

TRI-COUNTY REGIONAL SCHOOL BOARD

SUPPORT STAFF PENSION PLAN

(EFFECTIVE APRIL 1, 2007)

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INTRODUCTION

The Lunenburg County District School Board established a pension plan (the "Predecessor Plan") for its administrative employees effective January 1, 1984. Prior to the establishment of the Predecessor Plan, benefits were provided through a money purchase pension plan sponsored by the Town of Bridgewater. In cases where there was a transfer of assets from the prior plan to the Predecessor Plan, past service benefits were credited under this Plan.

The Predecessor Plan and this Plan are registered with both the Nova Scotia Pension Regulation Division and Canada Revenue Agency, in order that employees may receive a deduction for tax purposes for their contributions made to the Plan.

The Predecessor Plan was amended effective January 1, 1990 in order to comply with the new Nova Scotia *Pension Benefits Act* which was effective January 1, 1988. Because the changes to the Predecessor Plan required as a result of the new legislation were fairly extensive, the Predecessor Plan was restated in its entirety. Since January 1, 1988 the Predecessor Plan has been administered in a manner which conforms to the *Pension Benefits Act*.

Benefits for Members who retired or terminated prior to January 1, 1990 continue to be determined by the applicable Predecessor Plan rules in effect at that time.

The Predecessor Plan replaced a Previous Plan which came into effect April 1, 1976. With the commencement of the Predecessor Plan and termination of the Previous Plan, the assets and accrued liabilities were transferred from the Previous Plan to the Predecessor Plan on the Effective Date of the Predecessor Plan.

Effective with the January 1, 1990 restatement, the Predecessor Plan name was changed from "The Lunenburg County District School Board Pension Plan (Non-Union)" to "The Lunenburg County District School Board Administrative Employees' Pension Plan". Effective with Amendment No. 4 to the Predecessor Plan, effective October 31, 1994, the Predecessor Plan name was changed to the "Lunenburg County District School Board Support Staff Pension Plan".

On May 1, 1996, the Southwest Regional School Board was created by amalgamating the Lunenburg County District School Board, the Queens County District School Board, the Shelburne County District School Board, the Digby County District School Board and the Yarmouth County District School Board. Effective with Amendment No. 5, the Predecessor Plan name was changed to "The Southwest Regional School Board Support Staff Pension Plan".

On August 1, 2004, the Province of Nova Scotia, by virtue of the *Financial Measures (2004) Act*, split the Southwest Regional School Board into two separate school boards – the South Shore Regional School Board and the Tri-County Regional School Board.

From August 1, 2004 until March 31, 2007, the South Shore Regional School Board and the Tri-County Regional School Board jointly operated the Predecessor Plan.

Effective April 1, 2007, by resolution of the South Shore Regional School Board and the Tri-County Regional School Board, the Predecessor Plan was consolidated and restated and split into two pension plans. The Predecessor Plan continued under the name of the "South Shore Regional School Board Support Staff Pension Plan" for eligible employees of the South Shore Regional School Board. This Plan was registered with the Canada Revenue Agency and the Nova Scotia Department of Environment and Labour, Pension Regulation Division, entitled the "Tri-County Regional School Board Support Staff Pension Plan" for eligible employees of the Tri-County Regional School Board.

Assets and liabilities of the Predecessor Plan were allocated between the South Shore Regional School Board Support Staff Pension Plan and the Tri-County Regional School Board Support Staff Pension Plan as recommended in the actuarial valuation report prepared by the Actuary.

For the purposes of vesting and benefit entitlement, service in the Predecessor Plan is deemed to be service in this Plan.

The primary purpose of the Plan is to provide periodic payments to the members of the Plan after retirement and until death in respect of their service as employees.

SECTION 1 - EFFECTIVE DATE

1.01 The effective date of the Plan is April 1, 2007.

SECTION 2 - DEFINITIONS

Throughout this Plan, the following words and phrases have the respective meanings given below when capitalized, unless a different meaning is clearly required by the context.

Reference to a Section or subsection means a Section or subsection in this document, unless otherwise indicated.

Periodically throughout this plan text, "Notes" appear in *italics* in order to assist the reader in understanding the tax-related terminology used in the Plan. For easier reading, these "Notes" are included directly in the plan text rather than in a separate schedule. The "Notes" are not intended to be, and should not be, used in the interpretation of rights created under the Plan. For the exact meaning of the tax-related provisions of this plan, reference should be made to the *Income Tax Act* (Canada), the regulations thereunder, and the official publications of the Canada Revenue Agency.

- 2.01 "Actuary" means the actuary or firm of actuaries appointed by the Employer for the purposes of the Plan. The Actuary shall be a Fellow of the Canadian Institute of Actuaries.
- 2.02 "Actuarial Equivalent" means having the same present value, computed at the rate of interest and using the actuarial tables last adopted by the Actuary to the Plan. For this purpose, no distinction shall be made between male and female Member's as regarding to the Member's life expectancy.
- 2.03 "Additional Compensation Fraction" means the amount calculated in accordance with the Tax Act in respect of a Member's Eligible Period of Reduced Pay or Eligible Period of Temporary Absence.

Note: An additional compensation fraction arises whenever benefits are extended to a member in respect of a period of reduced pay, temporary absence or parenting, and the amount of such fraction for any plan year is determined in accordance with Section 8507 of the Regulations to the Income Tax Act as follows:

- (a) *First, additional compensation is determined as the additional compensation that the member would have earned in the period if the member had rendered services on his regular basis (whether full-time or part-time) less his actual compensation for such year;*
- (b) *The additional compensation fraction is then determined as the fraction of the member's full-time compensation for the year represented by such additional compensation.*
- 2.04 "Canada Pension Plan" means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, and any regulations there under, as may be amended from time to time

2.05 "Continuous Service" means a Member's period of employment with the Employer since his last date of hire by the Employer, without regard to periods of temporary suspension or layoff.

2.06 "Credited Service" means the number of years and fractions thereof of Continuous Service rendered in Canada while a Member of the Plan and while contributing to the Plan, if required, and for further certainty Credited Service includes:

- (a) any period while a Member is Disabled and receives long term disability benefits from a plan sponsored by the Employer; and
- (b) any defined period of paid or unpaid leave of absence granted in writing by the Employer, provided that contributions continue to be made by the Member, if and when required, during such absence in accordance with Section 3, and further provided that employment is resumed forthwith at the end of such leave of absence;

provided that the following periods are expressly excluded:

- (c) any period of leave which would result in a Cumulative Additional Compensation Fraction in excess of 5.0; and
- (d) any period of leave without pay, other than a period referred to in subparagraphs (a) or (b) above, if benefits for such period are not required by law to be provided under the Plan.

For an Employee employed on a less than full-time basis for a given period, Credited Service for such periods means the amount determined by dividing the Member's actual hours worked during such year by the number of hours expected to be worked by a full-time Employee. The ratio so determined shall not exceed 1.00.

A Member's credited service in the Plan's Predecessor Plan, the Southwest Regional School Board Support Staff Pension Plan, is deemed to be service in this Plan.

In the case of Employees who accrued benefits under the prior plan sponsored by the Town of Bridgewater and subsequently transferred those benefits to the Plan, Credited Service shall include Continuous Service while employed by the Town of Bridgewater.

2.07 "Cumulative Additional Compensation Fraction" means the total of the Member's Additional Compensation Fraction to date with the Employer.

Note: Subsection 8507(2) of the Regulations to the Income Tax Act provides that a member may be regarded as having earned an additional 5 to 8 years (depending on periods of parenting) of total additional compensation during periods of

reduced pay or temporary absence, without breaching the pension adjustment limits.

2.08 "Defined Benefit Limit" means the limit as set out in the Tax Act.

2.09 "Dependant" means a parent, grandparent, brother, sister, child or grandchild (as defined in the Tax Act) of the Member who, at the time of death of the Member, is both the dependant on the Member for support and is:

- (a) under 19 years of age and will not attain 19 years of age in the calendar year of the Member's death;
- (b) in full-time attendance at an educational institution; or
- (c) dependent on the Member by reason of mental or physical infirmity.

Note: Section 252 of the Tax Act extends the meanings of some of the above persons to include in-laws, adopted children, stepchildren, etc.

2.10 "Disability" means a physical or mental impairment, certified in writing by a medical doctor licensed to practice in Canada which prevents the Member from performing the duties of employment in which the individual was engaged before the commencement of impairment. A Member who suffers a Disability is said to be "Disabled". A Member will cease to be Disabled at the earliest of the date that the Member:

- (a) recovers from the Disability;
- (b) commences to receive a pension from the Plan; or
- (c) dies.

2.11 "Earnings" means basic earnings paid by the Employer, excluding overtime, bonus or other special compensation.

For the purposes of calculating the Pension Adjustment of a Member for a Plan Year during which the Member experienced a Period of Disability or an Eligible Period of Reduced Pay or an Eligible Period of Temporary Absence being a qualified period under the Tax Act, the Earnings of a Member shall include Prescribed Compensation.

2.12 "Eligible Period of Reduced Pay" has the meaning assigned in the Tax Act.

Note: In summary, Section 8500 of the Regulations to the Income Tax Act provides that an eligible period of reduced pay is a period throughout which the earnings of the employee are less than it is reasonable to expect the earnings would have been if the employee had rendered services throughout the period on a regular basis for a rate of pay commensurate with his rate of pay before the period. An employee

must have at least 36 months of employment with the employer in order for a period of reduced pay to qualify as an eligible period of reduced pay.

2.13 “Eligible Period of Temporary Absence” has the meaning assigned in the Tax Act.

Note: In summary, Section 8500 of the Regulations to the Income Tax Act provides that an eligible period of temporary absence means any period, other than a period of disability, throughout which the employee does not render services to the employer by reason of an approved leave of absence, layoff, strike, or other circumstances permitted under the Income Tax Act.

2.14 “Eligible Survivor Benefit Period” of a Dependant of a Member means the period defined in the Tax Act.

Note: Section 8500(1) of the Regulations to the Income Tax defines the eligible survivor benefit period of a dependant as the period commencing on the day of death of a member and ending on the latest of such of the following days are applicable:

- (a) *at the end of the year in which the dependant turns 18;*
- (b) *the time at which the dependant ceases to be a full-time student; or*
- (c) *where the person is dependent because of an infirmity, the end of the period of infirmity.*

2.15 “Employee” means any person in the employ of the Employer who is employed in the region in which the Tri-County Regional School Board operates and who belongs to one of the following groups:

- (a) clerical and secretarial staff belonging to the Nova Scotia Government Employees Union; or
- (b) teaching assistants belonging to the Service Employees International Union; or
- (c) non-unionized employees.

2.16 “Employer” means

- (i) prior to November 20, 1984: The Board of School Commissioners of the Municipality of the District of Lunenburg.
- (ii) Between November 20, 1984 and April 30, 1996: The Lunenburg County District School Board.
- (iii) Between May 1, 1996 and July 31, 2004, the Southwest Regional School Board.

(iv) After July 31, 2004, the Tri-County Regional School Board.

- 2.17 "Funding Agency" means such trust or insurance company as may be appointed from time to time by the Employer. Such company shall be responsible for the accounting of all contributions into and all payments out of the Pension Fund as authorized by the Employer. It shall have custody of the Pension Fund and shall undertake to ensure that the Pension Fund is invested in accordance with any requirements of the Pension Benefits Act and of the Tax Act or of any other laws governing the investment of registered pension plan assets. The Funding Agency shall have the power necessary to enable it to properly carry out its duties.
- 2.18 "Funding Agreement" means the agreement entered into between the Employer and the Funding Agency for the purpose of holding and administering the Pension Fund.
- 2.19 "Highest Average Indexed Compensation" has the meaning set out in the Tax Act.
- 2.20 "Interest" means interest compounded annually at a rate each year equal to the rate of return earned by the Pension Fund for that year.
- 2.21 "Member" means an Employee who has joined the Plan and continues to make the required contributions thereunder; it shall also include any former Employee who is entitled to either a deferred or immediate pension payable under the Plan.
- 2.22 "Money Purchase Limit" has the meaning assigned under the Tax Act.
- 2.23 "Normal Retirement Date" means the first day of the month coincident with or next following the month in which the Member's 60th birthday occurs.
- 2.24 "Old Age Security Act" means the Canada *Old Age Security Act*, R.S.C. 1985, c. O-9, and any regulations thereunder, as may be amended from time to time.
- 2.25 "Pension Adjustment" means the amount defined and calculated in accordance with the Tax Act.
- Note: Section 248(1) of the Income Tax Act defined pension adjustment, and Section 8301 of the Regulations to the Income Tax Act provides details of its calculation. The pension adjustment is an annual measure of the value of the benefits earned by the member under the plan, and is used to determine the extent to which the member's RRSP contribution limit is reduced.*
- 2.26 "Pension Benefits Act" means the Nova Scotia *Pension Benefits Act* and all regulations thereunder.
- 2.27 "Pension Fund" means the fund established pursuant to the Funding Agreement to which all contributions by the Employer and the Members shall be deposited and from which all benefits under this Plan are to be paid.

- 2.28 "Period of Disability" means a period throughout which a Member is Disabled.
- 2.29 "Plan" means the Tri-County Regional School Board Support Staff Pension Plan as amended from time to time.
- 2.30 "Prescribed Compensation" for a Member's Periods of Disability and Eligible Periods of Reduced Pay or Eligible Periods of Temporary Absence means the amount defined in the Tax Act.

Note: Prescribed compensation is defined in Section 8507 of the Regulations to the Income Tax Act. As a general rule, prescribed compensation will be the amount by which the member's earnings are reduced from their normal level as a result of a period of disability or an eligible period of reduced pay or an eligible period of temporary absence. Prescribed compensation represents an amount which is notionally added to the member's actual compensation so that the pension adjustment limits under subsection 8.05 are not exceeded, but does not represent an actual payment to the member

- 2.31 "RRSP" means a registered retirement savings plan as defined under the Income Tax Act.
- 2.32 "Spouse" means a person who, together with the Member, satisfies one of the following:
- (a) are married to each other;
 - (b) are married to each other by a marriage that is voidable and has not been declared a nullity;
 - (c) have gone through a form of marriage in good faith that is void and are cohabiting, or if they have ceased to cohabit, have cohabited within the twelve months immediately preceding the date of entitlement; or
 - (d) not being married to each other and neither being married to another person, have cohabitated in a conjugal relationship for a period of at least two years.
- 2.33 "Tax Act" means the *Income Tax Act* (Canada) and Regulations prescribed thereunder, as amended from time to time, and any administrative rules of the Canada Revenue Agency.
- 2.34 "YMPE" means Years' Maximum Pensionable Earnings as defined by the Canada Pension Plan.

Reference to any gender shall include the other gender unless the context requires otherwise. Words importing the singular number may include the plural number and vice-versa.

SECTION 3 - PENSION FUND

3.01 All contributions made to the Plan will be paid to the Funding Agency for deposit to the Pension Fund.

3.02 Benefits under the Plan may be paid directly out of the Pension Fund or may be purchased from a licensed Canadian life insurance company. All payments will be made in Canadian currency.

3.03 **Permissible Distributions**

No payments are permitted from the Pension Fund except as provided by the Plan provisions, the Tax Act and the Pension Benefits Act.

3.04 **Maximum Transfer Amounts**

In any case where a Member's benefits under the Plan are to be commuted, the maximum amount which may be transferred on a tax-free basis to a Member's RRSP or a prescribed retirement savings arrangement as permitted under the Tax Act and under the Act, or to a money purchase benefit under the registered pension plan of a subsequent employer, may not exceed the limits set out in the Tax Act. In any case where the Actuarial Equivalent of the benefits to be transferred exceeds such limits, the excess Actuarial Equivalent shall be paid in cash to the Member, unless payment of cash is contradictory to the Act, in which event payment of the excess Actuarial Equivalent shall be in such for as is acceptable to the Nova Scotia Superintendent of Pensions and the Canada Revenue Agency.

Note: Section 8517 of the Regulations to the Income Tax Act provides details of the limits for such transfers

SECTION 4 - ADMINISTRATION OF THE PLAN

- 4.01 The Employer shall be solely responsible for the overall operation and administration of the Plan. The Employer may appoint one or more persons to act on its behalf in this regard. The Employer may give such persons the authority to determine all questions related to the administration of the Plan, including an Employee's eligibility, length of service, and the rates and amounts of annual Earnings for the purposes of the Plan and to determine all other matters relating to the administration, interpretation or application of the Plan, consistent, however, with the provisions of both this Plan and of the Funding Agreement.
- 4.02 Any of the foregoing and any other matters relating to the administration of this Plan may be embodied in rules and regulations separate from this Plan for the purpose of governing details of its administration. Such rules and regulations may be amended by the Employer from time to time.
- 4.03 Each Employee shall be provided with a written explanation of the terms and conditions of the Plan and any amendments thereto, together with an explanation of his rights and duties with respect to the benefits available to him under the Plan.

Any Member may inspect the Plan text including all amendments thereto.

4.04 **Payment of Expenses**

All reasonable investment, administration and similar expenses incurred in connection with the Plan will be payable from the Pension Fund, unless paid directly by the Employer.

SECTION 5 - ELIGIBILITY

- 5.01 An Employee is eligible to join the Plan on the first day of a month after the completion of six months of Continuous Service. A person who enters the service of the Employer after the Effective Date must join the Plan when he becomes eligible.

SECTION 6 - RETIREMENT DATES

6.01 Normal Retirement

A Member shall retire on his Normal Retirement Date except as otherwise provided in this Section.

6.02 Early Retirement

A Member who has attained age 50, or earlier in the case of serious ill health and incapacity, may retire on the first day of any month prior to his Normal Retirement Date and commence to receive his pension on such date or on the first day of any subsequent month up to his Normal Retirement Date. The amount of such pension will be the benefit payable at 60 which the Member had earned up to the date of his early retirement in accordance with Section 8, reduced for each month that his pension commences prior to his Normal Retirement Date by 1/2% for each of the first 60 months, and by 1/3 % for each additional month thereafter.

6.03 Postponed Retirement

A Member may postpone his retirement on a year-to-year basis provided the Member receives the written agreement of the Employer. In no event may such retirement, for purposes of the Plan, be postponed beyond the end of the calendar year in which the Member reaches age 71. In the event of postponed retirement, the Member shall continue to make contributions and to earn pension benefits in the regular manner until the date of the Member's actual retirement under the Plan. Upon actual retirement, the amount of pension will be the benefit payable at age 60 which the Member had earned up to the date of his actual retirement in accordance with Section 8.

SECTION 7 - CONTRIBUTIONS

7.01 Employee Required Contributions

A Member shall contribute 5% of his Earnings by regular payroll deduction up to the date of his retirement, provided that no contributions shall be made in a year which would exceed the lesser of:

- (a) 9% of the Member's compensation (as defined in the Tax Act) from the Employer for the Plan Year, and
- (b) \$1,000 plus 70% of the Member's total pension credits (as defined in the Tax Act) for the Plan Year,

or such other limit as prescribed by the Tax Act.

Note: "Compensation" is defined in paragraph 147.1(1) of the Tax Act as, generally speaking, income from employment that would be required to be included in an individual's taxable income plus any prescribed amounts. Subsection 8301(6) of the Regulations to the Tax Act provides that the pension credit of an individual for a year in respect of an employer is equal to:

(9 x benefit entitlement) - \$600.

"Benefit Entitlement" is calculated in accordance with the rules in Section 8302 of the Regulations to the Tax Act, and is an appropriate measure of the amount of the pension benefits accrued to an individual in respect of a plan year.

7.02 Employee Additional Voluntary Contributions

In addition to his required contributions made under subsection 7.01, a Member may contribute an additional voluntary amount provided that the Member's Pension Adjustment does not exceed the lesser of:

- (i) the Money Purchase Limit for the Plan Year; and
- (ii) 18% of the Member's compensation (as defined in the Tax Act) from the Employer for the Plan Year,

or such other limit prescribed by the Tax Act.

Where a Member makes additional voluntary contributions to the Plan, a separate account will be maintained in respect of each Member which shall hold all additional

voluntary contributions and any other amounts allocated to the Member. Interest shall be applied to each account separately. A pro-rata share of reasonable administrative, investment and similar expenses attributable to the maintenance of each separate account shall be deducted from the accounts in equal proportions. Allocation of earnings of the Plan shall be made on a reasonable basis and no less frequently than annually.

7.03 Employer Contributions

The Employer shall contribute each year such amounts as are indicated by the Actuary as necessary to provide for the cost of pension benefits accruing to Members during the current year and to amortize any unfunded liability or solvency deficiency with respect to benefits for service to date, in accordance with the provisions of the Pension Benefits Act. However, the Employer's contribution will not be less than the aggregate employee contributions for the year. Notwithstanding the above, no employer contributions will be made while a surplus exists which exceeds the cost of benefits accruing in the next two Plan Years.

7.04 Payment of Contributions

All contributions by the Employees and the Employer shall be paid into the Pension Fund on a monthly basis, not later than 30 days after the end of the applicable month.

7.05 Utilization of Plan Surplus

Notwithstanding the provisions of subsection 7.03, if the Plan should develop a surplus on a going concern basis that exceeds twice the Employer's share of the annual current service cost, the Employer shall apply a share of such surplus to pay its portion of the current service cost until such surplus is less than the aforementioned amount.

Further, in any case where the surplus is sufficiently large that contributions by the Employer would not be permitted to be made under the Tax Act, the Employer shall apply a share of the surplus to pay its portion of the current service cost until such surplus is less than the aforementioned amount.

If, however, the Employer would be permitted under the Tax Act to make contributions to the Plan despite the above conditions, and still receive deductions for income tax purposes, the Employer will make such required contributions as are permissible for income tax deductions.

7.06 Employee and Employer Contributions for Past Service

Member and Employer Contributions may be made to the Pension Fund in respect of past service, or, in other words, Continuous Service prior to the year in which the contribution is made. The amount of such contributions that may be made in respect

of any particular plan year is limited to the amount allowable under the Tax Act. Any Employer contributions made under this subsection 7.06 will be subject to the restrictions on employer contributions set out in subsection 7.03.

SECTION 8 - AMOUNT OF PENSION

8.01 Basic Pension

Each Member who retires on his Normal Retirement Date shall be entitled to an annual pension equal to the sum of the following:

(a) Service to December 31, 1999

2 % of his 1999 Earnings multiplied by his years of Credited Service prior to December 31, 1999;

(b) Service from January 1, 2000

2% of his Earnings while accruing Credited Service after January 1, 2000.

provided that a Member's benefits for Credited Service prior to January 1, 2000 shall not be less than the benefits to which the Member was entitled in respect of such Credited Service immediately prior to July 1, 2004.

Note: All benefits under the prior plan with the Town of Bridgewater relate to periods of service prior to January 1, 1992.

8.02 Minimum Pension Relative to Service After January 1, 1988

Upon retirement, each Member is entitled to have a minimum Employer contribution made with respect to his pension benefits earned after January 1, 1988 of 50% of the Actuarial Equivalent of such benefits. In any instance where the Member's required contributions relative to such service, accumulated with Interest, are sufficient to pay for more than 50% of the Actuarial Equivalent of such benefits, the portion of his accumulated contributions in excess of such amount shall be refunded to the Member.

8.03 Maximum Pension

Notwithstanding any other provisions of the Plan, the annual pension payable under the Plan to or on behalf of a Member, exclusive of any benefit arising from additional voluntary contributions, whether upon retirement, termination of service, or termination of the Plan, shall not exceed the lesser of:

- (a) the Defined Benefit Limit for the year in which the pension commences to be paid times the number of years of pensionable service of the Member, and
- (b) 2% of the Member's Highest Average Indexed Compensation times the number of years of pensionable service,

provided that in neither case shall the number of years of pensionable service prior to 1992 exceed 35 years.

8.04 Benefit From Additional Voluntary Contributions

In addition to the benefit described in the above subsections, if a Member has made additional voluntary contributions, he may elect at retirement either:

- (a) to receive the accumulation of such contributions with Interest in a lump sum, either in cash or as a transfer to an RRSP; or
- (b) to have the Plan provide him with an additional pension, equal to that which can be purchased at the time with such accumulation, payable from the Pension Fund or through an annuity purchased from a licensed Canadian life insurance company.

8.05 Pension Benefits Not to Provide Excessive Pension Adjustment

In no case shall a pension benefit be provided to a Member under the Plan with respect to a particular Plan Year, where that benefit, together with any other benefit provided to the Member under a plan sponsored by the Employer or an employer not dealing at arm's length with the Employer, would produce a Pension Adjustment for the Member which exceeds the lesser of:

- (a) the Money Purchase Limit for the Plan Year; and
- (b) 18% of the Member's compensation (as defined in the Tax Act) from the Employer for the Plan Year,

or such other limit as prescribed by the Tax Act.

SECTION 9 - COMMENCEMENT AND DURATION OF RETIREMENT BENEFITS

9.01 Payment of Benefits

A pension shall be payable to a Member commencing with the first day of the month following his actual date of retirement. The pension shall be payable on the first day of each month thereafter during the lifetime of such Member. Upon the death of such Member, any further payments will be made in accordance with subsection 11.04.

9.02 Re-Employment

If a retired Member in receipt of pension income should return to active service, his pension will continue without interruption and he will not contribute to the Plan or accrue additional benefits.

SECTION 10 - TERMINATION OF SERVICE

10.01 Eligibility for Vested Benefits

A Member shall be vested with respect to his pension benefits earned to date upon completion of 2 years of Plan membership.

10.02 Termination Prior to Eligibility for Vesting

Any Member who terminates his employment prior to being vested shall receive a refund of his required contributions accumulated with Interest to the date of settlement.

10.03 Termination After Eligibility for Vesting

(a) Benefits Earned Prior to January 1, 1988

Any Member, who terminates after being vested, but does not satisfy the "45 and 10" rule described below, may elect to receive either the refund described under subsection 10.02 or a deferred pension, payable at his Normal Retirement Date, equal to the benefit earned to January 1, 1988 in accordance with Section 8.

If such Member is "45 and 10" (i.e., has both attained age 45 and completed at least 10 years of Continuous Service), he cannot receive a refund of his required contributions made prior to January 1, 1988 but shall receive instead, commencing on his Normal Retirement Date, a deferred pension equal to the benefit earned in respect of such service, in accordance with Section 8.

(b) Benefits Earned From January 1, 1988

Any Member who terminates after being vested is entitled to a deferred pension, commencing at his Normal Retirement Date, in the amount of the pension earned after January 1, 1988 in accordance with Section 8. The Member will also be entitled to any excess contributions, as outlined in subsection 10.05 (b), either in cash or applied to provide an additional pension.

10.04 Early Retirement Pension

Any Member, who terminates prior to his Normal Retirement Date and is entitled to a pension, shall have a choice between:

- (a) receiving his pension early at any time between age 50 and his Normal Retirement Date with the reduction outlined in subsection 6.02; and
- (b) receiving the full amount at his Normal Retirement Date.

10.05 Minimum Benefit

(a) For Service Prior to January 1, 1988

Any Member is entitled to a minimum pension benefit for service prior to January 1, 1988 in the amount that can be provided by his required contributions made prior to January 1, 1988, accumulated with Interest to date of settlement.

(b) For Service from January 1, 1988

Any vested Member is entitled to the same minimum Employer contribution upon termination as is applicable to a Member upon retirement, as described under subsection 8.02.

10.06 Transfer to Other Registered Plan

A Member under age 50 may, upon his termination of employment, arrange to have the Actuarial Equivalent of his accrued pension benefit:

- (i) transferred to an RRSP of the Member's choice, provided such RRSP shall be "locked-in", as required under the Pension Benefits Act, and as such may only be used to provide a life annuity (with a 60 % Spouse's pension) commencing any time between ages 50 and the end of the calendar year in which the Member reaches age 71; or
- (ii) transferred to the pension plan of another employer; or
- (iii) applied to purchase his accrued benefits from a life insurance company.

Upon the completion of such transfer, all liability of the Plan with respect to the Member will terminate.

10.07

Benefit from Additional Voluntary Contributions

In addition to the benefit described under the above subsections, if a Member has made additional voluntary contributions, he may elect to receive such contributions at the date of termination in the same manner as described under subsection 8.04.

SECTION 11 - BENEFITS ON DEATH

11.01 Death of a Member While in Service or of a Former Member who is Vested

(a) Member with both 2 Years of Plan Membership and a Spouse

Upon the Member's death there shall be payable to the Member's beneficiary an amount equal to the greater of:

- (i) the Member's required contributions accumulated with Interest to the date of settlement; and
- (ii) 60 % of the Actuarial Equivalent of the total pension earned to the date of settlement in accordance with Section 8, including the effect of subsection 8.02.

If the Member has attained age 50, the spouse may elect to receive, in lieu of the above, a pension for her lifetime, with 120 monthly payments guaranteed to be made in any event. The amount of such pension would be equal to the retirement pension the Member would have received if he had retired on the date of his death, adjusted actuarially for the age difference between the member and spouse, if that age difference is greater than 3 years, provided however that the pension payable to the Spouse will be limited as required under the Tax Act.

(b) Other Members

The Member's required contributions accumulated with Interest to the date of settlement shall be payable to his Beneficiary upon the Member's death.

11.02 Benefit from Additional Voluntary Contributions

In addition to the benefit described under the above subsections, the Member's voluntary contributions accumulated with Interest to the date of settlement shall be payable to the Beneficiary upon the Member's death.

11.03 Benefit from Excess Contributions

The Member's excess contributions, if any, as calculated pursuant to subsection 8.02 shall be used to provide an increased pension to the Beneficiary or be refunded to the Beneficiary.

11.04 Death After Commencement of Pension

In the event of a Member's death after his pension has commenced, the death benefit, if any, payable to his beneficiary shall be governed by the type of benefit which he was receiving pursuant to his election under Section 13.

11.05 Commutation of Death Benefit Payable After Retirement

If a Member dies after retiring but prior to the expiry of the guaranteed period of the Member's pension, the Member's beneficiary may elect to have the Actuarial Equivalent of the remaining guaranteed payments paid in a lump sum to the beneficiary and, if the Member's beneficiary is the Member's estate, the Actuarial Equivalent of the remaining guaranteed payments shall be paid in a lump sum to the Member's estate.

11.06 Payment of Lump Sum

Each lump sum payable under the Plan upon the death of a Member will be paid as soon as it is practicable after the death of the Member.

SECTION 12 - DESIGNATED BENEFICIARY

12.01 Appointment

Subject to the provision of any law governing the designation of beneficiaries, a Member may designate a person to receive the benefits payable under the Plan on his death by written notice to the Employer. The Member may also alter or revoke such designation from time to time by written notice to the Employer. However, in the case of a Member who has a Spouse, the beneficiary of any pre-retirement death benefits shall be the Member's Spouse.

12.02 Default

If, on the death of a Member, there should be no designated beneficiary then living, such sums as may be payable on or after his death shall be payable to the estate of such Member.

SECTION 13 - OPTIONAL FORMS OF PENSION

13.01 Normal Form

The normal form of pension under the Plan is payable for the lifetime of the retired Member, with a guarantee that payments will be made for at least 120 months in any event.

13.02 Form of Pension to be Elected by a Member with a Spouse

A Member who has a Spouse at the time of his retirement must elect to receive his pension on at least a joint and 60% survivorship basis. This means that the pension shall be payable during the lifetime of the Member and shall continue, after his death, to his Spouse in at least 60% of the amount, payable during her remaining lifetime.

This type of pension also includes a 5-year guarantee period. This guarantees that, should the Member die after his pension has commenced but before he has received 60 monthly payments, 100% of the monthly pension shall continue to his Spouse until 60 monthly payments in all have been made. If the Member's Spouse subsequently dies before receiving the remaining guaranteed payments, then 100% of the monthly pension shall continue to the Spouse's beneficiary until 60 monthly payments in all have been made.

The Member may elect to have his pension continue to his Spouse, after the 60 month guarantee period, in the amount of 60%, 66 2/3%, 75% or 100% of the amount that had been received by the Member prior to the date of his death. The amount of such pension shall be the Actuarial Equivalent of the normal form of pension outlined in subsection 13.01.

In the case of the death of the Spouse before the Member retires under the Plan, the pension will become payable at the retirement date of the Member as if the optional form had not been elected. In such case, the Member may make another election under the terms of this subsection 13.03.

The Spouse's form of pension outlined in this subsection may be waived only if a notice of waiver, signed by the Spouse, is delivered to the Employer prior to the commencement date of such pension.

13.03 Optional Forms of Pension

The optional forms of pension are available to Members who do not have a Spouse and to Member's with a Spouse if a notice of waiver (as described under subsection 13.02) has been signed. The amount of pension payable under any of the following options will be the Actuarial Equivalent of the amount of pension payable under the normal form as outlined in subsection 13.01. Notwithstanding the foregoing, no

optional form of pension shall exceed the maximum pension limits herein, and further, the total amount of pension paid to a Member's Spouse, former Spouse and Dependants for a month, together with any amounts payable under a guarantee period hereunder, shall not exceed 100% of the pension that would have been payable to the Member. A Member may elect an optional form of pension by notifying the Employer in writing at any time prior to the earlier of his date of retirement and his Normal Retirement Date. Any election of an optional form of pension may be revoked or altered to another optional form if done in writing prior to the earlier of his date of retirement and his Normal Retirement Date. Any option elected becomes binding both to the Plan and to the Member upon attainment of the earlier of:

- (a) the commencement date of the pension; and
- (b) the Member's Normal Retirement Date.

(i) Life - Guaranteed 5 Years (60 Months)

This type of pension provides payments for the lifetime of the retired Member with the guarantee that, should the Member die after his pension has commenced but before he has received 60 monthly payments, payments shall be continued to his beneficiary until 60 monthly payments in all have been made. The amount of pension payable under this option would be larger than that under the normal form because of the shorter guarantee period.

(ii) Life - Guaranteed 15 Years (180 Months)

This type of pension provides payments for the lifetime of the retired Member with the guarantee that, should the Member die after his pension has commenced but before he has received 180 monthly payments, payments shall be continued to his beneficiary until 180 monthly payments in all have been made. The amount of pension payable under this option would be less than that under the normal form because of the longer guarantee period.

(iii) Alternate Joint Annuitant Pension

A Member without a Spouse but with a Dependant may elect a form of pension as described in either 13.02 or in 13.03 (v), with all references to the Member's Spouse replaced by his Dependant, subject to the limitations that survivor benefits to Dependants may not exceed 66 2/3% of the Member's pension, and that survivor benefits to Dependants may only be paid during the Eligible Survivor Benefit Period of a Dependant.

(iv) Integrated Pension

If the Member's pension under this Plan is to commence prior to the commencement of a pension under the Canada Pension Plan, Quebec Pension

Plan or the Old Age Security Act, he may elect to have his benefit under the Plan integrated with such other pension. His pension amount would be actuarially adjusted so as to reduce with the first payment made after the Member attains age 65. The amount of the reduction at age 65 would be determined as:

- (a) the amount of such government pension payable to the person calculated as of the date of retirement; multiplied by
- (b) the number of years, including parts of a year, of credited service under the pension plan, not exceeding 35 years and excluding service after January 1, 1988 with respect to any reduction on account of the pension payable under the Old Age Security Act; divided by
- (c) 35 years.

The pension would be payable for the lifetime of the Member, with 120 monthly payments guaranteed to be made in any event.

SECTION 14 - GENERAL PROVISIONS

14.01 Proof of Age

Payment of pension benefits shall not commence until the Member has filed satisfactory proof of age with the Employer. A Member who has a Spouse entitled to benefits shall also be required to provide satisfactory proof of age for the Spouse.

14.02 Small Pensions

Where the amount of pension payable to a Member is less than 4 % of the YMPE in the year in which the Member terminated his employment, or if the Actuarial Equivalent commuted value of that pension is less than 10% of the YMPE in the year in which the Member terminated employment, the Employer may, at its option, provide settlement in cash equal to the Actuarial Equivalent of the Member's accrued pension.

14.03 Rights

The establishment and implementation of this Plan shall not constitute an enlargement of any rights which a Member has with the Employer apart from this Plan.

14.04 Records

Wherever the records of the Employer are used for the purpose of this Plan, such records shall be considered to be an accurate representation of the facts with which they are concerned, unless proven to be otherwise.

14.05 Infirmity

If any person receiving or entitled to receive a benefit under the Plan is incapable of managing his affairs in the opinion of the Employer, as a result of any physical or mental infirmity, the Employer may authorize such payments to be made to his legally appointed representative on his behalf. Such payment shall constitute a complete discharge of the Plan's obligation to make such payment.

14.06 Assignment

Any benefits under this Plan are not capable of being assigned, charged, anticipated, given as security or surrendered.

Notwithstanding the above, in the event of the breakdown of a Member's marriage or conjugal relationship, any part of the pension or pension benefit earned under the Plan

during the marriage or period of cohabitation may be divided pursuant to a court order or separation agreement, provided the division is in accordance with the Act and the Regulations.

14.07 Payment of Lifetime Retirement Benefits

Lifetime retirement benefits will be paid in equal monthly installments.

SECTION 15 - FUTURE OF THE PLAN

15.01 Continuation of the Plan

The Employer expects to maintain this Plan indefinitely but reserves the right to amend or discontinue it, either in whole or in part, at any time, subject always to the applicable tax and pension legislation and regulations as well as the administrative rules of the Canada Revenue Agency.

15.02 No Reduction in Accrued Benefits

No amendment to the Plan shall reduce the benefits which have accrued to the Members to the date of such amendment, nor shall the Employer have the power to use any portion of the Pension Fund for purposes other than providing benefits to the Members or their beneficiaries except as outlined in 15.03 regarding surplus, in accordance with the provisions of the Plan.

15.03 Termination of Plan

In the event of termination of the Plan, the Employer shall not be obliged to make any further contributions to the Plan with respect to service after the date of termination. As regards benefits earned up to the date of termination, provided that the Employer has made at least the minimum required contributions as outlined in subsection 7.03, it shall not be required to make any further contributions. The rights of any person entitled to benefits under the Plan shall be limited to the assets of the Pension Fund existing at the time.

The Pension Fund shall be applied to provide the benefits earned under the Plan for the Members and their beneficiaries, in one of the following ways:

- (i) by the purchase of annuity contracts from one or more Canadian life insurance companies;
- (ii) by the transfer of the benefits to which the Member is entitled to an RRSP, provided that the issuer of such RRSP agrees in writing to administer such monies, where required, as locked-in for the purpose of providing a life annuity at some future date as required by the Pension Benefits Act;
- (iii) by continuation of the Pension Fund in order to pay the benefits as they come due; or
- (iv) to the extent permissible, by the payment of cash refunds;

subject in each case to the applicable tax and pension legislation and regulations, as well as the administrative rules of the Canada Revenue Agency.

If the Plan assets should be insufficient to provide the total benefits accrued under the Plan, the assets will be applied in a manner proposed by the Employer and the Actuary and approved by the Superintendent of Pensions for Nova Scotia. Otherwise, after provision has been made for the satisfaction of all liabilities under the Plan, any surplus assets as may remain in the Pension Fund will be, at the Employer's discretion, either paid to the Employer or applied to increase benefits to the Members in such manner as the Employer may direct, provided that the Plan will be amended to implement any increase in benefits and provided further that any allocation of surplus assets will not produce benefits to any Member in excess of the maximum benefit specified in subsection 8.03.

15.04 Wind-Up of Employer

In the event the Employer shall cease operations, the Plan shall be terminated and the provisions of Section 15.03 shall apply.

15.05 Limited Liability

No liability shall attach to the Employer in connection with any application of the Pension Fund as outlined in subsection 15.03, provided such application was made in good faith and in accordance with the provisions of the applicable tax and pension legislation and regulations.

SECTION 16 - PORTABILITY

16.01 CUPE Plan

For purposes of this section, the Tri-County Regional School Board CUPE Staff Pension Plan will be referred as the "CUPE Plan".

16.02 Transfer from the CUPE Plan

When a Member of the CUPE Plan terminates that membership and joins this Plan, an amount will be transferred from the CUPE Plan to this Plan. The amount transferred will be the greater of the Actuarial Equivalent of the Member's accrued benefits under the CUPE Plan and his Contributions accumulated with Interest, up to the effective date of the transfer. For the purposes of vesting and benefit entitlement, the Member's service in the CUPE Plan is deemed to be service in the Plan.

Subsequent to such transfer, any liability in respect of the Member under the CUPE Plan will terminate. The accrued benefits under this Plan as of the date of transfer will be the Actuarial Equivalent of the accrued benefits under the CUPE Plan as of the date of transfer, and this Plan will subsequently be liable for all such benefits. The Member's contributions under this Plan will include his Contributions accumulated with Interest under the CUPE Plan as of the date of transfer.

16.03 Transfer from the Town of Yarmouth Pension Plan

When a Member of the Town of Yarmouth Pension Plan terminates that membership and joins this Plan, an amount will be transferred from the Town of Yarmouth Pension Plan to this Plan. The amount transferred will be the greater of the Actuarial Equivalent of the Member's accrued benefits under the Town of Yarmouth Pension Plan and his Contributions accumulated with Interest, up to the effective date of the transfer. For the purposes of vesting and benefit entitlement, the Member's service in the Town of Yarmouth Pension Plan is deemed to be service in the Plan.

Subsequent to such transfer, any liability in respect of the Member under the Town of Yarmouth Pension Plan will terminate. The accrued benefits under this Plan as of the date of transfer will be the Actuarial Equivalent of the accrued benefits under the Town of Yarmouth Pension Plan as of the date of transfer, and this Plan will subsequently be liable for all such benefits. The Member's contributions under this Plan will include his Contributions accumulated with Interest under the Town of Yarmouth Pension Plan as of the date of transfer.

16.04

Transfer to the CUPE Plan or Town of Yarmouth Pension Plan

When a Member terminates his membership under this Plan and joins the CUPE Plan or Town of Yarmouth Pension Plan, a transfer will be made in accordance with Section 10.06 (ii).