



Western
UNIVERSITY • CANADA



Pension Plan Summary

JANUARY 2019
updated December
2022 with noted
changes

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» Welcome to Your Retirement Journey

Planning for a financially sound retirement is a lot like planning for a trip – you need to know what your final destination is and have a plan for how you’re going to get there. Everyone’s plan for retirement is different, so creating a map or “plan” and regularly checking it to make sure you’re still on the right track is the best way to ensure your journey is successful and your income at retirement meets your needs.

Western’s two pension plans (one for academic staff and one for administrative staff) are among the most valuable benefits of working at Western. Your plan, along with government benefits, your personal savings and other sources of income is an important element of your journey to a financially secure retirement.

Your pension plan at Western is a defined contribution plan. This means that your income at retirement is determined by the contributions that are made to your pension account and by the investment earnings that your money generates. When you retire, you use your pension account balance to provide the type of retirement income that suits you. How much retirement income you are able to generate from the Plan depends on different factors:

- how much money you have accumulated in your pension account, determined by the amount of contributions that are made to your account and how your investments perform
- your retirement date and when you choose to draw on your income
- your choice of retirement income vehicle when you retire
- long-term interest rates when you retire
- any legislative requirements

Consider this Plan Summary as a map of your employer-provided pension plan that will help you reach your final retirement destination. The Glossary at the end of the summary provides definitions for important terms.

» Welcome to Your Retirement Journey

IMPORTANT NOTE

Western University offers two pension plans to employees at Western and employees at participating employers:

- The University of Western Ontario Pension Plan for Members of the Academic Staff
- The University of Western Ontario Pension Plan for Members of the Administrative Staff

For the sake of simplicity, and unless otherwise noted, throughout this summary, “Western” refers to Western University and the other employers who participate in the Plan (Brescia University College and Huron University College), and “Plan” refers to both the Pension Plan for academic staff and the Pension Plan for administrative staff.

This summary provides important information on the Western plans. Of course, the summary does not provide exhaustive detail. The official plan text governs your actual pension benefits from the Plan and is the final authority in any case of dispute. Any Plan member, beneficiary, or other authorized person may see a copy of the full plan text, Statement of Investment Policies and Procedures, and other relevant documents by contacting Human Resources.

» Your Plan at a Glance

| | | |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| APPROACH TO RETIREMENT SAVINGS | You build up tax-deferred savings in a pension account and arrange retirement income based on the amount accumulated in your account at retirement. | |
| CONTRIBUTIONS | <p>You and Western contribute to the Plan.</p> <p>You can choose to make additional voluntary contributions to the Plan to grow your retirement savings faster.</p> <p>The contributions made to your account have a direct impact on the income you can generate at retirement.</p> | |
| INVESTMENTS | <p>Your required contributions and any voluntary contributions are deposited to your account. Western's contributions are also deposited to your account.</p> <p>You choose how to invest your accounts from among the investment choices provided.</p> <p>Investment returns have a direct impact on the income you can generate at retirement.</p> | |
| RETIREMENT INCOME | The amount of retirement income you will receive is only known when you retire. It depends on the amount of money you have accumulated in your account (your contributions and Western's and the investment earnings on those contributions) and the type of retirement income you arrange. | |
| RETIREMENT AGE¹ | <p>You can retire from Western and start receiving retirement income from the Plan as early as 10 years before your normal retirement date, or wait until a later date to start drawing your retirement income, as long as your retirement income begins no later than December 31 of the year you reach age 71.</p> <p>Except as noted, membership in the Plan – as well as your contributions and Western's – will end, at the latest, on December 31 of the year in which you reach age 69. If you are an eligible member of the Professional and Managerial Association, OPSEU Local 102, IUOE or CUPE 2692 (Hospitality Services), contributions will end on the earlier of this day and the day you reach 95 points (when you are at least age 65 and your age plus service equal 95).</p> | |
| LEAVING WESTERN | <p>When you leave Western – whether to change jobs or to retire – you are entitled to the full balance in your retirement accounts. With your “locked-in savings”, you can choose to:</p> <ul style="list-style-type: none"> • transfer your savings to the Sun Life Retirement & Savings Plan for Western Retirees. Sun Life is Western's preferred provider of a Retirement Income Fund (RIF) program. You can do this as early as 10 years before your normal retirement date and continue investing your retirement savings while receiving periodic income. • leave your savings in the Plan and continue investing and growing your retirement savings until you are ready to draw on the savings (as early as 10 years before your normal retirement date, but no later than age 71) • transfer your savings out of the Plan to another locked-in retirement savings vehicle • transfer your savings to your new employer's pension plan, if that plan accepts the transfer • have Sun Life purchase an immediate annuity (as early as 10 years before your normal retirement date) or a deferred annuity on your behalf • any combination of the above, provided you meet the requirements <p>You have similar choices for any non-locked-in savings accumulated in your voluntary account; however, you have the additional option to take the savings in cash, less income tax.</p> | |
| IN THE EVENT OF YOUR DEATH | <p>Before retirement</p> <p>Your spouse or, if you do not have a spouse, your designated beneficiary or estate receives your account balance.</p> | <p>During retirement</p> <p>The death benefit depends on what arrangements you made for your account balance when you retired.</p> |

¹Effective September 2021, for members represented by UWOPA, including Librarians and Archivists, membership in the Plan - as well as your and Western's contributions- will end, at the latest, on December 31 of the year in which you reach age 71. Termination of membership for all other members of the Academic Plan and Administrative Plan is outlined above.

» Your Responsibilities

Your pension savings could be your most important financial asset. The decisions you make about your pension savings can have a big impact on your retirement income down the road.

Western's Joint Pension Board oversees the governance and operations of the Plan, and the Board has delegated most of the day-to-day services and administration of the Plan to Sun Life Financial. Western Human Resources also assists in administration of the Plan, especially at the time of enrolment in the Plan, at termination or retirement, and in liaising with Sun Life Financial.

You have responsibilities as well. Taking your responsibilities as a Plan member seriously will help increase the likelihood that your journey will be successful and that you will meet your retirement goals. You are responsible for:

- Choosing when to join
- Deciding how much to contribute
- Selecting investment funds for all contributions from the choices designed and monitored by the Joint Pension Board
- Reviewing your account periodically
- Choosing your retirement date
- Choosing your retirement income vehicle
- Designating beneficiaries

Sun Life Financial provides you with various tools and resources to help you with your responsibilities. Visit sunlife.ca/western or go to the Learning About Your Plan section of this booklet for more information.

» Joining the Plan

REGULAR FULL-TIME EMPLOYEES

FACULTY

If you are a regular full-time faculty employee, you automatically join the Plan no later than the first of the month coinciding with or following your date of hire, with the following exceptions:

- if you are a Brescia University College employee, you automatically join the Plan on the first of the month immediately following one year of continuous full-time employment
- if you are a Huron University College employee, you automatically join the Plan on the first day of employment

ADMINISTRATIVE STAFF

If you are a regular full-time administrative employee, you can choose to join the Plan no later than the first of any month coinciding with or following your date of hire and you automatically join the Plan on the first of the month coinciding with or following five years of employment, with the following exceptions:

- if you are a Brescia University College employee, you are eligible to join the Plan following three months of continuous full-time employment.
- if you are a unionized employee at Huron University College, you can choose to join on the first day of employment and you automatically join after two years of employment
- if you are an employee eligible to be represented by PMA, UWOSA, SAGE, CUPE 2631, CUPE 2692 or are employed on a Professional Contract you must join the plan no later than the first of the month coinciding with or following your date of hire.

OTHER THAN REGULAR FULL-TIME EMPLOYEES

If you are not a regular full-time employee, you are eligible to join the Plan on January 1 of the year after you have earned at least 21% of the year's maximum pensionable earnings in each of the two previous calendar years. Earnings from your appointments with the participating employers: Western University, Brescia University College and Huron University College will be taken into account. Western will work with Sun Life to advise you when you are eligible to join the Plan.

You are also eligible to join the Plan on the first of any month as long as you have 24 months of continuous service and you earned at least 21% of the year's maximum pensionable earnings in each of the two previous calendar years before that date.

As the participating employers do not share a common payroll, if you had employment with more than one participating employer, please request a Determination of Eligible Service form from Western Human Resources in order to have your eligibility determined.

Membership in the Plan is optional for employees who are not regular full-time, except as noted below.

Members who are not represented, or are represented by UWOSA, SAGE, CUPE 2361, or CUPE 2692 will be automatically enrolled in the plan unless they elect to opt out using the prescribed form and within 30 days of being notified of eligibility.

You may not join the Plan after December 31 of the year in which you reach age 69² – the day when membership in the Plan ends. If you are eligible to be a member of the Professional and Managerial Association, OPSEU Local 102, IUOE or CUPE 2692 (Hospitality Services), or are employed on a Professional Contract, you would not be able to join the Plan on the earlier of this day and the day you reach 95 points (when you are at least age 65 and your age plus service equals 95).

² For members represented by UWOFA, including Librarians and Archivists, you may not join the Plan after December 31 of the year in which you reach age 71 - the day when membership in the Plan ends.

» Joining the Plan

ARE YOU ELIGIBLE TO JOIN THE PLAN BUT HAVEN'T YET? CONSIDER IT!

If you are eligible to join the Plan and haven't joined yet, you should consider it carefully. When you start contributing to the Plan, Western also makes contributions on your behalf. If you're not benefiting from Western's contributions to the Plan, you're missing out on an important part of your overall compensation. And, the earlier you start saving for retirement, the more you save, and the better chance you have of reaching your retirement income goals.

Choosing to join the Plan as soon as you can means you'll be better prepared for financial security down the road.



Meet Anita.

Anita was hired in a full-time position as a project coordinator on March 1, 2018. Anita can voluntarily join the Administrative Staff Pension Plan on the first of any month after her date of hire, or if she doesn't, she will automatically join the Plan after five years.

ANITA'S STATS

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Anita's annual earnings | \$50,000 |
| Anita's annual contributions (2.5% of her annual earnings) | \$1,250 |
| Western's annual contributions (7.5% of Anita's annual earnings for the first 10 years, 8.0% for the next 10 years and 8.5% for the rest of her career) | \$3,750 for the first 10 years of employment, \$4,000 for the next 10 years and \$4,250 for the rest of her career |

If Anita waits five years to join the Plan, she loses out on \$3,750 in Western contributions every year. In addition to losing out on valuable compensation from Western, the retirement savings that Anita can accumulate from the Plan will be lower. Here's a look at what Anita's savings at retirement might look like if she voluntarily chooses to join when she first becomes eligible or waits for five years to join the Plan. Keep in mind, this example doesn't take into account future salary increases of Anita's, which would trigger higher contributions from her and Western, and mean even bigger savings at retirement.



The projections shown are for illustration purposes only, using a net rate of return (that is, after all investment fees) of 5.50%. They do not represent any form of guarantee, including rates of return. Actual accumulated savings at the time of retirement will vary based on contribution levels, actual future earnings, investment choices and actual rates of return.

» Contributing

REQUIRED CONTRIBUTIONS

You and Western contribute a percentage of your earnings to the Plan. These contributions are deposited to your regular account. How much you and Western contribute may depend on different factors, such as whether you are academic staff or administrative staff, your employee group/employer and your years of service.

The tables below outline your required contributions and Western's contributions to the Plan.

ACADEMIC STAFF

| | YOUR CONTRIBUTIONS | EMPLOYER CONTRIBUTIONS |
|-----------------------------------------------------------|----------------------------------------------------|------------------------|
| UWO Faculty Association including Librarians & Archivists | 5.5% (or 1.5% for certain employees) | 8.5% |
| | if you are contributing 5.5% with 20 or more years | 9.0% |
| Clinical Teachers | 1.5% | 8.5% |
| Huron University College | 7.0% | 7.0% |
| Brescia University College Full-time Faculty | 5.0% | 7.0% |
| Brescia University College Part-time Faculty | 5.0% | 6.0% |

ADMINISTRATIVE STAFF

| | YOUR CONTRIBUTIONS | EMPLOYER CONTRIBUTIONS | |
|-------------------------------------------------------|--------------------------------------|----------------------------------------------------|------|
| | | SERVICE | % |
| Western Professional and Managerial Association (PMA) | 5.5% (or 2.5% for certain employees) | less than 10 years | 8.0% |
| | | 10 or more years | 8.5% |
| | | if you are contributing 5.5% with 20 or more years | 9.0% |
| Other Western Staff Employees | 2.5% | less than 10 years | 7.5% |
| | | 10 – 19 years | 8.0% |
| | | 20 or more years | 8.5% |
| Huron University College | 7.0% | 7.0% | |
| Brescia University College Management | 5.0% | 7.0% | |
| Brescia University College Administrative | 5.0% | 7.0% | |

» Contributing

WHEN REQUIRED CONTRIBUTIONS END

Your required contributions and Western's end, at the latest, on December 31 of the year in which you reach age 69³. If you hold a PMA-eligible position or are a member of OPSEU Local 102, IUOE, CUPE 2692 (Hospitality Services), or are employed on a Professional Contract your contributions and Western's end on the earlier of this day and the day you reach 95 points (when you are at least age 65 and your age plus service equals 95).

VOLUNTARY CONTRIBUTIONS

You may choose to further grow your retirement income under the Plan by making voluntary contributions, above your required contributions, to the maximum allowed by the *Income Tax Act*. There are a few ways in which you can make voluntary contributions to the Plan:

- by payroll deduction, which reduces your taxable income right away
- by transferring savings from your personal Registered Retirement Savings Plan (RRSP) or from a previous employer's pension plan

A voluntary account is established in your name to accept your voluntary contributions. You invest your voluntary contributions from among the investment options under the Plan and benefit from lower investment management fees.

Transfers from spousal RRSPs are not allowed in the Plan. You may transfer locked-in amounts from another registered plan to the Plan. These savings will be administered as required by pension legislation.

The contributions and investment earnings accumulated in your voluntary account may be taken in cash, less income tax (other than locked-in savings) or transferred out of the Plan to an RRSP at any time. An administration fee will be applied by Sun Life to each transaction.

WHEN VOLUNTARY CONTRIBUTIONS END

As long as you are an active member of the Plan, you may continue to make voluntary contributions to the Plan until December 31 of the year in which

you reach age 69³ or if you are eligible to be a member of the Professional and Managerial Association, OPSEU Local 102, IUOE, or CUPE 2692 (Hospitality Services), or a professionally contracted employee, your contributions and Western's end on the earlier of this day and the day you reach 95 points (when you are at least age 65 and your age plus service equals 95).

MAXIMIZING YOUR CONTRIBUTIONS TO THE PLAN

All members are eligible to make voluntary contributions to the Plan, up to the maximum allowed by the *Income Tax Act*.

There are many reasons to consider maximizing your contributions to the Plan:

- you build your retirement income faster
- you use convenient payroll deductions
- your contributions are tax-deductible and you benefit from the tax savings on your pay right away
- you benefit from lower fees than those applied on funds available at retail outlets (such as banks or investment firms)
- you invest in funds that are closely monitored and tailored to your needs as a Western employee
- you have the flexibility to change the level of your voluntary contributions every month

Contact the Sun Life Financial Customer Care Centre at 1-866-733-8612 if you are interested in increasing your contributions to the Plan. Start your retirement journey today!

³ For members represented by UWOFA, including Librarians and Archivists, no contributions shall be permitted beyond December 31 of the year in which you reach age 71- the date at which membership ends.

» Contributing

TAX IMPLICATIONS

The ***Income Tax Act*** limits the annual tax-deductible contributions you can make to all your retirement savings plans. The maximum annual amount is 18% of your earned income, up to an annual dollar limit, which changes from year to year in line with changes to average Canadian wages.

This 18% limit is the total you can save under all tax-sheltered retirement plans, including the Western Plan and your personal RRSPs. Every year while you are a member of the Plan, a Pension Adjustment (PA) is reported on your tax slip. The PA for defined contribution plans – such as Western's – is the total contributions (your required and voluntary contributions and Western's contributions) made to the Plan in the calendar year. Your PA reduces the amount you can contribute to an RRSP the following calendar year. The Canada Revenue Agency (CRA) informs you each year of your RRSP contribution limits on your Notice of Assessment.

» Contributing

MAXIMIZING YOUR CONTRIBUTIONS TO THE PLAN PAYS OFF

The more you contribute to the Plan now, the more savings you accumulate down the road at retirement. The Plan allows you the additional flexibility to increase your contributions, above your required contributions, by making voluntary contributions to the Plan, up to the maximum allowed by the *Income Tax Act*.



Meet Scott.

Scott has been contributing 5.5% to the Academic Pension Plan since he joined the Plan.

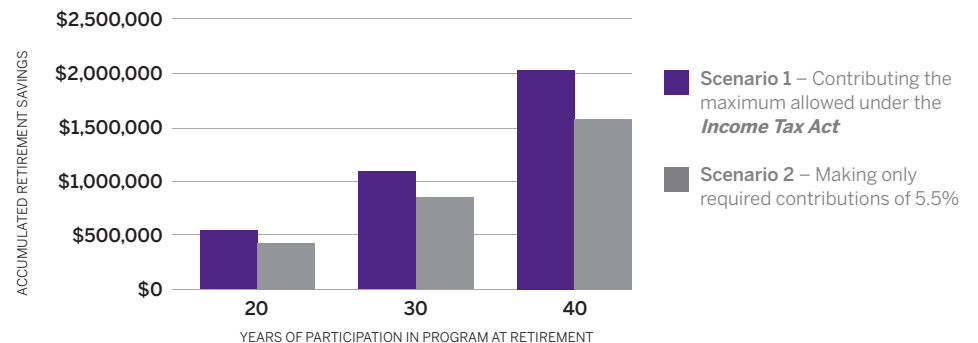
SCOTT'S STATS

| | |
|---------------------------------------------------------------------|----------|
| Scott's annual earnings | \$85,000 |
| Scott's annual contributions (5.5% of his annual earnings) | \$4,675 |
| Western's annual contributions (8.5% of Scott's annual earnings) | \$7,225 |

The chart below shows what Scott's retirement income might look like under two scenarios:

- if he makes voluntary contributions, above his required contributions, to the maximum allowed by the *Income Tax Act*
- if he chooses to contribute only his required contributions during his career at Western

The chart shows Scott's retirement savings under the two scenarios if he contributes to the Plan for 20, 30 and 40 years. Keep in mind, this example doesn't take into account future salary increases of Scott's, which would trigger higher contributions from him and Western, and mean even bigger savings at retirement.



The projections shown are for illustration purposes only, using a net rate of return (that is, after all investment fees) of 5.50%. They do not represent any form of guarantee, including rates of return. Actual accumulated savings at the time of retirement will vary based on contribution levels, actual future earnings, investment choices and actual rates of return.

» Investing Your Retirement Account

You decide how to invest your retirement account balance – made up of Western’s contributions, your contributions and any investment earnings, including any gains or losses. Western’s Joint Pension Board has selected a wide range of quality investment options to suit your investment goals. Each option comes with a different degree of risk and return and may be appropriate for different points in your career.

You may allocate the retirement savings in your account to any or all of the available funds. Your contributions (listed as “Member” on sunlife.ca/western) can be invested in one or more options, and Western’s contributions (listed as “Employer”) can be invested in the same or in different investment options.

The Plan offers investment options across the three primary asset classes: Cash/Money Market, Fixed Income/Bonds and Equity/Stocks. Each asset class has different properties with respect to risk of loss, chance for growth and how investment return is generated. For example, bonds generally provide most of their investment return through the stream of income received from interest payments. Equities generally provide most of their investment return when the underlying value of the stock increases and can be sold for more than its purchase price.

Before you select your investments, you will want to consider developing an investment strategy. An ideal investment strategy will strike a balance between the kind of long-term returns you want and the amount of short-term risk you are willing to bear. You should consider:

- your risk tolerance
- your investment objectives and when you plan to use the money
- how much time you have to invest until you want to use the money

At sunlife.ca/western you will find resources that can help you make sound

investment choices, increase your financial literacy and plan for a comfortable retirement. Resources include articles, webinars, calculators, and an Asset allocation tool to help you understand your risk tolerance, and make investment decisions to maximize your retirement savings goals.

Investment Advice Specialists can also assist you with personal, one-on-one unbiased investment advice.

As a Western Pension Plan member at Sun Life, you will also have access to valuable online reporting from Morningstar, a leading provider of independent investment research and analysis. There you will find a wealth of information about each of the investments available in your Plan, including how the fund is managed and top holdings.

GET TO KNOW [SUNLIFE.CA/WESTERN](https://sunlife.ca/western)

Sun Life Financial was selected by Western to provide high quality services and tools for Western Pension Plan members.

At sunlife.ca/western you can make your own investment changes online or you can get help by calling the Sun Life Financial Customer Care Centre at 1-866-733-8612 from 8 a.m. to 8 p.m. ET any business day.

You can also ask to be directed to an Investment Advice Specialist, who can provide you with personal, one-on-one, unbiased advice on the investment choices available to you in the Western Pension Plan.

» Investing Your Retirement Account

WHAT HAPPENS IF YOU DO NOT CHOOSE YOUR INVESTMENT OPTIONS

If you do not make an active choice for your retirement account, your money will automatically be invested in the default investment option - the Balanced Growth Custom Portfolio. Although this fund may be appropriate for some members at certain ages or who have a particular risk tolerance, it would not be appropriate for all members at all stages of their career and it is not a recommendation. It remains your responsibility to actively select and regularly review your investment options to ensure you're on the path to a financially secure retirement.

FEES

There are various costs associated with running the Plan. Western pays for many of those expenses on behalf of active and retired employees at Western. Members pay Fund Management Fees (FMFs) associated with the funds you choose. On sunlife.ca/western you will be able to view the fees associated with each investment available to you.

An additional flat fee is charged every year:

- if you are a Brescia University College or Huron University College employee
- if you leave Western before retirement and leave your savings in the Plan

Other fees for withdrawal of funds from Sun Life Financial or for frequent trading may apply.

» Investing Your Retirement Account

THE DIFFERENCE LOWER FEES CAN MAKE ON YOUR RETIREMENT SAVINGS

In 2018, the total fees for the different funds within the Plan averaged approximately 0.41%. (Fees for the different funds ranged from 0.08% to 0.70% in 2018). Overall, these fees are far below the fees of comparable retirement savings products available from retail organizations (such as funds offered through a bank or insurance company), which average close to 2.0% per year. This difference in fees compounds over your investment career and makes a big difference down the road when you are ready to retire. Over a 30-year period, these lower fees would be expected to provide approximately 30% – 35% more in retirement savings.

Meet Mei.

Mei wants to contribute an additional \$2,500 annually towards her retirement. The chart shows what Mei could earn in additional retirement savings by making her additional contributions to the Western Plan – and benefiting from the lower fees in the Plan – rather than investing in a retail organization with annual fees of 2.0%.



The projections shown are for illustration purposes only, using a net rate of return (that is, after all investment fees) of 5.50%. They do not represent any form of guarantee, including rates of return. Actual accumulated savings at the time of retirement will vary based on contribution levels, actual future earnings, investment choices and actual rates of return.



» Investing Your Retirement Account

LEARNING ABOUT YOUR INVESTMENTS

No one can predict what your retirement income will look like in the future, but it is important to understand your investment choices and be aware of the risks associated with them. For example, if your investment choices are too conservative, they may limit your chances of reaching your retirement goals and if they are too aggressive, they may expose you to substantial losses when you are ready to draw on your retirement income. As a result, different funds and investment approaches may be appropriate for different points in your journey to retirement.

Sun Life Financial provides you with a variety of ways to learn about investing and setting your retirement income goals and about the funds available under your Western Pension Plan. Visit sunlife.ca/western for more information.

MONITORING AND CHANGING YOUR INVESTMENTS

- Your online personalized pension account at sunlife.ca/western provides you with up-to-date information about your investments. In addition, Morningstar reports, available through sunlife.ca/western, offer highly detailed information about each of the funds available to you.
- Sun Life will also provide semi-annual statements to you, outlining your investment choices and your investment returns and other data.
- You can access your Western Pension Plan account anytime you wish, online at sunlife.ca/western or via your mobile device.
- Daily valuation of your account means you can make investment changes on any business day.
- Your investment changes may be made online, or over the phone. The Sun Life Customer Care Centre is available to answer your questions and assist you on any business day from 8 a.m. to 8 p.m. ET. Call 1-866-733-8612.
- Licensed Investment Advice Specialists are also available to you by calling the number above. They can provide you unbiased, one-on-one advice on your Western Pension Plan investments.

» Investing Your Retirement Account

YOUR INVESTMENTS AND RISK AND RETURN

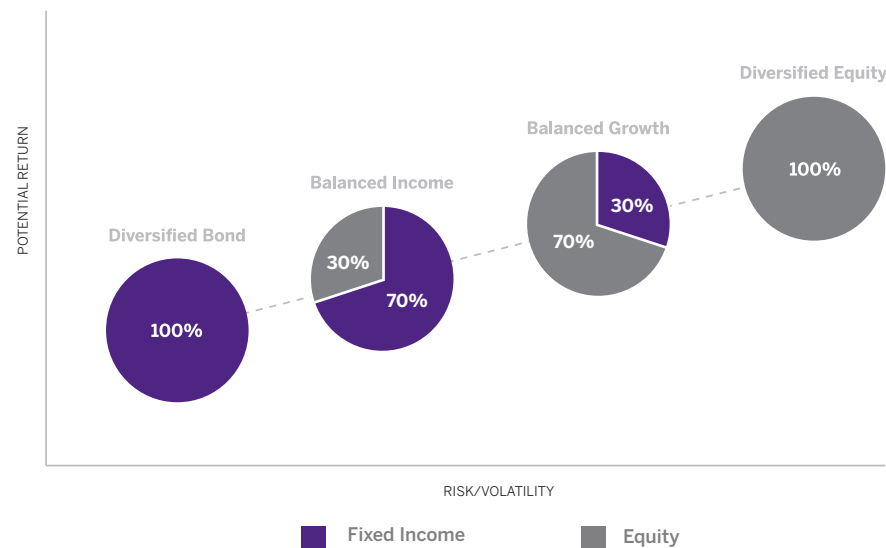
It is important to recognize just how dramatically investment returns, over time, affect your retirement income. For example, sitting in a low-risk strategy for 30 to 40 years will likely generate much lower investment returns – and as a result, substantially less income at retirement – than the investment returns that would be expected if a managed level of risk was accepted over your career.

Each fund within the Plan has a different proportion invested in cash/money market, fixed income/bonds and equity/stocks. In general, more equity in a fund means a potentially higher rate of return with a higher risk.

The chart shows the relationship between long-term and short-term risk and return within the different asset classes.

You should consider the risks of investing in each fund versus the potential returns, as well as your own risk tolerance, when setting your investment strategy to ensure you invest in the approach that makes the most sense for you and your retirement income goals. Morningstar reports at sunlife.ca/western provide details on the funds available and the risks of investing with each fund.

You may also want to use the Asset allocation tool available on sunlife.ca/western to determine your risk tolerance and assist you in choosing the right investments for you.



» Work/Life Events and Your Plan

CHANGE IN MARITAL STATUS

If your marital status changes, this is an important time to review your beneficiary designation. Login at sunlife.ca/western to review and update your pension beneficiary.

If your marriage or common-law relationship ends, you may have to assign a portion of the retirement savings you accumulated during your relationship to your ex-spouse. As of January 1, 2012, a division of your retirement savings under the Plan cannot be processed unless you (or your married spouse) first obtain a Statement of Family Law Value. Contact the Sun Life Customer Care Centre for more details.

UPDATING YOUR BENEFICIARY

When your marital status changes, you should review and, if necessary, update your beneficiary under the Plan. You can view and make changes to your Western Pension Plan beneficiary at sunlife.ca/western. Your named beneficiary will receive the savings accumulated in your accounts at your death; however, if you have an eligible spouse at your death, that person will receive any benefits payable from your regular account unless a waiver is in place. You may be eligible to designate a non-spouse beneficiary for a portion of the contributions made before January 1, 1987.

Please contact the Sun Life Financial Customer Care Centre at 1-866-733-8612 for more details.

DISABILITY

For most employee groups, Western contributes your share and Western's share of required contributions during a period while you are receiving full benefits under the Long Term Disability Plan. Contact Human Resources for more information.

UNPAID LEAVE OF ABSENCE

If you go on one of the following types of unpaid leave, you may choose to continue contributing to the Plan:

- you are on loan to another employer and do not participate in the other employer's pension plan
- you are on unpaid education leave
- you are on unpaid pregnancy or parental leave, or certain other unpaid leaves as required by employment legislation
- you are on study leave, career development leave, reservist leave or political candidacy leave

For some types of leave, if you choose to continue contributing, you may be responsible for making both your own and Western's contributions. If you are planning a leave, you should contact Human Resources for information on your options.

» Work/Life Events and Your Plan

LEAVING WESTERN BEFORE RETIREMENT

When you leave Western before retirement (more than 10 years before your normal retirement date), you have several options for the locked-in retirement savings you have accumulated under the Western Pension Plan. You may choose to:

- leave your savings in the Plan and continue investing and growing your retirement savings until you are ready to draw on the savings (as early as 10 years before your normal retirement date, but no later than age 71). An annual administrative fee will be deducted from your account at Sun Life.
- transfer your savings out of the Plan to a Locked-in Retirement Account (LIRA) at Sun Life Financial or another financial institution or to your new employer's registered pension plan (provided that plan is willing to accept them)
- have Sun Life Financial purchase a deferred lifetime annuity on your behalf. The annuity can be at Sun Life or another financial institution.

You may also have accumulated retirement savings in your voluntary account that may include non locked-in savings; for example, if you transferred personal RRSP money into the Plan or made voluntary contributions into the Plan. You have similar choices for your non-locked-in savings when you leave Western; however, as voluntary contributions are not locked-in, you have the additional option to take the savings in cash, less income tax.

If you are not a regular full-time employee, your membership in the Plan ends at least six months after your contributions have ended. Some exceptions apply for employees who are part-time faculty members. This is to allow you to resume participation in the Plan if you start working in another position with Western within that period.

An administrative fee is charged to members that are no longer employed with the University. You should review all fees and consider the best option for you.

When your employment ends, Sun Life Financial will assist you with information about your options and the steps you will need to take.

RETIREMENT SAVINGS

Under the Plan, you have different ways to build your retirement savings:

- you make required contributions and Western makes contributions
- you may choose to make voluntary contributions, up to the limit allowed by the ***Income Tax Act***
- you may transfer savings from your personal RRSPs or savings from your previous employer's pension plan

What's locked-in?

Your required contributions to the Plan, Western's contributions and the investment income earned on these contributions are locked-in. In most cases, savings transferred from a previous employer's pension plan are also locked-in.

What's not locked-in?

Your voluntary contributions to the Plan, any savings transferred from a personal RRSP to the Plan and the investment income earned on these contributions are not locked-in.

What does locked-in mean?

Pension legislation requires that savings accumulated in a registered pension plan be "locked-in": these savings must be used to provide periodic retirement income and, as a result, cannot be taken in cash.

In certain situations (for example, financial hardship), pension legislation allows special access to locked-in savings. This special access is only allowed if you have transferred your money out of the Plan to another locked-in vehicle (other than another registered pension plan), you meet the specific criteria set out in pension legislation and you obtain approval from FSRA— the agency that regulates Ontario pension plans. For more information about special access to locked-in savings and the forms to apply, consult the Pension unlocking section of FSRA's website at www.fsrao.ca

» Work/Life Events and Your Plan

RETIREMENT

You can retire and begin to receive retirement income from the Plan as early as 10 years before your normal retirement date. If you are planning on retiring early, you should keep in mind that each year you retire early is one less working year in which you are able to contribute to the Plan, receive Western's contributions and potentially earn investment returns. And, each additional year of retirement is one more year that you'll need to rely on your savings for income.

When you retire, you have several options for the locked-in retirement savings you have accumulated under the Plan. You may choose to:

- transfer your savings to the Sun Life Retirement & Savings Plan for Western Retirees. Sun Life Financial is Western's preferred provider of a Retirement Income Fund (RIF) program, where you can continue to invest your account in familiar investments and begin periodic withdrawals.
- continue to maintain and invest your account in the Plan until you are ready to draw on your investments (the end of the year in which you reach age 71, at the latest)
- transfer your retirement savings out of the Plan to a Locked-in Retirement Account (LIRA) at another financial institution or to your new employer's registered pension plan (provided that plan is willing to accept them)
- purchase an immediate or deferred lifetime annuity

You may also have accumulated retirement savings in your voluntary account that may include non-locked-in savings; for example, if you transferred personal RRSP money into the Plan or made voluntary contributions into the Plan. You have similar choices for your non-locked-in savings when you retire; however, the options for your retirement income vehicles are not locked-in and you have the additional option to take the savings in cash, less income tax.

For detailed information about the retirement income options available to you, consult the Western Retirement Guide available on the Pension section of the Human Resources website or contact the Sun Life Financial Customer Care Centre.

The *Income Tax Act* requires that all retirement savings be converted into income by the end of the year in which you reach age 71.

If you have an eligible spouse when you retire, pension law requires your pension include a guarantee that if you die first, your spouse will receive at least 60% of your pension income at retirement (assuming you select an annuity for the payment of your retirement income). Before you can choose a form of pension that provides less than a 60% survivor pension, you and your spouse must waive in writing your spouse's rights to this pension. You may be eligible to designate a non-spouse beneficiary for contributions made before January 1, 1987. Contact the Sun Life Financial Customer Care Centre for more details.

APPROACHING RETIREMENT?

We recommend you contact Sun Life Financial if you plan to retire within the coming five years. They can provide information about your choices and, if you wish, schedule a meeting with a Sun Life Retirement Consultant.

Western Human Resources can provide you with information on retirement eligibility, post-retirement benefits, and on phased retirement (for Faculty members including Librarians and Archivist).

» Work/Life Events and Your Plan

DEATH

DEATH BEFORE RETIREMENT

If you die before retirement, the accumulated savings in your regular account will be paid to your spouse (as long as you were living together at the date of your death), or, if you have no eligible spouse, to your most recently named beneficiary, or to your estate, if you have not designated a beneficiary or your beneficiary has died.

The accumulated savings in your voluntary account will be paid to your beneficiary, or, if you have no beneficiary or your beneficiary has died, to your estate.

If you have a spouse, that person, by provincial law, must receive the full value of the retirement savings in your regular account, except employer contributions made before January 1, 1987, unless your spouse waives his or her rights to this benefit in writing. You are eligible to designate a non-spouse beneficiary that will apply if you do not have an eligible spouse on our death. This designation will also apply to any employer contributions made before January 1, 1987. Contact the Sun Life Financial Customer Care Centre for more details.

A person is not your spouse if you are living separate and apart from that person at the date spousal status must be determined.

Your spouse has the following options for the payment of your retirement savings:

- transfer the savings tax-deferred to an RRSP or to another employer's pension plan
- purchase an immediate or deferred lifetime annuity from an insurance company
- receive the savings in cash, less income tax
- transfer the savings tax-deferred to a retirement income fund

For beneficiaries other than your spouse, the value of your accounts will be paid as a lump-sum payment, less income tax.

DEATH AFTER RETIREMENT

If you die after retirement, your benefits payable will depend on what option you chose when you retired.

If at time of death, there are funds left in your Western pension account, they will be paid according to your eligible spouse or the beneficiary(ies) on file as described under *Death Before Retirement*.

There is no circumstance where the balance in the account is forfeited.

YOUR PENSION PLAN BENEFICIARY

Be sure to keep your pension beneficiary up to date. You can make changes at any time by logging in to sunlife.ca/western.

» Learning About Your Plan

Your retirement savings from the Plan can play an important part in your overall income at retirement. A wide variety of resources are available to help you map your journey and reach your financial destination at retirement. Take advantage of these resources and get where you want to go!

| | |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YOUR SECURE PENSION ACCOUNT | Your secure online pension account at sunlife.ca/western lets you view your pension account balances (updated each business day) and review and make changes to your investments. You can make changes online, or via phone. |
| YOUR PENSION STATEMENTS | In addition to viewing your detailed account information anytime you wish at sunlife.ca/western , Sun Life Financial will provide you with statements quarterly. The statement at December 31st will be mailed to you unless you elect to go paperless. |
| SUNLIFE.CA/WESTERN | sunlife.ca/western is your best source for a wealth of information on all aspects of the Plan, including access to Morningstar, a highly respected tool containing details about each investment available to you in the Western Pension Plan. You can also access the Asset allocation tool, designed to help you determine your risk tolerance and help you make investment decisions. Tools are also available to help you project your retirement income. |
| GROUP EDUCATION SESSIONS | Sun Life Financial will be on campus at Western at various times throughout the year, providing education and information sessions. As well, online webinars, videos, articles and other tools can help you learn about investing, how to save more efficiently for retirement and about the retirement income options available from the Plan. |
| THE SUN LIFE FINANCIAL CUSTOMER CARE CENTRE | The Sun Life Financial Customer Care Centre is available to answer your questions and assist you on any business day from 8 a.m. to 8 p.m. ET. Call 1-866-733-8612. Licensed Investment Advice Specialists are also available 8:00 a.m. to 8:00 p.m. ET on business days, to provide you with unbiased, one-on-one advice on your Western Pension Plan investments and point you to other resources to help you on your journey to financial security at retirement. |
| ELECTRONIC COMMUNICATIONS | Any document required to be provided to an employee, member or former member may be delivered electronically with the individual's consent. Western and Sun Life will also use electronic communications to communicate about general education, planning and account maintenance. |

» Planning Your Retirement Journey

Having a successful trip usually means taking some time before you leave to decide where you want to go, and when and how you want to get there. You'll want to examine how much the trip will cost, whether you can afford it, and, in some cases, pick a new destination if your original destination was too expensive.

You take similar steps when you plan for a financially comfortable retirement:

- **Where do you want to go?** Consider where you want to be and what you want to do during your retirement years. For example, do you see yourself travelling extensively or spending most of your time gardening, reading and relaxing at home? Will you have children still at home or in school? Different lifestyles in retirement carry different price tags. Identifying your needs will help you to set appropriate financial goals.
- **When do you want to take your trip?** At what age would you like to retire? Did you know that if you retire at age 65, with current life expectancies, your retirement could last 20 to 25 years? If you are planning on retiring earlier than age 65, you should keep in mind that each year you retire early is one less working year in which you're able to contribute to the Plan, receive Western's contributions and potentially earn investment returns. And, each additional year of retirement is one more year that you'll need to rely on your savings for income.
- **How much will it cost?** Determine what your retirement will cost based on what your income needs will be during your retirement.
- **Can I afford it?** Estimate how much you will receive from all your retirement income sources and determine if you are on track to meeting your retirement income goals.
- **Do I need to re-evaluate my destination?** If you are not on target to reaching your retirement income goal, you will have to re-adjust your expectations for retirement (for example, at what age you will retire, what you will do in retirement and how much your retirement income will be) or you will have to accumulate more retirement savings before you retire.

RETIREMENT PLANNER TOOL

Sun Life's Retirement planner can help you model your progress.
Sign in to your account at sunlife.ca/western. Under Resource Centre select 'my money tools'

» Planning Your Retirement Journey

When you retire, your retirement income will come from three different sources:

- employer-sponsored plans
- government-sponsored plans
- personal savings

EMPLOYER-SPONSORED PLANS

Employer-sponsored pension plans, such as the Western Plan, provide employees with retirement income to supplement their revenue from government plans. Your retirement income from the Plan depends on the savings you have accumulated in your retirement account when you retire. Your contributions, Western's contributions and the investment income you earn have a direct impact on the income you can generate at retirement.

You may also participate in the Supplemental Pension Arrangement (SPA), which provides a notional account for members' required contributions and Western's that exceed the total contributions permitted under the *Income Tax Act*. If you participate in the SPA, you receive an annual statement providing you with the notional retirement savings. Be sure to take this into account when determining your potential retirement income.

If you participated in another employer's pension plan, you will want to include any pension benefits payable from it when you consider your overall retirement income.

GOVERNMENT-SPONSORED PLANS

Under current legislation, when you retire, you will be entitled to receive benefits from the Canada Pension Plan (CPP) and you may be entitled to pension benefits from the Old Age Security (OAS) program.

CANADA PENSION PLAN (CPP)

The CPP is a compulsory public pension plan. It provides workers and their families with basic financial protection in the event of retirement, death or disability.

The amount of your pension from CPP depends on:

- the age at which you retire
- the number of years in which you contributed to the plan
- the employment earnings on which you made contributions

To learn more about the pension under the CPP, contact Service Canada.

OLD AGE SECURITY PROGRAM (OAS)

The OAS pension is a flat-rate pension you receive once you reach the OAS retirement age, provided you meet certain residency requirements. It is paid monthly until death and is adjusted four times a year to reflect increases in the cost of living.

If your total retirement income is above a certain level, you may have to repay all or part of the OAS benefit you receive.

The OAS pension is taxable income.

For more information on OAS benefits, contact Service Canada.

» Planning Your Retirement Journey

PERSONAL SAVINGS

Personal savings play an important role in your retirement income, topping up your pension income from employer-sponsored and government-sponsored plans to ensure you have a financially comfortable retirement.

Many people use RRSPs to build these savings. You can make tax-deductible contributions to a personal or spousal RRSP, up to specified limits.

Your RRSP contribution limit is set by the Canada Revenue Agency (CRA). The total you can contribute for the year – your RRSP deduction limit – depends on your earned income and your Pension Adjustment (PA). CRA lets you know your RRSP contribution room on the Notice of Assessment you receive when you file your income tax return. You can carry forward unused contribution room. This may allow you, for example, to contribute a larger amount to your RRSP in a future year.

You can turn your RRSP into income at the same time you retire, if you wish. Or, you can maintain it until the end of the year in which you reach age 71.

Another way to build your retirement income is with a Tax-Free Savings Account (TFSA). With a TFSA, you may make annual contributions up to a specified limit. In 2019, this limit is \$6,000. Here are some of the highlights of a TFSA:

- contributions to a TFSA are not tax-deductible
- the income generated in a TFSA is tax-free while in the TFSA and when withdrawn
- you can generally withdraw any amount from a TFSA at any time and for any reason, with no tax consequence
- any unused contribution room is added to your TFSA contribution room for the next year

Most withdrawals made from a TFSA will be added back to the TFSA contribution room at the beginning of the year following the withdrawal.

RRSPs and TFSAs are available through financial institutions. In addition to RRSPs and TFSAs, you may have other non-registered savings to take into account when estimating your overall retirement income.

» Administration of the Plan

The Academic Staff Pension Board and the Administrative Staff Pension Board are standing committees of the Board of Governors of the University. The Pension Boards have the responsibility to administer the respective Plans and report to the Board of Governors annually. The Pension Boards work with internal staff in Human Resources, with Sun Life Financial, and a number of other external service providers.

The Pension Boards each consist of four elected members of the respective Plans and three appointed representatives of the University. Elected members serve four-year terms. Board members receive no compensation, either financial or time release, for their work.

The Joint Pension Board is a body made up of all members from the Academic Staff Pension Board and the Administrative Staff Pension Board. The Joint Pension Board meets frequently to review investment performance and set pension policies that concern both the Pension Plan for Academic Staff and the Pension Plan for Administrative Staff.

MISSION STATEMENT

Our Mission is to provide members with the opportunity to accumulate adequate funds for retirement. We seek to provide sufficient choices but not onerous choices. We seek to provide services and options on a cost effective basis to accommodate members who are active in the management of their retirement savings and also for those members who look to the board for guidance. We will provide these services and options while following our principles.

PRINCIPLES OF THE JOINT PENSION BOARD

The Joint Pension Board seeks to:

1. offer members broad and diversified choice of investment and retirement vehicles;
2. maintain fairness among Plan members;
3. allow for high liquidity in investments;
4. assist members in making well informed decisions;
5. solicit and be responsive to members' preferences;
6. use prudence in assessing and reviewing operations;
7. assure cost effective administration.

» Contacts

Sun Life Financial is responsible for providing the day-to-day member services for Plan members and is committed to helping you plan for your retirement journey. Contact the Sun Life Financial Customer Care Centre if you need information or assistance related to your Pension Plan.

Sun Life Financial Customer Care Centre

Available on any business day from 8 a.m. to 8 p.m. ET. at 1-866-733-8612

Visit sunlife.ca/western

If you require any further assistance, please:

[Visit our website](#) or

[Use ASK HR to contact Human Resources](#)



» Glossary

ANNUITY

A series of payments of a fixed amount for the rest of one's life.

DEFERRED ANNUITY

An annuity contract that provides for the initiation of payments at some designated date in the future.

DEFINED CONTRIBUTION PLAN

A pension plan where the retirement income is dependent on the amount of accumulated contributions under the plan and where contributions to the plan are defined.

EARNINGS

For full-time members, the amount of regular annual compensation payable to a person; for other than full-time members, the total compensation paid to the person. These are the earnings on which contributions to the regular account are based.

LOCKED-IN

Refers to a provision under pension benefit legislation that requires savings set aside in an employer pension plan be used only for income during the member's retirement years. Locked-in savings cannot be taken in a lump-sum payment.

LOCKED-IN RETIREMENT ACCOUNT (LIRA)

A LIRA is an investment arrangement for locked-in pension savings. The investments are identical to RRSPs except that the savings may only be withdrawn to purchase an annuity or a Life Income Fund.

NORMAL RETIREMENT DATE

Faculty – Your normal retirement date is the July 1 that coincides with or follows your 65th birthday.

Administrative – Your normal retirement date is the first day of the month following your 65th birthday.

REGISTERED RETIREMENT SAVINGS PLAN (RRSP)

An RRSP is an investment account that is permitted under the Canadian *Income Tax Act*. Contributions to RRSPs are tax deductible and investment income accumulates tax free. Tax is paid on all cash withdrawals from RRSPs.

REGULAR ACCOUNT

The Western Plan account that holds all required contributions made by the member and their employer on the member's behalf, plus investment earnings on these contributions in accordance with the terms of the Plan.

REGULAR FULL-TIME EMPLOYEE

An academic (faculty) employee whose appointment is on a full-time basis for a term of one year or more or an administrative staff employee whose employment is for a continuous period of 12 months or more where the termination date cannot be identified and who works the normal workweek hours in excess of 24 hours.

SPOUSE

A person to whom the member is married or the person to whom the member is not married but the member and that person have been living together in a conjugal relationship continuously for three years or in a relationship of some permanence if they are the natural or adoptive parents of a child.

VOLUNTARY ACCOUNT

The Western Plan account that holds accumulated contributions that have been made by a member, above what was required to be contributed to the member's regular account (including transfers in from RRSPs and other registered plans) as well as the investment earnings on these contributions. Some of the savings in a voluntary account may be locked-in if they have been transferred from a previous employer's pension plan, including the Western Plan (for a period of previous Western service).

SUN LIFE FINANCIAL RETIREMENT INCOME FUND (PREFERRED PROVIDER)

The Sun Life Retirement & Savings Plan for Western Retirees offers an outstanding opportunity for Western retirees, looking to take an income from their retirement savings. The Sun Life Plan provides access to a broad range of quality investment choices (including those familiar to Western Pension Plan Members), a high degree of flexibility including the option to transfer-in outside assets and spousal accounts, and convenient financial planning support. Western has negotiated very competitive group fees, lower than you would expect to pay as an individual investor. For those who join the Plan between May 1, 2015 and May 1, 2025, these fees are guaranteed for life.

YEAR'S MAXIMUM PENSIONABLE EARNINGS

The amount the government uses to base your contributions to – as well as benefits from – the Canada Pension Plan. The government updates this amount every year.