



PENSION PLAN BASICS

Summary of The
Canadian Christian
School Pension Plan
and Trust Fund

FSCO and CRA Registration No. 0283812



**Christian
Education**

PENSION PLAN

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**Christian
Education**

PENSION PLAN

Your Pension Plan

The Canadian Christian School Pension Plan (the Plan) comes with a number of provisions and benefits. The following pages are designed to give you a convenient overview of them. Knowing this, please consider this booklet a general summary of the terms of the Plan, rather than a complete description.

If questions of interpretation arise while reading the summary, the actual Plan text and applicable legislation will determine the issue.

Note that this booklet is current through September 1, 2017. Given that there will be periodic updates, you can ask to have a copy of the actual Plan sent to you, review a copy at your school, or view the latest text at christianeducationbenefitsolutions.org.

For questions regarding the Plan, feel free to visit our website or call 877.274.8796, extension 231.

Definitions

Looking for a little more clarity? Check out the Definitions section on page 29 for an explanation of various terms in this booklet.



The Plan

You have retirement goals. The Canadian Christian School Pension Plan is an excellent way to achieve them. Combined with personal savings and government retirement benefits, the Plan can help you reach your goals and make retirement more worthwhile.

When it was first introduced in 1943, the Plan was a way for Christian school communities to band together and help provide retirement benefits for their employees. Plan founders were frugal, conservative people who wanted a fair program that provided a measure of security without undue risk.

Since then, the Plan has grown in strength and performance. Today, there are over 100 participating schools in Canada and more than 4,800 individuals enrolled.

The Plan is a **Defined Benefit Plan**. This means that retirement benefits are defined in the pension benefit formula, and risk is pooled for all individuals participating in the Plan. The Plan allows you to start accruing benefits with your enrollment.

If you contribute more than 50% of your ultimate pension benefit from the Plan, you will receive the value of these excess contributions as your Additional Benefit.

For a projection of your retirement income under the Plan, visit christianeducationbenefitsolutions.org, or contact the Plan office at 877.274.8796, extension 231.

How the Plan Works

For retirees to maintain their preretirement lifestyle, they must have disposable income (generated from government benefits, savings, and private pension plans) close to what was earned during their working years. The Plan is designed to provide a portion of the money needed for a comfortable retirement. This is how the Plan works:

1. You make a contribution to the Plan through payroll deduction
2. Your employer matches your contribution to the Plan
3. Contributions are sent to the Plan office and are carefully invested by the Trustees
4. Active participants are immediately **Vested**, which means they are entitled to receive the pension benefit they have accrued under the Plan upon their termination of employment

Retirement and other benefits are discussed in detail under the Benefits section of this booklet.



Benefits

1. PENSION BENEFIT

Normal Retirement Benefit. Your **Normal Retirement Date** is the first day of the month coincident with or following the day of your 65th birthday. Available at age 65 when you terminate employment in order to retire, the pension benefit is also available at a reduced rate as early as age 55 if you choose to retire at that time and have terminated employment. Your annual benefit is based on your **Adjusted Credited Participating Service** and your **Final Average Earnings**.

Adjusted Credited Participating Service is calculated in two parts.

Part One — for service in the Plan before September 1, 2010: Each year in the 4% Plan is equal to 1 year of service. Each year in the 3% Plan is equal to 0.75 years of service. Each year in the 2% Plan is equal to 0.5 years of service.

Part Two — for service in the Plan on or after September 1, 2010: Each year in the 8.05% Plan is equal to 1 year of service. Each year in the 7.00% Plan is equal to 0.87 years of service. Each year in the 5.55% Plan is equal to 0.69 years of service

In both parts, years of service are prorated based on the percentage of a full-time equivalent schedule worked in a year. For example, if you worked 100% of a full-time equivalent schedule in the 8.05% Plan, you would receive credit for one year of service. If you worked 50% of a full-time equivalent schedule in the 8.05% Plan, you would receive credit for one-half of one year of service. If you have a qualifying leave of

absence, such as a parental leave, you will be given the opportunity to continue to contribute to the Plan during your leave and continue accruing service under the Plan, up to certain limits imposed by the Canadian *Income Tax Act*.

To calculate your annual benefit, based on Parts One and Two (described above), use the following formula:

$$\begin{array}{l}
 1. \quad \left(1.84\% \times \text{Final average three year earnings} \times \text{Years of eligible service prior to Sep. 1, 2010} \right) \times \left(\begin{array}{l} \text{(If 4\% Plan)} \\ 1.00 \\ \text{or} \\ \text{(If 3\% Plan)} \\ 0.75 \\ \text{or} \\ \text{(If 2\% Plan)} \\ 0.5 \end{array} \right) \\
 \\
 \text{Plus} \\
 2. \quad \left(1.9\% \times \text{Final average five year earnings} \times \text{Years of eligible service from Sep. 1, 2010} \right) \times \left(\begin{array}{l} \text{(If 8.05\% Plan)} \\ 1.00 \\ \text{or} \\ \text{(If 7\% Plan)} \\ 0.87 \\ \text{or} \\ \text{(If 5.55\% Plan)} \\ 0.69 \end{array} \right) \\
 \\
 \hline
 \text{Equals } \$ \text{ Your Annual Pension}
 \end{array}$$

For additional information about your accrued benefit, see the definition of Accrued Benefit starting on page 29.

Your monthly retirement payments will also depend on the form of retirement benefit you choose prior to commencing your pension. (See #4, Retirement Benefit Options starting on page 13).

Pension Benefit

The pension formula in the Plan is based on your Final Average Earnings (FAE). FAE is the average of the best five years of your earnings (three years of earnings for service up to August 31, 2010) in your last 20 years of service under the Plan ending at a set cut-off date. This date is intended to be updated every year to take into account future salary increases; however, this date may not be updated in a given year if the financial status of the Plan does not allow it.

Example:

Steven is considering retiring at September 1, 2017. At that time he will have 30 years of service in the Plan. In the 2015/2016 school year he made an annual salary of \$56,000, and he received a salary increase of \$1,000 in September 2016. The tables below show his salary history and the calculation of his FAE for the Plan pension formula. Steve's FAE (based on a 5-year average) applicable to service from September 1, 2010, would have been \$55,000, and his FAE (based on a 3-year average) applicable to service up to August 31, 2010, would have been \$56,000. (This example assumes that the cut-off date for determining FAE has been updated each year.)

School year	Earnings	FAE at retirement	
2016/2017	\$57,000	Service up to August 31, 2010	Service from Sep. 1, 2010
2015/2016	\$56,000		
2014/2015	\$55,000		
2013/2014	\$54,000	(3 year average)	(5 year average)
2012/2013	\$53,000		
2011/2012	\$52,000		
		\$56,000	\$55,000

Steven calculates his pension using the sum of the pension formula for service up to August 31, 2010 (i.e., the formula under Part One, described above), and the pension formula for service from

September 1, 2010 (i.e., the formula under Part Two, described on page 9).

“Part One” formula — $1.84\% \times \text{FAE}$
(3 year average) \times years of eligible service
to August 31, 2010.

“Part Two” formula — $1.90\% \times \text{FAE}$
(5 year average) \times years of eligible service
from September 1, 2010.

These pension formulas assume that Steven’s school has chosen the Plan option with the highest contribution rate (i.e., the 4% Plan before September 1, 2010, and the 8.05% Plan afterwards).

	Pension if the FAE were updated
Pension Formula	$1.84\% \times \$56,000 \times 23$ + $1.90\% \times \$55,000 \times 7$
Annual Pension	\$31,014.20
Monthly Pension	\$2,584.52

Early Retirement Benefit. You may choose, as early as age 55, to terminate from employment and retire, in which case, you will receive a pension for life. Effective September 1, 2016, if you have ten years of **Eligibility Service** and retire at age 61 or older, there is no reduction in the pension. Going forward, the rule regarding when participants are eligible to retire early with no reduction in the participant’s benefit will change depending on the date you retire and your years of Eligibility Service under the Plan as follows:

Effective Date of Retirement	Unreduced Early Retirement Criteria
On or after Sep. 1, 2017 and prior to Sep. 1, 2018	Participant must be at least age 62 and have 10 or more years of Eligibility Service
On or after Sep. 1, 2018 and prior to Sep. 1, 2019	Participant must be at least age 63 and have 10 or more years of Eligibility Service OR Participant must be at least age 62 and have 30 or more years of Eligibility Service

Effective Date of Retirement	Unreduced Early Retirement Criteria
On or after Sep. 1, 2019 and prior to Sep. 1, 2020	Participant must be at least age 64 and have 10 or more years of Eligibility Service OR Participant must be at least age 62 and have 30 or more years of Eligibility Service
On or after Sep.1, 2020	Participant must be at least age 62 and have 30 or more years of Eligibility Service

If, at the date that you commence your pension prior to Normal Retirement Date, you do not meet both the Eligibility Service and age requirements listed in the preceding table to qualify for an unreduced early pension, then a reduction of 6% per year will apply to your pension benefit for each year that your age at retirement precedes the applicable age requirement for an unreduced pension. For example, a 58-year old who has at least 10 years of Eligibility Service in the Plan when he terminates employment and whose first pension payment is on September 1, 2018 will have his or her pension reduced based on the unreduced early retirement age of 63 (5 years \times 6% reduction = 30% reduction in annual pension payable).

Vested Benefit. If you leave employment in a participating school before you reach retirement age, you are eligible to receive normal pension benefits at your Normal Retirement Date. You may also elect to retire as early as age 55, but your benefits will be reduced as described above.

Retirement Benefit Indexing. Pension indexing raises your monthly retirement pension benefits to help offset the impact of inflation. Such increases are not automatic, but rather considered when the financial status of the Plan allows.

Postponed Retirement Benefit. If you continue working past your Normal Retirement Date with a Participating Employer, you will continue to accrue pension benefits under the Plan until the earlier of your termination of employment and the end of the year in which you turn age 71.

2. DEATH BENEFIT AND PRERETIREMENT SURVIVING SPOUSE BENEFIT

The most recent Spousal Status/Beneficiary Designation form that you have completed and filed with the Plan, as well as applicable legislation, will determine who receives Plan benefits upon your death. You may change your spousal status and beneficiary designation at any time, subject to applicable laws.

Should you die before the Normal Retirement Date and before any pension payments have begun, your eligible Spouse, as defined under applicable pension legislation, beneficiary (if you do not have a Spouse at the time of your death or if your Spouse has waived his or her entitlement in the prescribed form), or your estate (if you do not have a Spouse or beneficiary), will receive a death benefit equal to the value of the benefits to which you would have been entitled had employment terminated on your date of death.

If the death benefit is payable to your Spouse, he or she will receive the benefit in the manner prescribed by the provincial pension legislation applicable to you. At the time of your death, your Spouse will receive a statement in the prescribed form outlining his or her options. If the death benefit is payable to your beneficiary or estate, the death benefit will be payable as a cash lump sum, less applicable withholding taxes.

3. ALTERNATIVE SPOUSE PENSION

If you have a Spouse and are age 45 or over and actively employed or disabled at the time of your death, your Spouse is entitled to an annuity. This annuity is equal to 60% of your pension benefit, calculated as if you had retired immediately before dying (called an “alternative Spouse pension” in this section). These benefit payments begin the month that you die, and continue throughout the life of your Spouse. The alternative Spouse pension is payable in lieu of the death benefit described in #2 above, if it provides a better benefit.

4. RETIREMENT BENEFIT OPTIONS

Automatic/Normal Form of Benefit. If you have a Spouse at the date of your pension commencement, you will automatically receive a reduced pension (surviving Spouse annuity) during your lifetime, so that 60% of your benefits will be paid to your surviving Spouse, for his or her lifetime, following your death. The amount of the reduction in monthly benefits is based, in part, on the difference between the ages of you and your Spouse. You and your Spouse may, in writing and in the prescribed form, waive this form of benefit and choose another benefit option. If you do not have a Spouse at your pension commencement date, or if you and your Spouse waive the surviving spouse annuity option (such that your Spouse would not receive a survivor’s pension if you should predecease him or her), you may receive the following:

(a) With respect to your service under the Plan before September 1, 2010, the normal pension benefit based on that period of service for life with a guarantee that the benefit will continue for 10 years. (That is, if you die before receiving 10 years of payments, the monthly payments will continue to your beneficiary until 10 years

of payments have been made.)

(b) And, with respect to your service under the Plan on and after September 1, 2010, the normal pension benefit based on that period of service for life only. (In other words, payments will cease upon your death.)

Note that, if you have service both before and after September 1, 2010, you will receive a blend of these normal form benefits.

Contingent Annuity. This option is similar to a surviving Spouse annuity except that the benefit is paid to your Spouse, former Spouse, or an eligible dependent, as chosen by you prior to pension commencement. An eligible dependent means a parent, grandparent, sibling, child or grandchild 18 years or younger and a full-time student, or who is mentally or physically infirm. You may select the percentage of your benefit (50, 60, 75 or 100%) to be paid for the life of the contingent beneficiary when you choose this option. The higher the percentage you choose, the lower your monthly pension benefit will be during your lifetime.

Life Only, Life Guaranteed Five, Ten, or Fifteen Years Options. With the Life Only option, benefits cease at your death. With the Life Guaranteed Five, Ten, and Fifteen year options, the pension benefit is guaranteed for five, ten, or fifteen years, respectively. If you die prior to having received five, ten, or fifteen years of benefit payments, the remainder of the monthly payments will be payable to your Plan beneficiary.

Joint and Surviving Spouse Option. You may elect to receive a joint and surviving spousal pension. With this option, benefits consist of an actuarially equivalent amount

of pension payable during your lifetime and continuing after your death in an amount equal to 50, 60, 622/3, 75, or 100% of the amount you were receiving for the remaining lifetime of your surviving Spouse or former Spouse. You must designate the percentage to be continued to your surviving Spouse or former Spouse at the time you choose this option. Generally, the higher the percentage allocated to your Spouse, the lower your monthly pension benefits.

Pop-Up Option. A pop-up option provides you additional flexibility in the event that your Spouse dies first. If you choose a pop-up benefit at pension commencement and your Spouse pre-deceases you, your benefit “Pops-Up” to the following:

(a) With respect to your service before September 1, 2010, the normal pension benefit based on that period of service, for your life, with a guarantee that the benefit will continue for 10 years. (That is, if you die before receiving 10 years of payments, monthly payments will continue to your beneficiary until 10 years of payments have been made.)

(b) And, with respect to your service on and after September 1, 2010, the normal pension benefit based on that period of service, for your life only. (In other words, payments will cease upon your death.)

Note that, if you have service both before and after September 1, 2010, you will receive a blend of these normal form benefits.

5. TERMINATION BENEFIT

If your employment terminates prior to your being eligible for an early retirement benefit, you can choose to have the commuted value of your pension benefit

transferred to a locked-in RRSP, a locked-in retirement account, or the registered pension plan of your new employer, so long as the new employer's pension plan accepts the transfer. Alternatively, you may choose to have the commuted value of your pension benefit used to purchase an annuity from a third-party annuity provider. Additional Benefits, if any, may be paid in cash, less applicable withholding taxes. Transfers or payment of the pension benefits under the Plan result in the termination of all of a participant's rights under the Plan. If the commuted value of your pension benefit is below a threshold (which varies by province) the benefit, often referred to as a small benefit or small pension, can be taken as a cash payment, less applicable withholding taxes, or transferred on an unlocked basis to a RRSP. Commuted values are determined in accordance with the guidelines for calculating the value of pension benefits under applicable legislation and are re-determined after 180 days.

Note that you may not be considered to have terminated employment if you have a break in employment service that is less than 12 months following which you are re-employed by a Participating Employer.

6. GROW-IN BENEFIT

In order to maintain the terms of the Plan as registered, the Trustees were required to make an election regarding grow-in benefits. The Trustees elected to opt-out of providing grow-in benefits to participants whose employment is terminated by an employer. Grow-in benefits entitle participants whose employment is terminated, before they meet the eligibility requirements necessary to take enhanced early retirement benefits, to "grow- into" eligibility conditions as though their employment had not been terminated.

Procedures

Choice of Beneficiary

You may select the beneficiary who will receive any balance remaining in your Contribution Account after your death, and after all pension benefits to your survivors (including your surviving spouse, if any) have stopped. You make this choice when you complete and sign the Declaration of Spousal Status/Beneficiary Designation available on the CSI website. You must use this form and file it with CSI. A provision in your will may not be sufficient for this purpose.

If you do not have a Spouse at the time of your death or if you and your Spouse have filed a waiver to appoint a beneficiary other than your Spouse, any Plan benefits payable on your death will be made as follows: to your designated beneficiary; if your beneficiary is no longer living or if you have not validly designated one, to your estate.

Appeal Procedure

The Trustees have the responsibility for interpreting and applying the rules of the Plan in individual cases, including decisions on eligibility to participate, right to receive benefits upon termination of employment or Plan participation, the type and amount of any benefit entitlements, and all other matters involving rights and duties in the Plan.

If you feel you are eligible to receive a larger benefit than that determined by the Trustees, you have a right to ask the Trustees for a redetermination of your benefit, provided you file a claim in writing with the Trustees no later than 120 days after such determination. Claims should be submitted to the following address:

Canadian Christian School Pension Plan

2969 Prairie St SW, Suite 102
Grandville, MI 49418-2008 USA

The Trustees will give you their written decision within 120 days. Reasons for the decision will be explained, including the section of the Plan on which the decision is based, and a description of any laws or regulations affecting the decision. You will also be informed about any steps you must take for further review.

After you receive the written decision, you, or your representative, have 60 days to send a written application for redetermination to the CSI Board of Directors at the following address:

Canadian Christian School Pension Plan

c/o CSI Board of Directors
2969 Prairie St SW, Suite 102
Grandville, MI 49418-2008 USA

You, or your representative, may also submit written statements in support of your claim. The CSI Board of Directors must give you its final decision, in writing, along with an explanation of the reasons for the decision, within 120 days of receiving your request, unless you and the Board agree upon a greater period of time.

As an Ontario registered plan, participants also have the right to contact FSCO (Financial Services Commission of Ontario) to address any issues the participant has with respect to the Plan provisions, the actions of the administrator or your benefit entitlement in cases where a dispute cannot be resolved internally or by the Plan administrator. FSCO policy requires that this right be communicated to the participants. The electronic version

of this policy, including direct access to all linked references, is available on FSCO's website at fSCO.gov.on.ca. Additional information is available on FSCO's website under the "General Information About Inquiries and Complaints for Pension Plan Beneficiaries" or visit: fSCO.gov.on.ca/en/pensions/Pages/Default.aspx.

Amendment

CSI has the right to amend the Plan at any time and will provide the appropriate notice to participants. As previously noted, we recommend you visit the CSI website to keep current with Plan provisions.

Termination

CSI may terminate the Plan at any time. Any Participating Employer may terminate its participation in the Plan at the end of any school year. If the Plan should be terminated, your Accrued Benefit will be payable in accordance with the requirements of applicable legislation.

The Plan's Funded Status

While the Trustees intend to ensure that all Accrued Benefits under the Plan are satisfied, if the Plan develops a funding shortfall such that its assets are insufficient to cover all Accrued Benefits, and Participating Employers are unable or unwilling to make additional contributions to cover this shortfall, applicable laws may require the Trustees to reduce Accrued Benefits either on an ongoing basis, or upon termination of the Plan.

Your Rights and Duties

Rights

As a participant of the Plan, you are entitled to the following information, in accordance with applicable legislation:

1. An annual personalized statement showing your Accrued Benefits in the Plan
2. A statement showing your benefits and options under the Plan at the date of retirement, death, or termination
3. A Plan description like this one that summarizes your rights and duties with respect to the benefits available under the Plan
4. Notice of any amendment that would reduce or adversely affect your benefits accruing after the date of the amendment and a summary of other amendments applicable to you, if required by applicable legislation

In addition, you may request to see copies of the official Plan text and any other related documents that are prescribed by applicable legislation. This excludes information about another participant. This request must be made in writing to CSI, on behalf of the Trustees, and may not be made more than once annually. You may also request to have a copy made, but copies may be subject to a fee.

Duties

As a participant of the Plan, you must comply with your obligations to:

1. Complete forms accurately and within the timelines indicated
2. Provide information about your Spouse,

changes in address, spousal status, and changes in beneficiaries to CSI in a timely manner

In the event of a breakdown of your relationship with your Spouse, the value of the pension earned under the Plan during the period of the spousal relationship may be split between you and your former Spouse in accordance with the applicable pension legislation. If this is applicable to you, you may consult a lawyer regarding the options available to you and your Spouse.

Failure to provide information or complete forms may result in delays in payment of benefits. It is your responsibility to have up-to-date contact information, spousal information, and beneficiary designations on file with CSI at all times.

Plan Description

Name: Canadian Christian School Pension Plan

Address: 2969 Prairie St SW, Suite 102
Grandville, MI 49418-2008 USA

Phone Number: 616.284.3231
877.274.8796, extension 231

Sponsor: The Plan is sponsored by Christian Schools International (CSI) who maintains the Plan for itself and for its participating schools. The Plan is registered with the Financial Services Commission of Ontario and the Canada Revenue Agency under registration number: 0283812.

Administrator: The administration is handled by a Board of Trustees appointed by the Board of Directors of CSI. The

Canadian Christian School Pension Trust Fund has been established in order to fund the benefits payable under the Plan.

Plan Year: Begins on September 1 and ends on August 31. All records of the Plan are based on the Plan Year.

Duties of Trustees: In strict accordance with the terms of the Plan and the Trust Agreement, the Trustees determine eligibility for participation in the Plan, establish procedures for calculating and receiving benefits, and periodically review the schedule of benefits. The Trustees, with the help of qualified investment counselors, also carefully invest funds received. Investment strategy is to seek safety of principal while securing the best possible yield.

Questions & Answers

This section provides answers to frequently asked questions posed by participants. For a complete explanation of the features of the Plan, consult the official Plan text or contact the CSI Employee Benefits Department.

I am only working part-time.

Can I be part of the Plan?

Yes, but you need to meet three criteria:

1. You must work for a Participating Employer. This is a group Plan and individuals cannot join independently.
2. You must earn 35% of the Year's Maximum Pensionable Earnings (YMPE) at a Participating Employer in the preceding Plan Year. For eligibility to participate in the 2016/2017 Plan Year, 35% of the blended YMPE is \$19,063.33 and for participation in the 2017/2018

Plan Year 35% of the blended YMPE is \$19,308.33.

3. Required contributions to the Plan must be made.

Once you are a participant, you remain a participant as long as you are employed by a Participating Employer.

Do I have to join the Plan even if I do not want to?

Schools offering the Plan for the first time can elect to allow current employees an option to participate in the Plan or not. Thereafter, participation in the Plan is mandatory for new employees who meet the criteria above.

In addition to some investments and savings, I will be eligible for government benefits after retirement. Why do I need an employment pension plan at all?

Unless you have a substantial savings account or other source of income, you need pension income because the Canada Pension Plan (CPP), and Old Age Security (OAS) program, will provide less than what most people typically need during their retirement. For most people to have a comfortable retirement, a disposable retirement income of approximately 75% to 90% of the after-tax income earned during the final working years is needed. To meet that level, you need three sources: government benefits, a good employment pension, and sufficient savings. Information on CPP and OAS can be found at canada.ca.

Because the Plan can provide a substantial amount of your income during retirement, depending on years of service, it is an important part of your retirement planning.

Why a Defined Benefit Plan rather than a Group RRSP?

A common misconception is that defined

contribution plans and Group RRSP's cost less and are a better value than Defined Benefit Plans. This is false. The only savings gained by employers who switch from a defined benefit to a defined contribution plan is through dramatic reduction in the retirement benefit provided to you, the participant. When designed to achieve equivalent benefits in retirement, "target" multi-employer defined benefit plans like the Plan dramatically outperform Group RRSP plans. In fact, an in-depth study by the U.S. National Institute on Retirement Security shows that Defined Benefit Plans can deliver equivalent retirement benefits at a cost 46% lower than defined contribution plans. For more information about the advantages of Defined Benefit Plans like the Plan, visit christianeducationbenefitsolutions.org under Canada Pension, Publications.

How does the Canadian Christian School Pension Plan and Trust Fund compare to the pension plans of public schools and businesses?

This Plan, sponsored by Christian Schools International and administered by a separate Board of Trustees, is a first-rate program to secure a good retirement income. In fact, it is comparable to many of the retirement plans offered by public schools and businesses.

How can I know how much my pension will be?

Your pension benefit is based on your years of service and your Final Average Earnings. Each year you receive a status report that gives important information about the Plan and your status in the Plan. Refer to your most recent status report for information about pension benefits. You can also calculate your own retirement pension income estimates at our website. For more information on how to generate

your own retirement calculations online, visit christianeducationbenefitsolutions.org. If you are nearing retirement, the CSI Employee Benefits Department can prepare a more detailed estimate of your pension.

What is the difference in benefits between the 5.55%, 7%, and 8.05% Plans?

Your Participating Employer will select either the 5.55, 7, or 8.05% Plan. If the Plan is 5.55% of your yearly compensation, you will have a smaller payroll deduction, but a retirement benefit approximately 69% as large as it would be under the 8.05% Plan.

If I retire but then return to employment with a CSI employer, what happens to my benefit?

If an individual who is receiving a pension from the Plan that started prior to his or her Normal Retirement Date provides services for compensation to a Participating Employer, he or she is considered a re-employed pensioner and will be subject to the Plan's eligibility provisions. This rule applies whether the person is employed directly by the Participating Employer, self-employed or hired through a third party, such as a personal service corporation.

In such cases, payment of the re-employed pensioner's pension will be suspended if he or she works more than 60 "full time equivalent" days or earns more than 35% of YMPE, whichever comes later.

For example, for the 2016/2017 Plan Year, 35% of the blended YMPE equals \$19,308.33.

The suspension of a re-hired pensioner's pension payments is lifted at the end of each Plan Year. If the re-hired pensioner is still working, the criteria for suspension of

payments are tested again starting in the next Plan Year. Plan benefits will continue to accrue for the re-employed pensioner during the periods his or her pension payments are suspended.

If an individual who is receiving a pension from the Plan that started on or after his or her Normal Retirement Date provides services for compensation to a Participating Employer, the individual will be given a one-time choice of suspending receipt of pension payments and accruing further Plan benefits or continuing to receive his or her monthly pension payment.

The Trustees at CSI invest my money to build a retirement fund. How do I know they are smart enough to make good investments? How do I know my pension benefit will be here when I retire?

The Plan has a strong economic foundation of millions of dollars in accumulated Plan assets. Professional investment managers, who are selected and monitored by the Plan's Trustees, invest the monthly contributions made by you and your employer.

Do I have to wait until I am 65 to collect my pension? What if I want to retire a little earlier?

Currently, the Normal Retirement Date is age 65; however, you can retire as early as age 55 but you will receive a reduction in your pension. The amount of the reduction will depend on your age and years of service at your pension commencement date. See page 10 of this booklet for details.

If I die before I retire, will my Spouse still receive my pension benefits?

If you die before age 45, your Spouse will receive the value of the benefits to which you would have been entitled had your

employment terminated on the date of death. If you die and do not have a Spouse, or if you and your Spouse have waived your spouse's entitlement in the prescribed manner, the Plan benefit payable on your death will be paid to your beneficiary, or, if there is no beneficiary, to your estate, in a lump sum, less applicable tax withholdings.

If you have a Spouse and die after age 45 and are in active service with a Participating Employer or disabled, your Spouse will receive a lifetime pension equal to 60% of the pension that you would have received on the day before your death or, if greater, the commuted value of your accrued pension (the alternative Spouse pension discussed on page 13 of this booklet). The alternative Spouse pension is payable in lieu of the death benefit previously described, if it provides a better benefit.

Suppose I retire and my Spouse outlives me. Will my spouse have a lifelong pension after I die?

If you have a Spouse at retirement, the normal benefit is for you and your Spouse to receive the 60% surviving spouse annuity retirement benefit. After you die, your spouse will receive 60% of your monthly retirement benefit for his or her life. You may waive this benefit option with your Spouse's consent, in the prescribed manner, and choose another level of continuing benefits for your Spouse.

After this waiver you also have the option of choosing an increased benefit for yourself with no provision for your Spouse after your death.

For additional payment options please refer to page 13 or contact CSI for the forms of pension available.

I am concerned about the effects of inflation after I retire. Does the Plan address this?

The Plan has a feature called pension indexing. Pension indexing raises your monthly retirement pension benefits to help offset the impact of inflation. Such increases are not automatic and are considered when the financial status of the Plan allows.

Can I withdraw my money prior to retirement if I quit working?

If you terminate employment with a Participating Employer, among the options provided in the Plan, you may choose to leave your accrued benefit in the Plan. Alternatively, if you are under age 55, you may choose to have the commuted value of your pension benefit transferred to a locked-in RRSP. Your Additional Benefit, if any, may be transferred to an RRSP or paid to you in cash, subject to tax. Due to the requirements of applicable legislation, your specific options will vary depending on your province of employment; however, if you transfer your benefits out of the Plan, you will no longer have any entitlements under the Plan.

How do I stay current with the provisions of the Plan?

Any time there is a material change to the Plan, you will receive a communication regarding the change. Make sure that CSI has your most recent mailing address and e-mail address. More importantly, it is recommended that you visit the CSI website to see the most current version of the Plan Document. To see the latest updates, visit christianeducationbenefitsolutions.org.



Definitions

Accrued Benefit — annual pension benefit payable for life, beginning after Normal Retirement Date and following termination of employment.

For service prior to September 1, 2010 the pension benefit is equal to the greater of:

1. the sum of:

Credited service earned before 9/1/51:

\$33.00 per year

Employee Contributions made from 9/1/51 to 8/31/92: 662/3% of total.

Accrued Benefit effective 9/1/83: 2% increase (for each year of unadjusted service from 9/1/51 - 8/31/83)

Accrued Benefit effective 9/1/85: 2% increase (for each year of unadjusted service from 9/1/ - 8/31/85)

Accrued Benefit effective 9/1/87: 2% increase (for each year of unadjusted service from 9/1/85 - 8/31/87)

Accrued Benefit effective 9/1/90: 3% increase (for each year of unadjusted service from 9/1/87 - 8/31/90)

1.84% of Final Three Year Average Earnings times Adjusted Credited Participating Service completed between 9/1/92 and 8/31/2010.

– OR –

2. 1.84% of Final Three Year Average Earnings times total Adjusted Credited Participating Service.

For service after September 1, 2010 the pension benefit is equal to:

1.90% of the Final Five Year Average Earnings times Adjusted Credited Participating Service.

Pursuant to Canada Revenue Agency rules, the pension provided to you under the Plan is limited to the lesser of: \$2914.44 per year

of credited service or such greater amount permitted under the Income Tax Act, or 2% of your Final Three Year's Average earnings times your years of Adjusted Credited Participating Service.

Additional Benefit — is equal to the difference, if any, between your Contribution Account and 50% of the present value of the Accrued Benefit at your retirement, death, or termination of employment. The benefit is generally payable in a cash lump sum, less withholding tax and may also be eligible for transfer to prescribed retirement savings vehicles, depending on your province of employment.

Adjusted Credited Participating Service — The annual allocation of Adjusted Credited Participating Services is as follows:

For years of service prior to Sept. 1, 2010:

- For years in the 4% plan: 1 year of service
- For years in the 3% plan: 0.75 years of service
- For years in the 2% plan: 0.5 years of service

For years of service on or after September 1, 2010:

- For years in the 8.05% plan: 1 year of service
- For years in the 7.00% plan: 0.87 years of service
- For years in the 5.55% plan: 0.69 years of service

Contribution Account — contains all the money the participant has contributed to the Plan, and which the participant remains entitled to. In the event of death or retirement, benefit payments will draw from the Contribution Account and will reduce or eliminate the total amount.

Credited Participating Service — equals Eligibility Service prorated based on the percentage of a full-time equivalent schedule worked in a year. For example, if

you worked 100% of a full-time equivalent schedule, you would receive credit for one year of service. If you worked 50% of a full-time equivalent schedule, you would receive credit for one half of one year of service. In calculating your entitlements under the Plan, your Credited Participating Service will be further adjusted based on you and your employer's chosen contribution rate. (See the definition of Adjusted Credited Participating Service in this section.)

Defined Benefit Plan — retirement benefits are determined by a set formula. Contributions made by participants and Participating Employers are managed and invested by an administrator (the Trustees) to provide a specific level of benefits to employees. The Plan is a special type of Defined Benefit Plan called a multi-employer pension plan that provides a "target" level of benefits. However, because employee and employer contributions are fixed, either contributions must be increased or benefits adjusted (or both) if the Plan's assets are insufficient to meet the target level of benefits.

Eligibility to Participate — all full-time employees of a participating school and part-time employees of a participating school in Manitoba must, as a condition of employment, participate in the Plan. Eligible part-time employees of participating schools outside of Manitoba must participate in the Plan after completing one year of employment. Note that all part-time employees must receive earnings from a Participating Employer equal to 35% of the Year's Maximum Pensionable Earnings ("YMPE") in the Plan Year prior to becoming eligible to join the Plan. The YMPE increases each year. All part-time employees with prior credits in the Plan must participate.

Eligibility Service — is, generally, the total number of years of employment with one or more Participating Employers during which you were an active contributor to the Plan.

Normal Retirement Date — the first day of the month coincident with or following a participant's 65th birthday.

Participating Employer — Christian Schools International (CSI) and member Christian schools in Canada, societies, or related groups which choose to participate in the Plan.

Participant (Employee) and Employer Contributions — the participant's Contribution (5.55%, 7% or 8.05% of annual compensation) is collected through payroll deduction and the Participating Employer matches each contribution so that either 11.1%, 14%, or 16.1% of the employee's salary is sent to the Plan office.

Spouse — a participant's Spouse for purposes of the Plan is defined under applicable provincial pension legislation. Generally, married individuals who are not living separate and apart qualify and so do common-law partners, depending on their length of cohabitation. Please refer to the Declaration of Spousal Status/Beneficiary Designation form on the CSI website for more details. Note as well that it is your responsibility to have an updated version of this form on file with CSI at all times.

Vested — a description of a participant who is entitled to receive the pension benefit they have accrued under the Plan upon termination of employment.

5.55% Plan, 7% Plan, and 8.05% Plan — a Participating Employer must choose to participate in one of these three distinct components of the Plan. Either 5.55, 7, or 8.05% of the employee's salary, depending on which Plan option is selected, is contributed yearly to the Plan. Of course, larger retirement benefits accrue with the 8.05% and 7% Plans.

Thank You!

The Board of Trustees would like to take this opportunity to thank all schools and plan participants who participate in the Plan and have enabled us to take care of each other as a community. It is because of your interest and cooperative spirit that CSI can provide:

- A meaningful pension benefit to Plan participants
- A healthy, sustainable Plan for the long term
- And greater flexibility to adapt to an unpredictable future



CANADIAN CHRISTIAN SCHOOL PENSION PLAN AND TRUST FUND

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