

Telecommunication Workers Pension Plan

TELECOMMUNICATIONS WORKERS PENSION PLAN

HISTORY: Before 1975 the Plan was called the Federation of Telephone Workers of British Columbia Supplemental Retirement Plan (formerly known as the Bargaining Unit Employees' Pension Plan). This document states the terms of the Plan which apply to Participants, Terminated Vested Members, Pensioners and Disabled Participants beginning in 1975. It also states terms applicable to persons who became Disabled Participants before 1975. Persons who were Terminated Vested Members or Pensioners on January 1, 1975 are entitled only to benefits that were provided at the date they Retired or became Terminated Vested Members.

On January 1, 2015, the Telecommunications Workers Union merged with the United Steelworkers to form the Telecommunications Workers Union (TWU), United Steelworkers Local Union 1944.

This title page, the Table of Contents, and footnotes are for convenience of reference.

They are not part of the Plan.

This version of the Plan is effective January 1, 2018.

THIS DOCUMENT IS AN OFFICE CONSOLIDATION. IT INCLUDES THE ANNUAL EARNINGS UPDATE THE TRUSTEES APPROVED IN DECEMBER 2017.

Table of Contents

Section 1	Definitions	1
Section 2	Interpretation	13
	<i>Pronouns.....</i>	<i>13</i>
	<i>Grammatical forms.....</i>	<i>13</i>
	<i>Ambiguity.....</i>	<i>13</i>
	<i>References to Sections</i>	<i>13</i>
	<i>Headings, footnotes and marginal notes.....</i>	<i>13</i>
	<i>Legislation prevails</i>	<i>13</i>
Section 3	Participation and Beneficiaries.....	14
	<i>Participation</i>	<i>14</i>
	<i>Beneficiary where order made under Family Legislation.....</i>	<i>14</i>
	<i>Designation of Beneficiary - general.....</i>	<i>14</i>
	<i>Spouse is Beneficiary.....</i>	<i>14</i>
	<i>Designation of Beneficiary – Voluntary Contribution Account</i>	<i>14</i>
	<i>Changes to Beneficiary</i>	<i>15</i>
	<i>Changes to an irrevocable Beneficiary designation.....</i>	<i>15</i>
	<i>Deemed Beneficiary</i>	<i>15</i>
Section 4	Contributions	16
	<i>Required Contributions</i>	<i>16</i>
	<i>Employer contributions.....</i>	<i>16</i>
	<i>Voluntary Contributions by Participants.....</i>	<i>16</i>

Telecommunication Workers Pension Plan

<i>Voluntary Contributions</i>	16
<i>Voluntary Contribution Account withdrawals</i>	16
<i>Interest on Voluntary Contribution Accounts</i>	17
<i>Increased Pension Benefit Payments</i>	17
<i>Voluntary Contribution Account benefits</i>	17
Section 5 Calculation of Earnings and Interest	18
<i>Annualized Earnings</i>	18
<i>Historical Average Annual Earnings and Average Annualized Earnings</i>	18
<i>Average Annual Earnings</i>	18
<i>Average Annualized Earnings – Most Years</i>	18
<i>Termination of Covered Employment on January 1</i>	19
<i>Required Contribution Account</i>	19
Section 6 Scheduled Workdays Not Worked	20
<i>Eligibility and Procedure for the Purchase of Purchased Absent Workdays</i>	20
<i>Political Leave of Absence</i>	20
<i>Trustees’ Discretion</i>	20
<i>Yearly Maximum Purchased Absent Workdays</i>	20
<i>Yearly Maximums</i>	21
<i>Lifetime Maximums</i>	21
<i>Cost of Purchased Absent Workdays</i>	21
<i>Payment for Purchased Absent Workdays</i>	21
<i>Granting Purchased Absent Workdays – Work Stoppage</i>	21
<i>Purchased Absent Workdays included in Earnings</i>	22
<i>Accruing granted Purchased Absent Workdays up to and including 2005</i>	22

Telecommunication Workers Pension Plan

<i>Other leaves of absence</i>	22
Section 7 Disabled Participants	23
<i>Granting Purchased Absent Workdays - Sickness</i>	23
<i>Proof of Disability</i>	23
<i>Accruing granted Purchased Absent Workdays</i>	23
<i>Cessation of granting Purchased Absent Workdays</i>	23
<i>Maximum granted Purchased Absent Workdays</i>	23
<i>Disabled Participant's Earnings</i>	24
<i>Disability pension commencement</i>	24
<i>Voluntary Contributions</i>	24
<i>Disability refund</i>	24
Section 8 Required Contributions Received after Death, Termination or becoming a Pensioner	25
<i>Earnings within Year following end of Participation</i>	25
<i>Retroactive Earnings</i>	25
<i>Trustee discretion</i>	25
<i>No Pension Benefit reduction</i>	26
<i>Earnings in subsequent Years</i>	26
Section 9 Pension Commencement	27
<i>Normal Pension Benefit Value</i>	27
<i>Notification</i>	27
<i>Deferred Pension Commencement</i>	27
<i>Early Pension Commencement</i>	27
<i>No discrimination</i>	28
<i>Considerations</i>	28

Telecommunication Workers Pension Plan

<i>No reduction to Pension Benefit</i>	29
<i>Workforce reductions</i>	29
<i>Idem</i>	29
Section 10 Form of Pension Benefit Payment	30
<i>How Paid</i>	30
<i>Small pensions</i>	30
<i>Normal or Optional form</i>	30
<i>Re-Election</i>	30
<i>Optional form – Joint annuitant</i>	30
<i>Waiver</i>	31
<i>Pension Payments after Pensioner Death</i>	31
Section 11 Amount of Pension Benefit	32
<i>Pension Commencement before January 1, 2016</i>	32
<i>Calculation of Pension Benefit Payments</i>	32
<i>No reduction in Pension Benefit Payments</i>	32
<i>Minimum Pension Benefit – to and including June 2011</i>	33
<i>Minimum Pension Benefit – beginning with July 2011</i>	33
<i>Calculation of Pension Benefit Payments – Early Pension Commencement Date</i>	33
<i>Maximum Pension Benefits</i>	34
<i>Pension Benefit Payment increase</i>	34
<i>Pension Benefit Payment Calculation</i>	34
Section 12 Pre-Retirement Death Benefits	35
<i>Pre-retirement death before July 2011</i>	35
<i>Maximum paid to Beneficiaries</i>	35

Telecommunication Workers Pension Plan

<i>Application and proof</i>	35
<i>Start of Pension Benefit Payments to Spouses</i>	35
<i>Pre-retirement death before eligible to become a Pensioner</i>	35
<i>Idem</i>	36
<i>Pre-retirement Death after eligible to become a Pensioner</i>	36
<i>Considerations</i>	37
<i>Pre-retirement Death after eligible to become a Pensioner – Incented Terminated Member</i>	37
<i>Payments to an estate</i>	37
<i>Transfer rights</i>	38
<i>No Transfer of small pensions</i>	38
<i>Voluntary Contribution Accounts</i>	38
Section 13 Termination of Covered Employment	39
<i>Terminated Vested Member</i>	39
<i>Terminated Vested Member’s Voluntary Contribution Account</i>	39
<i>Terminated Vested Member may elect transfer</i>	39
<i>Transferring Terminated Vested Member’s Voluntary Contribution Account</i>	39
<i>No further rights</i>	41
<i>Terminated Vested Member’s early pension commencement</i>	41
<i>Incened Terminated Member’s early pension commencement</i>	41
<i>Normal or optional form</i>	41
<i>Lay Off</i>	41
Section 14 Return to Covered Employment following Termination	43
<i>Return to Covered Employment from Outside Employment – Terminated Vested Member</i>	43
<i>Return to Covered Employment from Outside Employment – Incened Terminated Member</i>	44

Telecommunication Workers Pension Plan

<i>Return to Covered Employment from Excluded Employment</i>	44
Section 15 Pension Benefit Payments and Rights Inalienable	45
<i>No sale, transfer etc.</i>	45
<i>Payments not subject to creditors' claims</i>	45
Section 16 Modification or Termination of Plan	46
<i>Distribution of assets on Plan termination</i>	46
<i>Terminating the Plan</i>	46
<i>Distribution of funds</i>	47
<i>Remaining assets</i>	47
<i>Termination of Trust Fund</i>	47
Section 17 Miscellaneous	48
<i>Right to examine Plan documents</i>	48
<i>Right to information</i>	48
<i>Annual statements</i>	48
<i>Statements on termination or death</i>	48
<i>Information to Spouse</i>	49
<i>No rights except as provided</i>	49
<i>Idem</i>	49
<i>Elections and Requests</i>	49
Section 18 Compliance with the Pension Division Requirements of Family Legislation	50
<i>Status of a Limited Member</i>	50
<i>Administration of Limited Members' rights</i>	50
<i>Administration fee for Limited Members</i>	50
<i>Rights of a Limited Member on Family Legislation Member's death</i>	50

Telecommunication Workers Pension Plan

<i>Limited Member's rights to information</i>	50
<i>Where Family Legislation Member transfers from Plan</i>	51
<i>Transfer of a Limited Member's share of unmatured benefits</i>	51
<i>Separate Pensions</i>	51
<i>Direct payment of a portion of Pension Benefit Payments</i>	51
Section 19 Return of a Pensioner to Covered Employment	52
<i>Pensioners may not accrue additional Credited Service</i>	52
<i>Additional restrictions</i>	52
Appendix A Calculation of Voluntary Interest Rate	53
<i>Definitions</i>	53
<i>Calculation of Voluntary Interest Rate</i>	53
Appendix B Participants Formerly Employed by Other Employers	54
<i>A.E.L. Transferees</i>	54
<i>Microtel Transferees</i>	54

Section 1 Definitions

(1) In the Plan the following words and phrases have the meanings stated in this Section.

(2) "Accrued Pension Benefit" means,

- (a) for a Participant or Limited Member who is not a Pensioner, the amount of monthly pension he or she would receive if he or she retired on the date of calculation having elected the Normal Form; and
- (b) for a Pensioner or Terminated Vested Member, the amount of his or her monthly pension calculated as if he or she elected the Normal Form and on the earlier of the date he or she:
 - (i) became a Pensioner; and
 - (ii) last terminated Covered Employment.

(3) "Actuary" means the person who is, or the firm who employs, a Fellow of the Canadian Institute of Actuaries and who is employed or retained by the Trustees.

(4) "Actuarial Equivalent Value" means the value on the date on which an event occurs, of:

- (a) a lump sum; or
- (b) a series of payments

calculated based on the actuarial assumptions adopted by the Trustees in accordance with applicable legislation.

(5) "Adjusted Seniority Date" for a Participant means the adjusted seniority date that the Employer reports to the Trustees.

(6) "Annualized Earnings" means an amount calculated in accordance with Section 5(1).

(7) "Average Annual Earnings" means the amount calculated in accordance with Section 5(2), (3) and (5).

Telecommunication Workers Pension Plan

(8) "Average Annualized Earnings" means the amount calculated in accordance with Section 5(2), (4) and (5).

(9) "Beneficiary" means the person or persons designated or deemed to be designated to be the payee of a benefit on a Participant's, Terminated Vested Participant's, Pensioner's or Beneficiary's death pursuant to Section 3(2) through (8).

(10) "Collective Agreement" has the meaning stated in the Trust Agreement.¹

(11) "Company Long Term Disability Plan" means the long term disability plan created by TELUS pursuant to the Collective Agreement between TELUS and the Union that was ratified in 2005.

(12) "Covered Employment" means employment with an Employer, including while on a Political Leave of Absence or while a Disabled Participant, in respect of which he or she either must, or is permitted to and does elect to, participate in the Plan pursuant to either

- (a) the Collective Agreement; or
- (b) an agreement between an Employer and the Trustees respecting the employment.

For clarity, employees of Telus identified as "casual employees" pursuant to the Telus Collective Agreement are not in Covered Employment.

(13) "Credited Service" of a Participant or Terminated Vested Member means the total, expressed in years and a fraction of a year, of:

- (a) for Years from the Earliest Accrual Date to 1985, Pension Eligibility Service;
- (b) for 1985 and 1986, the number of full calendar months of Covered Employment;
- (c) for each Year from 1987 to and including 1994, the lesser of:

(i)
$$\frac{\textit{full calendar months of Required Contributions}}{12}$$
; and

¹ Trust Agreement s. 1.4 (as of 2015-01-01): The term "Collective Agreement" shall mean any collective agreement

Telecommunication Workers Pension Plan

entered into between an Employer and the Union and containing a provision for Contributions to the Trust Fund.

Telecommunication Workers Pension Plan

(ii)
$$\frac{\text{Earnings in the Year}}{0.6 \times \text{Year's Maximum Pensionable Earnings}}$$
;

(d) for each Year beginning with 1995, the lesser of 1 and the result of:

$$\frac{\text{Pensionable Workdays} + \text{Purchased Absent Workdays}}{\text{Minimum Yearly Scheduled Workdays}};$$

(e) Supplemental Service; and

(f) any other period the Trustees deem to be Credited Service as permitted by the Plan and applicable legislation.

(14) "Daily Rate" means:

(a) for a Year up to and including 2005, the amount payable to a Participant for a Scheduled Workday at the end of the Year, based on the fixed rate in the Collective Agreement or as determined by the Trustees;

(b) for a Year beginning with 2006, for a Participant other than a Disabled Participant, the result of

$$\left(\begin{array}{l} \text{the amount payable to him or her for a} \\ \text{Day of Pay at the end of the Year} \\ \text{based on the fixed rate in the Collective Agreement} \\ \text{or as determined by the Trustees} \end{array} \right) \times \left(\frac{\text{Earnings}}{\text{Earnings} - \text{Variable Pay}} \right);$$

and

(c) for a Year beginning with 2006, for a Disabled Participant, the amount in (b) adjusted to the amount payable to a Participant for a Scheduled Workday which would have applied had he or she not become disabled but had continued to work in his or her pre-disability employment category or, if the category has been discontinued, the employment category the Trustees consider most similar to the discontinued category.

(15) "Defined Benefit Limit" means "defined benefit limit" as defined in Income Tax Legislation.

Telecommunication Workers Pension Plan

(16) "Disabled Participant" means a Participant who has not died or reached his or her Normal Pension Commencement Date and who on the relevant date is disabled from actively working in Covered Employment due to injury or illness and either:

- (a) is eligible to receive sick leave benefits from an Employer;
- (b) is eligible to receive disability payments under the *Workers' Compensation Act*;
- (c) is eligible to receive disability benefit payments under either the Telecommunication Workers LTD Plan or the Company Long Term Disability Plan;
- (d) is in the waiting period for disability benefit payments under either the Telecommunication Workers LTD Plan or the Company Long Term Disability Plan and otherwise meets the criteria for those payments; or
- (e) has provided to the Trustees a medical report from a doctor that the Trustees consider sufficient to substantiate Participant's claim of disability.

(17) "Earliest Accrual Date" means

- (a) for all Participants who were participants under the Federation of Telephone Workers of British Columbia (O.K. Tel) Pension Trust Fund, January 1, 1974 ; and
- (b) for all other Participants, January 1, 1975.

(18) "Early Pension Commencement Date" means the first day of the month selected by a Participant to become a Pensioner that is before his or her Normal Pension Commencement Date.

(19) "Earnings" means the amounts received by a Participant from an Employer in a Year upon which the Participant makes Required Contributions, and includes Variable Pay and any other amounts which the Trustees deem to be his or her Earnings pursuant to the Plan. When a Participant who became disabled while a full-time Participant has a period of part-time Credited Service due to disability, the Trustees will deem the Participant to have received Earnings as if he or she was working full-time throughout the period of disability.

Telecommunication Workers Pension Plan

- (20) "Employee" has the meaning stated in the Trust Agreement.²
- (21) "Employer" means:
- (a) "Employer" as stated in the Trust Agreement;³
 - (b) the Union in respect of its Employees;
 - (c) the Trustees in respect of their Employees; and
 - (d) the predecessor of any of the above that has participated or is participating in the Plan.
- (22) "Excluded Employment" means employment with an Employer that is not Covered Employment.
- (23) "Family Legislation" means the applicable legislation in effect at the relevant time governing the division of pensions between spouses.
- (24) "Family Legislation Member" means a Participant, Terminated Vested Member or Pensioner about whom the Trustees have notice that his or her pension entitlement has been divided pursuant to Family Legislation.
- (25) "Incented Terminated Member" means a Terminated Vested Member who received payment pursuant to an Incentive Program.
- (26) "Incentive Program" means any of:
- (a) the 2002-2003 My Future Choices voluntary departure incentive program created by TELUS;
 - (b) the Voluntary Departure Incentive Program pursuant to the Collective Agreement between TELUS and the Union ratified in 2005; and
 - (c) any other voluntary departure program designated as an Incentive Program by the Trustees.

² Trust Agreement s. 1.6 (as of 2015-01-01): The term “Employee” as used herein shall mean:

- (a) any person who is a member of a bargaining unit as constituted under a Collective Agreement in effect between the Union and the Employer and who is contributing or has contributed to the Trust Fund and who is, at the time of reference, eligible for benefits to be provided by the Trust Fund.
- (b) any person who is employed by the Union and who, upon such terms and conditions as the Trustees, in their discretion may determine, is approved by the Trustees for participation in the Plan.
- (c) any person who is employed by the Trustees and who, upon such terms and conditions as the Trustees, in their discretion may determine, is approved by the Trustees for participation in the Plan.
- (d) any person retired from his or her employment with the Employer entitled to benefits under either [sic] Basic Plan or the Segregated Plan, or
- (e) any person who is employed by Community Information Systems Ltd. and who, upon such terms and conditions as the Trustees, in their discretion may determine, is approved by the Trustees for participation in the Plan.

³ Trust Agreement s. 1.7 (as of 2015-01-01): The term “Employer” as used herein shall mean:

- (a) TELUS Communications Inc. and affiliates of TELUS Communications Inc. that are parties to a Collective Agreement; and
 - (b) any entity in which TELUS Communications Inc. or an affiliate of TELUS Communications Inc. has minority voting interest and which
 - (i) is party to a Collective Agreement or has confirmed recognition of a Collective Agreement for affected employees;
 - (ii) makes Contributions to the Trust Fund pursuant to Section 1.5(a); and
 - (iii) is approved by the Trustees;
- except that with regard to the appointment and removal of Trustees as provided in Article 2 and with regard to the amendment and complete termination of the Trust Agreement and Plan as provided in Article 7 and Section 8.2 respectively, the term shall be limited to Telus Communications Inc. For the purpose hereof the term “affiliate” shall have the meaning as defined by the Canada Business Corporations Act (Canada) as amended from time to time.

Telecommunication Workers Pension Plan

- (27) "Income Tax Legislation" means the applicable legislation governing income tax in effect at the relevant time.
- (28) "Limited Member" means a person who:
- (a) has applied, or on whose behalf a Participant, Terminated Vested Participant or Pensioner has applied, to the Trustees for designation as a limited member in accordance with Family Legislation; and
 - (b) whose proportionate share of benefits has not been determined or has been determined but who has not received his or her full entitlement.
- (29) "Lump Sum Earnings" means any payment to a Participant in 2005 or 2006, pursuant to the Memorandum of Agreement entitled "Lump sum Payment for 2001-2005" in the Collective Agreement between TELUS and the Union ratified in 2005.
- (30) "Management Transferee" means a Terminated Vested Member who transferred directly from Covered Employment to Excluded Employment and continues to work in Excluded Employment.
- (31) "Minimum Pension Benefit" means the amount calculated in accordance with Section 11(4) and (5).
- (32) "Minimum Yearly Scheduled Workdays" in a Year means 250 Scheduled Workdays.
- (33) "Normal Form" means a pension benefit that provides:
- (a) Pension Benefit Payments until the Pensioner dies, and
 - (b) if the Pensioner dies before receiving 60 Pension Benefit Payments, Pension Benefit Payments to the Pensioner's Beneficiary until 60 Pension Benefit Payments in total have been made to the Pensioner and his or her Beneficiary.
- (34) "Normal Pension Commencement Date" means the first day of the month that is or immediately follows the Participant's 65th birthday.

Telecommunication Workers Pension Plan

- (35) “Outside Employment” means employment that is not with an Employer and includes self-employment and unemployment.
- (36) “Participant” means a person who has made Required Contributions, is an Employee in Covered Employment, and is neither a Terminated Vested Member nor a Pensioner.
- (37) "Past Service" means:
- (a) for a Participant on the Earliest Accrual Date, his or her service with an Employer before the Earliest Accrual Date, beginning with the earlier of his or her:
 - (i) Adjusted Seniority Date; and
 - (ii) seniority date stated in an Employer's records at the Earliest Accrual Date;
 - (b) for a Participant on January 1, 1984, the greater of his or her:
 - (i) Past Service which he or she would be entitled under (a) above; and
 - (ii) service with an Employer from his or her Adjusted Seniority Date revised in accordance with the Collective Agreement before 1989, to the Earliest Accrual Date.
- (38) “Pension Benefit” means the pension in the form the Pensioner elects that, on the date he or she becomes a Pensioner, has the commuted value of his or her Accrued Pension Benefit.
- (39) “Pension Benefit Payment” means a monthly pension payment to a Pensioner, Limited Member, Beneficiary or joint annuitant under the Plan.
- (40) “Pension Eligibility Service” means full calendar months of Covered Employment with an Employer, expressed in Years and a fraction of a Year.
- (41) "Pension Legislation" means the applicable legislation governing pension standards for pensions under the Plan in effect at the relevant time.

Telecommunication Workers Pension Plan

- (42) "Pensionable Workdays" means the Scheduled Workdays for which a Participant receives Earnings in a Year that an Employer reports to the Trustees.
- (43) "Pensioner" means a person, including a Limited Member, who is receiving Pension Benefit Payments. For greater certainty, a Pensioner who returns to Covered Employment remains a Pensioner and does not become a Participant.
- (44) "Pensioner's Contribution Account" means the Required Contributions made by a Pensioner pursuant to Section 19 plus interest calculated in accordance with Section 5(6) as though the Pensioner's Contribution Account was a Required Contribution Account.
- (45) "Plan" has the meaning stated in the Trust Agreement.⁴
- (46) "Political Leave of Absence" means an unpaid leave of absence taken by a Participant pursuant to the terms of the Collective Agreement for the purpose of serving in elected municipal, provincial or federal office.
- (47) "Pre-Retirement Death Benefit" means a payment or payments made to a Spouse, Beneficiary or estate following a Participant's or Terminated Vested Member's death.
- (48) "Purchased Absent Workdays" means the total of the Scheduled Workdays during a Year:
- (a) that a Participant purchased pursuant to Section 6(7); and
 - (b) that the Trustees deem to be Purchased Absent Workdays pursuant to Section 6(9) and Section 7(1).
- (49) "Required Contributions" means the contributions that a Participant is required to make to the Trust Fund pursuant to either the Collective Agreement or the Trust Agreement.
- (50) "Required Contribution Account" means a Participant's Required Contributions plus interest calculated as provided in Section 5(6).

⁴ Trust Agreement s. 1.8 (as of 2015-01-01): The term "the Plan" as used herein shall mean the Telecommunications Workers Pension Plan established hereunder.

Telecommunication Workers Pension Plan

- (51) "Required Interest Rate" means the rate that is the average of the annual yields from the 12 months prior to the end of the previous Year, published by the Bank of Canada in CANSIM monthly series V122515.
- (52) "Scheduled Workday" means a day on which a Participant would be required to work in accordance with his or her regular schedule and determined by the Trustees to constitute a normal day's work.
- (53) "Separate Pension" means a Pension Benefit granted to a Limited Member that is derived from his or her proportionate share of a Family Legislation Member's Accrued Pension Benefit.
- (54) "Spouse" means, for a Participant, the person who, on the relevant date and for a Pensioner, the person who, at the date he or she became a Pensioner:
- (a) had resided continuously for at least the previous year including the relevant date, with the Participant or Pensioner in a marriage-like relationship; and
 - (b) if there is no person who meets the conditions of (a), was lawfully married to, or party to a void marriage with, the Participant or Pensioner.
- (55) "Supplemental Service" means service before 1987 that was subject to the Collective Agreement but was not Covered Employment and that a Participant purchased in accordance with Appendix B.
- (56) "Telecommunication Workers Benefit Plan" means the plan, defined in Article 1.05 of the Agreement and Declaration of Trust dated July 1, 1983 between the Union and certain persons who agreed to act as its trustees, as amended.
- (57) "Telecommunication Workers LTD Plan" means the plan, defined in Article 1.07 of the Agreement and Declaration of Trust dated January 1, 1992 between the Union, BC Tel and certain persons who agreed to act as its trustees, as amended.
- (58) "TELUS" means TELUS Communications Inc., and includes its predecessors, affiliates, and subsidiaries.

Telecommunication Workers Pension Plan

- (59) "Terminated Vested Member" means a person who was a Participant who ceased Covered Employment, has neither returned to Covered Employment nor become a Pensioner, and is eligible for a deferred Pension Benefit in accordance with Section 13.
- (60) "Trust Agreement" means the Agreement and Declaration of Trust entered into between the Union, British Columbia Telephone Company, Canadian Telephones and Supplies Ltd., and the Trustees, effective December 31, 1983, as amended.
- (61) "Trust Fund" has the meaning stated in the Trust Agreement.⁵
- (62) "Trustee" has the meaning stated in the Trust Agreement.⁶
- (63) "Union" has the meaning stated in the Trust Agreement.⁷
- (64) "Variable Pay" means amounts paid to a Participant in accordance with the Memorandum of Agreement entitled *Variable Pay* in the Collective Agreement between TELUS and the Union first ratified in 2005.
- (65) "Voluntary Contribution Account" means the total of a Participant's Voluntary Contributions and interest calculated in accordance with Section 4(7).
- (66) "Voluntary Contributions" means the contributions a Participant elects to make to the Trust Fund pursuant to Section 4(5).
- (67) "Voluntary Interest Rate" means the rate determined by the Trustees to be the Voluntary Interest Rate for the Year in accordance with Appendix A.
- (68) "Year" means calendar year.
- (69) "Year's Maximum Pensionable Earnings" has the meaning stated in the Canada Pension Plan.

⁵ Trust Agreement s. 1.10 (as of 2015-01-01): The term "Trust Fund" as used herein shall mean Telecommunications Workers Pension Trust Fund established hereunder.

⁶ Trust Agreement s. 1.11 (as of 2015-01-01): The term "Trustee" as used herein shall mean any person appointed as

Section 2 Interpretation

Pronouns

(1) Whenever a singular or masculine pronoun is used it will be construed as meaning the plural or the feminine or the body politic or corporate.

Grammatical forms

(2) Where any word or phrase is given a defined meaning any other grammatical form of that word or phrase has a corresponding meaning.

Ambiguity

(3) If a provision in this version of the Plan is ambiguous and a prior version of the Plan clearly states only one of the possible interpretations of the provision in this version, the provision has the meaning stated in the prior version.

References to Sections

(4) Where the Plan refers to a Section, the reference is to a Section in the Plan unless otherwise stated.

Headings, footnotes and marginal notes

(5) Headings, footnotes and marginal notes are provided for convenience only and do not control or affect the meaning of any term of the Plan.

Legislation prevails

(6) The Trustees will comply with all applicable legislation. If any of the provisions of the Plan are in conflict with any provisions of applicable legislation then the provisions of that legislation prevail.

a Trustee pursuant to Article 2.

⁷ Trust Agreement s. 1.12 (as of 2015-01-01): The term “Union” as used herein shall mean the Telecommunications Workers Union.

Section 3 Participation and Beneficiaries

Participation

(1) The conditions for Employees to become Participants in the Plan are stated in the Collective Agreement and other agreements between the Trustees and Employers.

Beneficiary where order made under Family Legislation

(2) Where an order has been made under Family Legislation with respect to division of Accrued Pension Benefits, Pension Benefit Payments, other rights or entitlements under the Plan, or designation of Beneficiaries, the order will prevail over any inconsistent designation made by a Participant or Pensioner.

Designation of Beneficiary - general

(3) Subject to Section 3(2), and applicable legislation, each Participant, Terminated Vested Member and Pensioner may designate one or more Beneficiaries for all death benefits under the Plan in accordance with the applicable legislation in effect in the Participant's province of residence at the time he or she makes the designation. If there is no applicable legislation governing Beneficiary designation, the Participant may complete the appropriate form provided by the Trustees for this purpose. For certainty, payment under a Voluntary Contribution Account is not a death benefit.

Spouse is Beneficiary

(4) Subject to Section 3(2) and despite any designation to the contrary made under Section 3(3), during any period where a Participant has a Spouse, the Spouse is deemed to be the Beneficiary for all death benefits.

Designation of Beneficiary – Voluntary Contribution Account

(5) A Participant or Terminated Vested Member may designate one or more Beneficiaries, who need not include a Spouse, for his or her Voluntary Contribution Account. If a Participant has not made a designation for his or her Voluntary Contribution Account, the Beneficiary for the Voluntary Contribution Account is the Participant's or Terminated Vested Member's estate.

Changes to Beneficiary

(6) Subject to the rights of a Spouse and the rights of a Beneficiary named on an irrevocable designation:

- (a) a Participant or Terminated Vested Member may revoke or change his or her Beneficiary or joint annuitant designations in accordance with the Plan provisions for making an initial Beneficiary designation; and
- (b) a Pensioner may revoke or change his or her Beneficiary in accordance with the Plan provisions for making an initial Beneficiary designation but may not revoke or change the joint annuitant designated for Pension Benefit Payments in a joint and last survivor form.

Changes to an irrevocable Beneficiary designation

(7) A Participant, Terminated Vested Member or Pensioner who made an irrevocable Beneficiary designation must obtain and provide to the Trustees the irrevocably designated Beneficiary's consent before changing the Beneficiary.

Deemed Beneficiary

(8) Subject to the legislation in effect at the relevant time in the Participant's, Terminated Vested Member's or Pensioner's province of residence, if a Participant, Terminated Vested Member or Pensioner dies and there is no surviving designated Beneficiary, then a person who was the Spouse at the date of death is the Beneficiary. If there is no surviving designated Beneficiary or Spouse then any payments will be made to the Participant's, Terminated Vested Member's or Pensioner's estate.

Section 4 Contributions

Required Contributions

(1) Participants make Required Contributions to the Trust Fund in accordance with the Collective Agreement and agreements between Employers and the Trustees.

Limit to Required Contributions

(2) In any Year, a Participant's Required Contributions must not exceed the limits set out in Income Tax Legislation.

Employer contributions

(3) Employers make contributions to the Trust Fund in accordance with the Collective Agreement and agreements between Employers and the Trustees.

Voluntary Contributions by Participants

(4) A Participant who is in Covered Employment and receiving Earnings from an Employer may make Voluntary Contributions in a Year provided that he or she has sufficient pension adjustment room for that Year. It is the sole responsibility of the Participant to ensure he or she has stayed within his or her contribution limit for the Year in accordance with applicable legislation.

Voluntary Contributions

(5) A Participant who wishes to make Voluntary Contributions must inform the Trustees and must arrange to have his or her Employer remit the Voluntary Contributions to the Trustees. The Trustees will, upon receipt, credit the Voluntary Contributions to the Participant's Voluntary Contribution Account.

Voluntary Contribution Account withdrawals

(6) A Participant may withdraw the balance of his or her Voluntary Contribution Account no more than once per Year. The Trustees will pay the balance, plus interest at the Required Interest Rate, to the Participant or the trustee of his or her registered retirement savings plan.

Interest on Voluntary Contribution Accounts

(7) At the end of each Year, if a Participant's Voluntary Contribution Account had a zero balance at any time in the Year and at the end of the Year had a positive balance, the Trustees will credit the Voluntary Contribution Account with interest at the Voluntary Interest Rate as if the Year-end balance was in the Voluntary Contribution Account for half the Year.

(8) At the end of each Year, if a Participant's Voluntary Contribution Account had a positive balance throughout the Year, the Trustees will credit the Voluntary Contribution Account with interest at the Voluntary Interest rate:

- (a) for the Year, on the balance of the Voluntary Contribution Account at the end of the previous Year; and
- (b) for half the Year, on the difference between the balance at the end of the previous Year and the end of the Year.

Increased Pension Benefit Payments

(9) Upon becoming a Pensioner, the Pensioner must either apply his or her Voluntary Contribution Account balance to purchase an increase to his or her Pension Benefit Payments in a form the Participant elected pursuant to Section 10(3), or receive a refund of the balance.

Voluntary Contribution Account benefits

(10) A Disabled Participant or Terminated Vested Member who has a Voluntary Contribution Account has the rights and obligations stated in Section 4(9), Section 7(9), Section 12(13) and Section 13(4).

Section 5 Calculation of Earnings and Interest

Annualized Earnings

- (1) A Participant's Annualized Earnings are:
- (a) for a Year to and including 2007, his or her "annualized earnings" as that term was defined for those Years in the Plan that was in effect on December 31, 2015; and
 - (b) for a Year beginning with 2008,

$$\frac{\text{Earnings}}{\text{Credited Service accumulated during the Year}}$$

Historical Average Annual Earnings and Average Annualized Earnings

- (2) For each Year to and including 2008, a Participant's Average Annual Earnings and Average Annualized Earnings as of January 1 of that Year are calculated in accordance with the terms of the Plan in effect on December 31, 2015.

Average Annual Earnings

- (3) For each Year beginning with 2009, a Participant's Average Annual Earnings for the Year is the amount, on January 1 of that Year, that is the lesser of:

- (a) the average of the Participant's Earnings over the three Years preceding that January 1; and
- (b) the product of 260.89 multiplied by the average of the Participant's Daily Rate on December 31 for each of the three years immediately preceding that January 1.

Average Annualized Earnings – Most Years

- (4) For each Year beginning with 2009, a Participant's Average Annualized Earnings is the amount, on each January 1, that is the lesser of:

- (a) the average of the Participant's Annualized Earnings over the three Years preceding that January 1; and
- (b) the product of 260.89 multiplied by the average of the Participant's Daily Rate as of December 31 for each of the three years immediately preceding that January 1.

Telecommunication Workers Pension Plan

Termination of Covered Employment on January 1

(5) For the purposes of Section 5(3) and Section 5(4), if a Participant dies, becomes a Pensioner or terminates Covered Employment on a January 1, the Participant's Daily Rate on that January 1 is deemed to be his or her Daily Rate on the immediately preceding December 31.

Required Contribution Account

(6) A Participant's Required Contribution Account is, on the date the calculation is made, the total of the following:

- (a) in his or her first Year as a Participant:

Required Contributions ×
 $\frac{1}{2}$ *portion of the Year in which the Required Contributions were made* ×
Required Interest Rate at the end of the Year;

- (b) at the end of each complete subsequent Year as a Participant:

(Required Contribution Account balance at the end of the previous Year ×
Interest Rate) + *(Required Contributions for the Year* ×
 $\frac{1}{2}$ *portion of the Year in which the Required Contributions were made* ×
Required Interest Rate at the end of the Year); and

- (c) for the Year in which the calculation is made:

(Required Contribution Account balance at the end of the previous Year ×
Required Interest Rate for the Year to date) +
(Required Contributions for the Year to date ×
 $\frac{1}{2}$ *portion of the Year in which the Required Contributions were made* ×
Required Interest Rate at the end of the previous calendar month).

Section 6 Scheduled Workdays Not Worked

Eligibility and Procedure for the Purchase of Purchased Absent Workdays

(1) A Participant who has Pensionable Workdays in a Year that are fewer than the Minimum Yearly Scheduled Workdays due to a period of absence, who remained in Covered Employment throughout the Year and who has at least 36 months of Credited Service prior to that period of absence, may, within the Year and with the Trustees' consent, purchase Purchased Absent Workdays for the absent days to a maximum of the difference between the Minimum Yearly Scheduled Workdays and his or her Pensionable Workdays.

Political Leave of Absence

(2) A Participant who worked in Covered Employment immediately prior to a Political Leave of Absence during which he or she provides confirmation satisfactory to the Trustees that he or she is not eligible to be a member of a pension plan provided to him or her in relation to the political office and who meets all requirements in Section 6(1) other than being in Covered Employment in a Year may, within the Year, purchase Purchased Absent Workdays for the absent days to a maximum of the difference between the Minimum Yearly Scheduled Workdays and his or her Pensionable Workdays.

Trustees' Discretion

(3) The Trustees may, in their sole discretion, determine a Participant's eligibility to purchase any Purchased Absent Workdays and the number of Purchased Absent Workdays that the Participant may purchase in a Year in accordance with the procedures adopted by the Trustees on the basis of the difference or projected difference between the Participant's Minimum Yearly Scheduled Workdays and his or her Pensionable Workdays.

Yearly Maximum Purchased Absent Workdays

(4) For a Year for which a Participant purchases Purchased Absent Workdays, the total of Pensionable Workdays and Purchased Absent Workdays in that Year may not exceed the proportion of full time the Participant worked in one of the two Years before the Year for which the Participant makes the purchase, whichever is greater, multiplied by the Minimum Yearly Scheduled Workdays.

Telecommunication Workers Pension Plan

Yearly Maximums

(5) A Participant may not purchase more Purchased Absent Workdays for a Year than that permitted by the limits in Income Tax Legislation. The total of Pensionable Workdays and Purchased Absent Workdays for a Participant for any Year may not exceed 250.

Lifetime Maximums

- (6) A Participant may purchase, in his or her lifetime, a maximum of the total of:
- (a) three periods of up to 250 Purchased Absent Workdays each for a period of parenting in the 12 months immediately following the birth or adoption of a child; and
 - (b) 1250 Purchased Absent Workdays.

Cost of Purchased Absent Workdays

(7) A Participant who wishes to purchase Purchased Absent Workdays must pay the Trustees an amount equal to the total of the Required Contributions and Employer contributions that would have been payable had the Purchased Absent Workdays been Pensionable Workdays, based on the Participant's Daily Rate on the previous December 31 plus any wage adjustment the Participant received or would have received had he or she worked during the period of absence.

Payment for Purchased Absent Workdays

(8) A Participant must pay for Purchased Absent Workdays within the Year to which they relate.

Granting Purchased Absent Workdays – Work Stoppage

(9) On the conclusion of a strike, lock-out or work stoppage, the Trustees may grant to a Participant without payment by the Participant a Purchased Absent Workday for each day that would have been a Scheduled Workday except that the Participant was absent from Covered Employment due to the strike, lock-out or work stoppage, up to the limits for Purchased Absent Workdays stated in this Section.

Purchased Absent Workdays included in Earnings

(10) The Participant's Earnings for a Year will be deemed to include the amount that is the Participant's Purchased Absent Workdays for the Year multiplied by the Daily Rate used to calculate the cost of the Purchased Absent Workdays or, for Purchased Absent Workdays granted under Section 6(9), the Daily Rate that would have been used to calculate the cost had the Participant purchased the Purchased Absent Workdays.

Accruing granted Purchased Absent Workdays up to and including 2005

(11) The accrual of granted Purchased Absent Workdays for all Years up to and including 2005 will be calculated based on the terms of the Plan in effect on the date of reference.

Other leaves of absence

(12) A Participant who is on an unpaid leave of absence and who does not either purchase or have granted Purchased Absent Workdays will not accrue Credited Service or Pension Eligibility Service for the period of absence.

Section 7 Disabled Participants

Granting Purchased Absent Workdays - Sickness

(1) Subject to Section 1(19), the Trustees will grant a Purchased Absent Workday for each Scheduled Workday on which a Participant is a Disabled Participant without payment by the Disabled Participant.

Proof of Disability

(2) The Trustees may require a Participant to provide information sufficient to establish that he or she is or continues to be a Disabled Participant.

Accruing granted Purchased Absent Workdays

(3) If the Participant ceases to be a Disabled Participant and does not return to Covered Employment, the Trustees will continue to grant to the Participant Purchased Absent Workdays to the end of the calendar month in which he or she ceases to be a Disabled Participant.

Cessation of granting Purchased Absent Workdays

(4) The Trustees will cease to grant Purchased Absent Workdays for a Disabled Participant on the earlier of:

- (a) the date the person ceases to be a Disabled Participant;
- (b) the date the Disabled Participant becomes a Pensioner; and
- (c) the first day of the month that is or immediately follows the Disabled Participant's 65th birthday.

Maximum granted Purchased Absent Workdays

(5) The limits set out in Section 6(5) apply to Purchased Absent Workdays granted under this Section 7. The limits set out in Section 6(6) do not apply to Purchased Absent Workdays granted under this Section 7.

Telecommunication Workers Pension Plan

Disabled Participant's Earnings

(6) A Disabled Participant's Earnings for a Year which includes granted Purchased Absent Workdays will be deemed to include the result of:

$$\textit{granted Purchased Absent Workdays} \times \textit{Daily Rate}$$

Disability pension commencement

(7) When a Disabled Participant has both reached age 60 and has at least 25 years of Pension Eligibility Service, he or she will be deemed to have met all the conditions to become a Pensioner on an Early Pension Commencement Date in accordance with Section 9(4)(d).

Voluntary Contributions

(8) A Disabled Participant may not make Voluntary Contributions to the Plan.

Disability refund

(9) Despite Section 4(6), a Disabled Participant who has a Voluntary Contribution Account may elect to receive a refund of the balance of his or her Voluntary Contribution Account in a Year even if he or she previously obtained a refund that Year.

Section 8 Required Contributions Received after Death, Termination or becoming a Pensioner

Earnings within Year following end of Participation

(1) If the Plan receives Required Contributions in respect of Terminated Vested Member or Pensioner that relate to his or her Earnings before the end of the Year following the Year in which he or she ceased to be a Participant, and the Earnings:

- (a) relate to the Terminated Vested Member's or Pensioner's Covered Employment; and
- (b) are not Earnings received as a result of a reclassification of the Terminated Vested Member's or Pensioner's former employment category;

then the Terminated Vested Member's or Pensioner's Pension Benefit and Pension Benefit Payments or Pre-Retirement Death Benefit will be recalculated at the time the Trustees receive the Required Contributions.

Retroactive Earnings

(2) If the Plan receives Required Contributions from a Terminated Vested Member or Pensioner that relate to retroactive Earnings as a result of a reclassification of his or her employment category, his or her Pension Benefit and Pension Benefit Payments or Pre-Retirement Death Benefit will be recalculated in accordance with the terms of the Plan in effect at the time the Earnings would have been earned, with all retroactive Earnings and Required Contributions allocated to the Year or Years in which the retroactive Earnings would have been earned and Required Contributions made.

Trustee discretion

(3) If the Actuary advises the Trustees that the recalculation will not increase the amount of the Pensioner's Pension Benefit, the Trustees may in their discretion choose not to recalculate the Pension Benefit.

Telecommunication Workers Pension Plan

No Pension Benefit reduction

(4) In no event will a Pension Benefit, Pension Benefit Payments or a Pre-Retirement Death Benefit be reduced because of a recalculation based on Earnings or Required Contributions an Employer reports after the person ceased to be a Participant.

Earnings in subsequent Years

(5) If the Plan receives Required Contributions or an overpayment of Required Contributions in respect of a Terminated Vested Member or Pensioner in circumstances not covered in Section 8(1), (2) or Section 19, at the end of the Year, the Required Contributions or overpayment will be returned to the Terminated Vested Member or Pensioner, his or her Spouse or Beneficiary as appropriate.

Section 9 Pension Commencement

Normal Pension Benefit Value

(1) Except as otherwise provided in the Plan, every Pensioner's Pension Benefit has the same commuted value as the pension that would have been payable if he or she became a Pensioner on his or her Normal Pension Commencement Date having elected the Normal Form of Pension Benefit.

Notification

(2) A Participant or Terminated Vested Member may not elect to become a Pensioner on a date prior to the Trustees' receipt of his or her election.

Deferred Pension Commencement

(3) A Participant may elect to become a Pensioner on, or may elect to defer becoming a Pensioner until after, his or her Normal Pension Commencement Date. A Participant must elect to become a Pensioner on his or her choice of a date that is the first day of a month and that is no later than December 1 of the year in which he or she turns age 71.

Early Pension Commencement

(4) A Participant and, subject to Section 13(6) and (7), a Terminated Vested Member, may elect to become a Pensioner on the first day of any calendar month following the date he or she then ceases, or previously ceased, Covered Employment if he or she has reached age:

- (a) 50, has at least 30 years of Pension Eligibility Service and receives the Trustees' consent to subsidized early pension commencement, in which event the Participant is entitled to subsidized early pension commencement pursuant to Section 11(6)(a);
- (b) 50 and has at least 30 years of Pension Eligibility Service, or age 55 and has at least 25 years of Pension Eligibility Service, but does not receive the Trustees' consent to subsidized early pension commencement, in which event the Participant is entitled to unsubsidized early pension commencement pursuant to Section 11(6)(b);

Telecommunication Workers Pension Plan

- (c) 55 but not age 60, has less than 25 years of Pension Eligibility Service and receives the Trustees' consent to subsidized early pension commencement, in which event the Participant is entitled to subsidized early pension commencement pursuant to Section 11(6)(c);
- (d) 55, has at least 25 years of Pension Eligibility Service and receives the Trustees' consent to subsidized early pension commencement, in which event the Participant is entitled to subsidized early pension commencement pursuant to Section 11(6)(d); and
- (e) 60 and receives the Trustees' consent to subsidized early pension commencement, in which event the Participant is entitled to subsidized early pension commencement pursuant to Section 11(6)(d).

No discrimination

(5) Where Trustee consent to subsidized early pension commencement is required for a Participant or Terminated Vested Member, the Trustees will exercise their discretion reasonably, having regard to the interests of those who are, or may become, entitled to a Pension Benefit or other benefits under the Plan.

Considerations

(6) When deciding whether to grant consent to subsidized early pension commencement, the Trustees will consider all financial and actuarial advice or information they consider necessary, including but not limited to the implications to:

- (a) the financial wellbeing of the Plan;
- (b) the sufficiency of the Trust Fund to pay existing benefits;
- (c) future updates of benefits; and
- (d) increased contributions that may be required to maintain benefits.

Telecommunication Workers Pension Plan

No reduction to Pension Benefit

(7) Trustee consent to subsidized early pension commencement will be denied if the Trustees anticipate termination of the Trust Fund and Plan or where granting consent is likely to result in the reduction of the Pension Benefit of any current or future Pensioner, or a Beneficiary or joint annuitant.

Workforce reductions

(8) If the Trustees receive or anticipate the receipt of numerous applications for subsidized early pension commencement from Incented Terminated Members, then in addition to the considerations under Section 9(5) through (7), they will consider whether granting consent would result in the Plan and Trust Fund having an excess of actuarial liabilities for accrued benefits over assets on hand and, if so, they must be satisfied that the granting of consent is fair and reasonable to all Participants, Terminated Vested Members and Pensioners.

Idem

(9) Despite Section 9(5) through (8), if an Employer makes a payment to the Trust Fund which in the opinion of the Trustees is sufficient to offset any adverse consequences to the Plan which granting of consent to subsidized early pension commencement may have and the application otherwise complies with the requirements of the Plan, the Trustees will consent.

Section 10 Form of Pension Benefit Payment

How Paid

(1) Pension Benefit Payments are payable on the first day of each calendar month.

Small pensions

(2) If, on the date a Participant would become a Terminated Vested Participant or Pensioner but for the operation of this Section, the Actuarial Equivalent Value of his or her annual Pension Benefit is less than 20% of the Year's Maximum Pensionable Earnings, the Trustees will pay to him or her the Actuarial Equivalent Value in a lump sum. The Participant will have no remaining benefits or other rights under the Plan and will cease to be a Participant upon payment of the lump sum.

Normal or Optional form

(3) A Participant or Terminated Vested Member must, before becoming a Pensioner, elect either the Normal Form or an optional form of Pension Benefit the Trustees permit. If the Participant or Terminated Vested Member fails to make an election, the Trustees will pay a Pension Benefit in either the form required by applicable legislation or, if there is no required form, the Normal Form. Any approved optional forms of Pension Benefit will be in accordance with Income Tax Legislation on the date he or she becomes a Pensioner.

Re-Election

(4) A Participant or Terminated Vested Member may, before becoming a Pensioner, revoke his or her election and elect another permitted form. A Pensioner may not revoke or change his or her election.

Optional form – Joint annuitant

(5) Subject to Section 10(6) and Family Legislation, when a Participant who has a Spouse becomes a Pensioner, the Participant must elect an optional form of Pension Benefit which:

- (a) requires the Participant to designate his or her Spouse as a joint annuitant; and

Telecommunication Workers Pension Plan

- (b) provides Pension Benefit Payments to his or her surviving Spouse or former Spouse for the Spouse's life, in the same or lesser amount, but not less than 60% of the amount payable to the Pensioner.

Waiver

(6) Section 10(5) does not apply if the Spouse completes and delivers to the Trustees a waiver that the Trustees consider is exactly in the form prescribed by, and in accordance with all other requirements of, Pension Legislation, of his or her rights to a 60% survivor pension.

Pension Payments after Pensioner Death

(7) When a Pensioner dies, the Trustees will pay to the Pensioner's Spouse, Beneficiary or estate the lump sum or Pension Benefit Payments, if any, which are payable pursuant to the Plan according to the form of Pension Benefit elected by the Pensioner, including payments resulting from the Pensioner's Voluntary Contribution Account.

Section 11 Amount of Pension Benefit

Pension Commencement before January 1, 2018

(1) The Trustees provided a Pension Benefit to every Pensioner before 2018 in accordance with the terms of the Plan in effect at the date the Pensioner became a Pensioner.

Calculation of Pension Benefit Payments

(2) Subject to Section 11(7), a Pension Benefit Payment for a Normal Form of Pension Benefit is 1/12 of the total of:

- (a) 25% of the total of the contributions made by the Pensioner to The Federation of Telephone Workers of British Columbia Supplemental Retirement Plan to and including 1974;
- (b) 1.75% of the Pensioner's Average Annual Earnings at January 1, 2018 multiplied by his or her years of Past Service;
- (c) 1.75% of the Pensioner's Average Annual Earnings at January 1, 2018 multiplied by his or her years of Credited Service to and including 1994;
- (d) 1.75% of the Pensioner's Average Annualized Earnings at January 1, 2018 multiplied by his or her years of Credited Service from 1995 to and including 2017; and
- (e) 1.75% of the Pensioner's Earnings in each Year beginning in 2018.

No reduction in Pension Benefit Payments

(3) In no event will the portion of a Pension Benefit calculated under:

- (a) Section 11(2)(b) be less than the portion of the Pensioner's Pension Benefit calculated under Section VI(2)(ii) of the Plan in effect on December 31, 2015; and
- (b) Section 11(2)(c) and (d) combined be less than the portion of the Pensioner's Pension Benefit calculated under Sections VI(2)(iii), (iv) and (v) of the Plan in effect on December 31, 2015.

Telecommunication Workers Pension Plan

Minimum Pension Benefit – to and including June 2011

(4) The Minimum Pension Benefit for Participants whose Participation ceased before July 1, 2011 are governed by the terms of the Plan in effect on the date Participation ceased.

Minimum Pension Benefit – beginning with July 2011

(5) For a person who was a Participant in or after July 2011, his or her Minimum Pension Benefit is his or her Accrued Pension Benefit plus the amount by which his or her Required Contributions plus Credited Interest exceeds one half of the actuarial equivalent value of the Pension Benefit.

Calculation of Pension Benefit Payments – Early Pension Commencement Date

(6) Subject to Section 11(7), a Participant or Terminated Vested Member who becomes a Pensioner on an Early Pension Commencement Date will receive Pension Benefit Payments beginning on the Early Pension Commencement Date in the Normal Form, or an optional form of Actuarially Equivalent Value, calculated as follows:

- (a) the Pension Benefit of a Pensioner who becomes a Pensioner in accordance with Section 9(4)(a) will be calculated based on the Actuarial Equivalent Value of his or her Accrued Pension Benefit, calculated as if it is due to commence without reduction on the first day of the month coincident with or following the date he or she would reach age 55;
- (b) the Pension Benefit of a Pensioner who becomes a Pensioner in accordance with Section 9(4)(b) will be calculated based on the Actuarial Equivalent Value of his or her Accrued Pension Benefit;
- (c) the Pension Benefit of a Pensioner who becomes a Pensioner in accordance with Section 9(4)(c) will be calculated based on the Actuarial Equivalent Value of his or her Accrued Pension Benefit calculated on the basis that it is due to commence without reduction on the first day of the month coincident with or following the date he or she would reach age 60; and

- (d) the Pension Benefit of a Pensioner who becomes a Pensioner in accordance with Section 9(4)(d) or Section 9(4)(e) will be calculated based on his or her Accrued Pension Benefit.

Maximum Pension Benefits

(7) The total of a Pensioner's Pension Benefit Payments for the Year in which he or she becomes a Pensioner, annualized, will not exceed the limits set out in Income Tax Legislation.⁸

Pension Benefit Payment increase

(8) The Trustees may from time to time increase Pension Benefit Payments. Any increase in Pension Benefit Payments will be within any limits stated in applicable legislation.

Pension Benefit Payment Calculation

(9) If an actuarial valuation of the Plan indicates that the funding of the Plan is insufficient to satisfy the minimum funding requirements of Pension Legislation, the Trustees will take appropriate action to reduce the Pension Benefit if at the next renewal of the Collective Agreement the Employers and the Union do not agree to an increased level of Contributions such that the Plan then satisfies those minimum funding requirements.

⁸ In May 2015, those limits are set out in ITAR 8504.

Section 12 Pre-Retirement Death Benefits

Pre-retirement death before July 2011

(1) Every Participant who died before becoming a Pensioner and before July 2011 was provided a Pre-Retirement Death Benefit in accordance with the terms of the Plan in effect at the date of death.

Maximum paid to Beneficiaries

(2) The total of all amounts payable under this Section 12 as a result of a Participant's or Terminated Vested Member's death will not exceed the maximum amount allowable under Income Tax Legislation.

Application and proof

(3) Before the Trustees pay a death benefit or Pension Benefit Payment to a Beneficiary or joint annuitant, the Beneficiary or joint annuitant must provide to the Trustees an application, proof of entitlement and proof of death satisfactory to the Trustees.

Start of Pension Benefit Payments to Spouses

(4) If a Participant or Terminated Vested Member is entitled to Pension Benefit Payments under Section 12(5) or (6) at death and he or she has a surviving Spouse, the Trustees will pay to the Spouse Pension Benefit Payments starting on the first of the month following the Participant's or Terminated Vested Member's death.

Pre-retirement death before eligible to become a Pensioner

(5) If a Participant, or Terminated Vested Member who is not an Incented Terminated Member, dies before becoming eligible to become a Pensioner, the Trustees will, subject to Section 12(2), pay to the Beneficiary a Pre-Retirement Death Benefit that has the Actuarial Equivalent Value of the greater of the deceased's Accrued Pension Benefit and Minimum Pension Benefit:

- (a) if the Beneficiary is a Spouse, at the Spouse's option, either as a Pension Benefit calculated on a single life basis for the Spouse or as a lump sum; and
- (b) if the Beneficiary is not a Spouse, as a lump sum payment.

Idem

(6) If an Incented Terminated Member dies before becoming eligible to become a Pensioner, the Trustees will, subject to Section 12(2), pay to the Beneficiary a Pre-Retirement Death Benefit that has the Actuarial Equivalent Value of the greater of the deceased's Accrued Pension Benefit and Minimum Pension Benefit:

- (a) if the Beneficiary is a Spouse, at the Spouse's option, either as a Pension Benefit calculated on a single life basis for the Spouse in the amount of the Pension Benefit Payment that would have started on the Incented Terminated Member's Normal Pension Commencement Date or as a lump sum; and
- (b) if the Beneficiary is not a Spouse, as a lump sum payment calculated based on the Incented Terminated Member's Normal Pension Commencement Date.

Pre-retirement Death after eligible to become a Pensioner

(7) If a Participant or Terminated Vested Member who is not an Incented Terminated Member dies before becoming a Pensioner and after becoming eligible to become a Pensioner, the Trustees will, subject to Section 12(2), pay to the Beneficiary a Pre-Retirement Death Benefit that has the Actuarial Equivalent Value of the greater of the deceased's Accrued Pension Benefit and Minimum Pension Benefit:

- (a) if the Beneficiary is a Spouse, as a Pension Benefit calculated as if the deceased became a Pensioner either with or without the consent of the Trustees to subsidized early pension commencement on the first day of the month that is or immediately follows the date of death having elected the joint and survivor option with 100% continuance to the joint annuitant; and
- (b) if the Beneficiary is not a Spouse, as a lump sum calculated as if the deceased became a Pensioner either with or without the consent of the Trustees to subsidized early pension commencement on the first day of the month that is or immediately follows the date of death having elected the life annuity guaranteed for 15 years option.

Considerations

(8) When exercising their discretion to grant subsidized early pension commencement under Section 12(7), the Trustees will consider the factors set out in Section 9(6) through (9).

Pre-retirement Death after eligible to become a Pensioner – Incented

Terminated Member

(9) If an Incented Terminated Member dies before becoming a Pensioner and after becoming eligible to become a Pensioner, the Trustees will, subject to Section 12(2), pay the Beneficiary a Pre-Retirement Death Benefit that has the Actuarial Equivalent Value of the greater of the deceased's Accrued Pension Benefit and Minimum Pension Benefit:

- (a) if the Beneficiary is a Spouse, as a Pension Benefit calculated as if the Incented Terminated Member became a Pensioner without the consent of the Trustees to subsidized early pension commencement on the first day of the month that is or immediately follows the date of death having elected the joint and survivor option with 100% continuance to the joint annuitant; and
- (b) if the Beneficiary is not a Spouse, as a lump sum calculated as if the Incented Terminated Member became a Pensioner without the consent of the Trustees to subsidized early pension commencement on the first day of the month that is or immediately follows the date of death having elected the life annuity guaranteed for 15 years option.

Payments to an estate

(10) If a Pre-Retirement Death Benefit is payable and the deceased Participant, Terminated Vested Member or Pensioner does not have a surviving Beneficiary, the Trustees will pay to the deceased's estate a lump sum that has the Actuarial Equivalent Value of the applicable Pre-Retirement Death Benefit in lieu of any other payment.

Transfer rights

(11) The Spouse of a deceased Participant, Terminated Vested Member or Incented Terminated Member who is entitled to Pension Benefit Payments under this Section 12 may elect to transfer the Actuarial Equivalent Value of the Pension Benefit from the Plan in a manner permitted by applicable legislation so long as all necessary consents are obtained and provided that the most recent annual actuarial valuation report for the Plan indicates that the Trust Fund is at least 100% solvent or the Trustees receive consent to make payments from the Superintendent of Financial Institutions as provided for in Pension Legislation. Unless the Trustees waive any time restriction, the Spouse must make the election by the later of 90 days following the date of death or 60 days following the date the Spouse receives a statement of the benefits payable upon the death.

No Transfer of small pensions

(12) If a Spouse is entitled to a Pension Benefit under this Section 12 and the Actuarial Equivalent Value of the Pension Benefit is less than 20% percent of the Year's Maximum Pensionable Earnings, the Trustees will pay to the Spouse the Actuarial Equivalent Value in a lump sum in lieu of the Pension Benefit. The Spouse will have no further rights, benefits or interests in or under the Plan or Trust Fund upon receipt of the lump sum.

Voluntary Contribution Accounts

(13) If a Participant or Terminated Vested Member dies before becoming a Pensioner and has a Voluntary Contribution Account, the Trustees will pay to the Beneficiary of the Voluntary Contribution Account the balance of the account plus interest at the Required Interest Rate.

Section 13 Termination of Covered Employment

Terminated Vested Member

(1) Subject to Section 10(2),⁹ a Participant whose Covered Employment terminates other than by death or by becoming a Pensioner becomes a Terminated Vested Member and is entitled to receive Pension Benefit Payments calculated in accordance with Section 11 commencing at his or her Normal Pension Commencement Date.

Terminated Vested Member's Voluntary Contribution Account

(2) A Terminated Vested Member may elect to receive payment of the balance of his or her Voluntary Contribution Account at any time or apply it to provide increased Pension Benefit Payments upon becoming a Pensioner.

Terminated Vested Member may elect transfer

(3) A Participant who becomes a Terminated Vested Member before reaching age 55, who is neither a Management Transferee nor a person who contributes to a TELUS defined contribution plan, may transfer the Actuarial Equivalent Value of the Pension Benefit to which he or she is entitled from the Plan to another plan or other permitted retirement vehicle, to the extent permitted by applicable legislation, provided that the most recent annual actuarial valuation report for the Plan indicates that the Trust Fund is at least 100% solvent or the Trustees receive consent to the transfer from the Superintendent of Financial Institutions as provided for in Pension Legislation. The Terminated Vested Member must submit a request to the Plan administrator by the latest of:

- (a) 90 days after his or her termination of Covered Employment;
- (b) 60 days after receiving a statement of his or her benefits from the Plan administrator upon termination of Covered Employment; and
- (c) a later date permitted by the Trustees.

Transferring Terminated Vested Member's Voluntary Contribution Account

⁹ Small Pensions

Telecommunication Workers Pension Plan

(4) A Terminated Vested Member who transfers from the Plan pursuant to Section 13(3) must also transfer his or her Voluntary Contribution Account to another permitted retirement vehicle or be paid the balance of his or her Voluntary Contribution Account. At the time of transfer or payment the Voluntary Contribution Account will be credited with interest at the Required Interest Rate.

No further rights

(5) If a Terminated Vested Member transfers from the Plan pursuant to Section 13(3), he or she has no further right, benefit or interest in or under the Plan or Trust Fund.

Terminated Vested Member's early pension commencement

(6) A Terminated Vested Member who is not an Incented Terminated Member may elect to become a Pensioner before his or her Normal Pension Commencement Date in accordance with the early pension commencement provisions of the Plan in effect at the date he or she became a Terminated Vested Member.

Incented Terminated Member's early pension commencement

(7) An Incented Terminated Member may elect to become a Pensioner before his or her Normal Pension Commencement Date in accordance with the early pension commencement provisions of the Plan, but the value of his or her Pension Benefit is the Actuarial Equivalent Value of the greater of his or her Accrued Pension Benefit and Minimum Pension Benefit, calculated as though it started on his or her Normal Pension Commencement Date.

Normal or optional form

(8) Subject to Section 10(2), a Terminated Vested Member may elect on becoming a Pensioner to receive his or her Pension Benefit in the Normal Form or any optional form approved by the Trustees. If the Terminated Vested Member fails to make an election, the Trustees will pay a Pension Benefit in either the form required by applicable legislation or, if there is no required form, the Normal Form.

Lay Off

Telecommunication Workers Pension Plan

(9) If a Participant who is a temporary employee under a Collective Agreement is laid off by an Employer or his or her temporary contract ends and returns to Covered Employment within 90 days without receiving a refund of his or her Required Contribution Account, he or she will be treated as having remained a Participant during the period. If the Participant does not return to Covered Employment within three months of the date of layoff, or if he or she received a refund of his or her Required Contribution Account, he or she will be treated as if he or she terminated Covered Employment on the date of layoff or termination.

Section 14 Return to Covered Employment following Termination

Return to Covered Employment from Outside Employment – Terminated Vested Member

(1) If a Terminated Vested Member who is not an Incented Terminated Member returns to Covered Employment from Outside Employment before his or her Normal Pension Commencement Date:

- (a) he or she will resume accrual of Pension Eligibility Service and Credited Service in accordance with the terms of the Plan in effect at the return date;
- (b) but he or she again terminates Participation within five years of his or her return date, his or her Accrued Pension Benefit on first becoming a Terminated Vested Member and the terms and conditions respecting its payment will be determined in accordance with the terms of the Plan in effect at the date he or she first became a Terminated Vested Member, subject to modification by the Trustees based on information received from the Employer, and the post-return increase in Accrued Pension Benefit is treated as a separate accrual and termination in accordance with the terms of the Plan in effect at the second termination date; and
- (c) if he or she returns to Covered Employment and remains in Covered Employment for more than five years after his or her return date, his or her Accrued Pension Benefit will be the total of his or her accruals all in accordance with the terms of the Plan in effect at the last termination date.

Return to Covered Employment from Outside Employment – Incented Terminated Member

(2) If an Incented Terminated Member returns to Covered Employment from Outside Employment before his or her Normal Pension Commencement Date and remains in Covered Employment for more than five years after his or her return date, his or her Accrued Pension Benefit determined as an Incented Terminated Member shall be recalculated when the Accrued Pension Benefits for Participants are revised to reflect current Average Annual Earnings and when the benefit rate applicable to Past Service and Credited Service is changed. This recalculation does not affect the early pension commencement calculation limitation in Section 13(7).

Return to Covered Employment from Excluded Employment

(3) If a Management Transferee returns to Covered Employment before his or her Normal Pension Commencement Date and since he or she was a Participant has not worked in Outside Employment, then he or she will be treated in accordance with Section 14(1) as though he or she returned from Outside Employment, except that he or she will be deemed to have accrued Pension Eligibility Service during the period of Excluded Employment.

Section 15 Pension Benefit Payments and Rights Inalienable

No sale, transfer etc.

(1) Except as otherwise provided in the Plan or law, no person presently or contingently entitled to any payment under the Plan may sell, transfer, anticipate, charge, assign, hypothecate, give as security, surrender, commute or otherwise dispose of his or her entitlement.

Payments not subject to creditors' claims

(2) Except as otherwise provided by law, no person's entitlement to a payment under the Plan is subject to the claims of creditors, Beneficiaries, or joint annuitants.

Section 16 Modification or Termination of Plan

Distribution of assets on Plan termination

(1) The allocation of the assets of the Plan upon its termination and the distribution of the assets will conform to all legislative requirements.

Terminating the Plan

(2) If the Trustees terminate the Plan Pursuant to Section 8.4 of the Trust Agreement, they will make arrangements for payment of the Trust's expenses including those necessary for wind-up, then will allocate the assets of the Trust Fund, to the extent funds are available, in the following order of priority, or using another reasonable scheme of distribution approved by the Superintendent of Financial Institutions if necessary:

- (a) first, a return of all Voluntary Contribution Accounts and Pensioners' Contribution Accounts;
- (b) second, Pension Benefits pro rata to all Pensioners, Participants, and Terminated Vested Members, for those who are not Pensioners using the Plan termination date as the date they became Pensioners and without granting consent to subsidized early pension commencement;
- (c) third, pro rata increases to Pension Benefit Payments that would result if Trustees granted consent to subsidized early pension commencement for Participants and Terminated Vested Members who are not Incented Terminated Members and who elect to become Pensioners on their earliest eligibility date;
- (d) fourth, pro rata increases to Pension Benefit Payments that would result if Trustees granted consent to subsidized early pension commencement for Incented Terminated Members who elect to become Pensioners on their earliest eligibility date; and
- (e) fifth, pro rata increases to Pension Benefit Payments to all Pensioners, Participants, and Terminated Vested Members up to the maximum allowed by Pension Legislation.

Distribution of funds

(3) The application of funds under Section 16(2) will be in accordance with a formula adopted by Trustees that takes into account Accrued Pension Benefits, Pension Benefits and, if necessary, Pension Eligibility Service.

Remaining assets

(4) If any assets remain after the allocation described in Section 16(2), then the Trustees will distribute the remaining assets amongst the Participants, Terminated Vested Members, Pensioners, Beneficiaries, and joint annuitants in accordance with a formula adopted by the Trustees that takes into account Pension Benefits.

Termination of Trust Fund

(5) The Trustees will distribute the Trust Fund in the form of cash, annuity contracts or another form they consider appropriate.

Section 17 Miscellaneous

Right to examine Plan documents

(1) Each person who is eligible or contingently eligible to a benefit under the Plan may, once each Year, examine the documents of the Plan as prescribed by Pension Legislation at the office of the Plan administrator and may request a copy of any of those documents.

Right to information

(2) In accordance with applicable legislation and in the form prescribed thereunder, if any, the Trustees will provide to each Participant, Terminated Vested Member, Pensioner and Spouse information about the Trust Agreement, Plan and benefits thereunder:

- (a) when the person becomes a Participant;
- (b) within 60 days of an applicable amendment to the Plan; and
- (c) if the Trustees terminate the whole of the Plan.

Annual statements

(3) The Trustees will issue an annual written statement to each Participant, Limited Member, Terminated Vested Member, Pensioner, and Spouse. The statement will include information about the person's entitlements under the Plan and other information required by Pension Legislation. Statements provided to Family Legislation Members or Limited Members will not include information that, pursuant to Family Legislation, may not be included without consent.

Statements on termination or death

(4) The Trustees will issue a written statement including details and relevant information regarding the benefits payable to the affected person, his or her Spouse, Beneficiary or estate administrator when:

- (a) a Participant terminates Covered Employment;
- (b) a Terminated Vested Member transfers out of the Plan;
- (c) a Participant or Terminated Vested Member becomes a Pensioner; and

Telecommunication Workers Pension Plan

- (d) a person who was receiving a Pension Benefit Payment dies and additional Pension Benefit Payments are payable to his or her Beneficiary.

Information to Spouse

- (5) The Trustees will not provide separate written statements to Spouses of living Participants, Terminated Vested Members and Pensioners who have not notified the Trustees of their intent to become Limited Members.

No rights except as provided

- (6) Neither the Union, an Employer, Employees nor any other person has any right, title or interest in or to the Trust Fund except as provided by the Plan, the Trust Agreement and applicable law.

Idem

- (7) Neither the establishment of the Plan, the accrual of an Accrued Pension Benefit or other benefit, nor any action of an Employer, the Union or the Trustees will be held or construed to confer upon any person any right to be continued as an Employee nor, upon termination of Covered Employment, to confer any right or interest in the Trust Fund other than as provided in the Plan.

Elections and Requests

- (8) Wherever the Plan requires or permits a person to make an election or request, the election or request must be:
- (a) made in writing on the form required by law or provided by the Trustees for that purpose; and
 - (b) delivered to the Trustees.

Section 18 Compliance with the Pension Division Requirements of Family Legislation

Status of a Limited Member

(1) The Trustees will treat each Limited Member in the same way as the Family Legislation Member from whom he or she derived his or her Limited Member status.

Administration of Limited Members' rights

(2) The Trustees will administer the rights acquired by a Limited Member in accordance with Family Legislation and the administrative procedures the Trustees may adopt for this purpose.

Administration fee for Limited Members

(3) The Limited Member or the Family Legislation Member or both of them together will pay to the Trust Fund the fee set by the Trustees for the cost to the Plan of administering the rights of the Limited Member. The Trustees may deduct the amount of the fee from benefit payments to the Limited Member and the Family Legislation Member, in equal shares.

Rights of a Limited Member on Family Legislation Member's death

(4) If a Family Legislation Member dies before becoming a Pensioner and a Limited Member has not yet received all of his or her proportionate share, the Limited Member will receive the commuted value of the balance of his or her proportionate share calculated on the day before the death. If the Family Legislation Member dies after the Limited Member has received his or her proportionate share, the Limited Member is entitled to no further share of the benefits except to the extent the Limited Member is designated as a Beneficiary.

Limited Member's rights to information

(5) If a Family Legislation Member becomes a Pensioner or changes his or her Beneficiary designation, the Trustees will, within the time required by Family Legislation, notify the Limited Member or any other person entitled under Family Legislation to information of any action the Trustees intend to take as a result.

Where Family Legislation Member transfers from Plan

(6) If a Family Legislation Member proposes and is permitted to transfer his or her Accrued Pension Benefit from the Plan, the Trustees will advise the Limited Member as to the amount of his or her rights and his or her proportionate share of the Accrued Pension Benefit and instruct the Limited Member to provide the information the Trustees require as to where the Limited Member's share should be transferred.

Transfer of a Limited Member's share of unmatured benefits

(7) If a Limited Member chooses to transfer his or her proportionate share of the Family Legislation Member's Accrued Pension Benefit, then the Trustees will:

- (a) calculate the amount to be transferred in accordance with Section 13(3) through (5) as though the Limited Member was a Terminated Vested Member; and
- (b) reduce the Accrued Pension Benefit of the Family Legislation Member so that the reduction equals the Actuarial Equivalent Value of the amount transferred.

Separate Pensions

(8) If a Limited Member chooses to require the Trustees to provide to him or her a Separate Pension, the Trustees will reduce the Family Legislation Member's Accrued Pension Benefit so that the commuted value of the reduction equals the commuted value of the Separate Pension.

Direct payment of a portion of Pension Benefit Payments

(9) If a person is entitled by a court order or a separation agreement to receive from a Pensioner a portion of that Pensioner's Pension Benefit Payments that person may, in accordance with applicable legislation, instruct the Trustees to allocate and pay his or her portion of the Pension Benefit Payments directly to him or her. If the Pensioner dies before that person, the Trustees will cease paying Pension Benefit Payments and the Pensioner's beneficiary will receive any death benefits to which he or she is entitled. If that person dies before the Pensioner, then that person's portion of Pension Benefit Payments will revert to the Pensioner.

Section 19 Return of a Pensioner to Covered Employment

Pensioners may not accrue additional Credited Service

(1) Beginning with 1997, a Pensioner who works in Covered Employment will continue to receive his or her Pension Benefit Payments and will not accrue Credited Service but his or her Required Contributions will be allocated to the Pensioner's Contribution Account. When he or she terminates Covered Employment the Trustees will pay to him or her the balance of the Pensioner's Contribution Account.

Additional restrictions

(2) A Pensioner who works in either Covered Employment, or as a casual employee of Telus, is not permitted to make Additional Voluntary Contributions or to purchase Supplemental Service or Purchased Absent Workdays.

Appendix A Calculation of Voluntary Interest Rate

Definitions

(1) In this Appendix A the following words and phrases have the meanings stated in this Section.

(2) “Actual Rate of Return” for a Year means the rate of return on the Trust Fund calculated without reduction for directly Plan paid investment manager expenses on a market value basis for assets with a readily available market value and on another method established by the Trustees for other assets.

(3) “Average Rate of Return” for a Year means the average of the Actual Rates of Return for the Year and the two previous Years.

(4) “Cumulative Negative Account” means the notional account that is used to track the Average Rates of Return when they are negative. The Cumulative Negative Account cannot have a value that is greater than zero.

Calculation of Voluntary Interest Rate

(5) At the end of each Year, the Trustees will calculate the Average Rate of Return for the Year. The Trustees will then add the Average Rate of Return for the Year to the value of the Cumulative Negative Account of the preceding Year. If the total is negative, the total becomes the value of the Cumulative Negative Account for that Year and the Voluntary Interest Rate for the Year is zero. If the total is positive, the total is the Voluntary Interest Rate for the Year and the value of the Cumulative Negative Account for the Year is zero.

Appendix B Participants Formerly Employed by Other Employers

A.E.L. Transferees

(1) Certain Participants who formerly were employed by A.E.L. Microtel Limited listed in the minutes of the Trustees dated December 3, 2015 were the subject of a Letter of Understanding between the Union and A.E.L. Microtel. Accordingly, despite any provision in the Plan to the contrary, those Participants’:

- (a) periods of employment with A.E.L. Microtel are added to their Pension Eligibility Service;
- (b) periods of employment with A.E.L. Microtel prior to 1975 are added to their Past Service;
- (c) periods of employment with A.E.L. Microtel from 1975 to the dates they became Participants are added to their Credited Service; and
- (d) earnings reported by A.E.L. Microtel are added to their Earnings.

Microtel Transferees

(2) Certain Participants who formerly were employed by Microtel Limited listed in the minutes of the Trustees dated December 3, 2015 were the subject of a Letter of Understanding between the Union and Microtel Limited. Accordingly, despite any provision in the Plan to the contrary, those Participants’:

- (a) dates of Participation, Pension Eligibility Service, Credited Service and Past Service are set as of January 1, 1992 at the dates or amounts set out in those minutes;
- (b) periods of employment with Microtel Limited are added to their Pension Eligibility Service;
- (c) periods of employment with Microtel Limited prior to 1975 are added to their Past Service;

Telecommunication Workers Pension Plan

- (d) periods of employment with Microtel Limited from 1975 to the dates they became Participants are added to their Credited Service;
- (e) earnings reported by Microtel Limited are added to their Earnings;
- (f) pension benefit eligibility under Microtel Limited's pension plan or plans in respect of employment at Microtel Limited prior to Participation in the Plan, calculated on the normal form payable at the person's Normal Pension Commencement Date as defined in the Microtel Limited plan or plans, deducted from his or her Pension Benefit.