

## ***Reciprocal Pension Transfer Agreement***

This agreement is between:

The Municipal Employees Benefits Board  
and

The Civil Service Superannuation Board

### Introduction

1. Each of the parties administers a pension plan.
2. The parties wish to have common rules and procedures for the transfer of pension credits for persons transferring plan membership between their respective pension plans.

Now therefore the parties hereto, in consideration of the covenants and agreements hereinafter set forth, covenant and agree as follows:

### 1. Definitions

- a) **Actuarial Value** means the value of pension and ancillary benefits calculated in the same manner as benefits are valued under the most recent actuarial valuation of the Importing Plan or Exporting Plan, as the case may be, and subject to Article 4.
- b) **Credited Service** is the years and fractions of a year of credit for pension benefits accrual under the Importing Plan or the Exporting Plan, as the case may be.
- c) **Eligible Person** means a person who meets the conditions for eligibility to transfer contained in Article 2.
- d) **Employer** means an organization whose employees participate in a pension plan administered by a party to this agreement.
- e) **Exporter** means the organization which administers the Exporting Plan.
- f) **Exporting Plan** means the pension plan which may be required to Transfer on behalf of a person who has terminated plan membership.
- g) **Importer** means the organization which administers the Importing Plan.
- h) **Importing Plan** means the pension plan which may receive a Transfer on behalf of a member of such plan who was previously a member of the Exporting Plan.
- i) **Salary** means the annual salary rate of the Eligible Person as used by the Exporting Plan or the Importing Plan, as the case be, to determine pension and ancillary benefits.

- j) **Transfer** means a transfer under this agreement.
- k) **Transfer Amount** means the amount of money to be transferred from the Exporting Plan to the Importing Plan as determined under Article 4 of this agreement.
- l) **Transferring Member** means an Eligible Person who has applied to Transfer under Article 5.
- m) **Valuation Interest** means interest at the valuation rate for the appropriate period used in the most recent actuarial valuation of the Importing Plan or Exporting Plan, as the case may be.

## 2. Eligibility for Transfer

A person is eligible to transfer if that person satisfies all the following conditions:

- a) Terminates employment with an Employer and was a member of the Exporting Plan on or after the effective date of this agreement;
- b) Subject to paragraph 4.4 hereof, ceases participation in the Exporting Plan and has commenced participation under the Importing Plan;
- c) Has completed and fully paid for or abandoned all outstanding purchases of periods of past service under the Exporting Plan;
- d) Has within 12 months of such termination of employment, commenced employment with an Employer whose employees participate in the Importing Plan;
- e) Became a member of the Importing Plan within 6 months of first becoming eligible to do so, or if later, within 6 months of the date on which this agreement was executed; and
- f) For the period of Credited Service being transferred, has not received, or previously transferred, a lump sum benefit from the Exporting Plan, and is not receiving pension benefits from the Exporting Plan.

## 3. Request for Determination of Transfer Amount

- 3.1 At the request of an Eligible Person the Importer shall provide the Eligible Person with a copy of Appendix A.
- 3.2 An Eligible Person may within 6 months of becoming a member of the Importing Plan, or if later, within 6 months of the date on which this agreement was executed, deliver a completed and signed copy of Appendix A to the Importer.
- 3.3 The Importer shall deliver a copy of the signed Appendix A to the Exporter promptly upon receiving a signed copy of Appendix A from the Eligible Person. The Exporter shall provide the Salary, Credited Service information required by the Importer, and the amount available for transfer to the Importer, promptly after the Exporter receives a copy of Appendix A from the Importer.
- 3.4 On receipt of the information required, the Importer shall promptly prepare and issue to the Eligible Person a determination of Transfer Amount as calculated under Article 4 in the form of Appendix B.

#### **4. Calculation of Transfer Amount**

- 4.1 The amount which shall be paid to the Importing Plan, the Transfer Amount, shall be the lesser of the following two amounts plus Valuation Interest up to the end of the month in which Appendix A was received by the Importing Plan;
- (a) the Actuarial Value of the Eligible Person's pension and ancillary benefits in respect of Credited Service with the Exporting Plan calculated by the Exporter, provided that such Actuarial Value shall not be less than the lump sum benefit on termination to which the Eligible Person is otherwise entitled under the provisions of the Exporting Plan; and
  - (b) the Actuarial Value of the pension and ancillary benefits determined under the Importing Plan in respect of the same period of Credited Service calculated by the Importer.
- 4.2 The Actuarial Value available from the Exporting Plan shall be calculated as of the Eligible Person's date of termination of employment with an Employer whose employees participate in the Exporting Plan, using the Salary of the Eligible Person as at the date of termination of employment.
- 4.3 The Actuarial Valuation required by the Importing Plan shall be calculated as of the date Appendix A is received by the Importing Plan, using the Salary of the Eligible Person as at that date.
- 4.4 If the Eligible Person is entitled to pension benefits from the Exporting Plan for an earlier period of service, and if the Exporting Plan treats this earlier period of service as separate and distinct from the most recent period of service, the Transfer shall be in respect of only the most recent period of service.
- 4.5 For the purposes of this agreement, service shall be measured in years and fractions of a year, with each participating pension plan following its normal practice in this regard.
- 4.6 Additional Voluntary Contributions are not covered by this agreement. An Eligible Person who elects to transfer pension credits pursuant to this agreement may receive a refund of any AVC's that have accumulated in the Exporting Plan, with interest. Such Eligible Person may, if the Importer permits, transfer the AVC's to the Importing Plan, in which case they shall be treated in accordance with the Importer's normal administrative practices.

#### **5. Application for Transfer**

The Eligible Person must apply for Transfer by completing, signing and delivering Appendix B to the Importer, within 60 days of the issue date (as it appears on Appendix B as "Issue Date") of Appendix B.

#### **6. Transfer of Funds**

- 6.1 When the Importer receives from the Transferring Member a completed Appendix B, the Importer shall deliver to the Exporter a copy of Appendix B along with a request for the Transfer Amount.
- 6.2 When the Exporter receives from the Importer a copy of Appendix B with request for payment, the Exporter shall pay within 30 days the Transfer Amount, with Valuation Interest up to the date of payment, to the Importer.

## **7. Disposition of Excess Funds**

If the Transfer Amount is less than the lump sum benefit on termination to which the Transferring Member is otherwise entitled under the Exporting Plan, at the same date, then the Exporter shall pay the difference to or on behalf of the Transferring Member in a manner permitted by Revenue Canada, or to the Importing Plan to provide additional retirement benefits if the Importing Plan can accept such transfers.

## **8. Service Credited by the Importing Plan**

- 8.1 If the Transfer Amount is equal to the amount required by the Importer to fully recognize the Transferring Member's Credited Service in the Exporting Plan, the Transferring Member's full period of Credited Service in the Exporting Plan shall be recognized in the Importing Plan.
- 8.2 If the Transfer Amount is less than the amount required by the Importer to fully recognize the Transferring Member's Credited Service in the Exporting Plan, all or part of the difference may be contributed to the Importing Plan, in which case the Transferring Member shall receive additional Credited Service in the Importing Plan in the amount which is directly proportional to the Transfer Amount. Any contribution required shall be made in accordance with the policies of the Importer.
- 8.3 When the difference is not paid, the Transferring Member shall receive credit in the Importing Plan for an amount of Credited Service which is directly proportional to the Transfer Amount.
- 8.4 The Importer shall attribute the Credited Service to the most recent time period for which the Transferring Member had Credited Service in the Exporting Plan and in no case shall the Credited Service allocated exceed the Credited Service that the Transferring Member had in the Exporting Plan.
- 8.5 Any service that was recognized by the Exporting Plan for the purpose of determining pension eligibility shall be recognized for this purpose by the Importing Plan.

### **Administrative Procedures**

Each Party agrees to maintain and provide to the other party any information required to administer this agreement or the benefits to which a Transferring Member becomes entitled as a result of this agreement.

## **10. Establishment of Benefits in Accordance with the Terms of the Importing Plan**

Following the Transfer of the Transfer Amount, the pension and ancillary benefits of the Transferring member shall be exclusively determined in accordance with the Importing Plan in the same way as if the Transferring Member had participated in the Importing Plan during the period of Credited Service.

## **11. Compliance with Legislation**

The parties to this agreement shall comply with any applicable provincial or federal legislation.

**12. Amendment or Termination of Agreement**

This Agreement may be amended or modified at any time by agreement in writing executed by the parties hereto and at any time either party may terminate this agreement upon six months notice in writing to the other party, provided that no transfer of pension contributions and credits hereunder, which was initiated by completion of Appendix A or was in process during the six month notice period., shall be adversely affected by such amendment or termination. Any such amendment or modification shall be effective from the effective date of such amendment, subject to government approval, if required.

**13. Effective Date**

This agreement is made and effective as of the 1st day of January, 1996.

**14. Prior Agreement**

On the effective date of this agreement, this agreement supersedes and takes the place of all prior reciprocal transfer agreements entered into between the parties except in respect of persons who terminated employment before the effective date of this agreement.

In witness whereof the parties have caused this agreement to be executed by their proper officers duly authorized for this purpose:

The Civil Service Superannuation Board

By   
General Manager

July 2, 1997  
Date

The Municipal Employees Benefits Board

By   
General Manager

June 26, 1997  
Date

**APPENDIX A - REQUEST FOR TRANSFER QUOTATION**

Members Name and Address:	Date:
Re: Transfer from _____ to _____ Exporting Plan Importing Plan	
<b>MEMBER INFORMATION</b> (Please complete the missing information in this section)  Member's Name:  Date of Birth:  Importing Plan:      Name of Employer: Reference No: Date of Hire: Date of Enrolment in Pension Plan:  Exporting Plan:      Name of Employer: Reference No: Date of Termination:	
<b>TO BE COMPLETED BY THE MEMBER</b>  I hereby authorize _____ (Exporting Plan) to release the information necessary to produce a transfer quotation, including my social insurance number.  Signature of Member: _____ Date: _____  Member's Home Telephone: _____ Member's Business Telephone: _____	

**APPENDIX B - REQUEST FOR TRANSFER OF CREDITED SERVICE**

Member's Name and Address:	Issue Date:
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Re: Transfer from \_\_\_\_\_ to \_\_\_\_\_  
Exporting Plan Importing Plan

**PART 1:**

The amount available for transfer under the Reciprocal Pension Transfer Agreement is sufficient to provide you with equivalent Credited Service.

Estimated Transfer Amount: \_\_\_\_\_ \$

Credited Service to be  
 Established by the Transfer Amount: \_\_\_\_\_ years

*OR*

The amount available for transfer under the reciprocal agreement is insufficient to provide you with the equivalent Credited Service.

Estimated Transfer Amount: \_\_\_\_\_ \$

Credited Service to be  
 Established by the Transfer Amount: \_\_\_\_\_ years

Additional Credited Service that may be Purchased: \_\_\_\_\_ years

Approximate Cost of the Additional Credited Service: \_\_\_\_\_ \$

Upon completion of your transfer, you will be given the option of purchasing the additional Credited Service not provided by the transfer. The actual figures may change due to interest charges.

**PART 2:**

*(To be completed By the Member)*

I have reviewed the information provided in Part 1 and select the following option with respect to my request to transfer: *(Please initial the option you wish to select)*

**Option 1**

I elect to proceed with my request for transfer and hereby relinquish all further claims with respect to my previous plan.

**Option 2**

I elect NOT to proceed with my request for transfer. I understand that my pension benefits with respect to my previous Credited Service will remain with \_\_\_\_\_ in accordance with the rules of that plan.

Signature of Member: \_\_\_\_\_ Date: \_\_\_\_\_

Home Telephone Number: \_\_\_\_\_ Business Telephone Number: \_\_\_\_\_

**NOTE: THE COMPLETED APPENDIX B MUST BE RETURNED BY \_\_\_\_\_, 19\_\_\_\_**

**TO: \_\_\_\_\_**