My University of Ontario Institute of Technology (OntarioTech University) **Pension Plan**

Defined Contribution Pension Plan

Contents

The University of Ontario Institute of Technology Pension Plan

History
The University of Ontario Institute of Technology was established on June 27, 2002 pursuant to the *University of Ontario Institute of Technology Act, 2002*. The University's Pension Plan was established effective January 1, 2003 as a contributory defined contribution pension plan for eligible Employees of the University.

Purpose
Your University has established the University of Ontario Institute of Technology Pension Plan (Plan) to provide retirement benefits to its members in recognition of their service to the University.

This booklet describes the rules of your defined contribution pension plan (DCPP) which is registered under the Income Tax Act (Canada) and the Pension Benefits Act (Ontario) registration number 1087808.

The Plan was established with an effective date of January 1, 2003 and a December 31st year end. It is funded under Group Annuity Policy 63472-G issued by the Sun Life Assurance Company of Canada.

This booklet is intended as a summary description of the University's Plan. Every effort has been made to ensure the accuracy of this booklet, however in the event of any conflict between this booklet and the University's Pension Plan text, the Plan text will govern.

Introduction
The University of Ontario Institute of Technology (the "University") has established a group pension plan with Sun Life Assurance Company of Canada ("Sun Life").

We recommend that you review this booklet and the My Money Investment and Savings Guide provided to you. They contain important information on the principal advantages of membership in your pension plan. Please file this booklet in a safe place for future reference.

If you have any questions, please contact Sun Life at 1-877-908-0301. Alternatively, you may contact the Human Resources department.

What type of pension plan do I have?
Your University's plan is a defined contribution pension plan (DCPP). The University's defined contribution pension plan allows you to control how much you contribute as well as the investment direction of your contributions and the University's contributions made on your behalf.

What are my responsibilities?

As a member of a group pension plan you are responsible for:

- Taking some time to read this booklet to learn how your plan works
- Thinking about your own situation and your future goals for retirement
- Contacting Sun Life to obtain your member access ID # to provide you with access to the Sun Life's information and the on line tools available at **www.mySunLife.ca** as well as reading the My Money Investment and Savings Guide to help you make informed investment decisions
- Deciding whether you should obtain additional investment advice and selecting who you go to for this advice
- Making investment decisions which are suited to your own specific retirement goals
- Checking how your investments are performing and revising your investment strategy if your personal circumstances change
- Reviewing your quarterly Pension Statements
- Discussing your investment decisions with your spouse or partner and/or family members
- Considering how this Plan complements other sources of retirement income you may or will have such as Government Pensions (e.g. CPP, OAS), RRSPs and other pension plans or investments
- Determining how much you will contribute

It is important for you to take an active role in your plan, as your decisions will affect the amount of money accumulated for your future retirement income. The information in this booklet, in your My Money Investment and Savings Guide, and in Sun Life's online tools can help you make your decisions.

University's Defined Contribution Pension Plan

What is a defined contribution pension plan?

In a **defined contribution pension plan,** contributions are made by you and the Plan Sponsor (i.e. the University) which are deposited to an account set up in your name at Sun Life. At retirement, the balance of your account is used to provide your retirement income.

The amount of retirement income available to you depends on the amount of contributions accumulated, any investment earnings and the type of retirement income option chosen. These retirement income options are described later in this booklet.

Since the pension plan is registered with the Canada Revenue Agency, tax deductions are applicable to contributions made to a pension plan. Contributions and investment earnings are tax-sheltered until pension benefits are paid.

Who is the pension plan administrator?

The administrator of your DCPP is the University.

When can I join?

If you are a full-time employee
If you have a continuing appointment, you are required to join the Plan on your date of hire.

If you are employed on a less than full-time basis or have a limited term appointment
You are eligible to join the Plan once you have completed 24 months of continuous employment with the University, and have either:

1) earned at least 35% of the Year's Maximum Pensionable Contributions (YMPE*) **or;**

2) completed 700 hours of employment in each of the previous two consecutive calendar years.

*The YMPE changes from year to year and is established by the Canada Revenue Agency. For 2019 it is $57,400.

Can I leave the DCPP after I am enrolled in the DCPP?

Once you have joined the DCPP you may not suspend your membership while you are employed by the University. However, if you are on a leave of absence without pay, both your contributions and the University's contributions will stop for the period of the leave. The exception to this is that for Statutory Leaves of absence under the Employment Standards Act of Ontario, where certain leaves permit both the University and the employee to continue to make pension contributions.

How do I join?

To become a member of the Plan, the University's Human Resources department staff will provide you with the appropriate forms to complete.

How much am I required to contribute?

You are required to make a minimum basic contribution as follows:

- Effective July 1, 2019 until June 30, 2020, a Faculty Association Member shall contribute an amount equal to 3.5% of his or her Earnings to the Plan;

- Effective July 1, 2020, a Faculty Association Member shall contribute an amount equal to 3.75% of his or her Earnings to the Plan

- a Member who is not a member of the Faculty Association Member shall contribute an amount equal to 3% of his or her Earnings to the Plan.

Can I make additional voluntary contributions?

Yes. You may elect to make additional voluntary contributions of either: 1%, 2% or 3% of your Earnings, by payroll deduction.

Once you have chosen to make additional voluntary contributions, these contributions must remain in the DCPP until you terminate employment, die or retire from the University.

Once a year, the Human Resources department will provide you with the opportunity to change the amount of your additional voluntary contributions.

How much does the University contribute on my behalf?

The University is required to contribute as follows:

- Effective July 1, 2019 until June 30, 2020, the University shall contribute an amount equal to 7% of the Earnings of each Faculty Association Member.

- Effective July 1, 2020, the University shall contribute an amount equal to 7.5% of the Earnings of each Faculty Association Member.

- The University shall contribute an amount equal to 6% of the Earnings of each Member who is not a member of the Faculty Association Member.

In addition, the University will contribute a supplemental contribution of up to 2% (in increments of ½%).

You also have the flexibility to direct any portion of the University's supplemental contributions, not directed to the DCPP, to your Health Spending Account (HSA). Contributions made to your HSA must be used within two (2) calendar years as required by the Canada Revenue Agency rules.

Once a year, the Human Resources department will provide you with the opportunity to elect to change the amount or the direction of the supplemental contributions to the pension plan and/or to your HSA.

Contribution Limits

In accordance with the Income Tax Act (Canada), the total of all contributions, including the University's contributions, made to the DCPP in any year cannot exceed the lesser of 18% of your compensation from the University and the defined contribution limit, as stated under the Income Tax Act (Canada), for the calendar year. For 2019, the maximum defined contribution limit is $27,230. You and the University are responsible for ensuring that your contributions do not exceed the contribution limits.

Are my pension contributions tax deductible?

Your contributions are deductible for income tax purposes up to the maximum allowed by Applicable Legislation and will be reported on your T4 by the University. For 2019 your total pension contributions plus the University's pension contributions cannot be greater than $27,230. The maximum amount allowed changes year to year as set determined by the Canada Revenue Agency.

Do contributions to the DCPP affect my RRSP room?

Yes. You will receive a Pension Adjustment (PA), reported on your T4 slip, equal to the total pension contributions you have made and the contributions the University has made on your behalf, to the Plan in the calendar year.

Your PA reduces the maximum amount that you can contribute to your RRSP next year.
The Canada Revenue Agency will advise you of your RRSP contribution room on your Notice of Assessment which you receive after you file your Income Tax return each year.

Can I transfer-in money from other plans?

Yes. You may transfer in amounts from other registered plans with the approval of the University. Any locked-in pension amounts transferred into the DCPP will be administered according to rules of the Applicable Legislation. Once transferred in to the DCPP, these funds will be administered on the same basis as other contributions made to the University's DCPP.

What is vesting?
Vesting means that contributions plus any investment earnings are owned by you. Any contributions that you make are always vested. The University's contributions, plus any investment earnings are vested immediately when you join the Plan.

Is my pension locked-in?
Yes. Under pension legislation, all required contributions and investment earnings become "locked-in" and are not available in cash and must be used to provide a retirement income.

However, if you are facing a shortened life expectancy, the Applicable Legislation does permit you to cash out your pension fund assets.

Locked-in contributions are generally not available in cash; however, some exceptions may apply under Applicable Legislation.

Locking-in does not apply to your additional voluntary contributions and any investment earnings on them. Additional voluntary contribution may always be surrendered for a cash refund upon termination of employment, retirement or death and will be subject to withholding tax.

Locking-in occurs when the University's required and supplemental contributions become vested, which is immediately. Your required contributions are also locked-in immediately.

What happens if I terminate employment?
If you terminate employment with the University, contributions will stop and you will be required to select from the following options:

1) an Annuity to provide you with a monthly income for life, or
2) a transfer to another registered pension plan, if that other plan so permits, or
3) a transfer to a Registered Retirement Savings Plan (RRSP), or
4) a transfer to a Registered Retirement Income Fund (RRIF), or
5) a transfer to a locked-in retirement savings arrangement such as a Locked in Retirement Account (LIRA), Life Income Fund (LIF), or a Life Retirement Income Fund (LRIF), or
6) a lump sum cash payment of your additional voluntary contributions, if any, less withholding tax, if applicable.

Some of these options depend on your age at the time.

Choosing a Termination Option
It is to your advantage to shop around for the best available option and you may wish to engage your Financial Advisor to assist you in selecting the most suitable option with a Financial Institution of your choice.

If you are leaving the University and will be working for a new Employer offering a pension plan, you may wish to ask your new Employer if the successor pension plan accepts pension asset transfers from the University's Plan DCPP to your new Employer's pension plan.

We recommend that you consult with your personal Financial Advisor about your options and how this applies to your future retirement savings goals.

You may wish to visit "**Leaving the Plan**" at **www.mySunLife.ca** or call 1-877-908-0301 for assistance.

To find out about the Group Choices Plan RRSP or RRIF for terminated members of group plans go to **www.mySunLife.ca.** The Group Choices Plans allow you to continue to enjoy the benefits of group plan membership and are offered by Sun Life.

When can I retire?

The Normal Retirement Date is the first day of the month coincident with or immediately following your 65th birthday.

You may however, elect to retire early and begin receiving your pension payments at any time after reaching age 55. Alternatively, you may postpone receiving your pension payments until the end of the calendar year in which your 71st birthday occurs, or such other date as may be required by Applicable Legislation. You must notify the University no later than 30 days prior to the date you wish to retire to select one of the retirement income options available.

How is my pension determined?

When you retire, your vested account balances and any investment earnings will be used to provide you with a pension benefit, based on the retirement income option you select.

If you remain in employment with the University after the Normal Retirement Date, required contributions may, at your option, continue to be made until you either have terminated employment, or have selected a retirement income option.

What are my retirement income options?

At retirement, you may transfer the balance of your account to one of the following registered retirement arrangements:

1) an Annuity to provide you with a monthly income for life, or
2) another registered pension plan, if that other plan so permits, or
3) a Registered Retirement Savings Plan (RRSP), or
4) a Registered Retirement Income Fund (RRIF), or
5) a locked-in retirement savings arrangement such as a Locked in Retirement Account (LIRA), Life Income Fund (LIF), or a Life Retirement Income Fund (LRIF)

If you have made additional voluntary contributions under the DCPP, you may choose to receive those contributions in cash and tax will be withheld. Alternatively, you may elect to transfer them to a RRSP or RRIF.

In either case, your retirement income will be reduced by any voluntary contributions which are cashed out or transferred to another registered retirement arrangement.

Retirement Income Options Described

Annuity is a life insurance contract that offers periodic payments (usually monthly) for your lifetime and, if applicable, the lifetime of your spouse. Payments can begin immediately or may be deferred to a future date.

RRSP is a tax deferred retirement savings plan where contributions are tax deductible. Funds must be removed by December 31st of the year in which you reach age 71 or such other date as may be required by Applicable Legislation. At 71, you must close your RRSP and you may purchase an annuity or transfer the RRSP balance to a RRIF.

RRIF is a registered retirement income fund, which allows you to continue to tax shelter your retirement savings from tax after you close your RRSP. You cannot make direct contributions to a RRIF (other than from an RRSP, pension plan or another RIF), and you must withdraw a minimum amount each year after the year you open the RRIF. There is no maximum withdrawal amount. You can open a RRIF at anytime, but no later than the end of the year in which you turn age 71.

LIRA is a locked-in retirement account and is also known as a Locked-In RRSP which receives the proceeds from a registered pension plan such as the University's Plan. A LIRA is similar to a RRSP, but is also subject to pension standards legislation. The funds must be removed from the LIRA/locked-in RRSP by December 31st of the year in which you turn age 71 or such other date as may be required by Applicable Legislation.

LIF is a life income fund and receives funds from a locked-in RRSP or LIRA. Amounts in the LIF are tax-sheltered and there are minimum and maximum amounts that you may withdraw each year. This allows you to manage the investments in your LIF. A one-time option is available to unlock up to 50% of the value of the pension assets transferred into the LIF within 60 days of the date of transfer.

LRIF is a life retirement income fund, which is similar to a LIF; however, the maximum amounts that can be withdrawn are different. Similar to a LIF you continue to manage the investments in your LRIF.

Choosing a Retirement Option

It is to your advantage to shop around for the best available retirement arrangements and you may wish to engage your Financial Advisor to assist you in selecting the most suitable retirement income options with a Financial Institution of your choice.

We recommend that you consult with your personal Financial Advisor about your retirement income options, and how this applies to your retirement savings goals.

For further information about retirement options, call a Sun Life retirement services specialist at 1-866-224-3906.

What happens if I take no action?

Legislation requires that you choose a retirement income option no later than the last day of the calendar year in which you turn age 71, or such other date as may be required by Applicable Legislation.

Before the end of the year in which you turn age 71, it is important that you take action and consider which retirement income options are appropriate for you. **If you do not take action and choose an option by the end of that year**, **Sun Life Assurance Company of Canada will automatically purchase an annuity and begin making pension payments to you.** Subject to Applicable Legislation, pension payments will be made to you until your death or until 120 equal monthly payments have been made, whichever is later. Once these pension payments begin, the benefit will be non-commutable (i.e. cannot be converted to a lump sum amount) and will only be recalculated in order to comply with Applicable Legislation.

Option to Continue with Sun Life

One option will be to continue to work with Sun Life Assurance Company of Canada. Sun Life undertakes to provide you with an Annuity payable for your lifetime using the account balances to which you are entitled under the terms of the plan.

The Annuity payments will depend on:

- your account balance,
- your age at the date your Annuity payments are scheduled to begin,
- the type of Annuity you choose, and
- the Annuity purchase rates in effect at that time.

Annuity payments will be calculated using the greater of (a) Sun Life Assurance Company of Canada's current payout Annuity rate applicable at the time of calculation, and (b) a minimum guaranteed rate determined by reference to the mortality table and interest rate specified in the Group Annuity Policy.

Once the Annuity payments begin, the benefit will be non-commutable. Should the Annuity payments be less than Sun Life Assurance Company of Canada's minimum at the time of calculation, Sun Life Assurance Company of Canada reserves the right to pay the value of the Annuity to you in cash, subject to any Applicable Legislation or withholding tax.

What happens if I die before I terminate or retire?

If you die before you remove your account balances from the DCPP or have elected a retirement income option, a death benefit equal to your vested account balances will be payable:

If you have a Spouse

The death benefit will be payable to your Spouse. If on the date of your death you had both:

1) a Spouse whom you were married but from whom you were living separate and apart, and;

2) a Spouse with whom you were living in a conjugal relationship in accordance with (b) of the definition of Spouse below, the death benefit will be payable to the latter Spouse

If you do not have a Spouse

The death benefit will be payable to your designated beneficiary, or to your estate, if you have not designated a beneficiary. Please ensure that you designate a beneficiary to reflect your wishes.

Spouse
For the purposes of the University's Plan, "Spouse" means except where otherwise indicated in the pension plan text or under Applicable Legislation, the person who,

(a) is married to you, or

(b) is not married to you but is and has been living with you:

(i) in a conjugal relationship continuously for a period of not less than three years; or

(ii) in a conjugal relationship of some permanence if the person and you are the parents of a child as set out in section 4 of the *Children's Law Reform Act*.

For the purposes of qualifying for tax-sheltered transfers (such as RRSP and RRIFs) or other special tax treatment under the Income Tax Act (Canada), Spouse means (a) a person who is married to you or (b) a person of the opposite or same sex who is and has been living with you in a conjugal relationship for a continuous period of at least 12 months, or is living with you in a conjugal relationship and is a natural or adoptive parent of your child.

Spousal waiver of death benefit permitted
Your Spouse may waive entitlement to the death benefit by completing the form prescribed by Applicable Legislation for this purpose. If your Spouse has waived entitlement to the death benefit, the death benefit will be paid to your designated beneficiary, or to your estate, if you have not designated a beneficiary. This waiver may be cancelled in accordance with the requirements of Applicable Legislation.

Options for your Spouse
In the event of your death, your Spouse may select a lump sum payment in cash or elect one or more of the following options:

1) a life Annuity from any Canadian insurance company or,
2) a tax-sheltered transfer to a RRSP, or
3) a tax-sheltered transfer to a RRIF, or
4) a tax-sheltered transfer to a pension plan, if that plan permits, or
5) a lump sum cash payment, less withholding tax, if applicable.

Any death benefit payment made to a non-Spouse beneficiary will be subject to withholding tax at source and will be reported for tax purposes as income to the recipient.

What happens if the DCPP terminates?
In the event that your DCPP is terminated, you will be notified and given a statement of your benefits. You will also be asked to select from a number of settlement options, which are similar to the options listed under "**What happens if I terminate employment?**" As a general rule, no payments or transfers can be made out of the DCPP until the Plan termination is approved by the applicable government authorities.

Can I borrow or assign my DCPP account balances?
Except as otherwise permitted by Applicable Legislation, the benefits provided under the DCPP may not be assigned, charged, alienated, anticipated or given as security and are exempt from execution, seizure or attachment.

What information will I receive?
You will receive quarterly account statements, which will be available on line at **www.mySunLife.ca**. In addition, you will receive a paper copy of your account statement which will be mailed to your home address on file once a year. Upon termination of employment with the University, retirement or termination of the DCPP, you will be provided with a statement of your benefits and all of the options available to you.

In the event of your death, a statement of benefits and options will be provided to the person(s) entitled to benefits under the DCPP, and to your legal representative, if required under Applicable Legislation.

You or an agent you have authorized in writing and any other person(s) entitled under Applicable Legislation, may, once per year, examine certain documents pertaining to the DCPP at the location of the University or at an alternative location agreed to by both parties.

Will I receive any tax forms from Sun Life?

If any benefits are paid to you in cash you will receive, for income tax purposes, a tax form reporting the amount withdrawn and tax withheld.

What additional information do I need to know?

Subject to any Applicable Legislation, the decision of the University will be final and conclusive with respect to all questions relating to the operation, administration and interpretation of the DCPP.

Contributions during leaves of absence

Contributions while on pregnancy or parental leave

The University will continue to make both required contributions and supplemental pension contributions to the DCPP during your parental, adoption or pregnancy leave. You must indicate what amount of the Supplemental pension contributions you wish to direct to either the DCPP or HSA. You may also elect to continue your contributions to the DCPP but are not required to do so. Contributions will be based on your level of pensionable earnings and the rate(s) on the day before your leave begins. You are required to advise Human Resources in writing of your election.

Statutory Leaves of Absence

If you are on a statutory leave, such as Family Caregiver Leave or Family Caregiver Benefit for Adults and/or Children, in accordance with the Employment Standards Act, 2000 (Ontario), you may elect to continue your pension contributions to the DCPP. If you elect to continue your contributions to the DCPP, the University will also continue to make pension contributions on your behalf. Your pension contributions and the University's pension contributions will be based on your level of pensionable earnings and the rate(s) of contributions on the day before your leave begins. However, if you choose not to continue your pension contributions to the Plan, the University contributions made on your behalf will also be discontinued. You are required to advise Human Resources in writing of your election.

Contributions while on leave with Full Pay

Both your contributions and the University's contributions will continue based on your full earnings for the duration of your paid leave of absence.

Contributions while on leave with Reduced Pay

If you are on an approved Research Leave or other leave approved for this purpose from the University, both your contributions and the University's contributions will be based on either your full earnings in effect prior to your leave or the reduced earnings, as elected by you at the commencement of your Research Leave, for the duration of your leave.

Contributions while on leave without Pay

If you are on a leave of absence without pay, both your contributions and the University's contributions will stop for the period of the unpaid leave of absence.

Contributions During a Total Disability Period

If you have a Total Disability, which results in a long term disability absence from work and you are in receipt of Long Term Disability (LTD) benefits under the University's LTD program, the University will make both your required contributions and the University's required contributions and any supplemental contributions directed to the DCPP, based on your Earnings in effect prior to your Disability leave date. You are not required to make contributions during a period of total disability.

Contributions During a Short Term or WSIB Disability Period

If you have a Short Term Disability (STD), or are receiving benefits under the Workplace Safety and Insurance Act (Ontario) (WSIB), the University will continue to make both required contributions and any supplemental contributions for the first year that you receive disability benefits under either the University's STD program or the WSIB program, provided that you continue to make contributions during this time.

If your STD is greater than a one-year period and you are not eligible for LTD benefits under the University's LTD program, you have the option to continue to make your basic and any additional voluntary contributions to the DCPP. However, you are not required to do so. If you continue to be disabled and continue to be an employee of the University, and you have elected to continue to make contributions during this time, you will also be required to contribute the University's basic and any supplemental contributions as well. You may elect to make contributions based on any actual earnings you are receiving, or if there are no actual earnings, contributions will be based on the earnings in effect prior to commencement of the Short Term Disability leave of absence.

Small amounts – Benefits on Retirement and Termination

If you terminate employment or retire, your account balance will be payable in cash, less withholding tax, if:

a) the annual pension payable on your Normal Retirement Date that can be provided by the portion of your account balance that is not attributable to any Additional Voluntary Contributions, if any, is not more than 4% of the Year's Maximum Pensionable Earnings in the year that you leave the University; or

b) the balance in the portion of your account that is not attributable to any Additional Voluntary Contributions, if any, is less than 20% of the Year's Maximum Pensionable Earnings in the year that you leave the University;

Alternatively, small amounts may be transferred to a RRSP or RRIF.

However, if you do not make an election within 90 days from the date of receiving your pension option statement your account balance will be paid to you in cash, less withholding tax.

Shortened life expectancy
You may be able to withdraw your vested locked-in account balances if a qualified physician has declared, in writing, that you have a mental or physical disability that is likely to shorten your life expectancy to less than 3 years. In addition to providing the physician's statement to the University, in order to cash out the value of your pension account value, if you have a Spouse, your Spouse must also agree to waive his/her entitlement to a pension benefit in writing on the appropriate form.

Marriage or relationship breakdown
In the event of marriage or relationship breakdown, your DCPP account balances can be divided but your former Spouse's share of your benefit is limited to 50% of the amounts accumulated during your marriage or relationship. Your former Spouse is entitled to receive a statement outlining certain information about your DCPP benefits.

Settlement of your former Spouse's entitlement under a court order, arbitration award or domestic contract made prior to January 1, 2012, can only be made at the earlier of (i) when you terminate employment with the University, (ii) when you begin receiving your pension payments at retirement, or (iii) when you reach your Normal Retirement Date. However, settlement may be made immediately under a document dated on or after January 1, 2012.

Your benefits may also be subject to garnishment or attachment under provincial maintenance enforcement law.

Investment & Account Information

Who makes the investment decisions?
You are responsible for making the investment decisions for your contributions and the University's contributions to the Plan.

The investment choices available to you are described in detail in your My Money Investment and Savings Guide.

You can change your investment direction for future contributions, or transfer amounts between funds at any time, by accessing your account online at **www.mySunLife.ca**, by calling Sun Life at 1-877-908-0301 or completing a financial change form obtained from the Customer Care Centre.

It is important for you to become familiar with the different investment funds available under your pension plan and select suitable investment choices for you. If you do not make an investment choice, or the total percentage does not equal 100%, the total/difference, as the case may be, you will be invested in a BlackRock LifePath® Index Segregated Fund with the maturity date closest but prior to your normal retirement date at age 65.

This "default option" changed from the McLean Budden Money Market Segregated Fund to the BlackRock LifePath® Index Segregated Fund effective June 23, 2008. If you defaulted prior to June 23, 2008, your default assets and ongoing contributions continue to be directed to the money market fund, unless you elect to change your investment direction.

The default fund is subject to change in the future. Neither Sun Life nor the University makes any representation that the default fund is appropriate. If you feel the default fund is not appropriate, you should make (a) choice(s) from the alternative funds and redirect your assets.

Which types of investment options are available?

The investments under your plan will consist of the following:

1)Segregated Funds

The market-based investment funds under your plan are known as segregated funds. Segregated funds are similar to mutual funds. Both types of funds pool assets from a large number of investors, and the assets are invested and controlled by a professional money manager. Contributions are accumulated under a Group Annuity Policy issued by Sun Life Assurance Company of Canada. The assets within the segregated funds are owned by Sun Life Assurance Company of Canada. The value of holdings in any segregated fund can fluctuate depending on the fund's performance. The contributions allocated to a segregated fund are measured in notional units. The value of each unit held in your account will fluctuate with the value of the investments held by the fund, net of expenses, therefore there is no guarantee that your original investment will be recovered at the time the units are redeemed. The value of any capital appreciation (or depreciation), interest or dividends is included in determining the value of the units held in your account.

2)Target Date Segregated Funds

Each target date fund has a specified maturity date and the asset mix of the fund generally becomes more conservative as the fund approaches the maturity date. You decide which fund to invest in usually by matching your normal retirement date at age 65 with the closest maturity date of a fund. Like all other segregated funds available in your plan neither the value of the assets nor the rate of return is guaranteed.

Important
The Group Annuity Policy and the segregated funds underlying it have not been registered with securities regulators in countries other than Canada and may not be offered or sold outside of Canada unless they are registered or otherwise exempt from registration under the securities laws of the country in which such funds are offered.

3)Guaranteed Funds

Guaranteed Funds earn a set rate of interest and give you a guarantee to receive that interest, plus the contributions invested, at the end of a specific term. The contributions are accumulated under a Group Annuity Policy issued by Sun Life Assurance Company of Canada, a member of the Sun Life group of companies.

Each contribution invested in a Guaranteed Fund for a guaranteed period of one year or more will be credited with interest, compounded daily, at the annual interest rate in effect on the date the contribution is deposited. Interest is earned on each contribution from the date the contribution is deposited, and is reinvested at the same interest rate as is applicable to the contribution, unless you provide other reinvestment instructions.

Important
If, before the expiry of a Guaranteed Fund's guaranteed period, an interfund transfer is made, or a withdrawal is made for any reason other than to pay a death, the value of the funds to be transferred or withdrawn will be subject to a market value adjustment to reflect both the interest rate movement and the shorter period of investment. If only a portion of an account in a Guaranteed Fund is to be transferred or withdrawn, the amount will be taken proportionally from all contributions and earned interest in the account.

How do I access account information?

Once you are enrolled, Sun Life will send you a welcome letter that includes your account number. You can access your account information at any time by:

- ✓ using Sun Life's 24-hour Automated Telephone System for self-service at 1-877-908-0301 (toll-free)
- ✓ calling Sun Life toll-free at 1-877-908-0301 any business day from 8 A.M. to 8 P.M. ET. By calling the Customer Care Centre, you can also arrange to speak with an investment specialist for information about your investments
- ✓ visiting **www.mySunLife.ca** (Sun Life's Plan Member Services website) – 24 hours a day

Note: To enter the website you will need your access identification number. This can be obtained as outlined above.

How do I make investment changes?

You may change your investment direction for future contributions and transfer money between funds at any time using the same services as you use to access your account information available on line at **www.mySunLife.ca**.

Warning regarding short term trading

Frequent trading or "short term trading" is the practice whereby an investor makes multiple buying and selling transactions on a regular basis in an attempt to time market trends and boost returns to their account. Short term trading affects all investors in the fund and can lead to a negative impact on performance. For this reason, Sun Life takes steps to protect plan members from the effects of short-term trading.

You will be charged a 2% fee if you initiate an interfund transfer into a fund followed by an interfund transfer out of the same fund within 30 days. The fee will not be charged for transactions involving guaranteed funds or money market funds, and does not apply to deposits or withdrawals, only interfund transfers. More information about Sun Life's short term trading policy is available at **www.mySunLife.ca**.

What fees apply to the plan?

Administration, investment management and account service fees cover account management, various services Sun Life offers. Fund operating expenses, federal and provincial taxes may also apply.

The costs associated with investment management and administration will be deducted from your account balance. If there are any special services required you will be responsible for the fees related to account services, depending upon the service requested.

If you have any questions about your plan's fees, contact Sun Life at 1-877-908-0301. Your account statements also contain a section which outlines the fees and charges you pay.

Once you enrol, you can access fee information at **www.mySunLife.ca**. You may either look for the '**Accounts**' drop-down menu where you will find '**Account fees**' or view your online statement.

What statements and communications will I receive?

Quarterly account statements are available on-line at **www.mySunLife.ca**. Copies of some of your previous statements are also available on-line. In addition, you will receive a paper copy mailed to your home address once a year. If you have questions regarding the frequency of paper statements, or any details included on the statement, or to request to have these statements mailed to you, please contact Sun Life at 1-877-908-0301.

Also available on the website to help you effectively manage your personal finances are semi-annual newsletters discussing topical financial issues, investment decision-making tools and details on your investment funds. You are encouraged to visit **www.mySunLife.ca** and access these materials which may help you make an informed investment choice.

If you wish you may take these materials to your financial advisor and seek further advice. Any costs associated with obtaining independent financial advice are, at all times, your responsibility.

You may request additional plan information, such as investment fund holdings or transaction details, by contacting Sun at 1-877-908-0301.

Any changes to the investment options available under your plan, such as a fund name change or the removal of a fund, will be communicated to you on your statement or by separate communication. You may be entitled to examine certain documents pertaining to your plan. For more information, contact the Human Resources department.

Can I designate a beneficiary?

When you join the University's pension plan, you may designate a beneficiary. Your beneficiary is the person who will receive any benefits in the event of your death. If you do not designate a beneficiary and do not have an eligible Spouse, any death benefits will be paid to your estate.

You can designate your beneficiary when you enrol. If you would like to change your beneficiary in the future, you can do so by visiting **www.mySunLife.ca** or completing a "Change of records" form which you can obtain from Sun Life or Human Resources.

If you have an eligible Spouse and you die prior to retirement, death benefits will be payable to your Spouse, regardless of your beneficiary designation, unless (where permitted by law) your Spouse has waived his or her entitlement to the death benefit in accordance with the Plan rules and the applicable legislation.

Important

A minor cannot personally receive a death benefit until they reach the age of majority. The age of majority in Ontario is age 18. If you are designating a minor as your beneficiary, you may wish to either designate the estate as beneficiary or provide a trustee with directions in your will, or designate someone to receive the death benefits during the time your beneficiary is a minor You may designate a trustee for your minor by visiting **www.mySunLife.ca** or on the appropriate Sun Life beneficiary form. If you do not designate a trustee for a minor beneficiary, current legislation may require Sun Life to pay the death benefit to the court or to a guardian or public trustee. You are encouraged to consult a legal advisor on this matter.

The University and Sun Life encourage you to review your will and beneficiary designations from time to time to ensure that your intentions are carried out in the event of your death.

How do I update my personal information?

To update your address and other personal information, please contact your Human Resources department. To update your beneficiary and other plan specific information, such as investment directions, please visit **www.mySunLife.ca** or contact Sun Life at 1-877-908-0301.

Who has access to my personal information?

As the party responsible for the operation and administration of the plan, the University requires some personal information about you in order to monitor the effectiveness of the plan providers and to provide general member services. **By enrolling in the plan, you will have authorized the University, its agents, and service providers such as Sun Life, to access your personal information necessary for the purpose of pension plan administration.** If you need further information regarding these issues, please contact the University.

Respecting your privacy is a priority for the Sun Life group of companies. We keep in confidence personal information about you and the products and services you have with us to provide you with investment, retirement and insurance products and services to help you meet your lifetime financial objectives. To meet these objectives, we collect, use and disclose your personal information for purposes that include: underwriting; administration; claims adjudication; protecting against fraud, errors or misrepresentations; meeting legal, regulatory or contractual requirements; and telling you about other related products and services that we believe meet your changing needs. The only people who have access to your personal information are our employees, distribution partners such as advisors, and third-party service-providers, along with our reinsurers. We will also provide access to anyone else you authorize. Sometimes, these people may be in countries outside Canada, so your personal information may be subject to the laws of those countries. You can ask for the information in our files about you and, if necessary, ask us in writing to correct it. To find out more about our privacy practices, visit **www.SunLife.ca/privacy**.

You have a choice

Sun Life will occasionally inform you of other financial products and services that they believe meet your changing needs. **If you do not wish to receive these offers, let Sun Life know by calling 1-877-SUN-LIFE (1-877-786-5433).**

Future of the plan

The University has established this plan for your benefit, but reserves the right to amend or terminate it at any time. The benefits you have earned will not be reduced. If Sun Life is notified that your plan is terminating, you will be sent an option package. You would then select an option for the benefits to which you are entitled under the plan and return the completed settlement option form to Sun Life.

Please be aware that membership in the Plan does not confer any legal right upon you for continuation of employment with the University.

Glossary of Terms

Applicable Legislation means The Income Tax Act (Canada), any applicable provincial income tax legislation and any applicable provincial insurance or other legislation. For the purposes of the DCPP, Applicable Legislation also means the Ontario Pension Benefits Act (Ontario) where DCPP is registered, or which is otherwise applicable to the member.

Earnings means, for the purposes of determining contributions, your base employment compensation including stipends and any variable pay paid to a Member by the University. Earnings do not include any vacation pay paid as a lump sum upon termination of employment or severance pay payable under either statute or common law, but includes statutory pay in lieu of notice.

Group Annuity Policy means a contract of life insurance, issued by an insurance company to a policyholder to provide annuities at retirement to a group of people in a group pension or savings plan.

Normal Retirement Date
The Normal Retirement Date under the DCPP is age 65.

Statutory Leave means a period when a employee is absent, without pay, from employment with the University under a leave listed under the Employment Standards Act, 2000. Pension contributions by the employee and the employer maybe made to the Plan unless the employee has notified the University, in writing, that they do not wish to make contributions. If the employee elects not to make contributions during such a leave, then the University will not be required to make contributions, unless it is a Maternity or Parental Leave of absence as outlined under **Contributions while on pregnancy or parental leave.**

Total Disability
Total Disability means a physical or mental impairment, that prevents you from performing your regular employment duties with the University, and which entitles you to benefits under the University's long-term disability plan.

YMPE
The Year's Maximum Pensionable Earnings is the maximum amount of earnings for any given year used to calculate Canada Pension Plan contributions and benefits. This amount changes year to year and is determined by the Canada Revenue Agency based on the average industrial wage index.