

Your Pension Plan

Contract no. 12893

Brochure summarizing the main provisions of the
Retirement Plan for Lay Employees and Deacons of the Roman
Catholic Episcopal Corporation of Halifax



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INTRODUCTION

The Retirement Plan for Lay Employees and Deacons of the Roman Catholic Corporation of Halifax (the “Plan”) was established by the Roman Catholic Corporation of Halifax on January 1, 1973. Since its inception, the plan text was restated as at January 1, 1988, July 1, 2001, and June 1, 2015.

In addition to the pension benefits from this Plan, you may also be entitled to Canada Pension Plan and Old Age Security benefits. Please refer to the Service Canada website for information on these benefits.

This brochure reflects the Plan’s provisions in force at the date of production of this booklet. The Plan is governed by the official Plan text as well as by applicable federal and provincial laws. This brochure is designed to summarize the main characteristics of the Plan and is provided for information purposes only. Only the Plan text may be used to settle questions of a legal nature. If you wish, you may ask your plan administrator to consult the Plan text.

ELIGIBILITY FOR MEMBERSHIP

Am I eligible to participate in the Plan?

If you are a full-time employee*, you may participate in the Plan from the first day of the month coincident with or next following 6 months of employment.

From the first day of the month coincident with or next following 1 year of employment, you are required to participate in the Plan.

If you are a part-time employee, you may participate in the Plan on the first day of the month coincident with or following the date on which you have completed 12 months of employment during which you either:

- earned at least 35% of the YMPE*; or
- worked an average of at least 20 hours per week.

If you are a part-time employee, you can also join the Plan if you worked at least 700 hours per year in each of the past 2 consecutive calendar years of employment.

Is participation in the Plan compulsory?

For full-time employees, yes, participation in the Plan is compulsory after 1 year of employment. For part-time employees, participation in the Plan is optional.

How do I enrol in the Plan?

To enrol in the Plan, you must complete and sign an enrolment form, which will be provided by your Plan administrator.

Can I terminate my participation in the Plan?

You cannot terminate your participation in the Plan while you work for your employer.

* You can find the definition of **employee** and **YMPE** in the definition section of this brochure (Appendix B).

CONTRIBUTIONS

Am I required to contribute to the Plan?

Your required contribution is 3.5% of earnings* up to the YMPE, plus 5.0% of earnings in excess of the YMPE.

Is my employer* required to contribute to the Plan?

Your employer must contribute each year the amounts necessary to fund the benefits provided under the Plan, as certified by an actuary.

Can I make voluntary contributions?

The Plan does not allow you to make voluntary contributions. Your employer has setup a Group RRSP for that purpose.

Can I withdraw my contributions from the Plan?

You are not permitted to withdraw any part of your required contributions from the Plan.

* You can find the definition of **earnings** and **employer** in the definition section of this brochure (Appendix B).

RETIREMENT BENEFITS

What is my normal retirement date?

Your normal retirement date is the first day of the month coincident with or next following the month in which your 65th birthday occurs.

Pension benefits normally start on this date, however please refer to the “Can I retire before my normal retirement date?” and “Can I retire after my normal retirement date?” sections for information on additional retirement date options.

What are my normal retirement benefits?

Upon retirement at your normal retirement date, you are entitled to receive a pension from the Plan for your lifetime. The amount of the pension is determined as follows:

For credited service* prior to January 1, 2000:

1.5% of your 1999 earnings up to \$37,400, plus 2% of your 1999 earnings in excess of \$37,400, the total multiplied by your credited service prior to January 1, 2000.

For credited service after 1999:

For each year of credited service after 1999, 1.3% of your earnings up to the YMPE in that year, plus 2% of such earnings in excess of the YMPE for the year.

Can I retire before my normal retirement date?

If you have stopped working, you can start receiving your pension benefits up to 10 years before your normal retirement date. The calculation of your pension is the same as the pension at normal retirement described above, but is subject to a reduction since you will receive your pension for a longer period of time. The reduction is equal to 0.5% for each month that your pension commences prior to your normal retirement date.

Can I retire after my normal retirement date?

You may delay your retirement, however your pension must commence before December 31st of the year in which you attain age 71.

* You can find the definition of **credited service** in the definition section of this brochure (Appendix B).

DEATH BENEFITS

Your spouse*, if you have one, is automatically your beneficiary under the Plan. You should also name a person other than your spouse as your beneficiary under the Plan, in the event that you do not or no longer have a spouse upon your death. If you do not have a spouse and do not name a beneficiary, any death benefits payable from the Plan will be paid to your estate.

What happens if I die before retirement?

Your beneficiary will receive the value of your pension entitlements as of the date of your death as a taxable lump sum. However, if your beneficiary is your spouse, the death benefits could be:

- a) used to purchase an annuity;
- b) transferred to your spouse's RRSP; or
- c) transferred to another registered pension plan, provided the administrator of the other plan consents to the transfer.

What happens if I die after retirement?

The normal form of pension under the Plan is a pension payable for your lifetime, with a guarantee that payments will be made for at least 60 months in any event.

If you have a spouse at the time of your retirement, applicable legislation requires that you elect a pension that reduces to not less than 60% of your pension upon your death if you predecease your spouse (this is called a joint and survivor 60% pension). The amount of pension payable under this form will be determined at the time of your retirement such that it is equivalent in value to the pension payable under the normal form.

Before your pension payments begin, you may select another form of pension. If you select another form of pension, the amount of pension payable under that form will be determined at the time of your retirement such that it is equivalent in value to the pension payable under the normal form. Information about the available forms of pension will be provided to you prior to retirement.

How does a guarantee work?

In the event that you die prior to the end of the guarantee period, your beneficiary will receive the remaining guaranteed instalments. If your beneficiary is your estate, the value of the remaining guaranteed instalments will be settled by a single taxable lump sum payment.

How does a joint and survivor pension work?

If you elect a joint and survivor pension at the time of your retirement, upon your death your spouse will continue to receive pension payments for his or her lifetime, depending on the percentage of joint and survivor pension chosen at retirement.

* You can find the definition of **spouse** in the definition section of this brochure (Appendix B).

TERMINATION BENEFITS

What happens if I terminate my employment?

Upon termination of employment, you are entitled to a deferred pension payable at your normal retirement date equal to the amount of pension described in section “Retirement Benefits”, plus your contributions accumulated with interest in excess of half of the value of your deferred pension, if any.

If you are not eligible to retire at the time you terminate employment, i.e. if you have not attained age 55, you will have the following options:

- a) leave your benefits in the Plan and receive a pension from the Plan at retirement;
- b) transfer the value of your benefits to another registered pension plan;
- c) use the value of your benefits to purchase an annuity from an insurance company; and
- d) transfer the value of your benefits to a locked-in financial vehicle.

All the options listed above are locked-in. Locked-in means that your benefits cannot be taken as cash and must be used to provide regular retirement income. In some circumstances, all or part of your benefits may be unlocked, in which case you will be provided with additional information on your termination statement.

OTHER PROVISIONS

What are the income tax considerations?

Your contributions are tax deductible, and therefore no income tax is deducted on the amount of contribution deducted each pay.

Benefits paid during retirement, or at termination of employment or death are taxable in the year in which they are received.

The benefits you earn under the Plan will impact the maximum amount you can contribute to your RRSP. For information on how your pension plan affects your RRSP contribution room, please contact your Plan administrator.

Can the Plan be modified or terminated?

The Plan may be modified by your employer at any time. Your employer must inform you by means of a notice specifying the nature of the modifications. All modifications must be consistent with applicable pension legislation and may not adversely impact the rights you have accumulated in the Plan.

Your employer intends to maintain the Plan permanently, but reserves the right to terminate it at any time.

What happens in the event of a divorce or separation?

In the event of a divorce or a separation, the benefits you accrued during the period of marriage or the period you lived with your spouse can be divided. Your benefits will be divided according to a court order or a written agreement that provides for the division of pension benefits.

In such a situation, a lawyer can provide you with detailed information on the laws governing the division of assets and the various settlement options available.

What happens if my life expectancy is considerably shortened?

In the event your life expectancy is considerably shortened, you may be entitled to receive the value of your benefits as a lump sum cash payment. If that situation arises, please contact your Plan administrator for additional information.

PERSONAL INFORMATION

The personal information the administrator of the Plan collects concerning you or your dependents is kept in strict confidence and is only used for the purposes of administering the Plan.

Access to your personal information will be limited to authorized agents, individuals to whom you have granted access, and persons authorized by law.

You have the right to consult your personal file and, if necessary, correct any inaccurate information. You can do so by contacting your Plan administrator.

PLAN ADMINISTRATOR

Who is my plan administrator?

The Plan is administered by your employer. Under pension legislation, your employer must provide you or your beneficiaries with certain information at least once a year as well as in certain specific situations, such as death, retirement or termination of employment.

Your pension administrator contact information:

Roman Catholic Episcopal Corporation of Halifax
P.O. Box 1527, 1531 Grafton St.
Halifax, NS B3J 2Y3
Phone: (902) 429-9800

APPENDIX A – SAMPLE PENSION CALCULATIONS

Example 1 : Retirement at normal retirement date

Member information

Retirement age: 65
Credited service: 2.9 years

| Year | Credited service (years) | Actual earnings (\$) | Annualized earnings ¹ (\$) | YMPE (\$) |
|------|--------------------------|----------------------|---------------------------------------|-----------|
| 2013 | 0.9 | 45,000 | 50,000 | 51,100 |
| 2014 | 1.0 | 56,000 | 56,000 | 52,500 |
| 2015 | 1.0 | 58,000 | 58,000 | 53,600 |

¹ Annualized earnings are calculated as follows: Earnings divided by the portion of the year worked (i.e. credited service).

Calculation of your annual pension

2013: $1.3\% \times \$50,000 \times 0.9 + 2\% \times 0 \times 0.9$ = \$585.00
2014: $1.3\% \times \$52,500 \times 1.0 + 2\% \times (\$56,000 - \$52,500) \times 1.0$ = \$752.50
2015: $1.3\% \times \$53,600 \times 1.0 + 2\% \times (\$58,000 - \$53,600) \times 1.0$ = \$784.80

The total annual pension would be $\$585.00 + \$752.50 + \$784.80 = \$2,122.30$

APPENDIX A – SAMPLE PENSION CALCULATIONS (CONTINUED)

Example 2 : Retirement before normal retirement date

Member information

Retirement age: 60
Credited service: 2.5 years

| Year | Credited service (years) | Actual earnings (\$) | Annualized earnings ¹ (\$) | YMPE (\$) |
|------|--------------------------|----------------------|---------------------------------------|-----------|
| 2013 | 1.0 | 47,000 | 47,000 | 51,100 |
| 2014 | 1.0 | 48,000 | 48,000 | 52,500 |
| 2015 | 0.5 | 27,000 | 54,000 | 53,600 |

¹ Annualized earnings are calculated as follows: Earnings divided by the portion of the year worked (i.e. credited service).

Step 1, calculation of the annual pension

2013: $1.3\% \times \$47,000 \times 1.0 + 2\% \times 0 \times 1.0 = \611.00
2014: $1.3\% \times \$48,000 \times 1.0 + 2\% \times 0 \times 1.0 = \624.00
2015: $1.3\% \times \$53,600 \times 0.5 + 2\% \times (\$54,000 - \$53,600) \times 0.5 = \352.40

The total annual pension would be $\$611.00 + \$624.00 + \$352.40 = \$1,587.40$, prior to the early retirement reduction.

Step 2, calculation of the early retirement reduction

The annual pension at normal retirement is reduced by 0.5% for each month that the retirement date precedes the normal retirement date. Therefore, the pension is reduced by $0.5\% \times 60$ months (5 years times 12 months) = 30%. The amount of early retirement reduction is:

$\$1,587.40 \times 30\% = \476.22

Step 3, calculation of the annual pension payable from age 60

The total annual pension at age 60 would be $\$1,587.40 - \$476.22 = \$1,111.18$

APPENDIX B – DEFINITIONS

Credited service: means the number of years and fractions of years of employment rendered while a member of the Plan and while contributing to the Plan. Credited service includes periods while a member is disabled. Eligible periods of reduced pay or eligible periods of temporary absence are included in credited service provided the member contributes to the Plan.

Earnings: means the amount of the employee's annual compensation. For added certainty, earnings include living allowances, such allowances being cash payments to defray cost of living expenses, but exclude the value of any room and board provided at the employer's expense. Earnings for employees employed on a less than full-time basis are annualized for benefit calculation purposes.

Employees: means any lay person or deacon in the full-time or part-time employment of the employer and, for purposes of the Plan, excludes all members of Religious Orders and Congregations. However, the employer may from time to time designate the members of certain Religious Orders and Congregations as employees for purposes of the Plan.

Employer: means The Roman Catholic Episcopal Corporation of Halifax and any subsidiary and associated organizations designated from time to time provided that any such associated organizations shall be exclusively liable for the cost of benefits for any of its employees who become members.

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 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 cohabited in a conjugal relationship for a period of at least two years.

The status of spouse is established following the first of the following events:

- i) the day your annuity payments begin,
- ii) the day prior to your death.

YMPE: Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan.