

**SUPPLEMENTAL RETIREMENT ARRANGEMENT
FOR MEMBERS OF
THE CONTRIBUTORY PENSION PLAN FOR
TUFA EMPLOYEES OF TRENT UNIVERSITY**

(“SRA”)

**(Established with effect from July 1, 1998)
(Amended and Restated SRA effective July 1, 2005)**

SIGNED IN PETERBOROUGH, APRIL 28, 2006

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Section 1 — Establishment of the Arrangement

1.01 Establishment and Restatement

This Supplemental Retirement Arrangement (“SRA”) was originally established and is continued with effect from July 1, 1998 pursuant to the Collective Agreement, the First Framework Agreement, an *Advance Income Tax Ruling* dated May 26, 1998 which is attached hereto as Appendix A, and the Second Framework Agreement. The SRA provides eligible members of The Contributory Pension Plan for TUFA Employees of Trent University (the “RPP”) with additional retirement income to compensate for the limitations prescribed under the regulations to the *Income Tax Act* (Canada) on the amount of lifetime retirement benefits payable from a registered pension plan.

1.02 Funding

The University shall set aside funds in the SRA Fund to ensure that the SRA benefits are fully funded on a going concern basis, subject to the Aggregate Retirement Arrangement (ARA). The SRA Fund shall not constitute a trust fund.

1.03 Status

The SRA is not required to be and shall not be registered with the federal government or any provincial government.

1.04 Amended and Restated SRA

The SRA is amended and restated pursuant to the Second Framework Agreement. This amended and restated SRA is effective July 1, 2005.

1.05 Interpretation

The ARA is the agreed framework within which the SRA shall operate on an ongoing basis. No interpretation of the SRA is complete without reference to the ARA. In the event of a conflict between the SRA text and the ARA text, the ARA text shall prevail.

Section 2 — Definitions

All capitalized words used in this Supplemental Retirement Arrangement shall have the meanings given in this Section 2 and, if not defined in this Section 2, shall have the meanings given in the ARA and, if not defined in the ARA, shall have the meanings given in the RPP.

2.01 Aggregate Retirement Arrangement (or “ARA”)

“Aggregate Retirement Arrangement” (or “ARA”) means the aggregate retirement arrangement for Members of the RPP and the SRA set out in the *Aggregate Retirement Arrangement for Members of the RPP and the SRA at Trent University*, effective July 1, 2005, as amended from time to time.

2.02 Effective Date

“Effective Date” means July 1, 2005 for the amended and restated SRA. The SRA was established with effect from July 1, 1998.

2.03 Final Average Earnings

“Final Average Earnings” for purposes of the SRA means Final Average Earnings as defined in the RPP but using Nominal Earnings as defined herein

2.04 First Framework Agreement

“First Framework Agreement” means the agreement in principle on pension and other retirement benefit issues, entered into between the University and TUFA on January 30, 1998.

2.05 Full Amount of University Contribution (or “FAUC”)

“Full Amount of University Contribution” or “FAUC” means the amount of the contributions required to be paid by the University to the RPP in a Plan Year pursuant to paragraph (a) of Section 4.05 (University Contributions) of the RPP.

2.06 Fully Funded

“Fully Funded” means, in respect of the SRA, that the funds in the SRA Fund as of the beginning of a Plan Year are equal to or exceed the sum of (A) plus (B) where (A) is the accrued benefit liabilities of the SRA, as determined by the Actuary on a going concern basis, provided that any going concern Valuation shall be based on the Memorandum of Actuarial Assumptions, and (B) is the present value of liabilities in connection with the Health Care Reimbursements as set out in Section 2.07 below.

2.07 Health Care Reimbursements

“Health Care Reimbursements” means reimbursements provided by the University, commencing on and after July 1, 1998, to a member of the RPP or Prior Plan who Retired prior to July 1, 1998 and/or to the Spouse (if any) of such member, in accordance with the terms of this Section 2.07 (Health Care Reimbursements) of the SRA. For clarity, no Member of the SRA is entitled to Health Care Reimbursements.

In the remaining paragraphs of this Section below, “Member” refers to a member of the RPP, as specified in the provisions below.

Health Care Reimbursements are provided by the University, to a Retired Member of the RPP or Prior Plan and/or to the Spouse (if any) of a Retired Member eligible to receive reimbursements, for approved health care expenses, including health care insurance premiums, under the *Income Tax Act*, as described in this Section 2.07 of the SRA, under the program established in the First Framework Agreement as follows:

- (a) for a Member who Retired on or before June 30, 1987 and/or for the Spouse (if any) of such Member, an annual amount to a maximum of \$1,000 per Plan Year (no banking or carry forward) per Member, and
- (b) for a Member who Retired after June 30, 1987 and before July 1, 1998 and/or the Spouse (if any) of such Member, an annual amount to a maximum of \$500 per Plan Year (no banking or carry forward) per Member.

A Member who is participating in the Voluntary Early Retirement program on a voluntary early full retirement and who reached the Normal Retirement Date prior to July 1, 1998 is eligible to receive Health Care Reimbursements.

A Member who has applied for or is participating in the Voluntary Early Retirement program on a voluntary early full retirement and who reaches the Normal Retirement Date on or after July 1, 1998, or a Member who Retires on or after July 1, 1998, is not eligible to receive Health Care Reimbursements.

When a Member eligible to receive Health Care Reimbursements dies, the surviving Spouse (if any) of such Member shall continue to be an eligible recipient of Health Care Reimbursements provided the Spouse is also a recipient of a survivor pension under the RPP.

Those eligible to receive Health Care Reimbursements shall submit claims on a form prescribed by the University.

The University shall pay eligible Health Care Reimbursements out of the SRA Fund. In each Plan Year, the Actuary shall determine the actuarial liability for Health Care Reimbursements in the current Plan Year and for future Plan Years and shall allow for and report such liability in the Valuation of the SRA.

Notwithstanding any other provision in this Section 2.07, if the SRA is no longer in operation, the University shall pay Health Care Reimbursements directly out of operating funds to each eligible Retired Member or each eligible Spouse, as applicable, except as otherwise provided in paragraph 9.03 (g) herein. In any Plan Year where Useable Surplus is available, the University shall be entitled to a credit against contributions up to the amounts of Health Care Reimbursements that the University has paid directly out of operating funds in addition to the University's Aggregate Required Contributions in the same Plan Year or in the previous five Plan Years.

2.08 Member

"Member" means a Member as set out in Section 3 (Membership) herein.

2.09 Members' Salaries

"Members' Salaries" means the Members' Nominal Earnings or, in the case of Members employed on a less than full-time basis, those Members' Normal Earnings.

2.10 Nominal Earnings

"Nominal Earnings" means the gross annual salary that would be paid to a Member by the University if the Member worked for the University full-time for a full year, as determined by the payroll records of the University, but not in excess of the maximum salary step under the Collective Agreement (currently, on July 1, 2005, \$144,867), as that salary step is adjusted from time to time. Nominal Earnings do not include living allowances, additional payments for research, stipends, grants-in-aid, and additional remuneration for part-time teaching.

2.11 Pensionable Service

"Pensionable Service" under the SRA means, with respect to a Member, the Member's Pensionable Service as determined under the RPP.

2.12 RPP

"RPP" means The Contributory Pension Plan for TUFA Employees of Trent University, as amended from time to time.

2.13 RPP Surplus (or "Plan Surplus")

RPP Surplus (or "Plan Surplus") means, at any particular point in time, the excess, if any, of assets of the RPP over the liabilities of the RPP, as determined by the Actuary on an annual basis. The assets and liabilities shall be as contained in the most recent going-concern Valuation with respect to the determination of RPP Surplus on a going-concern basis or the most recent solvency Valuation with respect to the determination of RPP Surplus on a wind-up basis.

2.14 SRA

"SRA" means the Supplemental Retirement Arrangement for Members of The Contributory Pension Plan for TUFA Employees of Trent University, amended and restated by agreement of the University and TUFA effective July 1, 2005 and as amended from time to time. For

clarity, SRA includes the provisions of any SRA alternative, where applicable, established pursuant to Section 9.03 (f) herein.

2.15 SRA Fund

“SRA Fund” means the special purpose fund in which the University sets aside funds on a monthly basis in respect of its obligations under the SRA, as described in Section 4 (Funding of Benefits) herein.

2.16 SRA Surplus

“SRA Surplus” means in any Plan Year the excess, if any, of the assets of the SRA Fund, including Transition Pension Allocations, over the liabilities of the SRA, including Health Care Reimbursements, as determined by the Actuary based on the annual going concern Valuation as of the beginning of the Plan Year.

2.17 Transition Pension Allocations

“Transition Pension Allocations” means the amounts which the University shall allocate to the SRA Fund in order to fund all transition pensions otherwise payable pursuant to the terms of the Voluntary Early Retirement (“VER”) program provided in Appendix “D” to the 1996/99 Collective Agreement which, effective July 1, 1998, are payable from the RPP pursuant to Section 6.02 (b) (ii) thereof. Transition Pension Allocations shall be made to the SRA Fund at the same time and in the same amounts as would have been paid by the University pursuant to Appendix “D”. For clarity, such Transition Pension Allocations shall be additional to the University’s Retirement Expenditure and shall not reduce any allocations to the SRA Fund otherwise agreed to be made.

2.18 Voluntary Early Retirement

“Voluntary Early Retirement” means voluntary full or partial early retirement under the provisions of the Voluntary Early Retirement program provided in Appendix “D” of the 1996/99 Collective Agreement and its successors.

Section 3 — Membership

3.01 Members

“Member” of the SRA means:

- (a) an Employee who is a member of the RPP whose Normal Retirement Date is on or after July 1, 1998 and who has rights or contingent rights to benefits under the SRA; or
- (b) a Former Employee who terminates or Retires on or after July 1, 1998 and who has rights or contingent rights to benefits under the SRA; or
- (c) a Former Employee who Retired under Voluntary Early Retirement and whose Normal Retirement Date is on or after July 1, 1998 and who has rights or contingent rights to benefits under the SRA.

Section 4 — Funding of Benefits

4.01 SRA Fund

For financial accounting purposes, the University shall set aside operating funds on a monthly basis in a segregated account to serve as a special purpose fund (hereafter SRA Fund) in respect of its obligations under the SRA. The University shall retain ownership of the SRA Fund.

4.02 Members' Funding Obligations

Members' Required Contributions are paid directly to the RPP under the provisions of Section 4 (Members' Required Contributions) of the RPP. Although Members' Required Contributions finance the Members' share of the costs of the SRA, these contributions are not directly allocated to the SRA Fund.

4.03 SRA Funding and the University's Funding Obligations

SRA funding provisions and the University's funding obligations in respect of the SRA are as set out under Section 4 (ARA Funding) of the ARA. It is the objective of the financial management of the SRA Fund that the assets of the SRA Fund should balance SRA liabilities, subject to Section 4 (ARA Funding) of the ARA.

4.04 SRA Fund Is Not Trust Property

The funds allocated to the SRA Fund shall not constitute trust property.

4.05 Claims Against the SRA Fund

The funds allocated to the SRA Fund shall not be subject to the direct claim of any Member in respect of such Member's benefits under the SRA and such funds shall be subject to the claims of the University's creditors in accordance with applicable legislation in the event of the University's receivership, bankruptcy or wind-up.

Section 5 — Retirement Benefits

5.01 Amount of Retirement Benefits

Each Member who retires on his or her Normal Retirement Date, Early Retirement Date or Postponed Retirement Date and who is entitled to an annual pension from the RPP shall be entitled to an annual benefit from the SRA as determined under paragraph (1) or paragraph (2) below, provided such amount is greater than \$0.00, and subject to Section 5.02 below in respect of Members who Retire under “voluntary early full retirement”:

- (1) for a Member who is not entitled to receive Excess Contributions pursuant to Section 6.04 (Refund of Excess Contributions on Retirement) of the RPP, an annual benefit from the SRA equal to (a) minus (b) below; or
- (2) for a Member who is entitled to receive Excess Contributions pursuant to Section 6.04 (Refund of Excess Contributions on Retirement) of the RPP, an annual benefit from the SRA equal to (a) minus (b) minus (c) below, but subject to the provisions of paragraph (d) below.

(a) **Pension Payable from the RPP Without Application of the *Income Tax Act* Limits**

The amount of annual pension payable to the Member from the RPP pursuant to Section 6 (Retirement Benefits) thereof, based on the Member’s Nominal Earnings and Pensionable Service as defined herein, without application of the limits prescribed under the *Income Tax Act* on the amount of lifetime retirement benefits payable from a registered pension plan, as described in paragraph (a) of Section 6.05 (Maximum Retirement Pension Limits Under the *Income Tax Act*) of the RPP.

(b) **Pension Payable from the RPP**

The amount of annual pension payable from the RPP pursuant to Section 6 (Retirement Benefits) thereof, based on the Member’s Pensionable Service as defined herein, subject to the application of paragraph (a) of Section 6.05 (Maximum Retirement Pension Limits Under the *Income Tax Act*) thereof.

(c) **Adjustment for Excess Contributions**

If the Member is entitled to receive a refund of Excess Contributions pursuant to Section 6.04 (Refund of Excess Contributions on Retirement) of the RPP, an annual pension amount which has a Commuted Value equal to (i) minus (ii) below, provided such amount is greater than \$0.00:

- (i) the Excess Contributions actually payable to the Member from the RPP, and

- (ii) the Excess Contributions that would have been payable to the Member pursuant to Section 6.04 of the RPP had such Excess Contributions been determined based on the annual pension in paragraph (a) above.

(d) Election of an Unadjusted SRA Benefit and Application for an Adjustment Waiver

If the Member is entitled to receive Excess Contributions pursuant to Section 6.04 (Refund of Excess Contributions on Retirement) of the RPP, the Member is entitled to elect to receive an unadjusted annual benefit from the SRA equal to (a) minus (b) above, provided that on a form prescribed by the University the Member so elects and applies for the waiver of the adjustment described in (c) above, and that the Member concludes arrangements to remit to the University for purposes of the SRA the amount of the after-tax difference, based on a 50% marginal tax rate, between paragraph (c)(i) and paragraph (c)(ii) above.

5.02 Voluntary Early Full Retirement

Each Member who Retires under “voluntary early full retirement” pursuant to paragraph (b) of Section 6.02 (Early Retirement Pension) of the RPP, shall be entitled to an annual benefit payable from the SRA from the Member’s Normal Retirement Date, as described in Section 5.01 above, based upon the Member’s Final Average Earnings and Pensionable Service as of the Member’s Early Retirement Date, without regard to the Member’s Nominal Earnings and Pensionable Service between the Member’s Early Retirement Date and Normal Retirement Date recognized under the Voluntary Early Retirement program, as described in the Collective Agreement.

5.03 Manner and Form of Payment of Retirement Benefits

The annual benefit payable to a Member from the SRA shall commence to be paid on the Member’s Pension Commencement Date and shall be paid in the same manner and in the same form of payment as the annual pension payable to the Member from the RPP, as described in Section 8 (Manner and Forms of Payment) of the RPP.

5.04 Indexation

The annual benefit payable to a Member from the SRA shall be indexed at the same time, in the same manner and in the same percentage as indexing adjustments are applied to the Member’s annual pension payable from the RPP, as described in Section 7 (Indexation) of the RPP. For clarity, the differences in indexation provisions for retirements and terminations before July 1, 2006, and on and after July 1, 2006, shall have the same application to benefits payable under the SRA as to pensions payable under the RPP.

Section 6 — Termination Benefits

6.01 Amount of Termination Benefits

Each Member whose Continuous Service is terminated prior to the Member's Early Retirement Date for any reason other than death shall be entitled to a benefit payable from the SRA determined under paragraph (a) or paragraph (b) below:

(a) Deferred Pension

If the Member elects to receive a deferred pension from the RPP, pursuant to Section 9.01 (Deferred Pension) thereof, the Member shall be entitled to an annual benefit from the SRA as determined under paragraph (1) or paragraph (2) below, provided such amount is greater than \$0.00:

- (1) for a Member who is not entitled to receive Excess Contributions pursuant to Section 9.05 (Refund of Excess Contributions on Termination of Employment) of the RPP, an annual benefit from the SRA equal to (a)(i) minus (a)(ii) below; or
- (2) for a Member who is entitled to receive Excess Contributions pursuant to Section 9.05 (Refund of Excess Contributions on Termination of Employment) of the RPP, an annual benefit from the SRA equal to (a)(i) minus (a)(ii) minus (a)(iii) below, but subject to the provisions of paragraph (a)(iv) below.

(i) Pension Payable from the RPP Without Application of the Income Tax Act Limits

The amount of annual pension payable from the RPP pursuant to Section 9.01 (Deferred Pension) thereof, based on the Member's Nominal Earnings and Pensionable Service as defined herein, without application of the limits prescribed under the *Income Tax Act* on the amount of lifetime retirement benefits payable from a registered pension plan, as described in paragraph (a) of Section 6.05 (Maximum Retirement Pension Limits Under the *Income Tax Act*) of the RPP.

(ii) Pension Payable from the RPP

The amount of annual pension payable from the RPP pursuant to Section 9.01 (Deferred Pension) thereof, based on the Member's Pensionable Service as defined herein, subject to the application of paragraph (a) of Section 6.05 (Maximum Retirement Pension Limits Under the *Income Tax Act*) thereof.

(iii) ***Adjustment for Excess Contributions***

If the Member is entitled to receive Excess Contributions pursuant to Section 9.05 (Refund of Excess Contributions on Termination of Employment) of the RPP, an annual pension amount which has a Commuted Value equal to (A) minus (B), provided such amount is greater than \$0.00:

- (A) the Excess Contributions actually payable to the Member from the RPP, and
- (B) the Excess Contributions that would have been payable to the Member pursuant to Section 9.05 of the RPP had such Excess Contributions been determined based on the annual pension in paragraph (a)(i) above.

(iv) ***Election of an Unadjusted SRA Benefit and Application for an Adjustment Waiver***

If the Member is entitled to receive Excess Contributions pursuant to Section 9.05 (Refund of Excess Contributions on Termination of Employment) of the RPP, the Member is entitled to elect to receive an unadjusted annual benefit from the SRA equal to (a)(i) minus (a)(ii) above, provided that on a form prescribed by the University the Member so elects and applies for the waiver of the adjustment described in (a)(iii) above, and that the Member concludes arrangements to remit to the University for purposes of the SRA the amount of the after-tax difference, based on a 50% marginal tax rate, between paragraph (a)(iii)(A) and paragraph (a)(iii)(B) above.

(b) **Locked-In Transfer**

If the Member elects a locked-in transfer from the RPP, pursuant to Section 9.02 (Locked-In Transfer) thereof, the Member shall be entitled to a lump sum payment from the SRA equal to the Commuted Value of (i) in paragraph (a) above minus the locked-in transfer amount determined under Section 9.02 (Locked-In Transfer) of the RPP.

Alternatively, in lieu of such lump sum payment, the Member may elect to have the amount of this entitlement transferred to another supplemental retirement arrangement, provided that the administrator of the other supplemental retirement arrangement agrees to accept the payment for the purpose of providing the appropriate benefit under that other supplemental retirement arrangement. In the event of such a transfer, the University is discharged from its obligations under the SRA.

6.02 Manner and Form of Payment of Termination Benefits

The annual benefit payable to a Member from the SRA pursuant to paragraph (a) of Section 6.01 above shall commence to be paid on the Member's Pension Commencement Date and shall be paid in the same manner and in the same form of payment as the annual pension payable to the Member from the RPP.

The lump sum payment payable to a Member from the SRA pursuant to paragraph (b) of Section 6.01 above shall be payable on or immediately after the date the Member's benefit payable from the RPP is transferred pursuant to Section 9.02 (Locked-In Transfer) thereof.

Section 7 — Benefits on Disability, Approved Leave, Reduced-Time Appointment, and Partially-Retired Appointment

7.01 Disability

A Member who becomes Disabled shall continue to accrue Pensionable Service under the SRA during the period of Disability. Such Member's Pensionable Service and deemed Nominal Earnings during the period of Disability shall be determined pursuant to Section 10.01 (Disability) of the RPP. Such Member shall be entitled to benefits under the SRA upon the earliest of the Member's Retirement, termination of Continuous Service or death.

7.02 Approved Leave

A Member who is on an Approved Leave shall continue to accrue Pensionable Service under the SRA in the same manner and amount as is determined pursuant to Section 10.02 (Approved Leave) of the RPP in respect of Pensionable Service thereunder. Such Member shall be entitled to benefits under the SRA upon the earliest of the Member's Retirement, termination of Continuous Service or death.

7.03 Reduced-Time Appointment

A Member who is on a Reduced-Time Appointment shall continue to accrue Pensionable Service under the SRA in the same manner and amount as is determined pursuant to Section 10.03 (Reduced-Time Appointment) of the RPP in respect of Pensionable Service thereunder. Such Member shall be entitled to benefits under the SRA upon the earliest of the Member's Retirement, termination of Continuous Service or death.

7.04 Partially-Retired Appointment

A Member who is on a Partially-Retired Appointment under the Voluntary Early Retirement program defined in the Collective Agreement shall continue to accrue Pensionable Service under the SRA in the same manner and amount as is determined pursuant to Section 10.04 (Partially-Retired Appointment) of the RPP in respect of Pensionable Service thereunder. Such Member shall be entitled to benefits under the SRA upon the earliest of the Member's Retirement, termination of Continuous Service or death.

Section 8 — Preretirement and Postretirement Death Benefits

8.01 Amount of Preretirement Death Benefits

In the event a Member dies while in the service of the University, or after termination of Continuous Service or Retirement but prior to commencement of payment of a benefit under the RPP, a benefit shall be payable hereunder, determined under paragraph (a) or paragraph (b) below:

(a) **Death Before Eligibility for Normal Retirement**

If the Member dies prior to his or her Normal Retirement Date, the Member shall be entitled to a benefit payable from the SRA as determined under paragraph (1) or paragraph (2) below, provided such amount is greater than \$0.00, as follows:

- (1) for a Member who is not entitled to receive Excess Contributions pursuant to paragraph (c) of Section 11.02 (After Completing Two Years of Continuous Service while a Member) of the RPP, a benefit payable from the SRA equal to (a)(i) minus (a)(ii) below; or
- (2) for a Member who is entitled to receive Excess Contributions pursuant to paragraph (c) of Section 11.02 (After Completing Two Years of Continuous Service while a Member) of the RPP, a benefit payable from the SRA equal to (a)(i) minus (a)(ii) minus (a)(iii) below, but subject to the provisions of paragraph (a)(iv) below.

(i) ***Benefit Payable from the RPP Without Application of the Income Tax Act Limits***

The benefit payable from the RPP pursuant to Section 11.02 (After Completing Two Years of Continuous Service while a Member) thereof, in respect of the Member's benefits accrued on and after January 1, 1987, based on the Member's Nominal Earnings and Pensionable Service as defined herein from January 1, 1987, without application of the limits prescribed under the *Income Tax Act* on the amount of lifetime retirement benefits or death benefits payable from a registered pension plan.

(ii) ***Benefit Payable from the RPP***

The benefit payable from the RPP pursuant to Section 11.02 (After Completing Two Years of Continuous Service while a Member) thereof, in respect of the Member's benefits accrued on and after January 1, 1987, based on the Member's Pensionable Service as defined herein from January 1, 1987.

(iii) ***Adjustment for Excess Contributions***

If the Member is entitled to receive Excess Contributions pursuant to paragraph (c) of Section 11.02 (After Completing 2 Years of Continuous Service While a Member) of the RPP, a benefit amount which has a Commuted Value equal to (A) minus (B), provided that such amount is greater than \$0.00:

- (A) the Excess Contributions actually payable to the Member from the RPP, and
- (B) the Excess Contributions that would have been payable to the Member pursuant to paragraph (c) of Section 11.02 of the RPP had such Excess Contributions been determined based on the benefit amount in paragraph (a)(i) above.

(iv) ***Election of an Unadjusted SRA Benefit and Application for an Adjustment Waiver***

If the Member is entitled to receive Excess Contributions pursuant to paragraph (c) of Section 11.02 (After Completing 2 Years of Continuous Service While a Member) of the RPP, the Member is entitled to elect to receive an unadjusted benefit payable from the SRA equal to (a)(i) minus (a)(ii) above, provided that on a form prescribed by the University the Member so elects and applies for the waiver of the adjustment described in (a)(iii) above, and that the Member concludes arrangements to remit to the University for purposes of the SRA the amount of the after-tax difference, based on a 50% marginal tax rate, between paragraph (a)(iii)(A) and paragraph (a)(iii)(B) above.

(b) **Death After Eligibility for Normal Retirement**

If the Member dies after becoming eligible to receive a retirement pension from the RPP pursuant to Section 6.01 (Normal Retirement Pension) thereof, the benefit payable hereunder shall equal the greater of the amount of benefit described in paragraph (a) above and the Commuted Value of the amount of benefit that would be payable to the Member pursuant to Section 5.01 (Amount of Retirement Benefits) hereof, had the Member Retired immediately prior to the date of his or her death.

8.02 Manner and Form of Payment of Preretirement Death Benefits

The benefits payable pursuant to Section 8.01 above shall be paid to the same recipient, whether the Member's Spouse, designated Beneficiary, or estate, in the same form and on the same dates as the death benefits payable from the RPP pursuant to Section 11 (Benefits on Death) thereof. If the death benefits payable from the RPP are to be paid in the form of a life annuity, the amount of death benefits described in Section 8.01 above shall be converted to a life annuity.

8.03 Manner and Form of Payment of Postretirement Death Benefits

In the event a Member dies after Retirement and after the commencement of payment of a Retirement benefit under the RPP and the SRA, the benefit payable under the SRA shall be paid to the same recipient, whether the Member's Spouse, designated Beneficiary, or estate, in the same form and on the same dates as the death benefits payable from the RPP pursuant to Section 11.05 (Death After Pension Commencement Date) and Section 8 (Manner and Forms of Payment) thereof.

Section 9 — The Future of The SRA

9.01 Continuation of the SRA

The SRA shall remain in force subject to the terms of the Collective Agreement. The SRA shall not be amended or discontinued other than by the mutual written consent of the University and TUFA. In no event shall any amendment or discontinuation of the SRA operate to reduce the benefits which have accrued to any Member or other person entitled to benefits under the SRA prior to the date of such amendment.

9.02 Discontinuation of the SRA

Unless TUFA and the University agree otherwise, the SRA may only be discontinued under the following circumstances:

- (a) For the following reasons,
 - (i) If the SRA is determined, subsequently to the Advance Income Tax Ruling of May 26, 1998, to be a “retirement compensation arrangement” or a “salary deferral arrangement,” as those terms are defined in the *Income Tax Act*; or
 - (ii) If the funding or accrual of benefits under the SRA is otherwise deemed to be taxable; or
 - (iii) If, as a result of any other legislative change, it is no longer practicable to continue the SRA; or
- (b) Where the RPP is terminated in whole, as described in Section 17 (Future of the Plan) of the RPP.

9.03 Consequences of Discontinuation Pursuant to Section 9.02 (a)

If the SRA is discontinued pursuant to paragraph 9.02 (a) above, then:

- (a) Members will cease to accrue further Pensionable Service under the SRA.
- (b) All benefits earned under the SRA up to the date of discontinuation shall be protected and shall be paid to Members based on both the Members’ Final Average Earnings on their Retirement Date and the Members’ Pensionable Service to the date of discontinuation. After discontinuation, Members shall be paid their SRA benefits as of the date they would have been paid such benefits had the SRA not been discontinued.

- (c) Members' Required Contributions deposited to the Pension Fund in the Plan Year of discontinuation of the SRA and thereafter, pursuant to Section 4.01 (Members' Required Contributions), shall be reduced to a rate of Members' Salaries equal to the sum of (A) plus (B), where (A) is the rate of Members' Salaries equal to 40% of the current service cost of the benefits under the RPP in the Plan Year of discontinuation of the SRA, and (B) is the rate of 0.40% of Members' Salaries. Members' Required Contributions shall remain at the rate described in this paragraph thereafter, subject to paragraph (f) below.
- (d) The University contributions deposited to the Pension Fund in the Plan Year of discontinuation of the SRA and thereafter, except as provided in paragraphs (e) and (f) below, shall be equal to the sum of (A) plus (B), where (A) is the amount prescribed under subparagraph (ii) of paragraph (a) of Section 4.05 (University Contributions) of the RPP plus the amount equal to 1.00% of Members' Salaries, and (B) is the amount prescribed under subparagraph (i) of paragraph (a) of Section 4.05 (University Contributions) of the RPP.
- (e) In the event that the University is precluded from depositing to the Pension Fund any or all of its required contributions pursuant to paragraph (d) above as a consequence of Excess RPP Surplus in the Pension Fund or as a consequence of any provision of the *Income Tax Act*, and in the event that the University and TUFA do not agree to provide additional pension benefit improvements under the RPP which would permit the University to pay to the Pension Fund its required contributions pursuant to paragraph (d) above, then the University shall retain in a separate account, with accruing interest, an amount that is equal to the contributions that the University is so precluded from paying to the Pension Fund. The funds in such separate account shall be used for the purpose of providing such Member retirement benefits as the University and TUFA shall agree. For clarity, such funds shall not constitute trust property.

Similarly, in the event that the University is precluded by provisions of the *Income Tax Act* from depositing to the Pension Fund in any Plan Year any or all of the amounts of Required Contributions that the University is obliged to pay on behalf of Members pursuant to subparagraph (ii) of paragraph (c) of Section 4.01 of the RPP, then such amounts as are equal to the amounts so precluded from being paid by the University to the Pension Fund shall be retained by the University in the same separate account with the same accruing interest as described above in this paragraph (e) and shall be used in the same manner and for the same purpose. For clarity, such funds shall not constitute trust property.

- (f) The University and TUFA shall expeditiously implement a reasonable alternative to the SRA of equal benefit, in order to improve the retirement incomes of TUFA bargaining unit members, either within the RPP or by some other means. For the purposes of this paragraph, "equal benefit" means the amount necessary to ensure that the RPP and alternative benefit combined continue to provide a total retirement benefit to Members equal to the benefits provided under the RPP and the SRA at the

time the SRA was discontinued, in addition to providing Health Care Reimbursements to eligible Retired members of the RPP or Prior Plan and/or their Spouses. Upon the establishment of such an alternative to the SRA by agreement between the University and TUFA, the contributions to be paid by the University to the RPP in a Plan Year and the funding under the ARA shall again follow the model of contribution and funding provided in Section 4 (ARA Funding) herein, with the necessary modifications, unless the University and TUFA shall agree to alternative provisions.

- (g) Unless TUFA and the University agree otherwise, any SRA Surplus, including any remaining Transition Pension Allocations payments, or any unfunded liability of the SRA at discontinuation, including any liabilities in respect of Health Care Reimbursements, shall be rolled over into the alternative retirement arrangement provided in paragraph (f) above, as assets or liabilities at its startup.

9.04 Consequences of Discontinuation Pursuant to Section 9.02 (b)

If the SRA is discontinued pursuant to paragraph 9.02 (b) above, then:

- (a) All benefits earned under the SRA up to the date of discontinuation shall remain obligations of the University. Such benefits shall be paid to Members in the same manner and same form as benefits from the RPP unless the University and TUFA agree otherwise.
- (b) If any assets remain in the SRA Fund after payment of all liabilities under the SRA, including liabilities in respect of Health Care Reimbursements, then, subject to any claims of creditors of the University pursuant to Section 4.04 (SRA Fund Is Not Trust Property) and Section 4.05 (Claims Against the SRA Fund) herein, such assets shall be used as TUFA and the University shall agree.

Section 10 General Provisions

10.01 Designation of Beneficiary

The provisions of Section 13 (Designation of Beneficiary) of the RPP apply, with the necessary modifications, to the designation of a Beneficiary under the SRA.

10.02 Payment of Benefits

The provisions of Section 15.04 (Proof of Age and Spousal Status) and Section 15.05 (Payment to Minors and Incompetents) of the RPP apply, with the necessary modifications, to the payment of benefits under the SRA.

10.03 Administration

The provisions of Section 2.02 (Actuary), Section 14.02 (Actuarial Valuation) and Section 15 (Administration of the Plan) of the RPP apply, with the necessary modifications, to the administration of the SRA, including the provisions on communication in Section 15.06 and on the Pension Subcommittee in Section 15.01(c), among which latter are the Pension Subcommittee's duty to monitor the SRA, recommend amendments to the SRA, and discuss investment matters relating to the SRA. It is further provided that the annual statement to Members of the SRA may be a separate statement or part of the RPP statement.

10.04 Information

Further to the provisions of Section 10.03 above, the University shall maintain all necessary records in respect of Members' SRA benefits, including information on Nominal Earnings and Pensionable Service. Moreover, the University shall provide the Pension Subcommittee described under Section 15.01 (Plan Administration and the Pension Subcommittee) of the RPP with a Valuation at least once in every Plan Year respecting the liabilities relating to the SRA, including the liabilities relating to the Health Care Reimbursements (Section 2.07), the assets set aside in the SRA Fund, and the transactions respecting the SRA under Section 4.03 (SRA Funding and the University's Funding Obligations) hereof and under Section 4 (ARA Funding) of the ARA, as well as information on the investment performance and earnings of the SRA Fund; and the Pension Subcommittee shall review with the Actuary and with the investment managers of the SRA Fund their Valuation and investment reports. TUFAs shall receive from the University in a timely fashion and not less than once every Plan Year copies of all information provided to the Pension Subcommittee under this Section.

10.05 Withholding Tax

The benefits payable pursuant to this SRA shall be subject to applicable statutory withholding taxes and the University shall not be under an obligation to gross-up the benefits hereunder to account for such withholding taxes.

10.06 Employment Rights

The provisions of this SRA shall not confer rights on Members that they do not otherwise possess as employees, except as to the benefits they have accrued under the terms of the SRA.

10.07 Assignment

The benefits payable under the terms of this SRA shall be considered to be for the personal use of the person receiving such benefit and shall not be given as security or be subject to anticipation, alienation, sale, surrender, commutation, transfer, assignment, pledge, encumbrance or charge, or to attachment or legal process for debts of the person receiving such benefits, except in the case of the distribution of an estate by a legal representative, as specifically provided by statute, or in the case of marriage breakdown, or as provided in Section 10.08 below.

10.08 Commutation

The University reserves the right to commute the payment of small amounts that would otherwise be payable in the form of annual benefits pursuant to Section 5 (Retirement Benefits), Section 6 (Termination Benefits) or Section 8 (Preretirement and Postretirement Death Benefits) hereof. Unless the Member directs otherwise, the University's right pursuant to this provision shall be limited to small amounts as set out in Section 6.07 (Cash Payment of Small Pensions on Retirement) of the RPP.

10.09 Notices and Elections

Subject to the provisions of the Collective Agreement and the terms herein, any notice or election to be given, made or communicated pursuant to or for any purpose of the SRA shall be given, made or communicated as the case may be, as the University shall determine from time to time, provided that the notice or election shall be given, made or communicated so as to afford reasonable time and opportunity for any response. No right or contingent right of any person or authorized agent shall be nullified by failure of such person or authorized agent to respond to such notice or election.

10.10 Duplication of Benefits

There shall be no duplication of the benefits under any one section of the SRA and the benefits under any other section of the SRA, nor of the benefits under the SRA and the benefits under the RPP or under any retirement plan or arrangement of any other associated organization with respect to the same period of service.

10.11 Cessation of Operation of the University

In the event that the University ceases operations, the obligations under this SRA shall remain enforceable.

10.12 Successors and Assigns

This SRA shall be binding on the successors and assigns of the University.

10.13 Collective Agreement

The SRA forms part of the Collective Agreement.

10.14 Applicable Laws

The SRA shall be interpreted and administered in accordance with the laws applicable in the Province of Ontario.

DATED at Peterborough, this 28th day of April, 2006.

Signed: **For the University**

For TUFA

David Mahy, Chief Negotiator

Dr. John Fekete, Chief Pension Negotiator

Don O’Leary, Vice-President (Administration)

Dr. Graham Cogley, Pension Negotiator

Garth Brownscombe, Director of Finance

Dr. Douglas Curtis, Pension Negotiator

Sharon Stover, Pension Co-ordinator

Dr. George Nader, Pension Negotiator

Appendix A — Advance Income Tax Ruling

Advance Income Tax Ruling (May 26, 1998, extended November 25, 1998)

The texts below are the text of Revenue Canada's Advance Income Tax Ruling, followed by the extension of the deadline for compliance.

Income Tax Rulings and
Interpretations Directorate
15th Floor, Albion Tower
25 Nicholas Street
Ottawa ON K1A 0L5
Tel. (613) 957-8953 – Fax (613) 957-2088

Hewitt Associates LLC
25 Sheppard Avenue West
Toronto ON M2N 6T1

Our file
981243
M.P. Sarazin

Attention: Christopher M. Newton

May 26, 1998

Dear Sirs:

Re: Advance Income Tax Ruling
Proposed Supplemental Retirement Arrangement
Trent University (the "Employer") (Account # 11926 8928)

This is in reply to your letter dated May 8, 1998, wherein you requested an advance income tax ruling on behalf of the above-noted taxpayer. We also acknowledge the information provided during our various telephone conversations (Newton/Sarazin).

Our understanding of the facts and proposed transactions is as follows:

Facts

1. The Employer is a corporation without share capital created under *The Trent University Act*, S.O. 1962-1963. Its address is 1600 West Bank Drive, Peterborough ON K9J 7B8. The Employer is a registered charity under paragraph 149(1)(f) of the *Income Tax Act* (the "Act") (Registration # 11926 8928 RR001).

The Employer files its tax returns with the Sudbury Taxation Centre and it is located within the area served by the Peterborough Tax Services Office.

2. The Employer established The Contributory Pension Plan for Employees of Trent University (the “RPP”) with effect from July 1, 1969. The RPP is a registered pension plan, as defined in subsection 248(1) of the Act, under Revenue Canada registration number 0310409. The Employer is the administrator of the RPP, through its Board of Governors. The RPP is a defined benefit plan which currently has a significant surplus.
3. The RPP provides benefits to the Employer’s employees. These employees are senior administration staff, non-unionized employees and members of the Employer’s faculty who are represented by the Trent University Faculty Association (the Association”) and members of the Employer’s staff who are represented by the Ontario Public Service Employees Union, Local 365 (the “Union”). The Association and the Union are certified bargaining units under the Ontario Labour Relations Act and are the exclusive bargaining agents for the Employer’s faculty and staff, respectively. The collective agreements between the Employer and each of the Association and the Union incorporate benefits under the RPP.
4. On January 30, 1998, the Employer and the Association entered into the Framework Agreement in Principle on Pension and other Retirement Benefit Issues (the “Framework Agreement”). The Framework Agreement sets out certain amendments and changes to the pension and other retirement benefits that will be provided to the Employer’s employees who are members and former members of the Association, including retirees, and other employees who have the right to enter the bargaining unit represented by the Association (hereinafter these members will be referred to as “Eligible Members”). The Employer and the Association will make every effort to conclude a final legal agreement to implement the Framework Agreement. The final legal agreement will be subject to ratification by the Employer and the Association and thereafter will form part of the collective agreement or a separate agreement.

Proposed Transactions

5. Subject to the approval of the Registered Plans Division of Revenue Canada and the appropriate provincial pension authorities, the terms of the RPP will be amended in respect of the Eligible Members.
6. Pursuant to the ratification referred to under paragraph 4 above, the Employer will establish the “Supplemental Retirement Arrangement for Eligible Members of The Contributory Pension Plan for Employees of Trent University” (the “Plan”), with effect from July 1, 1998.
7. The Plan will provide lifetime retirement benefits to Eligible Members of the RPP equal to the difference between the lifetime retirement benefits that would otherwise be payable to the Eligible Member out of the RPP if there was no limit to the benefits under subsection 8504(1) of the *Income Tax Regulations* (the “Regulations”) and the lifetime retirement benefits payable to the Eligible Member under the RPP. In addition, the Plan will only recognize the Eligible Member’s pensionable earnings up to the maximum salary step under the collective agreement between the Employer and the Association (currently \$102,910). The maximum pensionable earnings under the Plan will reflect any adjustments to the maximum salary step that may be made under the collective agreement.
8. The additional benefits provided under the Plan will apply to all benefits payable to Eligible Members out of the RPP, including retirement benefits, termination benefits, death benefits, disability benefits and indexation and shall be payable at the same time and in the same forms of payment as the benefits payable to the Eligible Members out of the RPP.
9. The Employer will use its operating funds to pay the required benefits to the Eligible Members as required under the Plan. For financial accounting purposes, the Employer shall set aside funds in a “special purpose fund” to fund its liabilities under the Plan. At all times, the Employer will retain ownership of all of the funds set aside in the special purpose fund. The Employer will not contribute

amounts to a trust or to any other person or legal entity in respect of the Plan and the Employer will ensure that the assets set aside in the fund shall not constitute trust property. The funds held in the special purpose fund will not be subject to the direct claim of any of the Eligible Members that may receive benefits under the Plan and the funds will be subject to the claims of the Employer's creditors in accordance with applicable bankruptcy legislation in the event of the Employer's receivership, bankruptcy or wind-up. However, in order to maximize its return on the funds held in the special purpose fund, the Employer will seek the advise of a third party investment manager when making its investment decisions.

10. The funds to be set aside by the Employer each year will be equal to the difference between the amounts contributed by the Eligible Members to the RPP in the particular year and the amounts contributed to the RPP by the Employer in respect of the Eligible Members of the RPP (currently nil because of the surplus) in the particular year. If the special purpose fund set aside by the Employer to fund its liabilities under the Plan exceeds its liabilities under the Plan, the amount set aside for the particular year may be reduced, subject to agreement between the Employer and the Association.
11. Subject to agreement between the Employer and the Association, the accrual of benefits by Eligible Members under the Plan may be suspended from time to time or terminated in whole.

Purpose of Proposed Transactions

12. The purpose of the proposed transactions is to provide supplementary retirement benefits to Eligible Members of the RPP that have their RPP retirement benefits restricted as a result of limits imposed by the Act and Regulations. The Employer will fund such retirement benefits by setting aside funds that it would normally have to contribute to the RPP if it were not for the surplus in the RPP.

Additional Information

13. To the best of your knowledge and the knowledge of the Employer, none of the issues involved in this request for an advance income tax ruling:
 - (a) is in an earlier return of the Employer or of a person related to the Employer;
 - (b) is being considered by a tax services office or taxation centre in connection with a previously filed return of the Employer or of a person related to the Employer;
 - (c) is under objection by the Employer or by a person related to the Employer;
 - (d) is before the courts; or
 - (e) is the subject of a ruling previously issued by the Income Tax Rulings and Interpretations Directorate.

Rulings

Provided that the preceding statements constitute a complete and accurate disclosure of all of the relevant facts, proposed transactions and purpose of the proposed transactions, and provided the proposed transactions are completed in the manner described herein, our rulings are as follows:

- A. The Plan will not constitute a salary deferral arrangement as that term is defined in subsection 248(1) of the Act.

- B. Provided that Plan does not result in the creation of a trust, the Plan will not constitute a retirement compensation arrangement as that term is defined in subsection 248(1) of the Act.
- C. All payments made by the Employer to an Eligible Member or his or her beneficiary, as the case may be, under the terms of the Plan will be included in the income of the recipient in the year it is received as a superannuation or pension benefit pursuant to subparagraph 56(1)(a)(i) of the Act.
- D. No amount will be included in the income of an Eligible Member under subsection 5(1) of the Act or paragraph 6(1)(a) of the Act as a result of, in and by itself, the Eligible Member's participation in the Plan, other than as indicated in ruling C above.

The above rulings, which are based on the Act in its present form and does not take into account any proposed amendments thereto, are given subject to the general limitations and qualifications set out in Information Circular 70-6R3 dated December 30, 1996, and is binding on Revenue Canada provided that the proposed transactions are completed within six months of the date of this letter.

Comments

This letter does not express or imply, and should not be construed as expressing or implying, that any ruling, opinion, confirmation or approval in respect of the proposed amendments to the RPP. This approval can only be given by the Registered Plans Division.

Yours truly,

Paul Lynch
for Director
Financial Industries Division
Income Tax Rulings and
Interpretations Directorate
Policy and Legislation Branch

Income Tax Rulings and
Interpretations Directorate
15th Floor, Albion Tower
25 Nicholas Street
Ottawa ON K1A 0L5
Tel. (613) 957-8953 – Fax (613) 957-2088

Hewitt Associates LLC
25 Sheppard Avenue West
Toronto ON M2N 6T1

Our file
983022

Attention: Christopher M. Newton

November 25, 1998

Dear Sirs:

Re: Advance Income Tax Ruling
Proposed Supplemental Retirement Arrangement
Trent University (Account # 11926 8928)

This is in reply to your facsimile dated November 19, 1998, wherein you requested an extension of time in order to complete the transactions described in advance income tax ruling #981243 issued to the above-referenced taxpayer on May 26, 1998 (the “Ruling”)

We have considered your request and confirm that the rulings provided in the Ruling continue to be binding on the Department provided that the proposed transactions as described in the Ruling are completed by May 26, 1999.

Yours truly,

Paul Lynch
for Director
Financial Industries Division
Income Tax Rulings and
Interpretations Directorate
Policy and Legislation Branch