

Reciprocal Pension Transfer Agreement

This Agreement is between:

Healthcare Employees Pension Plan – Manitoba

and

The Joint Board of Trustees of the Municipal Employees Pension Plan

(the “Agreement”)

Introduction

1. Each of the parties administers a registered 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 going concern actuarial valuation of the Importing Plan or Exporting Plan, as the case may be, and subject to Article 4 and Appendix D or Appendix E, as applicable.
- (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 ceased to be an active member under the terms of that plan.
- (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 salary rate in effect at the date an application is made by the Eligible Person in the case of the Importing Plan or the salary rate in effect at the date of cessation of membership of the Eligible Person in the case of the Exporting Plan, as the case may be, to determine pension and ancillary benefits, unless otherwise modified by Appendix D or Appendix E, as applicable.

- (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 going concern actuarial valuation of the Importing Plan or Exporting Plan, as the case may be, or as otherwise described under Appendix D or Appendix E, as applicable.

2. Eligibility for Transfer

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

- (a) Ceases to occupy a position which was eligible for membership under the Exporting Plan and ceases to be an active member under the terms of the Exporting Plan. For greater certainty, a member who is eligible for an immediate pension who meets the requirements of this Article shall be eligible to transfer;
- (b) Subject to Section 4.5 hereof and Appendix D or Appendix E, as applicable, ceases to be an active member under the terms of the Exporting Plan and is not in receipt of a pension from 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, subject to Appendix D or Appendix E, as applicable;
- (d) Has, commenced employment in a role which is eligible for participation under the Importing Plan not more than 36 months following such cessation of active membership under the terms of the Exporting Plan;
- (e) Became a member of the Importing Plan immediately upon becoming eligible to do so; 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 within 30 days.
- 3.2 An Eligible Person must apply for a Transfer quotation by completing, signing and delivering a copy of Appendix A to the Importer, within 60 days of the issue date of Appendix A. If Appendix A is not completed, signed and delivered within 60 days of the issue date, the Eligible Person may initiate another request in accordance with Section 3.1.
- 3.3 The Importer shall deliver a copy of the signed Appendix A to the Exporter upon receiving a signed copy of Appendix A from the Eligible Person. The Exporter shall provide the information required by the Importer by completing Part I of Appendix C and the amount available for transfer to the Importer within 60 days after the Exporter receives a copy of Appendix A from the Importer.

- 3.4 On receipt of the information required, the Importer shall prepare and issue to the Eligible Person a determination of Transfer Amount as calculated under Article 4 in the form of Appendix B within 60 days.

4. Calculation of Transfer Amount

- 4.1 Subject to Section 4.4, 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 any applicable lump sum benefit on cessation of active membership under the terms of the Exporting Plan 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 Subject to Section 4.5, the Actuarial Value available from the Exporting Plan shall be calculated as of the Eligible Person's date of cessation of active membership under the terms of the Exporting Plan, using the Salary of the Eligible Person.
- 4.3 The Actuarial Value required by the Importing Plan shall be calculated as of the last day of the month in which Appendix A is received by the Importing Plan, using the Salary of the Eligible Person as at that date.
- 4.4 Notwithstanding the foregoing and subject to Section 8, in no event shall the amount be transferred from the Exporting Plan exceed the amount required to purchase Credited Service under the Importing Plan. Any excess amount shall remain in the Exporting Plan and be distributed in accordance with the terms of the Exporting Plan.
- 4.5 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. For greater certainty, the earlier period of service shall not be eligible for reinstatement.
- 4.6 For the purposes of this Agreement, Credited Service shall be measured in years and fractions of a year, with each participating pension plan following its normal practice and the relevant plan provisions in this regard. In no event shall the Credited Service to be transferred, or the total Credited Service after the transfer, exceed 1.0 in a calendar year.
- 4.7 Additional Voluntary Contributions ("AVC's") 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 Importing Plan's normal administrative practices.

5. Application for Transfer

The Eligible Person must apply for Transfer by completing, signing and delivering Appendix B and if applicable, Appendix B1, to the Importer, within 60 days of the issue date of Appendix B and Appendix B1, respectively.

6. Relationship Breakdown

If an Eligible Person has been involved in a relationship breakdown which has not been settled pursuant to a separation agreement or a court order, or where division of pension has been waived, an opting out agreement has been signed by the parties, neither the Importer nor the Exporter shall proceed until the Eligible Person provides a copy of the separation agreement or court order, as applicable, and the division of pension has been finalized or, in the case where the division of pension has been waived, a signed copy of the opting out agreement has been provided to the Importer or Exporter, as applicable. For greater certainty, the payment of any benefits assigned to the former spouse shall remain the responsibility of the Exporting Plan.

7. Transfer of Funds

7.1 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 within 30 days or, where approval of a Past Service Pension Adjustment is required, within 30 days of receiving that approval.

7.2 When the Exporter receives from the Importer a copy of Appendix B with request for payment, and a completed Part 2 of Appendix C, the Exporter shall pay, within 90 days, the Transfer Amount, with the Exporting Plan's Valuation Interest up to the date of payment, to the Importer.

8. Disposition of Excess Funds

If the Transfer Amount to which the Transferring Member is entitled is less than the lump sum benefit on cessation of active membership under the terms of 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 Canada Revenue Agency, or to the Importing Plan to provide additional retirement benefits if the Importing Plan agrees to accept such transfers.

9. Service Credited by the Importing Plan

9.1 Subject to Section 9.5 and 9.6, 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.

9.2 Subject to Section 9.5 and 9.6, 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, if permitted by the Importer, be contributed by the Transferring Member to the Importing Plan, in which case the Transferring Member shall receive additional Credited Service in the Importing Plan. Any contribution required shall be made in accordance with the policies of the Importer and in accordance with the plan provisions of the Importing Plan and upon the completion of Appendix B1 by the Transferring Member.

9.3 Subject to Section 9.5 and 9.6, when the difference is not paid, the Transferring Member shall receive credit in the Importing Plan for an amount of Credited Service based on the Transfer Amount.

9.4 The Importer shall attribute the Credited Service in accordance with the policies of the Importer and in accordance with the plan provisions of the Importing Plan and in no case shall the Credited Service allocated exceed the Credited Service that the Transferring Member had in the

Exporting Plan or result in an excess of 1.0 years of Credited Service in a calendar year.

9.5 Notwithstanding the foregoing, where the Importing Plan is the Healthcare Employees Pension Plan - Manitoba, the transfer in shall be determined on the basis described in Appendix D.

9.6 Notwithstanding the foregoing, where the Importing Plan is the Municipal Employees Pension Plan, the transfer in shall be determined on the basis described in Appendix E.

10. 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.

11. Establishment of Benefits in Accordance with the Terms of the Importing Plan

Subject to Appendix D or Appendix E, as applicable, following the Transfer of the Transfer Amount, the pension and ancillary benefits of the Transferring Member shall be exclusively determined in accordance with the terms of this Agreement and the terms of the Importing Plan.

12. Excluded Benefits

Benefits provided under a retirement compensation arrangement or any unregistered supplemental benefits arrangements are excluded from this Agreement.

13. Compliance with Legislation

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

14. 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.

15. Timelines

By mutual written agreement, the parties hereto may agree to extend any deadlines referenced in this Agreement.

16. Effective Date

This Agreement is made and effective as of the 1st day of January 2019.

17. 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 a person who ceased to be an active member under the terms of the Exporting Plan and applied for a Transfer before the effective date of this Agreement.

APPENDIX A
REQUEST FOR TRANSFER QUOTATION

Issue Date: _____

Re: Transfer from _____ to _____
(name of Exporting Plan) (name of Importing Plan)

ELIGIBLE PERSON INFORMATION – TO BE COMPLETED BY THE ELIGIBLE PERSON AND RETURNED TO IMPORTING PLAN BY _____ (insert date)

Eligible Person's Name: _____

Eligible Person's Address: _____

Eligible Person's Phone Number: _____

Eligible Person's Email: _____

Date of Birth: _____

SIN: _____

Importing Plan: Name of Employer: _____

Date of Hire: _____

Date of Plan Enrolment: _____

Exporting Plan: Name of Employer: _____

Date of Hire: _____

Date of Termination: _____

Have you been involved in a relationship breakdown since January 1, 1984? Yes No

If yes, have all pension issues been settled pursuant to a separation agreement or a court order or where a division of pension has been waived, is there an executed opting out agreement with respect to the division of pension? Yes No

The relationship breakdown must be resolved or an executed opting out agreement must be provided before the Eligible Person can proceed with a transfer.

I hereby authorize _____ to release the information necessary to produce a transfer
(name of Exporting Plan)

quotation, including my social insurance number, to _____
(name of Importing Plan)

Eligible Person's Signature

Date

APPENDIX B

ELECTION TO TRANSFER

Issue Date: _____

Eligible Person's Name: _____

SIN: _____

Re: Transfer from _____ to _____
(name of Exporting Plan) (name of Importing Plan)

TO BE COMPLETED BY IMPORTING PLAN

(a) Credited Service

Estimated Transfer Amount _____

Credited Service to be established by the Transfer Amount _____

(b) Pension Estimate

(i) Your estimated additional pension provided by the Credited Service established pursuant to paragraph (a), provided you choose **TO** transfer the Transfer Amount set out in paragraph (a) and you choose to **NOT PURCHASE** the Additional Credited Service as set out in Appendix B1 will be approximately \$_____ per month at your normal retirement date; or,

(ii) Your estimated additional pension provided by the Credited Service established pursuant to paragraph (a), provided you choose **TO** transfer the Transfer Amount set out in paragraph (a) and to **PURCHASE** the Additional Credited Service as set out in Appendix B1, will be approximately \$_____ per month at your normal retirement date.

Note: Actual amounts stated in this Appendix may be subject to change.

TO BE COMPLETED BY THE ELIGIBLE PERSON AND RETURNED TO IMPORTING PLAN BY _____
(insert date)

Please check the applicable box below:

I have reviewed the information provided in this Appendix B and elect to transfer the Credited Service established by the estimated Transfer Amount as described in Option (a):

I elect not to proceed with my request for transfer. I understand that my pension benefits accrued under the Exporting Plan will remain with the Exporting Plan and shall be distributed in accordance with the terms of that plan.

I understand and acknowledge that there is no guarantee of the original amount which is transferred in from the Exporting Plan to the Importing Plan. I understand and acknowledge that if I do not return the completed form by the date indicated above, that I will be deemed to have elected not to proceed with my request for transfer.

Eligible Person's Signature

Date

APPENDIX B1

ELECTION TO PURCHASE ADDITIONAL CREDITED SERVICE

Issue Date: _____

Eligible Person's Name: _____

SIN: _____

TO BE COMPLETED BY THE IMPORTING PLAN

If a Transferring Member elects to make a transfer pursuant to Appendix B, and if permitted by the Importing Plan, the Transferring Member may make additional contributions to purchase additional Credited Service in excess of the amount to be established pursuant to Appendix B. This Appendix shall only be completed where the Importing Plan allows for such purchase.

Additional Credited Service
which may be purchased _____

Additional cost to purchase the
additional Credited Service _____

TO BE COMPLETED BY THE ELIGIBLE PERSON AND RETURNED TO IMPORTING PLAN BY _____
(insert date)

Please check the applicable box(es) below:

Where permitted by the Importing Plan, I have reviewed the information above and in addition to electing to make a transfer as described in Appendix B, I elect to purchase additional Credited Service as described above:

I elect not to proceed with the purchase of additional Credited Service. I understand that only the benefits described in Appendix B shall be purchased.

I understand and acknowledge that there is no guarantee of the original amount which is used to purchase additional Credited Service pursuant to this Appendix B1. I understand and acknowledge that if I do not return the completed form by the date indicated above, that I will be deemed to have elected not to proceed with my request to purchase additional Credited Service.

Eligible Person's Signature

Date

APPENDIX C

ELIGIBLE PERSON'S/TRANSFERRING MEMBER'S INFORMATION

Issue Date: _____

Eligible Person's/Transferring Member's Name: _____

SIN: _____

Re: Transfer from _____ to _____
(name of Exporting Plan) (name of Importing Plan)

PART 1 – TO BE COMPLETED BY THE EXPORTING PLAN

ELIGIBLE PERSON'S INFORMATION

Year	Pensionable Salary (1)	Eligible Service (2)	Credited Service (3)	PA (4)	PSPA (5)

Transfer Amount: _____

PART 2 – TO BE COMPLETED BY THE IMPORTING PLAN

TRANSFERRING MEMBER'S INFORMATION

Year	PA (4)	PSPA (5)

- (1) Pensionable salary recognized under the Exporting Plan
- (2) The service used to determine eligibility for ancillary benefits (e.g. unreduced early retirement) under the Exporting Plan
- (3) The service credited for calculation of benefits under the Exporting Plan
- (4) Pension Adjustment
- (5) Past Service Pension Adjustment

*The Healthcare Employees Pension Plan - Manitoba (HEPP) is registered as a specified multi-employer plan (SMEP) under the Income Tax Act and as such, amounts transferred to or from HEPP under a reciprocal transfer agreement are normally considered to be tax free transfers and will not normally require a PSPA calculation unless there is an additional cash buyback of service.

APPENDIX D

SPECIAL PROVISIONS APPLICABLE TO THE HEALTHCARE EMPLOYEES PENSION PLAN – MANITOBA (HEPP)

A. CREDITED SERVICE

- (1) For the purpose of determining the amount of Credited Service which shall be granted to the Transferring Member where HEPP is the Importing Plan, Credited Service shall be determined on a basis that it is actuarially equivalent to the Transfer Amount.
- (2) If the Transfer Amount is greater than the amount required to grant full Credited Service to the Transferring Member as accrued under the Exporting Plan, the difference shall not be transferred to the Importing Plan and shall remain in the Exporting Plan.
- (3) For greater certainty, where HEPP is the Importing Plan, the Credited Service attributable to this Reciprocal Transfer Agreement shall be treated in accordance with the HEPP provisions which apply for service on and after January 1, 2019. The Transferring Member shall not be eligible for any enhanced benefits which may be payable under HEPP on or after January 1, 2020 in respect of such allocated Credited Service if transferred on or after January 1, 2020 (eg. any Retirement Prior to Age 55 category).
- (4) Where HEPP is the Importing Plan and the Transfer Amount is less than the amount required by the Importing Plan to fully recognize the Transferring Member's Credited Service in the Exporting Plan, HEPP will issue Appendix BI to the Transferring Member. The Actuarial Value to purchase the additional Credited Service will be increased with Valuation Interest to the date of payment. Upon payment of the Actuarial Value plus Valuation Interest, the additional Credited Service shall be determined on a basis that is actuarially equivalent to the payment amount.

B. SERVICE

- (1) Where HEPP is the Importing Plan, any service that was recognized by the Exporting Plan for the purpose of determining pension eligibility shall be recognized by HEPP for this purpose except for granting a change to the Transferring Member's Retirement Prior to Age 55 category on or after January 1, 2020.

C. SALARY

- (1) The Salary of the Eligible Person recognized by HEPP for the purposes of this Agreement shall be the hourly rate multiplied by the annual base hours at the applicable date.

D. MISCELLANEOUS

- (1) Only registered pension plan amounts shall be transferred pursuant to this Reciprocal Transfer Agreement.
- (2) Where HEPP is the Importing Plan, the Transferring Member shall not be eligible for any supplemental pension benefits (ie. benefits in excess of the Income Tax Act limits) with respect to the Credited Service granted pursuant to this reciprocal transfer agreement.
- (3) A Transferring Member who had previously accrued benefits under HEPP and who has entitlement to a deferred pension under HEPP but who received their excess contributions applicable to their prior cessation of active membership under the terms of the plan and is not eligible to reinstate membership under HEPP, shall not be eligible to combine the 2 or more periods of HEPP membership. Each period shall be treated distinctly.
- (4) A Transferring Member who has met a retirement provision under HEPP and is eligible for a monthly pension is not entitled to a lump sum benefit on cessation of active membership under the

terms of the plan.

- (5) For greater certainty, in the event a Transfer Amount is less than required to fully recognize the Transferring Member's Credited Service, a contribution cannot be made to restore any amount which has been transferred out in satisfaction of a relationship breakdown settlement.
- (6) The Healthcare Employees Pension Plan - Manitoba (HEPP) is registered as a specified multi-employer plan (SMEP) under the Income Tax Act and as such, amounts transferred to or from HEPP under a reciprocal transfer agreement are normally considered to be tax free transfers and will not normally require a PSPA calculation unless there is an additional cash buyback of service.

APPENDIX E

SPECIAL PROVISIONS APPLICABLE TO THE MUNICIPAL EMPLOYEES PENSION PLAN (MEPP)

A. CREDITED SERVICE

- (1) For the purpose of determining the amount of Credited Service which shall be granted to the Transferring Member where MEPP is the Importing Plan, Credited Service shall be determined on a basis that it is actuarially equivalent to the Transfer Amount.
- (2) If the Transfer Amount is greater than the amount required to grant full Credited Service to the Transferring Member as accrued under the Exporting Plan, the difference shall not be transferred to the Importing Plan and shall remain in the Exporting Plan.
- (3) For greater certainty, the Credited Service attributable to this Reciprocal Transfer Agreement shall be treated in accordance with the MEPP provisions which apply for the respective period to which service is allocated. For greater clarity, imported service will be allocated to the year in which it was earned in the Exporting Plan, to the extent possible.

B. SERVICE

- (1) Any service that was recognized by the Exporting Plan for the purpose of determining pension eligibility shall be recognized by MEPP for this purpose.

C. SALARY

- (1) The Salary of the Eligible Person recognized by MEPP for the purposes of this Agreement shall be based on the definition of Earnings of the MEPP text at the applicable date.

D. MISCELLANEOUS

- (1) Only registered pension plan amounts shall be transferred pursuant to this Reciprocal Transfer Agreement.
- (2) The Transferring Member shall not be eligible for any supplemental pension benefits (ie. benefits in excess of the Income Tax Act limits) with respect to the Credited Service granted pursuant to this reciprocal transfer agreement.
- (3) A Transferring Member who had previously accrued benefits under MEPP and who has entitlement to a deferred pension under MEPP and who has not received their excess contributions applicable to their prior cessation of active membership date, and is eligible to reinstate membership under MEPP shall be eligible to combine the 2 or more periods of MEPP membership.
- (4) A Transferring Member who has met a retirement provision under MEPP and is eligible for a monthly pension is not entitled to a lump sum benefit on cessation of active membership.
- (5) For greater certainty, in the event a Transfer Amount is less than required to fully recognize the Transferring Member's Credited Service, a contribution cannot be made to restore any amount which has been transferred out in satisfaction of a relationship breakdown settlement.
- (6) The Municipal Employees Pension Plan (MEPP) is registered as a multi-employer pension plan under the Income Tax Act and as such, amounts transferred to MEPP under a reciprocal transfer agreement will normally require a PSPA calculation.

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

The Joint Board of Trustees of the Municipal Employees Pension Plan



Signature

2019-03-22
Date

The Healthcare Employees Pension Plan - Manitoba

Signature

Date