THE FLEXIBLE INVESTMENT REGISTERED PENSION PLAN

Information Booklet

for

THE MEMBERS OF

NIPISSING UNIVERSITY

RS - 101658 - RPP

RETIREMENT OPTIONS

At retirement, the value of your account will be used to purchase a retirement benefit. You will be provided with details of the various options available. They include:

a) an annuity for as long as you live;

b) an annuity for your lifetime and continuing to your spouse after your death, for the same or a lesser amount, for your spouse's lifetime;

c) a transfer to a Locked-In Retirement Account (LIRA) which will allow you to defer payment of a retirement benefit while you continue to invest your funds on a tax sheltered basis. Proceeds of the LIRA must be used to purchase an annuity or be transferred to a Life Income Fund (LIF) no later than the end of the calendar year in which you attain age 69 or such year as required by Revenue Canada;

d) a transfer to a Life Income Fund (LIF), subject to provisions of the pension legislation of the province in which you are employed. A LIF is registered with Revenue Canada as a Registered Retirement Income Fund (RRIF) allowing you to continue to invest your funds on a tax sheltered basis. You will be required to withdraw an amount from the arrangement (at least annually) that satisfies Revenue Canada's *minimum payment* requirement for RRIFs and that does not exceed the maximum payment permitted by the applicable provincial pension legislation. No later than the end of the calendar year in which you attain age 80, you will be required to purchase an annuity with the remaining funds.

The annuity you purchase including that purchased with proceeds from a LIRA or LIF must abide by the rules described below.

If you have a spouse at the time of your retirement, you must choose a Joint and Survivor Annuity where payments will be made to you for your lifetime. At the time of yours or your spouse's death, payments will reduce to 60% of the amount you were receiving and will continue to be paid to the survivor for the survivor's lifetime. You and your spouse may waive this requirement provided you both sign a Spousal Waiver Form not more than one year prior to the date annuity payments are to commence.

Other annuity options including Joint and Survivor Annuities with alternate continuing percentages or annuities payable for your lifetime only with or without guaranteed payment periods are also available. These will be described to you at the time of your retirement.

VESTING AND LOCKING-IN

Vesting is a term used to describe the date on which you become entitled to University contributions made to the Plan on your behalf.

Locking-in means that the funds may only be used to provide a retirement benefit such as a life annuity or a Life Income Fund.

Vesting

You are vested immediately upon Plan Membership.

Locking-in

For Benefits accrued prior to January 1, 1987:

You are locked-in after having attained age 45 and 10 years of continuous service.

For Benefits accrued after January 1, 1987:

You are locked-in after 2 years of Plan Membership.

TERMINATION OF EMPLOYMENT

For benefits accrued in respect of service before January I, 1987:

If you are vested, but not locked-in, you are entitled to a pension benefit of your own contributions, the Employer's contribution, plus earnings. This amount may be transferred to an RRSP, to another registered pension plan (if the plan allows), used to purchase a deferred pension or taken in cash (tax will be withheld).

If you are vested and locked-in, you are entitled to a deferred pension benefit of all required contributions made in respect of you. You may transfer this amount to either:

a) a pension fund related to another pension plan, if the administrator of the other pension plan agrees to accept the payment;

b) a Locked-In RRSP;

c) a Life Income Fund (if age 54 or more); or

d) to purchase a deferred life annuity that will not commence before the earliest date on which you would have been entitled to receive payment of pension benefits under the plan.

However, if you wish, you may have a cash payment of up to 25% of the value of the benefit accrued before January 1,1987 with a deferred pension for the balance of the benefit.

For benefits accrued for service after January 1, 1987:

If you are vested, but not locked-in, you are entitled to a pension benefit of your own contributions, the Employer's contribution, plus earnings. This amount may be transferred to an RRSP, to another registered pension plan (if the plan allows), used to purchase a deferred pension or taken in cash (tax will be withheld). If you are vested & locked-in you are entitled to a deferred pension benefit of all required contributions made in respect of you. You may transfer this amount to either:

a) a pension fund related to another pension plan, if the administrator of the other pension plan agrees to accept the payment;

b) a Locked-In RRSP;

c) a Life Income Fund (if age 54 or more); or

d) to purchase a deferred life annuity that will not commence before the earliest date on which you would have been entitled to receive payment of pension benefits under the plan.

Additional voluntary contributions may be included with the required contributions above or transferred separately to an RRSP or taken in cash.

There is no penalties or charges for withdrawing or transferring funds at termination. Any market value adjustment of the compound interest accounts is not applicable.

DEATH BENEFIT

Beneficiary

Provincial pension legislation requires that if you have a spouse, your spouse must be your beneficiary under the Plan. If you do not have a spouse, or if your spouse has signed a waiver of pre-retirement death benefit on the prescribed form, you may name another person as beneficiary.

Pre-Retirement Death Benefit

If you die prior to the commencement of your pension, your beneficiary is entitled to the total value of your account including investment earnings.

If your beneficiary is your spouse, your spouse may elect to:

a) transfer the value to a Registered Retirement Savings Plan;

b) transfer the value to a Registered Pension Plan in which the spouse is a member provided the terms of that plan accepts such transfer;

c) transfer the value to an insurance company to purchase a life annuity;

d) elect to receive the value in the form of a lump sum cash payment.

If at the date of your death you do not have a spouse, or if your spouse is living separate and apart from you, the beneficiary appointed by you will receive the value of your account in the form of a lump sum cash payment.

Post Retirement Death Benefit

If you die while in receipt of annuity payments, continuation of payments to your spouse under a Joint and Survivor Annuity or payment of the remainder of any guaranteed period shall be in accordance with the form of annuity chosen at the time of retirement. Benefits payable upon death under a LIRA or LIF shall be in accordance with the terms of those arrangements.

BENEFITS DURING TEMPORARY LEAVES OF ABSENCE

Lay-off and Leave of Absence

If you are temporarily laid off from work or you are on an approved leave of absence, all contributions to the Plan shall cease during your absence.

If you are laid off for a period of 24 consecutive months, you or the University may elect to terminate your membership. Upon termination of membership, you will be deemed to have terminated employment and will be entitled to benefits in accordance with the Plan's termination of employment provisions.

If you are on maternity or parental leave, University contributions to the Plan on your behalf will cease unless you elect to continue to make required contributions. In that event, the University will continue to contribute for the period required by law.

Work-Related Injury

If you are receiving worker's compensation due to a work-related injury, the University will continue to make contributions to the Plan on your behalf for the period required by law if you elect to continue to make required contributions.

Long Term Disability

If you are in receipt of benefits from the University's long term disability plan, you may contribute to the Plan based on your rate of contribution immediately prior to your date of disability and 75% of the earnings covered under your long term disability plan. The University shall contribute an equal amount to the Plan in respect of your contributions.

These contributions will cease at the earlier of:

a) your retirement,

b) your termination of employment,

c) your death, or

d) the date on which you are no longer eligible for benefits from or no longer eligible for the continuation of contributions under the University's long-term disability plan.

MARRIAGE BREAKDOWN

In the event of a marriage breakdown, your spouse may be entitled to a maximum of 50% of your benefit under the Plan. A court order or separation agreement will specify the amount to which your spouse is entitled. Your spouse will receive this benefit on the earliest of:

a) your reaching Normal Retirement Date

b) your retirement

c) your termination of employment

d) your death, or

e) termination of the Plan

IN-SERVICE WITHDRAWAL OF ADDITIONAL VOLUNTARY CONTRIBUTIONS

The Plan permits you to withdraw additional voluntary contributions at any time while you remain in the service of the University. If you elect to make such a withdrawal no charge will be assessed. However, a T4A will be issued and as per Revenue Canada the current withholding rates for lump-sum payments are as follows:

10%, if payment is not more than $5,000
20%, if payment is more than $5,000 but not more than $15,000 and
30%, if payment is more than $15,000.

A market value adjustment on Compound Interest Accounts may also be assessed if current interest rates are higher than the interest rate being surrendered.