SUMMARY OF KEY PENSION CHANGES UNDER THE LAURENTIAN UNIVERSITY FACULTY ASSOCIATION ("LUFA") and LAURENTIAN UNIVERSITY STAFF UNION ("LUSU") PENSION TERM SHEET

- **Limited Commuted Value Transfers:** As of May 1, 2021, members who have reached the age of 55 will no longer be eligible to transfer the commuted value of their pension out of the pension plan. Members 55 and older retain the ability to draw a pension when they choose to retire.

- **Early Retirement:** LUSU members retain the right to an unreduced pension at age 62, but members who retire between the ages of 55 and 62 will receive actuarially reduced pension without partial subsidy from the University.

- **Limit on Drawing Pension while Employed:** As of July 1, 2021, members who are working past the age of 65 will not be able to draw a pension while employed, unless they are already doing so or income tax law requires it.

- **Freeze Current Benefit Formula**: As of June 30, 2021, all benefits accrued under the current best average earnings formula will be frozen. These benefits are maintained as accrued.

- **New Benefit Formula & Adoption of YAMPE**: As of July 1, 2021: (i) members will accrue benefits under a career average formula. Improvements to pre-retirement benefits, such as indexing, may be applied as of July 1, 2025 if certain financial criteria are met; and (ii) pension benefits will accrue at a rate of 1.3% of pensionable earnings below YAMPE (YAMPE = 114% of YMPE) and 2% above YAMPE based on a member's career average earnings.

- **Indexation Freeze:** As of July 1, 2021, post-retirement and pre-retirement indexation will be frozen for a four-year period, after which indexation may be granted according to the new Benefit and Funding Policy.

- **Contribution Changes**: As of July 1, 2021, the members and the University will each contribute 8% of pensionable earnings to the Pension Plan. Members' contributions will be 6.7% of earnings up to YAMPE and 10.4% above YAMPE, subject to the next actuarial valuation of the pension**.**

- **Pension Committee Terms of Reference**: Composition of Pension Committee changed: (i) to require administration of the new Benefits and Funding Policy; (ii) to require consultation with the new joint pension sustainability committee; and (iii) to provide for five voting members from the Board of Governors, three voting members from LUFA, and two voting members from LUSU.

- **New Benefits and Funding Policy**: After a four-year freeze, the policy requires that surplus in the Pension Plan be used to improve benefits and build reserves. Benefits may be improved if the Plan is 95% funded on a solvency basis, 105% funded on a going concern basis (including the Provision for Adverse Deviations) and as long as granting improvements does not create high risk of dropping funding levels below certain thresholds or increasing costs above 16% of pensionable earnings. The University may not take contribution holidays. The new joint pension sustainability committee will monitor the implementation of the policy.

- **New Joint Pension Sustainability Committee**: Creates a new joint committee composed of four LU members, two LUFA members, and two LUSU members responsible for: (i) reviewing options for ensuring the Pension Plan's sustainability in the future, including potential transfer to a jointly sponsored plan; and (ii) providing oversight to ensure the Benefits and Funding Policy is administered properly with assistance from independent actuarial advisors.

- **New Collective Agreement Language**: "No amendments to the Pension Plan that reduce pension benefits for Members, or that materially affect Members' rights, may be made without LUSU's consent."