

*St. Joseph's Health Centre*

*Pension Plan  
Summary*



## INFORMATION IN THIS BOOKLET

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# ST. JOSEPH'S HEALTH CENTRE - PENSION PLAN BOOKLET

## OUR PENSION PLAN

*St. Joseph's Health Centre is pleased to provide this summary of the St. Joseph's Health Centre Pension Plan. This summary is for all employees of St. Joseph's Health Centre who are currently enrolled or eligible to enrol in the Plan.*

*Our Plan began January 1, 1995. If you were a member of the Pension Plan for Hospital Employees of the Sisters of St. Joseph (the Prior Plan) before 1995, your benefits are combined.*

*The St. Joseph's Health Centre Pension Plan has been established for the benefit of our employees to assist you with your retirement planning. The Plan is a defined benefit plan where you contribute a set amount based on your earnings each year. The pension benefit is based on your years of service in the Plan and your highest average five years of earnings. On your retirement, your pension will be paid for your lifetime.*

## PLANNING AHEAD

*Why think about retirement when it is a long way off and you have current expenses to worry about?*

*The earlier you start to plan, the earlier you will be able to retire. By planning now, you can help to ensure that you will be able to afford to retire when you want and with the retirement income you desire.*

*When planning for retirement you should remember that:*

- although the St. Joseph's Health Centre Pension Plan is an excellent plan it is unlikely that it will provide for all of your financial needs after retirement;*
- there are government benefits that you may be eligible to receive such as Canada Pension Plan benefits and/or Old Age Security benefits; and*
- you will probably want to, or need to, increase your retirement income by saving now. The earlier you start to save, the more likely you will meet your goals and retire in comfort.*

*Please take a moment to review the important information in this booklet. If you have a Spouse, ask him or her to review it also.*

*If you have any questions or want to review your benefits or options under the Plan, please contact Human Resources.*

## BECOMING A PLAN MEMBER

IF YOU ARE A **FULL-TIME** EMPLOYEE:

You will join the Plan on your Date of Hire.

IF YOU ARE A **PART-TIME** OR **CASUAL** EMPLOYEE:

You *may* join the Plan after 12 months of Continuous Service, provided that in the preceding calendar year:

- you worked 700 hours or more, *or*
- you earned 35% or more of the Y.M.P.E.

Overtime, pay in lieu and other salary or earnings, are used to reach your minimum "earnings".

You must apply, in writing, to join the Plan. You will be asked to complete an enrollment form that includes designating a beneficiary to receive any death benefits paid from the Plan. If you joined the Prior Plan, the enrollment form and any other forms you signed as a member of the Prior Plan continue to apply to this Plan.

Once you join the Plan, there are no minimum hours or earnings required to continue as a Plan Member.

*Pay in lieu* of benefits may be reduced when you join.

You cannot join the Plan if your contract or term as a *temporary* employee is less than 12 months, *or* if you are under contract for special services *or* on a fee-for-service basis.

If you are *retired* and receiving a pension from the Plan, you are not eligible to rejoin the Plan.

## CONTRIBUTING TO THE COSTS

### a) Your Contributions

The amount you contribute depends on your Earnings each year. The contributions you make are tax-deductible.

Effective October 18, 2014, as a member of the Plan, you will contribute each pay period towards the cost of your benefits:

- 7.65% of your Earnings up to the Y.M.P.E., or \$7.65 for each \$100 you earn up to the Y.M.P.E., and
- 9.95% of your Earnings over the Y.M.P.E., or \$9.95 for each \$100 you earn above the Y.M.P.E.

Your contributions each calendar year cannot exceed the lesser of 9% of your compensation for that calendar year or \$1,000 plus 70% of your pension accrual for the calendar year.

The lower contribution rate for Earnings below the Y.M.P.E. takes into account the fact that you contribute to the Canada Pension Plan on these Earnings.

Examples of contributions effective October 18, 2014\*:

ANNUAL EARNINGS	CONTRIBUTION PER PAY PERIOD
\$55,000	\$164.04
\$80,000	\$259.71

*\*based on 26 pays per year and the YMPE of \$52,500 for 2014.*

Your contributions earn interest from the time they are paid, based on a formula set by legislation.

You cannot make any additional contributions to the Plan, nor can you transfer funds from an RRSP or from another pension plan, except through a reciprocal transfer.

### b) St. Joseph's Health Centre Contributions

Your Plan contributions are important; however, they do not fund the full cost of your pension benefit. The Health Centre is responsible for funding all additional amounts, as determined by the Plan actuaries, necessary to provide for your pension benefits. In addition, at your termination of employment or at your retirement, a calculation is performed to ensure that the Health Centre's contributions account for at least 50% of the value of your post-1986 pension benefit. If your post-1986 contributions with interest are greater than 50% of the value of your post-1986 pension benefit, the excess contributions will be refunded to you, subject to legislation. In the event of your death, your excess contributions will be refunded to your spouse, beneficiary or estate.

## CONTRIBUTIONS HELD IN TRUST

Your contributions are deposited into a Trust Fund the month after they are deducted from your pay. Any St. Joseph's Health Centre contributions are deposited at the same time. The trust company keeps a record of the funds held in the Trust Fund.

The monies in the Fund are professionally managed by investment managers. St. Joseph's Health Centre appoints both the trust company that holds the assets of the Fund and the investment managers.

At least every three years, the actuary will evaluate the Plan. The actuary compares the assets of the Trust Fund to the liabilities for future benefit payments which have been accrued up to the valuation date. The assets and liabilities will change based on the investment earnings of the Fund each year, the assumptions made by the actuary for future Fund earnings, future employee earnings and Y.M.P.E. increases, the rates

at which members terminate employment, die or retire, and the cost of administering the Plan. St. Joseph's Health Centre contribution requirements are subject to change based on the results of these actuarial valuations.

## **CHANGING FROM FULL-TIME, PART-TIME, TEMPORARY OR CASUAL EMPLOYMENT**

Your employment status can change at St. Joseph's Health Centre. Your status as a Plan member may also change:

- If you change from a *full-time* to a *part-time* position you can stop contributing to the Plan. This is a one-time option at the time you change. You may elect to recommence contributions at any time while you are in a part-time position, but if you change back to a full-time position, you must recommence contributions.
- If you change from a *part-time* to a *full-time* position and you are already a Plan member, you continue to contribute. If you are not a member, you must join as described on page 1.
- If you change from a *temporary* position of less than 12 months, or a contract position not eligible to join the Plan, to a full-time or part-time position, you may join the Plan as described on page 1.

If you terminate employment, as described on page 9, and you are re-employed within 6 months, you may rejoin the Plan immediately. If you are re-employed after 6 months, you will be treated as a new entrant when you rejoin the Plan and your two benefits will be kept separate.

## **WHEN BENEFITS ARE PAID FROM THE PLAN**

Your contributions and benefits remain in the Plan while you are employed. Benefits are paid when you:

- *retire* from St. Joseph's Health Centre;
- *die*;
- are *disabled*; or
- *terminate* employment.

You should contact Human Resources if you plan to retire or terminate employment, or in the event that you become disabled. If you die, your Spouse, beneficiary, estate administrator or executor should contact Human Resources. Human Resources will explain the options available, amounts that can be paid and the necessary paperwork that must be completed.

The benefits that are paid from the Plan depend on your Earnings and the Y.M.P.E. while you are a Plan member as well as your Credited Service and Plan Membership.

## **BENEFIT PORTABILITY**

You may have a number of different jobs during your working lifetime. You can build a bigger pension as you work towards your retirement if your benefits are portable. Portability of benefits allows you to bring benefits to this Plan when you join or take your benefits when you leave St. Joseph's Health Centre.

- *Reciprocal Transfers into this Plan* - St. Joseph's Health Centre has entered into portability arrangements with many hospital and public sector plans. When you join the Plan, you can transfer your benefits if they are with a plan covered by a reciprocal agreement.
- *Reciprocal Transfers from this Plan* - If you leave St. Joseph's Health Centre your benefits can be transferred to a plan covered by a reciprocal agreement.
- *Other Transfers to Your New Employer's Plan* - If you leave St. Joseph's Health Centre you *may* be able to transfer your benefits to your new employer's plan, even if there is no reciprocal agreement.

- *Transfers to Your RRSP, LIRA or LIF* - You may be able to transfer your contributions to your personal RRSP or your benefits to your LIRA or LIF, as described on page 10.

**NOTE:** Benefits may not be the same under different plans.

## **WHEN YOU CAN RETIRE**

*Full* retirement benefits can be paid anytime after:

- you reach age 65 (Normal Retirement Date);
- you reach age 60 and have at least 5 years of Plan Membership (Optional Retirement Date); or
- your age plus Plan Membership total 85 points (Special Optional Retirement Date). *For example, age 57 and 28 years in the Plan).*

If you do not want your pension to begin at age 65, you can defer your pension until December 1st in the year you reach age 71, even if you continue to work.

*Reduced* retirement benefits can be paid anytime after you reach age 55. The reduction offsets the fact that your pension starts earlier and thus you will probably collect it for a longer period of time. The reduction is:

- 3% per year before age 60, if you have at least 5 years of Plan Membership (for example, the pension is reduced by 15%, or \$15 for every \$100 of pension, if you retire at age 55); or
- 6% per year before age 65, if you have less than 5 years of Plan Membership (for example, the pension is reduced by 60%, or \$60 for every \$100 of pension, if you retire at age 55).

You must apply to Human Resources in order to receive your retirement benefit.

- Retroactive pension payments will not be made before you reach age 65.

Before your pension can commence, you must make your election in writing. You will also have to provide proof of your age, your Spouse's age (if applicable) and your marital status.

## **YOUR PENSION ON RETIREMENT**

When you retire you will receive a monthly pension from the Plan, payable for your lifetime. The amount of your pension depends on your Credited Service in the Plan, and your Earnings' history:

- Highest Average Earnings (the average of your highest 5 consecutive years of Earnings); and
- Average Y.M.P.E. (the average of the previous 3 years of Y.M.P.E).

Your annual pension benefit for each year of Credited Service after 1965, prorated for part-time service, is based on the following formula:

- 1.5% of your Highest Average Earnings up to the Average Y.M.P.E. (or \$1.50 for each \$100 of Highest Average Earnings), and
- 2.0% of your Highest Average Earnings above the Average Y.M.P.E. (or \$2.00 for each \$100 of Highest Average Earnings).

The formula for service before 1966 is a little different. The annual pension benefit is:

- 2% of your Highest Average Earnings for each year of Credited Service before 1966.

The Canada Pension Plan benefits are paid on Earnings up to the Y.M.P.E. This is why your pension benefit is lower for Earnings below the Y.M.P.E. for service after 1965.

Your annual pension benefit includes benefits accrued under the Prior Plan and is:

- paid to you each month after you retire; or

- paid to you as a lump sum cash payment if you qualify as described on page 10; and
- paid in addition to any benefits you may receive from the Canada Pension Plan, Old Age Security, your RRSPs or any other pension plan; and

You should contact Human Resources if you would like a pension consultation.

## **BRIDGE BENEFIT**

You will be paid an *additional* monthly benefit, called a bridge benefit, if you retire from active employment with St. Joseph's Health Centre before age 65 and you have at least 5 years of Plan Membership.

The benefit is designed to supplement your pension before the full Canada Pension Plan benefit can be paid. The bridge benefit continues to be paid to you each month, until the month you reach age 65 or your death, if earlier (the bridge benefit is not payable to your surviving spouse).

Your bridge benefit will be determined by the following formula:

- 0.5% of your Highest Average Earnings up to the Average Y.M.P.E. for each year of Credited Service after 1965.

Your bridge benefit includes benefits accrued under the Prior Plan. Your bridge benefit is *reduced* by 3% a year, if your pension is reduced due to early retirement.

## **PROVIDING FOR YOUR SURVIVING SPOUSE & BENEFICIARY**

Providing for our survivors in the event of death is a concern to us all. The Plan has excellent death benefits that may be paid to your Spouse or your beneficiary(s). These benefits should help secure peace of mind for both you and your survivors.

You can provide for your survivors under this Plan whether you die before or after retirement. If the death benefit is not paid to your Spouse, you must designate your beneficiary, in writing.



## **DEATH BENEFIT BEFORE RETIREMENT**

Effective July 1, 2012, if you *die before you retire*:

- a) *If you have a Spouse on the date of your death, your Spouse is entitled to receive one of the following death benefits:*
  - i) the commuted value of your deferred pension, where the commuted value of your deferred pension accrued prior to January 1, 1987 shall not be less than the value of your pre-1987 contributions with interest; or
  - ii) a lifetime pension equal to 60% of your accrued pension benefit.
- b) *If you do not have a Spouse*, the commuted value of your deferred pension will be paid as a lump sum to your beneficiary or estate.

You and your Spouse may decide the death benefit should be paid to another survivor or beneficiary. If you decide to appoint another beneficiary, your Spouse must agree to sign a Waiver form (Spousal Waiver Pre-Retirement Death Benefit Form). We suggest that both you and your Spouse seek independent legal advice before signing the waiver.

## **DEATH BENEFIT OR FORM OF PENSION AFTER RETIREMENT**

When you *die after you retire*, the death benefit under the normal form of pension is as follows:

- a) *If you have a Spouse at the date you retire, and you predecease your Spouse, then your Spouse will receive 100% of your monthly pension until a total of 60 monthly payments have been made to you and your Spouse. Thereafter, 60% of your monthly pension will be paid for the lifetime of your Spouse.*

*If your Spouse predeceases you, the death benefit payable to your beneficiary will be a lump sum payment equal to the commuted value of 120 monthly payments less all pension payments made to you during your lifetime.*
- b) *If you do not have a Spouse at the date you retire, the death benefit payable to your beneficiary or estate will be a lump sum payment equal to the commuted value of 120 monthly pension payments less all pension payments made to you during your lifetime.*

The pension is paid to the person who was your Spouse at the time that your pension benefit commenced.

The death benefit provided under the normal form of pension, as described in this section, may not be the most appropriate benefit to meet your survivors' needs after retirement. Many other options are available to you.

## **CHOOSING YOUR PENSION OPTION OR DEATH BENEFIT AFTER RETIREMENT**

In addition to the normal form of pension described on page 5, there are various other optional forms of pension available to you at retirement. If you are planning to retire you should contact Human Resources and they will explain the different options and the amount of pension benefit paid under each option. Your retirement planning should include ensuring that your survivors - your Spouse, children or beneficiary - will have enough to live on in the event of your death.

Before you retire, you can elect a different death benefit to be paid on death after you retire. The amount of monthly pension paid to *you* each month after you retire, and the benefits paid to your survivor, depends on your circumstances and decisions at retirement. The amount of pension you will receive will depend on whether:

- you have a Spouse when you retire and you decide at retirement to receive the normal form of pension;
- you elect another form of pension payable after you retire; *or*
- you elect to receive a monthly pension that is integrated with the government benefits. (Level Income Option).

The options include:

- a pension payable for your lifetime only with no death benefit payable;
- a pension payable for your lifetime, guaranteed for a minimum of 60 or 180 monthly payments;
- a pension payable for your lifetime with a percentage of your pension continuing to your Spouse, after your death.

If you decide to elect another form of pension and you have a Spouse, St. Joseph's Health Centre must have a current waiver form on file signed by you and your Spouse. The waiver form must be signed within the 12 months before you retire, if you elect one of the described options (if less than 60% of your pension is paid to your Spouse after your death).

Remember - no matter which option you choose, your pension is *always* paid to *you* every month, as long as you live.

You can change your option, in writing, anytime before you retire. However, once you have retired the option you chose cannot be changed. Also, you can change your beneficiary - but not your Spouse - who is to receive the death benefit after you retire.

## **IF YOU RETIRE BEFORE YOUR GOVERNMENT PENSIONS BEGIN**

Your Canada Pension Plan (CPP) pension may be paid to you as early as age 60, but is reduced if it starts before you reach age 65. Your Old Age Security (OAS) cannot be paid to you until you are at least age 65 and has certain limitations.

If you retire before age 65, you can elect to receive a higher St. Joseph's Health Centre pension when you first retire. The St. Joseph's Health Centre pension will decrease when your CPP and/or OAS pensions begin. This will allow you to receive a higher monthly pension from this Plan when it is the only pension paid to you from the three programs. If you elect this option, a calculation at your retirement will be made to attempt to ensure that the amount of pension you will receive each month - from the St. Joseph's Health Centre Pension Plan, the CPP and OAS - will be about the same every month of your retirement.

If you retire early and elect to receive the higher St. Joseph's Health Centre pension, we will estimate the amount of OAS and Canada Pension Plan benefits you will receive.

These government plans may be changed in the future.

## **CASH PAYMENTS TO YOUR SURVIVOR**

A death benefit paid on death before or after retirement *can* be paid as a lump sum in cash if:

- the benefit is paid to your beneficiary; or
- the benefit that is payable to your Spouse is *not* a lifetime pension.

Any death benefit payable to your estate will be paid as a single lump sum payment.

A lump sum death benefit payment can be transferred to your beneficiary's RRSP, only if the beneficiary qualifies as your "Spouse" under the Income Tax Act.

## **IF YOU ARE DISABLED**

If you become "disabled" after you have 5 years of Plan Membership you may qualify for either:

- a disability benefit paid each month from the Plan, as long as you are not receiving Long Term Disability benefits or you cannot retire with an unreduced pension; *or*
- Credited Service for the months you receive Long Term Disability benefits before age 65 as though you were still contributing to the Plan - using an average of your Earnings rate before your disability started, and providing partial years if you worked part-time.

You are "disabled" if your disability began while you were contributing to the Plan, and it prevents you from pursuing substantially gainful employment as certified by your physician(s). St. Joseph's Health Centre may request proof of continued disability.

The *disability benefit* is the amount of your unreduced pension based on your Credited Service to the date you stop contributing to the Plan. The disability benefit is paid every month, once you elect to commence the benefit and it is approved by St. Joseph's Health Centre. It continues as long as you are "disabled" and you continue to provide proof that you are "disabled".

Your disability benefit will cease when you are no longer disabled or when you die.

You may make contributions to the Plan to increase your Credited Service and therefore your benefits when you are sick or injured, as described in the section Contributing During Disability or Leaves (page 11).

If you die while you are receiving a disability benefit, a death benefit will be paid as though you were a retired member, as described on page 7.

## **IF YOU TERMINATE EMPLOYMENT**

A termination benefit can be paid if you stop contributing to the Plan *before* you are able to retire because you terminate your employment relationship with St. Joseph's Health Centre.

Effective July 1, 2012, if you do not elect to have your pension benefit transferred under a Reciprocal Agreement to provide a benefit under your new employer's pension plan, the termination benefit that is paid when you apply is:

- a deferred pension, excluding the bridge benefit, payable when you retire at a retirement age as described on page 5; or
- a transfer of the commuted value of your pension benefit plus a refund of your excess contributions in the form of cash or transferred to an RRSP.

When your employment ends and you have not yet attained age 55, you may transfer the commuted value of your pension benefit to one of the following:

- the registered pension plan of your new employer, provided that the new plan is willing to accept the transfer;
- a company licensed to provide annuities in Canada, for the purchase of a life annuity that will commence no earlier than age 55; or
- a Locked-In Retirement Account (LIRA), Life Income Fund (LIF) or other prescribed retirement savings arrangement meeting the requirements prescribed under pension legislation.

**NOTE:** Effective July 1, 2012, pension legislation prevents you from taking a cash payment of your commuted value for all service.

You may not transfer your pension benefit out of the Plan if you are over age 55, except under the terms of a reciprocal arrangement.

## **CASH PAYMENTS TO YOU**

You may receive your commuted value in cash only if:

- your pension benefit is less than 4% of the Y.M.P.E. (or \$83.50 per month in 2012) or the commuted value of your pension is less than 20% of the Y.M.P.E. (or \$10,020 in 2012) when you terminate employment or retire; or
- you are disabled and have a shortened life expectancy, as defined under legislation.

## **APPROVED LEAVES OF ABSENCE**

Many of us will take leaves of absences throughout our working lifetime at St. Joseph's Health Centre.

If your leave of absence is approved by St. Joseph's Health Centre, you will continue to be a member of the Plan during your approved leave, up to the maximum period allowed under the Plan. Human Resources will provide the details to you when your approved leave commences. Approved leaves under the Plan can include:

pregnancy or parental leave;  
 personal leave;  
 leave due to health reasons;  
 education leave;  
 service with a religious order;  
 attending to union business;  
 temporary layoff; or  
 termination (if you return and no benefit payout is made).

- You may be able to switch from one type of approved leave to another, if your circumstances change when you are on a leave of absence.
- Your contributions to the Plan must start immediately after you return to work from an approved leave.

You can continue to contribute to the Plan during your approved leaves.

## **CONTRIBUTING DURING DISABILITY OR LEAVES**

### **a) Paying Your Contributions**

If you become disabled or take an approved leave when you are contributing to the Plan, you can continue to make your contributions:

- for up to 1 year for periods of Approved Leaves for personal/educational reasons;
- for periods of Approved Leaves for pregnancy or parental leave, if the leave qualifies under the Employment Standards Act;
- for up to 1 year of Approved Leaves for health reasons during which you are in receipt of benefits under the Workplace Safety and Insurance Act;

- for periods of Approved Leaves for health reasons during which you are in receipt of sick benefits under the Employment Insurance Act;
- for up to 1 year of Approved Leaves for layoffs;
- for up to 2 years during which you are in receipt of Long Term Disability benefits under a program sponsored by St. Joseph's Health Centre provided that you have less than 5 years of Plan Memberships at the date your disability commences; or
- for periods of Approved Leaves for purposes of attending to the business of a trade union.

**b) Paying Your Contributions and the Health Centre's Contributions**

If you elect to make contributions in order to receive Credited Service for certain Approved Leaves such as those for personal/educational reasons, layoffs and trade union business, you may be required to pay *both* your contributions *and* the contributions St. Joseph's Health Centre would normally make.

For example, if St. Joseph's Health Centre matches the contributions paid by members under other circumstances, you would pay two times your regular contributions.

## **ASSIGNING YOUR BENEFITS**

As a general rule, benefits payable under this Plan may not be assigned, charged, anticipated, surrendered or given as security. This means that your interest may not be sold, used as collateral for a loan, given away or otherwise transferred. In addition, your creditors generally may not attach or garnish your benefits.

## **YOUR FORMER SPOUSE'S RIGHTS**

Any benefits paid to you, your Spouse, beneficiary or estate will be subject to any payments due to your former Spouse, as determined by a Court Order or through a Domestic Contract as defined in the Family Law Act.

## **THE PLAN DOCUMENT AND YOUR RIGHTS**

This booklet has been designed to provide you with a summary of the main features of the Plan in an easy to understand format. It does not modify or change the legal Plan documents. Thus, if there is any conflict between this booklet (or any other source of information) and the Plan documents, the Plan documents will govern. You may review the official Plan documents in Human Resources, if you want to see a more detailed description of the benefits.

Although St. Joseph's Health Centre intends to continue the Plan indefinitely, it reserves the right to amend or terminate the Plan at any time, subject to legislation.

## **TAXABLE BENEFITS**

Your pension benefits are taxable income in the year the benefits are paid to you, your Spouse, former Spouse, beneficiary or estate. Tax reporting forms will be sent to the individual (or estate) that received the benefits.

## **PENSION PLAN GOVERNANCE**

St Joseph's Health Centre (SJHC), through its Board of Directors, is responsible for the management of the St Joseph's Health Centre Pension Plan (the Plan). This is referred to as "pension plan governance". The Board of Directors has formed a Pension Management Committee to oversee the governance of the Plan.

The Pension Management Committee consists of 3 members of senior leadership (the voting members) plus 2 union representatives and at least one outside advisor (the non-voting members). The Pension Management Committee meets at least 4 times a year with the Plan actuary, the investment managers and other outside advisors to oversee the funding, investment and other components of the management and administration of the Plan.

Day-to-day administration of the Plan is the responsibility of management with the support of staff and outside advisors. A report on the governance of the Plan is submitted annually to the Board for its review. The Plan is governed in accordance with applicable laws, regulatory guidelines and best practices.

## **PROCESS FOR ADDRESSING MEMBER QUESTIONS AND/OR CONCERNS**

SJHC has a clear-cut set of steps to be taken if you have questions or are concerned regarding any aspect of the Pension Plan:

- 1) Contact the Benefits and Pension Coordinator within the Human Resources Department at (416) 530-6460.
- 2) If your question/concern has not been resolved by step 1), contact the Vice President, Human Resources at (416) 530-6485.
- 3) If your concern has not been resolved by step 2), contact the Pension Management Committee through the Chairperson, the Health Centre's President & CEO, at (416) 530-6008.

Of course, if you are a unionized employee, you may contact your union at any time.

## QUESTIONS ON YOUR BENEFITS

We want to help you understand your Pension Plan and all the benefits it provides. We help you by:

- sending a personalized statement to you each year, which shows your pension benefit entitlements under the Plan. It also shows an *estimate* of the amount of pension you can expect when you retire from St. Joseph's Health Centre, if your Highest Average Earnings remain the same and you have no future leaves of absence which might reduce your benefit;
- providing pension estimates to you if you are thinking of retiring from St. Joseph's Health Centre within the next 2 years;
- providing pension estimates for the different pension death benefit options; and
- meeting with you to discuss your Pension Plan and any questions you might have.

Please keep this booklet with your important documents so that you may refer to it as the need arises.

## GLOSSARY OF TERMS

- ***Average Year's Maximum Pensionable Earnings (A.Y.M.P.E.)*** – the average of the Y.M.P.E. (as defined by the Canada Pension Plan) in the three calendar years immediately preceding the year of the earlier of your last day worked, termination of Plan membership, retirement or death
- ***Commuted Value*** - the current value of the benefits that would be paid to you in the future based on legislated interest rates, an actuarial formula, the Y.M.P.E., your Earnings, Credited Service, Plan Membership and current age (when interest rates go down, your commuted value will go up and if interest rates go up, your commuted value will go down)
- ***Continuous Service*** – the period of your continuous employment with St. Joseph's Health Centre, including continuous service accrued under the Prior Plan
- ***Credited Service*** – the length of time, measured in years and part years, that you have contributed to the Plan and the Prior Plan, adjusted for such things as part-time service (it also includes service credited to you while disabled or transferred from another pension plan)
- ***Earnings*** - your basic wage or salary including vacation pay, sick pay and qualifying severance, plus straight overtime (shift and overtime premiums, benefits and pay in lieu of benefits are *not* Earnings for Pension Plan purposes)
- ***Excess Contributions*** – the excess amount of your post-1986 contributions with interest that exceeds 50% of the commuted value of your post-1986 pension benefit
- ***Highest Average Earnings (HAE)*** – the average of your annual Earnings during any five consecutive years of Credited Service preceding the earliest of your termination of Plan membership, retirement or death (in the event that you have less than five years of Credited Service, your HAE are the average of your annual Earnings during your actual period of Credited Service)
- ***Plan Membership*** – the length of time you have belonged to St. Joseph's Health Centre Pension Plan, including the Prior Plan and any transferred pension plan membership
- ***Spouse*** - the person who is not living separate and apart from you and who is legally married to you, or has been cohabiting with you in a conjugal relationship for a continuous period of at least three years, or has been cohabiting with you in a conjugal relationship of some permanence if you are the natural or adoptive parents of a child, both as defined in the Family Law Act
- ***Vested*** – your right to receive benefits earned under the St. Joseph's Health Centre Pension Plan
- ***Y.M.P.E.*** - the maximum earnings set by the federal government each year on which contributions to the Canada Pension Plan are made (\$50,100 in 2012)