

**Retirement Plan for the
Employees of
King's University College**

Retirement Plan for the Employees of King's University College

This booklet is designed to outline the highlights of the Retirement Plan for the Employees of King's University College ("the Plan"). The Plan, which became effective on July 1, 1978, provides a program whereby Members will obtain income for life upon retirement from active employment with King's University College ("King's"). The explanation contained in this booklet provides only a summary of the Plan, and in all aspects the Plan is governed only by the terms of the Plan document itself. The Plan document was last updated on January 1st, 2016.

EFFECTIVE DATE OF THE PLAN

The plan became effective on July 1, 1978.

ELIGIBILITY

The Plan is available to all full-time faculty of King's, and part-time faculty who have earned a minimum of 35% of YMPE in each of the two preceding consecutive calendar years. (YMPE is a level of earnings determined annually under the Canada Pension Plan.)

Faculty will become eligible for membership in the plan after 90 days employment have been completed. It is further provided that no employee will become eligible who has attained the normal retirement age of 65 years.

Participation is compulsory for full-time faculty and optional for part-time faculty.

Members of staff and administration are no longer eligible for participation in the Plan.

NORMAL RETIREMENT DATE

The Normal Retirement Date for pension calculations is the first day of July coincident with or next following the date they attain their sixty-fifth (65th) birthday.

EARLY RETIREMENT

Members may retire on a reduced amount of pension before the Normal Retirement Date. The reduction is one-half of one percent for each month preceding the Normal Retirement Date.

CONTRIBUTIONS TO THE PLAN

The Member will contribute towards their pension at the rate of 9% of their basic earnings. King's will contribute an amount as defined by actuarial calculation equal to the remainder when Members' contributions and any surplus/deficit in the Plan are compared to the Current Service Cost of the Plan.

PENSION CALCULATION

The pension is calculated as 2% times the number of years of service in the Plan times the final average earnings.

Final average earnings are the average of the best three (3) consecutive years of the last ten (10). CRA caps the amount of final average earnings that can be used in the calculation of pension amounts.

Retirement Plan for the Employees of King's University College

Partial years of service are credited for part-time employees. Part-time faculty earn one-fifth of a year for each full course taught.

The pension amount is actuarially adjusted where an optional form of pension (see below) is chosen.

REGULAR FORM OF PENSION

The regular form of pension is Life Guarantee of 60 months payable monthly during the Member's lifetime after retirement with the provision that should the Member die before having received 60 monthly payments; the pension will be paid to the named beneficiary until 60 monthly payments in all have been made. Under Ontario legislation, this regular form of pension can be chosen only with the written consent of the Member's spouse (if applicable).

For Members who have a spouse on the date on which the pension payments commence, the pension must be paid in a Joint and Survivor form which is payable in equal monthly instalments for the life of the Member and then at 60% of this amount to the Member's surviving spouse upon the death of the Member for the remainder of the spouse's lifetime.

OPTIONAL FORMS OF PENSION

Instead of the regular form of pension under the Plan, the Member may elect to receive a reduced or increased amount of monthly pension carrying a guarantee in some other form; options will be calculated by the Plan's actuaries. Members choosing an option other than a 60% Joint and Survivorship pension must have the spouse agree in writing.

The optional forms are:

1. Life Guarantee for 120 months
2. Life Guarantee for 180 months
3. Single Life (i.e. termination of all payments at the Member's death)
4. Joint and Survivor at 60%, 66 2/3rds%, 75% or 100%

Notice of election of the optional form of pension desired must be given to the Payroll department three (3) months prior to the date of the first pension payment.

INCOME TAX RELIEF ON CONTRIBUTIONS

Under current income tax regulations, contributions made by a Member under the Plan may be deducted from income for tax purposes. Total Member contributions are also capped within the limits set out in the applicable legislation.

NO RETURN OF CONTRIBUTIONS WHILE EMPLOYED

As long as a Member is employed at King's, all contributions must remain in the Plan.

NO ASSIGNMENT OR BORROWING

All funds are held in trust for the purpose of providing the benefits of the Plan. Therefore Members may not borrow against or assign their contributions to the Plan.

DEATH BEFORE RETIREMENT

Should a Member die while in service and before the Normal Retirement Date, the beneficiary named by the Member will receive the sum of twice the Member's contributions with interest, except that with respect to benefits accrued after January 1, 1987, if the Member has been a Member for at least two years, the beneficiary shall receive the commuted value of the pension if it is greater than the return of contributions.

TERMINATION OF SERVICE BEFORE RETIREMENT

A Member whose service with King's is terminated for any reason other than death or retirement (i.e. prior to age 55) will be entitled to receive a deferred pension commencing on their Normal Retirement Date in the amount accrued to them under the Plan.

CONSULTATION

The plan will pay for up to two (2) hours of professional consultation for each retiring Member, to be used with the plan's actuaries or other advisor.

MODIFICATIONS OR DISCONTINUANCE OF THE PLAN

King's reserves the right to modify, suspend or discontinue the Plan at any time. In this event all contributions must stay in the Plan and must be used for the benefit of the existing Members.

APPLICATION FOR MEMBERSHIP

The employee must complete an application card, naming thereon their beneficiary within the first 90 days of employment at King's.

STATEMENTS

Annual statements will be created by the Plan's actuaries and issued to each Member reporting the pension accrued to date and an estimate of the pension at retirement.