

# **UNIVERSITY OF ALBERTA ACADEMIC SUPPLEMENTARY RETIREMENT PLAN**

Effective as at July 1, 2009

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## **SECTION 1      INTRODUCTION**

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- 1.01** The University of Alberta Academic Supplementary Retirement Plan is established by the University of Alberta effective July 1, 2009.
- 1.02** Members of this Supplementary Plan also participate in the Universities Academic Pension Plan (the “Pension Plan”), a defined benefit pension plan which is registered under the *Income Tax Act* (Canada).
- 1.03** The purpose of this Supplementary Plan is to provide additional retirement benefits to eligible employees who are members of the Pension Plan. This Supplementary Plan provides defined contribution benefits on Earnings (as hereinafter defined) exceeding the Pension Plan Salary Cap (as hereinafter defined) up to the Supplementary Plan Salary Cap (as hereinafter defined).
- 1.04** The creation and continued operation of the Supplementary Plan is required by the collectively bargained agreement between the Governors (as hereinafter defined) and the AASUA (as hereinafter defined) dated June 2, 2005. As set forth in greater details in Section 7, the Supplementary Plan may only be amended or terminated pursuant to the terms of a written agreement between the Governors and the AASUA.

## SECTION 2      DEFINITIONS

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The following expressions, where used herein, shall have the following meaning unless the context indicates otherwise.

- 2.01** *AASUA* means the Association of Academic Staff University of Alberta.
- 2.02** *Active Member* means an Employee who has been enrolled in the Supplementary Plan pursuant to Section 3 (Membership) and who continues to be entitled to receive annual Notional Contributions in accordance with Section 4.02 (Notional Contributions). Active Members whose Excess Earnings in a Year fall to zero shall continue to be considered Active Members eligible for annual Notional Contributions in accordance with Section 4.02 (Notional Contributions) should their Excess Earnings once again exceed zero. Suspended, Terminated and Retired Members shall not be considered Active Member.
- 2.03** *Beneficiary* means the person or persons designated by a Member on a form prescribed by the administrator to receive death benefits from the Supplementary Plan. If no such person or persons survive the Member the term “Beneficiary” shall mean the Member’s estate.
- 2.04** *Collective Agreement* means the following collective agreements between the University and the AASUA, as amended or replaced from time to time, the terms of which govern the employment of Employees by the University: the Faculty Agreement, the Librarian Agreement, the Faculty Service Officer Agreement, and the Administrative and Professional Officer Agreement.
- 2.05** *Continuous Service*, expressed in years and fractions of years, means an uninterrupted period of employment as an Employee with the University, including any periods of leave or any period while receiving benefits under a Disability Plan (as that term is

defined in the Pension Plan), the terms of which employment were governed by a Collective Agreement. Accruing of Continuous Service shall:

- (a) commence on the most recent date that an Employee began working for the University in a position governed by a Collective Agreement;
- (b) cease when a Member becomes a Suspended Member;
- (c) recommence when a Suspended Member becomes a Reactivated Member; and
- (d) terminate on the Member's termination of employment (including retirement or death).

**2.06** *Earnings* means:

- (a) An Employee's gross basic pay for the performance of the regular duties of employment, excluding any expense allowance, overtime payment, special remuneration, or other similar compensation; and
- (b) In the case of an Employee who is receiving benefits under a Disability Plan (as that term is defined in the Pension Plan), Earnings are deemed to be the remuneration identified in Section 2.06(a) that the Employee was receiving immediately preceding the period of Disability (as that term is defined in the Pension Plan), adjusted in accordance with any subsequent general adjustments in respect of the period in question that are applicable to the class of employees that the Employee was then in.

**2.07** *Employee* means any person:

- (a) who is employed by the University;
- (b) who is a member of the University's academic staff, and
- (c) whose employment is governed by the terms of a Collective Agreement as defined in 2.04.

**2.08** *Excess Earnings* has the meaning set out in Sections 4.02(b) and (c) (Notional Contributions), as applicable.

- 2.09** *Governors* means The Governors of the University of Alberta, as established by an order of The Lieutenant Governor in Council of Alberta pursuant to the *Post-Secondary Learning Act*, RSA 2000, c. P-19.5.
- 2.10** *Interest Option* means a notional fund which shall be selected, and which may be modified from time to time, by the Operations Committee. It is intended that the Interest option will comprise a notional investment in a Treasury Bill index.
- 2.11** *Management Committee* has the meaning set out in Section 6.02 (Supplementary Plan Joint Management Committee).
- 2.12** *Main Investment Option* means a notional fund which shall be selected, and which may be modified from time to time, by the Operations Committee. It is intended that the Main Investment Option will comprise a notional investment in a balanced fund, being a fund that diversifies its holdings over a range of asset classes that typically includes stocks, bonds and cash.
- 2.13** *Member* means an Employee who has been enrolled in the Supplementary Plan pursuant to Section 3 (Membership) and who continues to be entitled to benefits under the Supplementary Plan. Member includes Active Member, Suspended Member and Reactivated Member, Terminated Member and Retired Member who continues to be entitled to benefits under the Supplementary Plan. Member excludes a person in respect of whom all benefit entitlements under the Supplementary Plan have been discharged via payment of those benefit entitlements.
- 2.14** *Notional Account* means an unfunded account established by the University on behalf of each Member, such account to be comprised of Notional Contributions and Notional Earnings/Losses.

- 2.15** *Notional Contributions* has the meaning set out in accordance with Section 4.02 (Notional Contributions).
- 2.16** *Notional Earnings/Losses* means the annual change in value of each Member's Notional Account from December 31<sup>st</sup> of the preceding Year to December 31<sup>st</sup> of the current Year as a result of the gains or losses attributable to the notional investment of the Notional Account.
- 2.17** *Operations Committee* has the meaning set out in Section 6.03 (Supplementary Plan Joint Operations Committee).
- 2.18** *Pension Plan* means the Universities Academic Pension Plan (UAPP), as amended from time to time.
- 2.19** *Pension Plan Salary Cap* means with respect to any Year the sum of (a) and (b), where:
- (a) is 50 multiplied by 1/9 of the greater of \$22,000 or the amount defined as the money purchase limit in the *Income Tax Act* (Canada), and
  - (b) is 30% of the YMPE for the Year.
- 2.19** *Reactivated Member* means an individual who is a Suspended Member and who once again meets the requirements for participation in the Supplementary Plan set forth in Section 3.01 (Eligibility).
- 2.20** *Retired Member* means a Member who has attained Vested Status and is at least age 55 at the time of termination of employment from the University.
- 2.21** *Reserve Account* means the fund referred to in Section 5.02 (Reserve Account).

- 2.22** *Supplementary Plan* means the University of Alberta Academic Supplementary Retirement Plan.
- 2.23** *Supplementary Plan Salary Cap* means:
- (a) for the Year 2009, \$180,000;
  - (b) for the Year 2010, \$191,998;
  - (c) for each Year subsequent to 2010, such other amount as is negotiated and agreed to in writing from time to time between the University and the AASUA.
- 2.24** *Suspended Member* means a Member who remains employed by the University, but who is no longer an Employee. Suspended Members shall not be considered Active Members.
- 2.25** *Terminated Member* means a Member who has attained Vested Status and is less than age 55 at the time of termination of employment from the University.
- 2.26** *U.S. Member* means a Member who has notified the University that, in respect of all or a portion of such U.S. Member's Continuous Service, he is a U.S. citizen, U.S. permanent resident or other person whose benefits under the Supplementary Plan are subject to the United States *Internal Revenue Code* Section 409A.
- 2.27** *University* means the Governors and any affiliated or associated incorporated or unincorporated entity which may be designated as a participating employer in the Supplementary Plan by the Governors; and where any reference in the Supplementary Plan is made to any action to be taken, consent, approval or opinion to be given, discretion or decision to be exercised by the University, "University" means the University of Alberta acting through the Governors or any person or persons authorized by the Governors to so act.
- 2.28** *Vested Status* means the attainment of two Years of Continuous Service.



**2.29** *Year* means a calendar year.

**2.30** *YMPE* means in respect of any Year, the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan or any replacement for such plan.

In this Supplementary Plan, unless otherwise indicated or unless the context so requires, reference to the male gender includes the female gender and vice versa, and words importing the singular number shall include the plural number and vice versa.

In this Supplementary Plan, unless reference is made to another document, act or regulation, references to Sections shall be interpreted as references to Sections of this Supplementary Plan text.

## **SECTION 3      MEMBERSHIP**

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### **3.01    Eligibility**

- (a)    Subject to Section 3.01(b), on July 1, 2009 and on December 31<sup>st</sup> of each Year thereafter, all Employees:
  - (i)     who are members of the Pension Plan; and
  - (ii)    whose Excess Earnings for that Year exceed \$0,shall become Members of the Supplementary Plan.
- (b)    Notwithstanding Section 3.01(a), any individual who, pursuant to a written agreement with the University, is accruing benefit entitlements in any other supplemental retirement benefit plan sponsored by the University shall not participate in this Supplementary Plan.

### **3.02    Suspended Member**

A Suspended Member shall remain a Member of the Supplementary Plan and Notional Earnings/Losses shall continue to be allocated to such Member's Notional Account. For greater certainty, annual Notional Contributions shall not be made to any Suspended Member's Notional Account effective from the date the Member becomes a Suspended Member.

### **3.03    Reactivated Member**

If a Suspended Member once again meets the eligibility requirements under Section 3.01 (Eligibility), the Member shall cease to be a Suspended Member, shall become a Reactivated Member and shall once again receive Notional Contributions in accordance with Section 4.02 (Notional Contributions) from the date the Member once again meets such eligibility requirements.

### **3.04 Retired Member**

A Retired Member who retired pursuant to Section 4.12 (Vested Retirement Post Age 55) shall remain a Member of the Supplementary Plan during the term of their lump sum or instalment payments as applicable pursuant to 4.12(a) and 4.12(b) and Notional Earning/Losses shall continue to be allocated to such Member's Notional Accounts until December 31<sup>st</sup> of the Year immediately preceding the final payment of the Member's notional account balance. For greater certainty, annual Notional Contributions shall not be made to any Retired Member's Notional Account effective from the date the Member becomes a Retired Member.

### **3.05 Terminated Member**

A Terminated Member shall remain a Member of the Supplementary Plan until the final payment of the Member's notional account balance is made pursuant to Section 4.11 (Vested Termination Prior to Age 55). For greater certainty, annual Notional Contributions shall not be made to any Terminated Member's Notional Account effective from the date the Member becomes a Terminated Member.

### **3.06 Re-Employment**

- (a) A Member who:
  - (i) ceases to be employed by the University; and
  - (ii) who is later re-employed as an Employee,shall, for all purposes of the Supplementary Plan, be deemed to be a new Employee and their participation in the Supplementary Plan shall be subject to the eligibility requirements set out in Section 3.01 (Eligibility);
- (b) A Retired Member who retired pursuant to Section 4.12 (Retirement Post Age 55) and elected instalment payments (b) and who is later re-employed by the University shall:
  - (i) participate in the Supplementary Plan in accordance with the eligibility requirements set out in Section 3.01 (Eligibility); and

- (ii) if applicable, continue to receive the retirement benefits determined pursuant to Section 4.12(b) (Retirement Post Age 55).

## **SECTION 4      BENEFITS**

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### **4.01 Establishment of Notional Accounts**

- (a) There will be established for each Member a Notional Account to which will be credited annually with:
- (i) Notional Contributions;
  - (ii) Notional interest on annual Notional Contributions pursuant to Section 4.02(d); and
  - (iii) Notional Earnings/Losses.
- (b) The University shall provide to each Employee within 90 days of the Employee becoming a Member of the Plan a booklet explaining the benefits available under the Supplementary Plan.
- (c) The University shall provide to each Member within 180 days after the end of each Year, a statement containing the following:
- (i) the carried forward balance of the Member's Notional Account as at January 1st of the preceding Year;
  - (ii) the annual Notional Contribution made to the Member's Notional Account for the Year;
  - (iii) notional interest credited on the annual Notional Contribution pursuant to Section 4.02(d);
  - (iv) the Notional Earnings/Losses allocated to the carried forward balance of the Member's Notional Account for the Year; and
  - (v) the total balance of the Member's Notional Account as at December 31<sup>st</sup> of the Year.

#### 4.02 Notional Contributions

- (a) The University's annual Notional Contributions to each Active Member's Notional Account shall consist of a percentage of each Active Member's Excess Earnings for that same Year. That percentage shall be in accordance with the following chart:

	<b>Percentage Applied to Excess Earnings to Determine Annual Notional Contribution</b>
Less than 55 points	8.0%
Greater than or equal to 55 points and less than 80 points	12.0%
Greater than or equal to 80 points	16.0%

where the number of points is equal to:

- (i) in respect of Notional Contributions made at the end of a Year, the Member's age plus Continuous Service (both expressed in years and fractions of years) as at December 31<sup>st</sup> of that Year;
- (ii) in respect of Notional Contributions made during a Year as a result of the Member's termination of employment with the University (including retirement or death), the Member's age plus Continuous Service (both expressed in years and fractions of years) as at December 31<sup>st</sup> of the preceding Year.
- (b) Subject to Section 4.02(c), Excess Earnings means the lesser of:
- (a) the Earnings of a Member; and
- (b) the Supplementary Plan Salary Cap,
- which are in excess of the Pension Plan Salary Cap in any Year.

- (c) the case of a Member who terminates employment with the University (including retirement or death) or becomes a Suspended Member, the Member's Excess Earnings shall be pro-rated in accordance with the following formula:

Excess Earnings the Member would have received had they been an Active Member during the entire Year	Multiplied by	Days as an Active Member during the Year, divided by Days in the Year
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- (d) Notional interest (based upon the Interest Option) will accrue to the average annual Notional Contribution, which in all cases will be 50% of the annual Notional Contribution for the Year. In the case of a Member who terminates employment on any day other than December 31<sup>st</sup>, notional interest will be based upon the year to date return to the end of the month of termination.
- (e) Notional Contributions and notional interest shall be credited to the Active Member's Notional Account within 60 days of;
- (i) December 31<sup>st</sup> of each Year; or
  - (ii) the date the Member terminates from employment with the University (including retirement or death).

#### **4.03 Member Contributions**

The Member is neither required nor permitted to make contributions under the Supplementary Plan.

#### **4.04 Withdrawals by Members**

A Member shall not be permitted to withdraw any amounts from the Supplementary Plan while that individual remains an Employee, an Active Member or a Suspended Member.

#### **4.05 Notional Investment of Notional Accounts**

- (a) Subject to Section 4.05(b) and Section 4.06, the Members' Notional Accounts shall be notionally invested in the Main Investment Option.
  
- (b) A Member has a one time, irrevocable option, which may be exercised at any time, to choose to notionally invest the entirety of their Notional Account (including, for greater certainty, future annual Notional Contributions) in the Interest Option. This option will be implemented by the University
  - (i) where notice from the Member to the University of the exercise of this option is received at least 14 days prior to the end of the current month, at the end of such month; and
  - (ii) where notice from the Member to the University of the exercise of this option is received within 14 days of the end of the current month, at the end of the next month.

#### **4.06 Notional Investment in Year of Termination**

Where a Member terminates or dies on a date other than December 31st of a Year, the Notional Earnings/Losses for that Member's Notional Account for that Year shall be calculated on the basis of the year to date return for the investment choice of the Member as of the last day of the month of termination.

#### **4.07 Expenses**

The Notional Earnings/Losses credited to the Member's Notional Account will be net of any notional investment management fees.

#### **4.08 Liability for Investment Performance**

Regardless of how a Member's Notional Account is notionally invested, none of the University, the Governors, the AASUA, the Management Committee, the Operations Committee, nor any of their respective board members, committee members, officers, employees, contractors, delegates, agents, or their respective successors, assigns, heirs, survivors, administrators, executors and legal representatives (as applicable), shall be



responsible for the Notional Earnings/Losses of any Member's Notional Account.

**4.09 No Payment Except on Termination, Retirement, or Death**

No benefits shall be payable under the Supplementary Plan before the Member's date of termination of employment from the University (including retirement and death).

**4.10 Termination where Member does not have Vested Status**

A Member who has terminated their employment from the University (at any age) and who has not attained Vested Status is not entitled to any benefits from this Supplementary Plan.

**4.11 Vested Termination Prior to Age 55**

The University shall pay to a Terminated Member who, as at the date of their termination of employment from the University, has attained Vested Status but has not yet attained age 55, the amount of the Terminated Member's Notional Account as a single lump sum amount. This payment shall be made by the University on or before January 31st of the Year following the Year when the Terminated Member terminated their employment with the University.

**4.12 Vested Retirement Post Age 55**

Subject to Section 8.10 (U.S. Members), the University shall pay to a Retired Member, who at the date of their termination of employment from the University has attained Vested Status and is at least age 55, the amount of the Retired Member's Notional Account either:

- (a) as a single lump sum amount, which payment shall be made by the University on or before January 31st of the Year following the Year when the Retired Member terminated their employment with the University; or
- (b) if the Retired Member so directs the University in writing, by not more than five annual instalment payments with the first instalment payment to be made on January 31st of the Year following the Year when the Retired Member

terminated their employment with the University and subsequent instalment payments to be made on January 31st of each succeeding Year until all of the instalment payments have been made. Instalment payments made in the Years subsequent to the Year when payments commenced to be made from the Supplementary Plan shall be adjusted for any Notional Earnings/Losses in accordance with Section 4.13 (Credits While Receiving Instalments).

#### **4.13 Credits While Receiving Instalments**

Where a Notional Account is being paid to a Retired Member in annual instalments in accordance with Section 4.12 (b) (Vested Retirement Post Age 55), the amounts remaining in the Retired Member's Notional Account on December 31<sup>st</sup> of each Year, subsequent to any payment required to be made during that Year, shall be credited with Notional Earnings/Losses on the notional balance remaining in Notional Account.

#### **4.14 Small Benefit**

Notwithstanding Section 4.12(b), if the amount of the Retired Member's Notional Account is less than 50% of the YMPE for the Year, payment to the Retired Member shall be in the form of a single lump amount in accordance with Section 4.12(a) (Vested Retirement Post Age 55).

#### **4.15 Death Prior to Attaining Vested Status**

In the event a Member dies prior to attaining Vested Status, the Member shall be deemed to have attained Vested Status and their Beneficiary shall receive the amount of the Member's Notional Account as a single lump sum payment on or before January 31<sup>st</sup> of the Year following the Year in which the Member died.

#### **4.16 Death Before Commencement of Instalment Payments**

With respect to a Retired Member who elected instalment payments of their Notional Account pursuant to Section 4.12(b), (Retirement Post Age 55) and dies prior to receipt of any benefit from the Supplementary Plan, the University shall pay to the Member's

Beneficiary the amount of the Retired Member's Notional Account as a single lump sum payment on or before January 31<sup>st</sup> of the Year following the Year in which the Retired Member died.

**4.17 Death After Commencement of Instalment Payments**

In the event a Retired Member dies after commencing to receive instalment payments of their Notional Account pursuant to Section 4.12(b), (Retirement Post Age 55), the amount remaining in the Retired Member's Notional Account shall be paid to the Member's Beneficiary as a single lump sum payment on or before January 31<sup>st</sup> of the Year following the Year in which the Retired Member died.

## **SECTION 5            FUNDING OF BENEFITS**

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### **5.01    No Obligation to Fund**

Amounts payable to, or in respect of, the Member under this Supplementary Plan shall be paid by the University. The University shall not be required to establish or contribute to a trust fund or other advance or current funding arrangement of any kind that may be construed as a Retirement Compensation Arrangement under the *Income Tax Act (Canada)* for the provision of benefits which may be payable under this Supplementary Plan.

### **5.02    Reserve Account**

The University shall establish, for financial accounting purposes, a special purpose reserve account in respect of the liabilities of the University under the Supplementary Plan. On or before December 31<sup>st</sup> of each Year during the existence of this Supplementary Plan, the University shall:

- (a)    set aside in the Reserve Account the aggregate Notional Contributions for that Year; and
- (b)    adjust the amount in the Reserve Account for the aggregate effect of Notional Earnings/Losses.

### **5.03    Ownership of Reserve Account**

At all times the University shall be the sole legal and beneficial owner of the Reserve Account and the Reserve Account shall remain the sole and exclusive property of the University.

### **5.04    No Restrictions on Use of Reserve Account**

- (a)    The assets held in the Reserve Account may be commingled with other assets of the University and do not constitute separate and distinct trust property.

- (b) No portion of the Reserve Account will be set aside or earmarked in the name of a Member and no Member will have any direct claim against any portion of the Reserve Account.
- (c) The Reserve Account will be available for the benefit of the general creditors of the University.

## **SECTION 6      PLAN GOVERNANCE**

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### **6.01    Supplementary Plan Sponsors**

The Governors of the University are the sponsors of the Supplementary Plan. As the Supplementary Plan sponsors, the Governors (subject to the provisions of this Supplementary Plan) approve; plan design, substantive changes and plan amendments, funding and investment policies, the annual reports, and monitor plan performance and operations.

### **6.02    Supplementary Plan Joint Management Committee (“Management Committee”)**

- (a)    The Management Committee has an administrative/management role and shall:
- (i)    carry out those duties identified in this plan text as Management Committee responsibilities;
  - (ii)   meet semi-annually, or more often as required;
  - (iii)  provide recommendations to the Governors regarding the Supplementary Plan; and
  - (iv)  monitor, either directly or via reports received from the Operations Committee:
    - (A)    the achievement of the Supplementary Plan’s objectives,
    - (B)    the financial position of the Supplementary plan including investment options and the liabilities of the Supplementary Plan and the status of resources identified to provide for the payment of those liabilities;
    - (B)    compliance with applicable legal requirements;
    - (C)    the operations of the Supplementary Plan.
- (b)    The Management Committee shall be comprised of the following six (6) voting members:
- (i)    Vice-President (Finance and Administration) as Chair;
  - (ii)   President of the AASUA or delegate;

- (iii) Provost and Vice-President (Academic) or delegate;
  - (iv) Executive Director of the AASUA;
  - (v) Two (2) Operations Committee Co-Chairs; and
  - (vi) non-voting resource staff including Director Investments and Treasurer, Financial Services as required.
- (c) The Management Committee shall determine its own procedures regarding meetings and voting. In the event the Management Committee cannot reach unanimous agreement regarding such procedure, those procedures shall be determined in accordance with the terms of the collectively bargained agreement between the Governors and the AASUA.
- (d) At the request of any Member or their Beneficiary, the Management Committee shall review any decision of the Operations Committee and may confirm, vary or cancel any decision of the Operations Committee.

**6.03 Supplementary Plan Joint Operations Committee (“Operations Committee”)**

- (a) The Operations Committee shall be responsible for all matters relating to the operation and administration of this Supplementary Plan and shall also have the power to interpret the provisions of this Supplementary Plan and to formulate administrative provisions for carrying them out. The Operations Committee shall:
- (i) carry out those duties identified in this plan text as Operations Committee responsibilities;
  - (ii) review the Supplementary Plan’s objectives and recommend to the Management Committee Supplementary Plan design changes and amendments;
  - (v) obtain actuarial assumptions for the Supplementary Plan;
  - (vi) obtain, and monitor the performance of, the services of professional service providers as and when required;
  - (vii) monitor Member satisfaction with the Supplementary Plan;

- (viii) provide reports to the Management Committee and the Governors as requested by those bodies; and
- (ix) oversee the
  - (A) daily operation of the Supplementary Plan;
  - (B) compliance of the Supplementary Plan with applicable legal requirements;
  - (C) preparation of an annual report for the Supplementary Plan;
  - (D) development and distribution of communications materials, including annual member statements and plan member handbooks; and
  - (E) liabilities of the Supplementary Plan and the status of resources identified to provide for the payment of those liabilities.
  
- (b) The Operations Committee shall be comprised of the six (6) voting members:
  - (i) Vice-Provost and Associate Vice-President (Human Resources), or delegate, as Co-Chair;
  - (ii) Director of Staff Programs,
  - (iii) Director of Faculty Relations,
  - (iii) three representatives appointed by the AASUA with one as Co-Chair; and
  - (iv) non-voting resource staff including Director Investments and Treasurer, Financial Services as required.
  
- (c) The Operations Committee shall determine its own procedures regarding meetings and voting. In the event the Operations Committee cannot reach unanimous agreement regarding such procedures, those procedures shall be determined in accordance with the terms of the collectively bargained agreement between the Governors and the AASUA.



- (d) Subject to the direction of the Management Committee, the Operations Committee shall act on the basis that it owes a fiduciary duty to the Members and, accordingly, shall:
- (i) adopt and adhere to a conflict of interest policy;
  - (ii) act as a prudent and reasonable person would, when that person is charged with managing the property of another person;
  - (iii) act in the best interests of the Members; and
  - (v) treat all Members impartially and equitably.

## **SECTION 7      FUTURE OF THE SUPPLEMENTARY PLAN**

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### **7.01    Amendments and Termination**

- (a)    The Governors anticipate that the Supplementary Plan will continue indefinitely, however the Governors reserve the right, but only after having first obtained the written agreement of the AASUA to do so, to amend, modify or terminate (with or without replacement) this Supplementary Plan in part or in full, provided that, except as specifically indicated otherwise in this Supplementary Plan, no such amendment, modification or termination of this Supplementary Plan shall operate retroactively so as to affect adversely any benefits which a Member or other person may be entitled to receive under the provisions of this Supplementary Plan in effect prior to such action.
  
- (b)    The Governors and the AASUA may at any time jointly agree in writing to cease the allocation of Notional Contributions to the Supplementary Plan for a defined period of time.
  
- (c)    The Governors and the AASUA may at any time jointly agree in writing to terminate the Supplementary Plan. In the event that the Supplementary plan is terminated, for any reason other than (d) and (e), the Governors and the AASUA shall determine whether accrued benefits will be settled and paid out at the time of the Supplementary Plan termination or following the date of a Member's termination of employment (including retirement) or death.
  
- (d)    In the event that the Governors and the AASUA jointly agree to termination of the Supplementary Plan because of changes in the Pension Plan or the introduction of an alternate pension arrangement which provides similar future benefits to this Supplementary Plan; all Members will be deemed to be Vested and shall be entitled to receipt of their accrued benefits as if the Members had terminated on the date of the Supplementary Plan's termination.

- (e) In the event that the Governors and the AASUA jointly agree to the termination of the Supplementary Plan because of changes in the Pension Plan or the introduction of an alternate pension arrangement which provides retroactive benefits similar this Supplementary Plan; the Governors and the AASUA shall negotiate the specific terms of the Supplementary Plan termination with the objective that no Member will receive supplementary benefits for the same period of service from both plans, and that no Member will be adversely affected by the termination of this Plan.

## **SECTION 8            GENERAL PROVISIONS**

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### **8.01    Arrangement**

This Supplementary Plan is the sole arrangement between the Member and the University relating to retirement income or pension benefits in excess of the Pension Plan.

### **8.02    Assignment**

Neither the Member nor any other beneficiary under this Supplementary Plan shall have the right to assign, anticipate, pledge or otherwise encumber any right or interest under the Supplementary Plan.

### **8.03    Legal Rights**

- (a)    This Supplementary Plan shall not be construed as conferring any legal rights upon the Member for continuation of employment and shall not interfere in any way with the right of the University to terminate the Member's employment.
  
- (b)    The Member recognizes and agrees that, in the event that the University agrees to the amendment or termination of the Supplementary Plan in accordance with Section 7 (Future of the Supplementary Plan), the Member will not bring any actions, proceedings, demands or claims against the University for constructive dismissal.

### **8.04    Records**

Whenever used for the purposes of the Supplementary Plan, the records of the University shall be deemed to be conclusive as to the facts with which they are concerned.

### **8.05    Payment Constitutes Release**

A payment of benefits pursuant to the provisions of this Supplementary Plan, shall, to the extent of the payment made, fully release and discharge the University, the Governors, the Operations Committee, the Management Committee, and their respective officers,

board members, committee members, employees, contractors, delegates, and agents and those persons' successors, assigns, heirs, survivors, administrators, executors and legal representatives (as applicable) from any and all claims of the Member, their Beneficiary(ies), or the Member's or the Beneficiary's(s') heirs, survivors, administrators, executors and legal representatives, and any person claiming through the Member.

**8.06 Currency**

All amounts under this Supplementary Plan shall be in Canadian currency.

**8.07 Withholding and Reporting**

All payments under this Supplementary Plan are expressed on a pre-tax basis and shall be subject to applicable withholding taxes and reporting pursuant to the *Income Tax Act* (Canada) and any other applicable law. No payment from the Supplementary Plan shall have added to it a gross-up in respect of any tax or other statutory withholding or deduction.

**8.08 Interpretation**

This Supplementary Plan shall be interpreted in accordance with the laws of the Province of Alberta. Any litigation involving this Supplementary plan shall be conducted only in the courts of the Province of Alberta.

**8.09 Payments to Incapacitated Persons**

If the University receives evidence satisfactory to it that any person receiving a benefit or entitled to receive a benefit under the Supplementary Plan is legally incapable of giving a valid receipt for such payment, the benefit shall be paid in accordance with the law of the jurisdiction where the Member is resident.

Any such payment made in accordance with the law of the jurisdiction where the Member is resident will be deemed a payment for the account of the person and will constitute a complete discharge for the payment of the benefit.

#### **8.10 U.S. Members**

If, at any time, a Member is a U. S. Member who has attained Vested Status, that member shall only be entitled to the benefit provided under Section 4.11 (Termination Prior to Age 55) regardless of age at date of termination. Notwithstanding the foregoing if, at any time a Member is a U.S. Member, any payment made pursuant to this Supplementary Plan may not exceed the applicable dollar amount under the United States *Internal Revenue Code* Section 402(g)(1)(B).

#### **8.11 Severability**

Should any of the provisions of this Supplementary Plan and/or its conditions be illegal or not enforceable, it or they shall be considered severable and the Supplementary Plan and the remaining conditions shall remain in full force and effect and be binding upon the parties as though the said provision or provisions had never been included.

#### **8.12 Enurement**

This Supplementary Plan shall enure to the benefit of and be binding upon:

- (a) the successors of the University; and
- (b) the Member's heirs, survivors, executors, Beneficiaries, administrators, legal representatives and any person claiming through the Member.

#### **8.13 Headings**

The headings in this Supplementary Plan are included for convenience of reference only and shall not be used in interpreting the provisions of this Supplementary Plan.

#### **8.14 Applications, Notices and Elections**

Any application, notice, or election under the Supplementary Plan must be made, given, or communicated, as the case may be, in writing to the University as follows:

**University of Alberta,  
Human Resource Services,  
Pension & Benefit Advisory Services  
2-60 University Terrace,  
8303 – 112 Street  
Edmonton, Alberta  
T6G 2T4  
Fax # 780-492-8637**