Superintendent under section 118 of the Act, the date specified by the Superintendent as the effective date of the termination of the plan, or
- (iii) for a termination that is neither elected under section 117 of the Act nor directed under section 118 of the Act,
 - (A) subject to paragraph (B), the first date on which benefits cease to accrue under the plan, or
 - (B) if the Superintendent consents under section 115(1) of the Act to the continuation of the plan and later withdraws that consent and directs that the plan be terminated, the date that under section 115(6) of the Act is the effective date of the termination of the plan.

1.26 "**Employee**" means a person employed by a Participating Employer.

1.27 “**Employer**” means an ASBA Full Member in good standing and concurrently an ATRF participating employer and, where applicable, an LAPP participating employer. Employer, for purposes of the Plan, shall be interpreted to include the ASBA when acting as an employer.

For purposes of this Section 1.27 and for greater certainty,

- (i) “Full Member” shall mean a board of trustees of the school district or a school division or a school or a regional division or education region that has publicly elected members according to the *Local Authorities Election Act*, as amended from time to time, and that is an operating board as defined in the *Alberta School Boards Association Act*, as amended from time to time.
- (ii) “district” shall mean any Alberta school district established under or governed by the School Act but shall not include a school or regional division or education region.
- (iii) “division” shall mean a school division or school or regional division or education region established under or governed by the School Act.
- (iv) “School Act” shall mean the School Act, as amended from time to time.

1.28 “**Enhanced Pension**” means, subject to the limit imposed by Section 5.05, the monthly pension calculated as one-twelfth of:

- (i) 2 %,
multiplied by
- (ii) the Member’s Final Average Earnings,
multiplied by
- (iii) the Member’s Early Retirement Factor,
multiplied by
- (iv) the Member’s Pensionable Service.

1.29 “**Final Average Earnings**” of a Member means:

- (a) The average of the Member’s Earnings during the 5 consecutive years of his Continuous Service, which produces the highest average. If the Member has less than 5 consecutive years of Continuous Service, Final Average Earnings means the average of the Member’s annual Earnings over the entire period of his Continuous Service. For the purpose of determining Final Average Earnings, the Member’s Earnings during any breaks in the Member’s Pensionable Service shall not be reflected.
- (b) During a calendar year in which the Member is employed on a less than full-time basis, the Earnings of the Member shall be annualized for the purposes of determining his Final Average Earnings by dividing the Earnings in that year by the Pensionable Service in that year.

1.30 “**Fundholder**” means the entity or a combination of entities referred to in clauses (a) to (d) that holds the Fund:

- (a) an Insurance Company under an insurance contract
- (b) a trust in Canada governed by a written trust agreement under which the trustees are
 - (i) a trust company, or
 - (ii) 3 or more individuals of which at least 3 of whom reside in Canada, and at least one of whom is not a significant shareholder, partner or employee of a Participating Employer or a proprietor of the business of a Participating Employer,
- (c) a board, agency, commission, corporation or other entity that, under an enactment, is responsible for holding the Fund, or
- (d) a prescribed person or entity.

1.31 “**Funding Agreement**” means an agreement between the ASBA SIPP Governance Board and a Fundholder pursuant to Section 9.01.

1.32 “**Income Tax Rules**” means the provisions of the *Income Tax Act* (Canada) and the Regulations thereunder, as they apply to registered pension plans.

- 1.33 “**Insurance Company**” means a corporation authorized to carry on life insurance business in Canada.”
- 1.34 “**LAPP**” means the Local Authorities Pension Plan.
- 1.35 “**LAPP Pension**” means the total monthly pension that would be payable under the LAPP in respect of Pensionable Service, if such pension was calculated on the following basis:

- (c) A monthly amount equal to one twelfth of:
- (i) 1.4 % of the Member’s highest average capped salary up to the Average YMPE, plus
 - (ii) 2.0 % of the Member’s highest average capped salary in excess of the Average YMPE,
 - (iii) multiplied by the Member’s Early Retirement Factor, and
 - (iv) multiplied by the Member’s Pensionable Service.

For the purposes of this Section 1.35, “highest average capped salary” means the highest average salary as defined under Alberta *Regulation 366/93*, as amended from time to time.

- (b) Payment of such pension is deemed to commence as of the Member’s Pension Commencement Date elected under the Plan.
- (c) The normal pension is payable for life or for 60 monthly installments, with the further provision that:
- (i) if the Member has no Pension Partner at retirement, the pension shall be adjusted and paid as a single life pension, payable for at least 120 months calculated as the Actuarial Equivalent of the aforementioned normal pension
 - (ii) if the Member has a Pension Partner at retirement, the pension shall be adjusted and paid as a joint life pension calculated as the Actuarial Equivalent of the aforementioned normal pension. The amount of the adjusted joint life pension is payable in full for as long as both the Member and Pension Partner are alive. On the first death of either the Member or his Pension Partner, the adjusted monthly payment is reduced by one-third (1/3). If both the Member and Pension Partner die within 5 years from the commencement of pension payments, payment of the

pension, after being reduced by one-third (1/3) on the first death, is guaranteed to continue to the designated Beneficiary or Beneficiaries for the balance of the 5-year period at the reduced amount.

- 1.36 “**Locked-in Retirement Account**” or “**LIRA**” means an RRSP that is prescribed under the Act to be a locked-in retirement account.
- 1.37 “**Matrimonial Property Order**” means a matrimonial property order within the meaning of the *Matrimonial Property Act*, as amended from time to time, or a similar order enforceable in Alberta or a court outside Alberta, that effects the payment or distribution of a person’s benefits under the Plan.
- 1.38 “**Member**” means a person who has joined the Plan pursuant to Article 2 and who meets the definition of
- (a) Active Member
 - (b) Deferred Member
 - (c) Disabled Member, or
 - (d) Retired Member.
- 1.39 “**Normal Retirement Date**”, which is also known as the “pension eligibility date” under the Act, means the first of the month coincident with or following the date the Member becomes 65 years of age.
- 1.40 “**Participating Employer**” means an Employer that is required to make contributions to the Plan and who has completed and filed a Participation Agreement acceptable to the ASBA SiPP Governance Board.
- 1.41 “**Participation Agreement**” means a participation agreement that meets all of the requirements of the Act.
- 1.42 “**Pension Commencement Date**” means
- (i) in relation to a Member, means
 - (A) the date the Member selects as the date on which the Member’s pension is to start if that date is
 - (l) not earlier than the earliest date provided for in Section 4.02, and

(II) not later than the last date on which a person is allowed under the Income Tax Rules to start receiving a pension from a registered pension plan,

or

(B) if the Member does not select a date that complies with subclause (i)(A)(I) or (II), the last date on which the person is allowed under the Income Tax Rules to start receiving a pension from a registered pension plan,

or

(ii) in relation to a surviving Pension Partner, means the earlier of

(A) the date the surviving Pension Partner selects in accordance with the Act as the date on which the surviving Pension Partner's pension is to start, and

(B) the last date on which the surviving Pension Partner is allowed under the Income Tax Rules to start receiving a pension from a registered pension plan.

1.43 “**Pension Fund**” means all sums of money and other property acquired by the Fundholder to hold for the purposes of the Plan, and all earnings and profits thereon, and proceeds, investments and reinvestments thereof, less payments made by the Fundholder from the Pension Fund as authorized herein.

1.44 “**Pension Partner**” means

- (a) The Member's pension partner under terms of the ATRF, or as the case may be, under terms of the LAPP if, and as provided in the *Act*, the pension partner is
- i. a person who, at the relevant time, is married to the Member and has not been living separate and apart from the Member for three or more consecutive years;
 - ii. if there is no person to whom Subsection (i) applies, a person who, immediately preceding the relevant time, has lived with the Member in a conjugal relationship
 - (A) for a continuous period of at least 3 years, or
 - (B) of some permanence, if there is a child of the relationship by birth or adoption.

- (b) If there is no person to whom Subsection (a) applies, the Member's pension partner under terms of the ATRF, or as the case may be under terms of the LAPP.

"Pension partner under the terms of the ATRF" shall have the meaning ascribed by ATRF Regulation, as amended and that, for greater certainty shall be taken to mean, as of the Effective Date:

- i. a person who, at the relevant time, was married to that Member and had not been living separate and apart from that Member for 3 or more consecutive years, or
- ii. if there is no person to whom Subsection (i) applies, a person who, as at and up to the relevant time, had lived with that Member in a conjugal relationship for a continuous period of at least 3 years and was, during that period, held out by that Member in the community in which they lived as being in that conjugal relationship.

"Living separate and apart", shall have the meaning ascribed by ATRF Regulation as amended and that, for greater certainty shall be taken to mean, as of the Effective Date:

- i. if they are living separate and apart and either of them has the intention to live separate and apart from the other, or
- ii. if,
 - (A) they had been living separate and apart,
 - (B) the separation was interrupted or ended by reason only that either of them became incapable of continuing to live separate and apart or of forming or having the intention to continue to live apart of that person's own volition, and
 - (C) the separation would probably have continued if that person had not become so incapable.

"Pension partner under the terms of the LAPP" shall have the meaning ascribed by LAPP Regulation, as amended and that, for greater certainty shall be taken to mean, as of the Effective Date:

- i. a person who, at the relevant time, was married to a Member or former Member and

- (A) was not judicially or otherwise separated from him or her, or
 - (B) if so separated, was wholly or substantially dependent on him or her
- ii. if there is no person to whom Subsection (i) applies, a person who, as at and up to the relevant time, had lived with the Member or former Member in a conjugal relationship
- (A) for a continuous period of at least 3 years, or
 - (B) of some permanence, if there is a child of the relationship by birth or adoption,
- and was, during that period or that relationship, as the case may be, held out by the Member or former Member in the community in which they lived as being in that conjugal relationship, or
- iii. if there is no person to whom Subsection (i) or (ii) applies, a person who was married to but separated from the Member or former Member and not wholly or substantially dependent on him or her at the relevant time.

There shall be only one Pension Partner for the purposes of the Plan. A person's qualification as a Pension Partner shall be established to the satisfaction of the ASBA SiPP Governance Board.

- 1.45 “**Pensionable Service**” means, in relation to a Member, service determined pursuant to Sections 3.02, 3.03, 3.05 and 3.06.
- 1.46 “**Plan**” means ASBA Supplemental Integrated Pension Plan (SiPP)
- 1.47 “**Plan Year**” means a calendar year.
- 1.48 “**Postponed Retirement Date**” of a Member means the date determined pursuant to Section 4.03.
- 1.49 “**Public Sector Pension Plans Act**” means the *Public Sector Pension Plans Act*, as amended from time to time, and the regulations thereunder.
- 1.50 “**Retired Member**” means a Member who is in receipt of a pension pursuant to the terms of the Plan.
- 1.51 “**Retirement Date**” means the 1st day of the month of the Member's Pension Commencement Date

- 1.52 “**RRSP**” means a registered retirement savings plan within the meaning of the Income Tax Rules.
- 1.53 “**Superintendent**” means the Superintendent of Pensions as provided in the Act.
- 1.54 “**Surplus**” means, in the context of Plan termination, the value of the assets of the Plan less the value of the liabilities of the Plan, both calculated in the prescribed manner.
- 1.55 “**Suspended Member**” means an Active Member who is not currently accruing benefits pursuant to Section 2.05.
- 1.56 “**Temporary Absence**” means the absence of an Employee from employment if all of the following apply:
- (a) no cessation of employment has occurred;
 - (b) the period of the absence is not more than 52 consecutive weeks;
 - (c) immediately before the absence the Employee was in the employment of a Participating Employer;
 - (d) during the absence the Employee is not doing work, or providing a service, for a Participating Employer for remuneration;
 - (e) after the absence the Employee is again in the employment of a Participating Employer.
- 1.57 “**Terminate**” or “**Terminated**”, relates to the scenarios described within the definition of Effective Date of the Termination.
- 1.58 “**Termination (or Terminates)**” means, in relation to an Active Member, the cessation of that Active Member’s employment with the Participating Employer under circumstances other than death.
- 1.59 “**Termination Of Active Membership**” or “**Terminate(s) Active Membership**” means,
- (a) the cessation of an Active Member’s employment in respect of which, under the Plan, benefits are accrued or contributions are required to be remitted to the Plan on his behalf, and
 - (b) in relation to an Active Member of a pension plan that has Terminated, the termination of the plan.

- 1.60 **“Totally and Permanently Disabled”** or **“Total and Permanent Disability”** means, in respect of a Member, a condition of impairment as certified by a medical doctor that can reasonably be expected to last for the remainder of the person’s lifetime and which prevents the Member from engaging in any gainful employment for which he is reasonably suited by virtue of his education, training or experience.

In no event shall a Member be deemed to be Totally Disabled if the Member’s impairment results from:

- (a) a disability for which the Member is not undergoing medical supervision and treatment considered satisfactory to the ASBA SiPP Governance Board,
- (b) intentionally self-inflicted injuries while mentally competent,
- (c) full-time active service in the armed forces of any country, or
- (d) a disability from bodily injury, resulting directly or indirectly from insurrection, war, or participation in a riot,

unless a specific exception is made by the ASBA SiPP Governance Board pursuant to a recommendation of the Participating Employer.

The ASBA SiPP Governance Board may, by written notice, require a Member who is Totally and Permanently Disabled to submit to medical examination at any time prior to his Unreduced Retirement Date in order to determine such Member’s continued eligibility for accrual of Pensionable Service pursuant to Section 3.03, provided that such examinations may not be required more frequently than semi-annually. If, on the basis of a medical examination the ASBA SiPP Governance Board finds that the Member no longer suffers a Total and Permanent Disability, or if the Member engages in gainful employment except for purposes of occupational therapy directed toward physical rehabilitation, or if such Member refuses to submit to a medical examination, all as determined by the ASBA SiPP Governance Board, payment of a disability pension shall cease effective on the date when the ASBA SiPP Governance Board last issued written notice requesting the Member to submit to medical examination. At such time, the Member’s entitlement under the Plan shall be settled pursuant to Article 5 or 6, as applicable, unless the Member returns to active employment with the Participating Employer at that time.

- 1.61 **“Unreduced Retirement Date”** means, in relation to a Member, at the date of determination, the earlier of:

- (a) the Member’s Normal Retirement Date, and

- (b) the first of the month following or coincident with the date the Member has attained, or will attain 85 points. For the purpose of this Section, the Member will attain 85 points at a date, either at the date of determination or in the future, when the Member's pensionable service under ATRF or LAPP (not allowing for accrual of any further pensionable service beyond the date of determination but reflecting service transferred in to the ATRF or LAPP from other pension plans) plus the Member's age total 85.

1.62 "**YMPE**" means, in any year, the Year's Maximum Pensionable Earnings established for that year under the provisions of the CPP.

Words imparting the singular number only shall include the plural, and vice-versa, and words imparting the masculine gender shall include the feminine gender and neuter gender.

The division of this Plan into articles and sections and the article and section headings are for convenience of reference only and shall not affect the interpretation or construction of this Plan.

ARTICLE 2

ELIGIBILITY AND PARTICIPATION

2.01 Eligibility

(a) Employer

An Employer is eligible to enroll in the Plan as a Participating Employer in accordance with provisions of the Participation Agreement

- (i) if the Employer can satisfy the ASBA SiPP Governance Board that it has the authority to enter into the Participation Agreement and to carry out its responsibilities there under,
- (ii) if the Employer is a member in good standing of the Alberta School Board Association, and
- (iii) provided that the Employer executes the Participation Agreement.

(b) Employee

An Employee is eligible to enroll in the Plan if the Employee is an active member in the ATRF or LAPP and is employed in a class designated for inclusion under the Participating Employer's Participation Agreement, acceptable to the Superintendent.

Subject to the foregoing provisions of this Subsection and for greater certainty, eligibility is conditional upon the Employee's exemption on management or confidential grounds from collective bargaining or exclusion by agreement or by statute from collective bargaining.

An Employee determined to be eligible for, but has declined enrollment in the Plan will no longer be eligible to enroll at any point in the future during the current period of employment with the Participating Employer.

2.02 Employer Enrollment

Any acceptance of the Plan filed by an Employer shall include an agreement by the Employer to be bound by all of the terms and conditions of the Plan. An Employer's enrollment in the Plan shall be effective as of

the date specified in the Participation Agreement but not before the Effective Date.

2.03 **Employee Enrollment**

An Employee, who under Subsection 2.01(b) is eligible to join the Plan, shall be offered the option to enroll in the Plan and may become an Active Member by completing and filing with his Participating Employer, the information and documents prescribed by the ASBA SiPP Governance Board, including written acceptance of the Plan.

Any acceptance of the Plan filed by an Employee shall include an agreement by the Employee to be bound by all of the terms and conditions of the Plan.

An Employee's enrollment in the Plan shall not precede the later of the Effective Date and the Employee's date of eligibility.

An Employee's enrollment in the Plan shall not precede the current calendar year unless due to administrative errors at no fault of the Employee. If an administrative error has occurred, the Participating Employer shall provide documentation as may be required to satisfy the ASBA SiPP Governance Board of the original intent to enroll the Employee in the Plan as of the proposed retroactive enrollment date, such as an employment contract, as proof of enrollment.

2.04 **Information for Members**

The ASBA SiPP Governance Board shall prepare and make available to each Employee who becomes an Active Member, or is eligible to become an Active Member, 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.

The ASBA SiPP Governance Board shall provide a Member or other person entitled to payment from the Plan with such other information as may be required by the Act. 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 Act shall be located at the administrative offices of the ASBA SiPP Governance Board. Such documents shall be available for inspection by any Member, Pension Partner of a Member or any other person entitled to such information under the Act. Any person entitled to

inspect Plan documents in accordance with this Section shall be entitled to make such inspection once only in any 12-month period.

2.05 **Suspension of Membership**

Effective March 1, 2018, membership may only be suspended in the Plan for reason of transfer to an ineligible classification of employment with the Participating Employer in which case the Active Member shall be designated a Suspended Member.

The Suspended Member shall not accrue Continuous Service or Pensionable Service for any period during which the Active Member is a Suspended Member. The Member shall continue to be a Suspended Member until a Termination of Active Membership occurs, or the Member transfers back to an eligible classification of employment with the Participating Employer.

The entitlement of a Suspended Member shall be calculated based upon the Member's Earnings during periods of Pensionable Service.

ARTICLE 3

SERVICE

3.01 **Continuous Service**

A Member's Continuous Service shall be the period of the Member's continuous employment in Canada, while an active member in the ATRF or LAPP, as applicable.

- (a) A Member's Continuous Service shall neither be broken nor cease to accrue during:
 - (i) a leave of absence approved as Pensionable Service by the Participating Employer or the ASBA SiPP Governance Board, as applicable.
 - (ii) a period of Temporary Absence due to sickness or a period of absence due to disability during which the Member continues to accrue Pensionable Service pursuant to Section 3.03.
- (b) A Member's Continuous Service shall be broken and shall cease to accrue when:
 - (i) the Member ceases to accrue benefits in the ATRF or LAPP as applicable
 - (ii) the Member fails to return to active employment with the Participating Employer following the expiry of any leave granted as Pensionable Service by the Participating Employer or the ASBA SiPP Governance Board, as applicable.

3.02 **Pensionable Service**

- (a) A Member's Pensionable Service shall be equal to the Member's Continuous Service, during which he was an Active Member of the Plan.
- (b) During a period of disability where Pensionable Service is not credited pursuant to Section 3.03, a Participating Employer may choose to grant Pensionable Service during such period, subject to required contributions being remitted to the Pension Fund.
- (c) Notwithstanding the above, during any other period of absence, Pensionable Service may be granted by a Participating Employer

subject to the ASBA SiPP Governance Board's approval and required contributions being remitted to the Pension Fund.

- (d) Accrual of Pensionable Service under the Plan shall cease when the Member has accrued 35 years of Pensionable Service under the Plan, or if earlier, under the ATRF, or LAPP as applicable.
- (e) Effective January 1, 2017 paragraph (d) of this section shall not apply for service accrued on or after January 1, 2017.
- (f) Pensionable Service shall be expressed as a period of years and portions of a year, rounded to four decimals. For any calendar year during which a Member is employed on a less than full-time basis, the Pensionable Service for such year shall be equal to the Member's Continuous Service in such year multiplied by a fraction, of which
 - (i) the numerator shall be the number of hours for which the Member received Earnings in that calendar year while participating in the Plan, and
 - (ii) the denominator shall be the number of hours regularly scheduled for a full-time employee in a comparable position.

3.03 **Pensionable Service while Totally Disabled**

- (a) The Continuous Service of a Member who is Totally Disabled and entitled to the receipt of
 - (i) a long-term disability benefit under a plan or contract of insurance sponsored by the Participating Employer, or
 - (ii) temporary disability benefits under workers' compensation legislation,

shall be broken as of the earliest date the Member:

- (A) ceases to be entitled to the receipt of the foregoing Subsection 3.03(a) benefits
- (B) ceases to be Totally Disabled
- (C) dies
- (D) elects receipt of a pension under the Plan

(E) attains his Unreduced Retirement Date; or

if earlier, as of the date the Plan is terminated.

- (b) Should the Member affected by the provisions of Subsection 3.03(a) return to active employment as an Employee, he shall accrue Pensionable Service at the rate immediately preceding disability.

3.04 **Re-Employment**

- (a) A Retired Member's pension shall be continued should he be re-employed as an Employee.
- (b) A Retired Member shall not be eligible to enroll in the Plan as an Active Member.
- (c) A Deferred Member shall be regarded a new Employee for all purposes of the Plan, should he be re-employed as an Employee and become an Active Member. The Deferred Member's entitlement to benefits under the Plan prior to re-employment shall remain in place.
- (d) If a former Deferred Member, having accepted payment from the Plan with respect to his previous period of employment, is re-employed as an Employee, he shall be treated as a new Employee for the purposes of the Plan and may participate in the Plan if eligible in accordance with the provisions of Article 2.

3.05 **Limitation on Accrual During Certain Absences**

The preceding provisions of Article 3 notwithstanding, a Member shall not accrue Pensionable Service for leaves of absence during which the Member has received less than his full rate of Earnings to the extent that the Member's cumulative "prescribed compensation fraction" for such periods, other than periods of parenting, exceeds five, and for all such periods (including periods of parenting) exceeds eight, where:

- (a) the Member is deemed to have received "prescribed compensation" during each such leave being the difference between
 - (i) the amount the Member would have received but for the leave, and
 - (ii) the amount the member actually received, and

- (b) the “prescribed compensation fraction” is determined for each such period with
 - (i) the numerator established as the Member’s prescribed compensation for the period; and
 - (ii) the denominator established as the Member’s compensation actually received plus the Member’s “prescribed compensation”.

3.06 **Transfers Between Participating Employers**

In the event that a Member Terminates his employment with a Participating Employer and becomes eligible to enroll in the Plan with another Participating Employer pursuant to Subsection 2.01, he may remain an Active Member of the Plan and his Continuous Service and Pensionable Service shall neither be broken nor cease to accrue, subject to his enrollment in the Plan taking place immediately after his Termination from the original Participating Employer

Should a Member not be immediately eligible to enroll in the Plan with another Participating Employer, he shall be considered to have Terminated membership and his benefits shall be payable in accordance with Article 6.

Notwithstanding the above, the ASBA SiPP Governance Board may, in its sole discretion, permit such a Member to remain an Active Member of the Plan and continue to accrue Continuous Service and Pensionable Service if at the Effective Date of Termination the intent to re-enroll in the Plan is established and the period between the Effective Date of Termination and the date of re-enrollment are not more than three months apart.

ARTICLE 4

RETIREMENT DATES

4.01 **Normal Retirement Date**

A Member who Terminates his employment with the Participating Employer on his Normal Retirement Date shall receive a retirement pension calculated in accordance with Section 5.01. In this case, the Member's Pension Commencement Date shall be the last day of the month of his Normal Retirement Date.

4.02 **Early Retirement Date**

A Member who Terminates Active Membership prior to his Normal Retirement Date, but following attainment of age 55 may elect as his Pension Commencement Date the last day of any month following the month in which he Terminates Active Membership and prior to his Normal Retirement Date. The Member's pension shall be calculated as of his Early Retirement Date pursuant to Section 5.02.

4.03 **Postponed Retirement Date**

A Member who continues employment with the Participating Employer beyond his Normal Retirement Date may postpone commencement of his pension under the Plan. Such Member's Pension Commencement Date shall be the last day of the month following the month when he Terminates Active Membership, which shall be no later than November 30 of the calendar year in which he attains the latest allowable age as defined under the Income Tax Rules.

4.04 **Disability Retirement Date**

If a Member becomes Totally and Permanently Disabled and is not eligible to receive a long-term disability benefit under a plan or contract of insurance sponsored by the Participating Employer or a temporary disability benefit under workers' compensation legislation, the Member may elect to retire and receive a disability pension calculated in accordance with Section 5.04, and payable commencing on the last day of the month of such retirement, which date shall be his Pension Commencement Date.

ARTICLE 5

RETIREMENT PENSIONS

5.01 **Normal Retirement Pension**

The monthly pension payable to a Member who's Retirement Date is his Normal Retirement Date shall be equal to the excess of the Enhanced Pension over the LAPP Pension, or ATRF Pension as applicable.

5.02 **Early Retirement Pension**

The monthly pension payable to a Member who elects a Pension Commencement Date prior to his Normal Retirement Date pursuant to Section 4.02 shall be the excess of the Enhanced Pension over the LAPP Pension, or ATRF Pension as applicable.

The LAPP Pension, or ATRF Pension as applicable, and the Enhanced Pension for the purposes of this Section 5.02 are based on the Member's Pensionable Service, Final Average Earnings, Average YMPE and highest average capped salary, as defined under the LAPP, or ATRF as applicable, on his Early Retirement Date.

5.03 **Postponed Retirement Pension**

The monthly pension payable to a Member with a Pension Commencement Date after his Normal Retirement Date shall be calculated pursuant to Section 5.01.

The LAPP Pension, or ATRF Pension as applicable, and the Enhanced Pension for the purposes of this Section 5.03 are based on the Member's Pensionable Service, Final Average Earnings, Average YMPE and highest average capped salary, as defined under the LAPP, or ATRF as applicable, at his Pension Commencement Date.

5.04 **Disability Pension**

The monthly disability pension of a Member who retires pursuant to Section 4.04 shall be the amount calculated pursuant to Section 5.01.

The LAPP Pension, or ATRF Pension as applicable and Enhanced Pension for the purposes of this Section 5.04 are based on the Member's Pensionable Service, Final Average Earnings, Average YMPE and highest average capped salary, as defined under the LAPP, or ATRF as applicable, at the date of disability retirement.

5.05 **Maximum Pension Amount**

The monthly Enhanced Pension under Section 1.28, payable

- (i) as of the Member's Pension Commencement Date
- (ii) including any benefit payable to the Member's Pension Partner or former Pension Partner under Section 13.04,

shall not exceed the monthly pension calculated as one twelfth of

- (a) the lesser of **A** and **B**, where

A equals

- 2 %

multiplied by

- the Member's highest average compensation indexed to the year of commencement

B equals

- the defined benefit limit for the year of commencement

- (b) multiplied by the Member's Pensionable Service

- (c) reduced by 0.25 % for each month, if any, by which the Member's Retirement Date precedes the earlier of the date on which:

- the Member attains age 60
- the Member's age plus pensionable service under the ATRF, or LAPP as applicable, would equal 80 had the Member continued in employment
- the Member would complete 30 years of pensionable service under the ATRF, or LAPP as applicable, had the Member continued in employment, and
- the member becomes Totally and Permanently Disabled.

For the purposes of this Section 5.05, “defined benefit limit” and “highest average compensation” shall have the meanings attributed thereto under the *Income Tax Rules*.

5.06 **Pension Adjustments**

The annual amount of the Member’s pension accrued under the Plan when combined with the annual amount of pension accrued under the ATRF, or LAPP as applicable, shall be such that the pension adjustment limits described in Section 147.1 (9) of the *Income Tax Act* (Canada) are not exceeded.

5.07 **Payment of Benefits**

A Member’s pension will commence on the last day of the month following the Member’s Retirement Date.

ARTICLE 6

TERMINATION OF EMPLOYMENT

6.01 **Immediate Vesting**

All Members who Terminate Active Membership on or after September 1, 2014 are 100% vested.

6.02 **Deferred Pension**

If a Member Terminates Active Membership for any reason other than death or retirement, such Member shall become a Deferred Member and shall be entitled to receive a deferred pension commencing on his Normal Retirement Date. The deferred pension payable to a Member shall be a monthly amount calculated pursuant to Section 5.01 based on the Member's Pensionable Service, Final Average Earnings, Average YMPE, and highest average capped salary, as defined under the LAPP, or ATRF as applicable, on the date the Member Terminates Active Membership.

6.03 **Early Commencement**

A Deferred Member may elect to begin receiving his deferred pension on or after attaining age 55. The deferred pension payable to a Member shall be a monthly amount calculated pursuant to Section 5.02 based on the Member's Pensionable Service, Final Average Earnings, Average YMPE, and highest average capped salary, as defined under the LAPP, or ATRF as applicable, on the date the Member Terminates Active Membership and using the date selected by the Member as his Pension Commencement Date.

6.04 **Disability of Deferred Member**

If a Deferred Member becomes Totally and Permanently Disabled and is not eligible to receive a long-term disability benefit under a plan or contract of insurance sponsored by the Participating Employer or a temporary disability benefit under workers' compensation legislation, the Member may elect to begin receiving his deferred pension. In such case his pension shall be calculated in accordance with Section 5.01, based on the Member's Pensionable Service, Final Average Earnings and Average YMPE on the date the Member Terminates his employment with the Participating Employer, without reduction for early commencement and payable commencing on the first day of the month coincident with or next following such election, which date shall be his Pension Commencement Date.

6.05 **Application for Pension**

A Deferred Member entitled to a deferred pension shall make application, in writing, to the Participating Employer, at least 90 days prior to the date when the Deferred Member wishes payment of the pension to commence.

6.06 **Portability**

A Member who Terminates his employment with the Participating Employer, who is entitled to a deferred pension under the terms of this Plan may elect to have an amount equal to the Commuted Value of the deferred pension to which the Member is entitled transferred out of the Pension Fund to:

- (a) another registered pension fund, if the administrator of that fund agrees to accept the payment;
- (b) a company licensed to provide annuities in Canada, for the purchase of a life annuity that will commence no earlier than age 55; or
- (c) a Locked-In Retirement Account in the name of the Member that meets the requirements prescribed under the *Act*

provided that notice of such election is given to the Participating Employer within the time limits prescribed under the Act and that such transfer is carried out in accordance with the requirements of the Act and the Income Tax Rules. A Member who elects such transfer shall take the Commuted Value in full satisfaction of any right under the Plan and upon the completion of such transfer shall have no further entitlement to any benefit under the Plan.

Notwithstanding anything contained herein to the contrary, other than for small annuities pursuant to Section 13.03, a Member who has attained age 55 and is eligible for early retirement may not elect to have the commuted value of his deferred pension transferred out of the Pension Fund.

ARTICLE 7

NORMAL AND OPTIONAL FORMS OF PENSION

7.01 **Normal Form of Pension for a Member without a Pension Partner**

A retirement, disability or deferred Enhanced Pension payable to a Member shall be payable in arrears as a monthly income for as long as the Member lives, ceasing with the payment for the month in which death occurs, with the guarantee that payments will be made for at least 120 months. If the Member dies before 120 payments have been made, the Commuted Value of the remaining guaranteed payments payable from this Plan shall be paid to the Member's Beneficiary in a lump sum in satisfaction of the guarantee.

7.02 **Normal Form of Pension for a Member with a Pension Partner**

Provisions of Section 7.01 notwithstanding, if a Member has a Pension Partner on the date that payment of the Member's pension is due to commence, the amount of the Enhanced Pension payable to the Member shall be payable in arrears as a monthly income for as long as the Member lives, with two-thirds (2/3) continuing to his Pension Partner, following the Member's death, for the balance of the Pension Partner's lifetime. Full pension payments are guaranteed for 60 months, in any event. If the Member and his Pension Partner die before 60 payments have been made, the Commuted Value of the remaining guaranteed payments payable from this Plan shall be paid to the Member's Beneficiary in a lump sum in satisfaction of the guarantee.

In the event that the age difference between the Retired Member and his eligible Pension Partner is greater than 10 years, the amount of the Enhanced Pension payable to the Retired Member, after the application of any reduction applied pursuant to Section 5.05, shall be decreased by one percent (1%) for each complete year by which the Pension Partner is more than 10 years younger than the Retired Member.

ARTICLE 8

BENEFITS ON DEATH

8.01 Pre-retirement Death Benefit

If a Member dies before beginning to receive a pension under the Plan, a pre-retirement death benefit shall be payable to the Pension Partner of the Member equal to:

(a) in the case of an Active Member, the Commuted Value of the amount calculated pursuant to Section 6.02 as if the Member had broken Continuous Service immediately prior to his death; or

(b) in the case of a Deferred Member, the Commuted Value of the Member's deferred pension calculated pursuant to Section 6.02.

Notwithstanding the above, the pension payable to the Pension Partner under this Article may be waived if the Pension Partner executes a waiver in statutory form as provided under the Act.

8.02 Form of Pre-Retirement Death Benefit

Subject to the requirements of the Act, a Pension Partner entitled to receive a pre-retirement death benefit pursuant to Section 8.01 may elect to receive the benefit determined pursuant to Section 8.01(b) in the form of:

- (a) a pension commencing on the first of the month following the Member's date of death; or
- (b) a transfer to a Locked-In Retirement Account in the name of the Pension Partner that meets the requirements of the Act.

The Pension Partner shall elect the form of such benefit within 90 days of receipt, from the Participating Employer, of notice of entitlement, failing which the Pension Partner shall be deemed to have elected a transfer under subparagraph (b) above.

If the Pension Partner dies after becoming entitled to receive a pre-retirement death benefit pursuant to Section 8.01, but before electing the form of such benefit pursuant to this Section, the benefit shall be paid to the estate of the Pension Partner.

8.03 **Payment to Beneficiary**

If a Member does not have a Pension Partner at the time of death, the pre-retirement death benefit payable under Section 8.01 shall be paid to the Beneficiary or, if none, to the estate of the Member, in a lump sum.

8.04 **Death after Retirement**

If a Retired Member dies, the death benefit, if any, shall be the remaining monthly payments or other benefit payable in accordance with the form of pension in effect pursuant to Article 7 at the time of the Member's death.

8.05 **Designation of Beneficiary**

Subject to the Act, each Member may, from time to time, designate a person or persons to receive the benefits which may be payable to a beneficiary under the Plan in the event of the death of the Member. Each such designation will revoke all prior designations by such Member, shall be in writing on a form provided for that purpose and filed with the Participating Employer, and may name one or more primary beneficiaries. If the Member has not designated a Beneficiary or such Beneficiary predeceases the Member, any death benefit payable to a Beneficiary shall be paid to the estate of the Member.

ARTICLE 9

FUNDING

9.01 **Pension Fund**

The ASBA SiPP Governance Board shall establish and maintain a Pension Fund with a Fundholder pursuant to a Funding Agreement for the purpose of funding the benefits under this Plan. All contributions shall be deposited into the Pension Fund.

9.02 **Amendment of Funding Agreement and Change of Fundholder**

The ASBA SiPP Governance Board may amend or revoke the Funding Agreement, and remove the Fundholder and appoint an additional and/or a successor Fundholder as it may deem appropriate.

9.03 **Member Contributions**

Members are neither required nor may they make contributions to the Plan.

9.04 **Participating Employer Contributions**

- (a) The Participating Employers shall:
 - (i) contribute amounts determined by the ASBA SiPP Governance Board in conjunction with the Actuary, which, taking into account the assets of the Pension Fund, are sufficient to fund the benefits accruing to their respective Members under the Plan for service during the current year,
 - (ii) when required pursuant to the current actuarial valuation, make contributions, in the amount indicated by the ASBA SiPP Governance Board to fund any unfunded liabilities and/or solvency deficiencies within the time periods prescribed by the Act.
- (b) The ASBA SiPP Governance Board may apply all or any part of an excess of assets in the Pension Fund over the liabilities of the Plan towards the current service costs of the Participating Employers.
- (c) The ASBA SiPP Governance Board, in accordance with provisions of the Act and Regulation, shall ensure that

current service contributions any special payments, under provisions of Subsection 9.04(a)(ii), are received from Participating Employers and remitted to the Pension Fund within 30 days after the end of the month for which such contributions are payable,

The foregoing provisions of this Subsection 9.04(c) notwithstanding, the ASBA SiPP Governance Board shall remit to the Pension Fund all Participating Employers' contributions forthwith upon their receipt.

9.05 **Investment of the Pension Fund**

The Pension Fund shall be invested so as to comply with the Act and the Income Tax Rules. The ASBA SiPP Governance Board shall adopt a statement of investment policies and procedures and the Pension Fund shall be invested in compliance with such statement.

9.06 **Payment from the Pension Fund**

All benefits payable under the Plan shall be payable only from the Pension Fund; however, the ASBA SiPP Governance Board, in its sole discretion and so long as such action would not result in the Plan ceasing to be approved or registered under the Income Tax Rules or the Act, may require the Fundholder to withdraw from the Pension Fund such amount as may be required to purchase from a company licensed to provide annuities in Canada selected by the ASBA SiPP Governance Board, annuity benefits of equal amounts and payable under the same conditions as the retirement pension or deferred pension to which a Member is entitled and to apply the monies so withdrawn for said purposes.

9.07 **Sole Liability of Pension Fund Assets**

Any Member or other person having any claim under the Plan must look solely to the assets of the Pension Fund for such benefit. In no event will the ASBA SiPP Governance Board, or any of its executive officers be liable, in their individual or other capacities, to any person under the provisions of the Plan, or under the Funding Agreement.

9.08 **Use of Actuarial Excess**

Any excess of assets in the Pension Fund over the liabilities of the Plan arising at any time or any portion thereof, as determined by the Actuary, may be applied for any purpose as the ASBA SiPP Governance Board may direct and applicable legislation and authorities may allow. The ASBA SiPP Governance Board may receive, for and on behalf of the Participating Employers, on an ongoing basis and upon obtaining any

necessary prior approval of the applicable regulatory authorities, any portion of such Actuarial Excess that may be refunded under the Act.

9.09 **Refund of Over-Contributions and Payments in Error**

Any over-contribution or contribution made in error to the Pension Fund by a Participating Employer through the ASBA SiPP Governance Board may be returned to the Participating Employer via the ASBA SiPP Governance Board, subject to the approval of the applicable regulatory authorities and subject to the terms of the Act and the Income Tax Rules.

ARTICLE 10

COST OF LIVING ADJUSTMENTS

10.01 Adjustment to Member's Pension

For Retired Members the amount of the Enhanced Pension over the LAPP Pension, or ATRF Pension as applicable, payable to a Member shall be adjusted effective the first day of January in each year following the date that the Member Terminates employment with the Participating Employer. Such adjustment shall not alter the Pension Commencement Date otherwise applicable to the Member.

(a) Effective the first day of January following the Retirement Date, the amount of Enhanced Pension over the LAPP Pension, or ATRF Pension as applicable, payable to the Member who is entitled to an Enhanced Pension and LAPP/ATRF Pension, shall be increased by

(i) The amount of Enhanced Pension over the LAPP Pension, or ATRF Pension as applicable, payable immediately prior to such adjustment;

multiplied by

(ii) 70 % of the increase in the Annual CPI over the Annual CPI of the immediately preceding year;

multiplied by

(iii) If the pension has been in payment for less than 12 months, a fraction, the numerator of which shall be the number of calendar months for which the pension has been in payment and the denominator of which shall be 12;

If the resulting product in either instance is less than zero, the product in such instance shall be deemed to be zero.

(b) Effective the first day of each succeeding January, the amount of Enhanced Pension over the LAPP Pension, or ATRF Pension as applicable, first adjusted in accordance with the provisions of Section 10.01(a) shall be increased by

(i) the amount of Enhanced Pension over the LAPP Pension, or ATRF Pension as applicable, payable immediately prior to such adjustment

multiplied by

- (ii) 70 % of the increase in the Annual CPI over the Annual CPI for the immediately preceding year.

If the resulting product in either instance is less than zero, the product in such instance shall be deemed to be zero.

10.02 **Adjustment to Survivor Benefits**

The indexation pursuant to Section 10.01 shall also apply to any survivor pension payable to a Pension Partner or to any guaranteed pension payable to a Beneficiary following the death of a Retired Member.

ARTICLE 11

ADMINISTRATION

11.01 Administrator

- (a) The ASBA SiPP Governance Board has the power and authority to give any approvals and to make any decisions and determinations required or permitted to be given by the Participating Employers with respect to the Plan, including, but not limited to the power and authority:
 - (i) to interpret and construe the Plan
 - (ii) to determine all questions of eligibility and of the status and rights of Members and Participating Employers under the Plan
 - (iii) to determine the amount of benefits payable to any person under the Plan
 - (iv) to establish and receive all contributions from the Participating Employers, as determined by the Actuary
 - (v) to establish guidelines and policies and to determine all issues with respect to the investment of the Pension Fund; and
 - (vi) to generally decide any dispute arising under the Plan, other than one involving the rights, duties or responsibility of the Fundholder.
- (b) The ASBA SiPP Governance Board may adopt such rules and regulations as it deems desirable for the conduct of its affairs and for the administration of the Plan and such rules and regulations shall be applied uniformly to all persons similarly situated.
- (c) The ASBA SiPP Governance Board may authorize one or more of its officers or agents to sign on its behalf any instructions to the Fundholder.
- (d) The ASBA SiPP Governance Board may delegate, in its discretion, certain of its administrative functions to a third party. Ultimate responsibility, however, for ensuring that these functions are performed, shall remain with the ASBA SiPP Governance Board.

- (e) The Participating Employers shall provide the ASBA SiPP Governance Board with any information, as determined by the ASBA SiPP Governance Board in its sole discretion, necessary for the performance of its functions as administrator.

11.02 **Participation Agreement**

Upon satisfying the ASBA SiPP Governance Board of its authority to participate in the Plan, the Participating Employer shall enter into a Participation Agreement duly executed between the ASBA SiPP Governance Board and the Participating Employer.

11.03 **Actuarial Procedure and Assumptions**

The ASBA SiPP Governance Board shall from time to time appoint an Actuary, to serve at the pleasure of the ASBA SiPP Governance Board, who shall act as technical advisor to it in all matters in connection with the Plan requiring actuarial computations and valuations. The ASBA SiPP Governance Board shall from time to time, upon the advice of the Actuary, adopt such rate of interest and mortality, service and other tables as may be required in connection with the administration of the Plan whether in connection with computations of benefits, contributions by the Participating Employers, or otherwise. On the basis of such tables as the ASBA SiPP Governance Board may adopt, the Actuary shall undertake and complete a triennial valuation of the Plan as the ASBA SiPP Governance Board may direct.

11.04 **Administration Expenses**

Any expenses arising in respect of the administration of the Plan and Pension Fund, including but not limited to the fees and other expenses and charges of any actuary, auditor or agent employed by the ASBA SiPP Governance Board in connection with the Plan's or Pension Fund's administration, shall be paid from the Pension Fund.

11.05 **Indemnity of ASBA SiPP Governance Board Members**

Every member of the ASBA SiPP Governance Board and every former member of the ASBA SiPP Governance Board and his heirs and legal representatives shall be indemnified and saved harmless by the Participating Employers from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a member of the ASBA SiPP Governance Board if:

- (i) he acted in good faith, with a view to the best interest of the Participating Employers; and
- (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

11.06 **Liability Insurance**

The ASBA SiPP Governance Board may purchase and maintain insurance for the benefit of any person referred to in the foregoing provisions of this Article 11 against any liability incurred by him in his capacity as a member of the ASBA SiPP Governance Board, except where the liability relates to his failure to act in good faith with a view to the best interests of the Participating Employers.

11.07 **Fiscal Year**

The fiscal year of the Plan and Pension Fund shall end on the 31st day of December in each year.

11.08 **Information to be Provided Before the ASBA SiPP Governance Board Pays Benefits**

Payment of benefit shall not be made until the person entitled to payment of the benefit delivers to the ASBA SiPP Governance Board:

- (a) satisfactory proof of age of the person and any other person who may become entitled to payment of the pension and any other information that is required to calculate and pay the benefit;
- (b) if the benefit is payable to a Member or Pension Partner, a signed declaration of partner status; and
- (c) if the benefit is payable as a result of the death of the Member, a declaration of death of the Member.

11.09 **Timing of Payment or Transfer**

Where a person becomes entitled to have a benefit paid from the Plan in a lump sum or transferred from the Plan, the payment or transfer of the benefit as applicable, shall be made within 60 days after the event giving rise to the payment or transfer, or the completion and filing of all documents required to authorize the making of the payment, including any evidence required under Section 11.08, whichever is the later.

ARTICLE 12

FUTURE OF THE PLAN

12.01 Termination of the Plan

- (a) The ASBA SiPP Governance Board may terminate the Plan, in whole or in part, by a unanimous resolution of the ASBA SiPP Governance Board.
- (b) The Plan shall terminate in the event that it fails to receive registration under either the Income Tax Rules or the Act, or in the event that either registration is revoked or is not renewed.

12.02 Application of Assets on Termination

The following provisions shall apply should the Plan be terminated or otherwise discontinued.

- (a) All Members shall vest in the benefits accrued to the date of termination. The assets in the Pension Fund, after providing for the expenses of the Plan attributable thereto, shall be applied to provide for the accrued benefits of Members, Pension Partners and Beneficiaries as determined by the ASBA SiPP Governance Board, on the advice of the Actuary and subject to the requirements of the Act.
- (b) Any Surplus remaining after the satisfaction of all accrued benefits, as above set out, shall be returned to the Participating Employers. Any distribution of funds will be conditional upon the prior approval of the applicable regulatory authorities.
- (c) If, when the Plan is terminated, the assets of the Pension Fund are insufficient to fully provide for all accrued benefits and a solvency deficiency, as defined in the Act, exists, its amortization shall be
 - (i) determined by the ASBA SiPP Governance Board on the advice of the Actuary, in accordance with provisions of the Act, and
 - (ii) funded entirely by the Participating Employers.
- (d) Payments of the accrued benefits of Members, Pension Partners and Beneficiaries shall be made in accordance with provisions of the Act.

12.03 **Withdrawal of a Participating Employer**

The withdrawal of a Participating Employer shall be deemed to be a full plan termination with respect to that Participating Employer and all assets and liabilities related to that Participating Employer must be disbursed.

A Participating Employer's loss, or forfeiture of status as a member in good standing of the ASBA shall require that the Participating Employer withdraw from the Plan.

If, upon withdrawal, a Participating Employer does not join or establish a successor plan that assumes responsibility for the Participating Employer's liabilities under the Plan, the Participating Employer will be bound by the terms of Part 10 of the Act as if the Participating Employer were the only participating employer in the Plan and that Participating Employer were terminating the Plan.

Should a solvency deficiency, as defined in the Act, exist as of the date of withdrawal, the withdrawing Participating Employer shall be held to be expressly liable for the payment of the Participating Employer's share of the deficiency either as a lump sum or amortized in accordance with provisions of the Act. Upon withdrawal from the Plan, a Participating Employer must also remit to the Pension Fund an amount equal to the sum of any transfer deficiencies deemed to be generated by historical commuted value payments to former Members in the two years prior to the date of withdrawal where the former Member is employed by the Participating Employer at the date of withdrawal.

Members and other persons affected by the withdrawal shall be entitled to the receipt of benefits forthwith and conditional upon prior approval of the applicable regulatory authorities.

The ASBA SiPP Governance Board may make regulations, which shall treat all Participating Employers in an even-handed manner, clarifying

- the basis for withdrawals
- the method by which withdrawals are to be made, and
- other terms and conditions for withdrawals

under this Subsection.

12.04 **Provision of Benefits**

The benefits determined in accordance with the provisions of this Article 12 may be provided through the purchase of annuity contracts from a

company licensed to provide annuities in Canada, or by the transfer of the Commuted Value of the accrued benefits to which the respective Members are entitled, to the pension plans of subsequent employers or to an RRSP, or by the payment of cash refunds, all as determined by the ASBA SiPP Governance Board, subject to the requirements of the Act.

12.05 **Power to Amend**

With the advance approval of the Board of ASBA and a majority of 60% of the Participating Employers, the Board may make material amendments to the Plan, either in whole or in part, subject always to the administrative rules and regulations of Canada Revenue Agency, the Income Tax Rules and provisions of the Act. These material changes to the Plan include, but are not limited to, the following:

- (a) changes to the normal form of the pension;
- (b) changes to the pension benefit formula;
- (c) the removal or suspension of cost of living adjustments to Member's pensions;
- (d) changes to Early Retirement Factors;
- (e) changes to the definition of Final Average Earnings, other than those that are technical or administrative in nature;
- (f) changes to the definition of Pensionable Service, other than those described in paragraph (e) below;
- (g) suspension or cessation of accruals of Pensionable Service for some or all Participating Employers;
- (h) establishment of a defined contribution provision for some or all Participating Employers;
- (i) merger of the Plan with another pension plan;
- (j) transfer of assets to or from another pension plan; or
- (k) closure of eligibility to join the SiPP for some or all Participating Employers.

Notwithstanding the foregoing, an amendment with respect of (g), (h) or (i) that applies to only some Participating Employers only requires the approval of the Board of ASBA and the affected Participating Employers.

The Board may make non-material amendments to the Plan, in whole or in part, subject always to the administrative rules and regulations of Canada Revenue Agency, the Income Tax Rules and provisions of the Act. These non-material changes to the Plan include, but are not limited to, the following:

- (a) changes in the accrual of benefits while disabled or on workers' compensation;
- (b) changes in the accrual of benefits during parental, pregnancy or other leave;
- (c) changes in the definition of Earnings to harmonize with the LAPP or ATRF;
- (d) changes in the formula for cost of living adjustments to Member's pensions;
- (e) changes in the definition of Pensionable Service to harmonize with the LAPP or ATRF;
- (f) suspension or cessation of accruals of Pensionable Service for an individual Member or a class of Members;
- (g) changes to the rules for funding the Plan on an on-going basis or on wind-up;
- (h) changes related to compliance with the Act and the Income Tax Rules;
- (i) changes of a technical or administrative nature; or
- (j) changes relating to the investment of the Fund.

12.06 **No Reduction in Benefits**

No amendment to the Plan shall operate to reduce the amount or the value of the benefits which have accrued to Members prior to the date of such amendment, provided that the Plan may be amended to reduce benefits payable under the terms of the Plan where permissible under the Act and where such amendment is necessary to avoid the revocation of the registration of the Plan under the Income Tax Rules and prior approval if required has been granted by the Superintendent.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.01 **Non Alienation of Benefits**

Except as specifically provided in the Plan or the Act, benefits payable under the Plan may not be assigned, charged, anticipated, surrendered, or given as security and any attempt to do so shall be void. Except as provided under the Act no benefit payable under the Plan shall be in any manner liable for, or subject to execution, seizure or attachment or liable for, or subject to, the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit.

13.02 **Rights of Members**

Nothing in the Plan shall be deemed to give any Employee the right to be retained in the employ of the Participating Employer and the provisions of the Plan shall not interfere with the rights of the Participating Employer to discipline its employees.

13.03 **Small Pensions**

If the Commuted Value of the pension is less than 20% of the YMPE in the calendar year of the date of determination, or such other amount as may be permitted by the Act, the Member or Pension Partner, as applicable, may elect to receive the Commuted Value of the pension in a single cash lump sum. In lieu of a cash lump sum, the Member or Pension Partner, as applicable, may elect to transfer, to the extent that the Income Tax Rules allow, the Commuted Value to an RRSP.

Notwithstanding the above, if the Commuted Value of the pension payable under this Plan is less than 20% of the YMPE in the calendar year of the date of determination, the ASBA SiPP Governance Board may require the Member or the Pension Partner, as applicable, to receive the Commuted Value of the pension in a single cash lump sum or to transfer, to the extent that the Income Tax Rules allow, the Commuted Value to an RRSP.

13.04 **Marriage Breakdown**

Subject to the Act, if the ASBA SiPP Governance Board receives a Matrimonial Property Order or Matrimonial Property Agreement regarding the benefits of a Member, it shall divide the benefits of the Member in accordance with such order, as determined by the ASBA SiPP Governance Board and subject to the requirements of the Act. The ASBA SiPP Governance Board shall adjust the Member's benefit entitlement to

reflect such division. A Pension Partner entitled to a division of benefits pursuant to this Section shall also be entitled to exercise the payment options available under Section 6.06 and the Act.

13.05 **Shortened Life Expectancy**

Notwithstanding the locking-in provisions of the Plan and the provisions of Section 13.01, if an Active Member or a Deferred Member provides evidence to the ASBA SiPP Governance Board of an illness or a disability that is certified by a medical practitioner to be terminal or to likely shorten the member's life considerably and if the Pension Partner of such Member, if any, executes and files with the ASBA SiPP Governance Board a waiver in the form required under the Act, the ASBA SiPP Governance Board shall permit payment of the Commuted Value of the Member's benefit in a lump sum or may provide for payment of the benefit in quarterly or annual installments.

13.06 **Calculation of Time Periods**

Unless otherwise specified herein or in any Participation Agreement issued pursuant hereto, when calculating the period of time within which or following which any act is to be done or step taken pursuant to this Plan, the date which is the reference day in calculating such period shall be excluded. If the last day of such period is a non-business day, the period in question shall end on the next business day.

13.07 **Applicable Legislation**

This Plan shall be construed and enforced in accordance with the rights of the parties hereunder and shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereunder do hereby irrevocably adjourn to the jurisdiction of the courts of the Province of Alberta.

13.08 **Severability**

If any provision of this Plan shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Plan shall not be affected or impaired thereby.

13.09 **Not a Partnership**

Nothing in this Plan shall be construed to constitute any of the Participating Employers as a partner, agent or representative of the others or to create any trust or any commercial or other partnership among the Participating Employers.

13.10 **Headings**

The division of this Plan into articles and sections and the article and section headings are for convenience of reference only and shall not affect the interpretation or construction of this Plan.

13.11 **Gender and Number**

Words imparting the singular number only shall include the plural, and vice-versa, and words imparting the masculine gender shall include the feminine gender and neuter gender.

13.12 **Further Acts**

The ASBA SiPP Governance Board agrees to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as necessary or desirable in order to give full effect to this Plan and every part thereof.

13.13 **Non-Residency**

Notwithstanding the locking-in provisions of the Plan, if a Member has provided written evidence that Canada Revenue Agency has confirmed his status as a non-resident for the purposes of the Income Tax Rules, and if the Pension Partner of such Member, if any, executes and files with the ASBA SiPP Governance Board a waiver in the form required under the Act, the Member may elect to receive the Commuted Value of the pension in a single lump sum.

I hereby certify the foregoing to be a true and complete copy of the ASBA SiPP Plan Text, accepted at the February 9, 2018 duly constituted meeting of the ASBA SiPP Governance Board, with amendments consolidated to that date.

Signature

Name

Chairperson,
ASBA SiPP Governance Board

DATE TBD