



St. Michael's
University School

Early Retirement Plan

EMPLOYEE BOOKLET

November 2007

Introduction

This booklet explains the principal features of the St. Michaels University School Early Retirement Plan (the ERP). The retirement benefit provided to you under the ERP are in addition to benefits provided by the Canada Pension Plan, Old Age Security and any other retirement benefits you may receive such as the benefit from participating in the St. Michaels University School's Group Registered Retirement Savings Plan.

The purpose of this booklet is to provide you with a summary of the details of the ERP.

Should any provision of the ERP or this summary booklet be found to be in violation of any law or regulation of the Provincial or Federal Government, such provision shall be revised to make it conform with such law or regulation, providing, however, that all other provisions of the ERP shall remain in full force and effect.

Purpose

The purpose of the ERP is to assist SMUS staff to retire early by way of providing a financial incentive and to recognize staff for long service. St. Michaels University School (S.M.U.S.) is providing assistance to senior staff to retire early by paying a benefit from the ERP. The benefits are set aside for retirement and cannot be accessed prior to retirement.

Eligibility

You are eligible to receive benefits under the ERP provided you retire from S.M.U.S., are at least age 50 and the sum of your age and years of employment service with S.M.U.S. is 70 or more.

Type of Plan

The ERP is an unregistered and unfunded retirement plan. As such, payments from the ERP are subject to the on-going operation of the S.M.U.S.

Contributions

No contributions will be made to fund the ERP by S.M.U.S., nor will you be required or permitted to make contributions.

S.M.U.S. will make such payments as are required under the terms of the ERP from general revenues of S.M.U.S.

Calculation of Retirement Benefits

A lump sum early retirement benefit is calculated by multiplying an age percentage plus a service percentage by the annual salary, not including benefits, at retirement.

The age percentage is calculated based on the age of the employee at retirement as per the following table:

Age	Percentage
50	45%
51	53%
52	60%
53	66%
54	70%
55	74%
56	67%
57	61%
58	54%
59	46%
60	38%
61	30%
62	20%
63	11%
64	1%
65	0%

For ages between the integer ages, the percentage will be pro-rated. For example, if your age at retirement is 56 years and eight months, the applicable percentage would be 63%.

The Service percentage is calculated based on the years of employment by SMUS as per the following table:

10 or less	0%
11	1%
12	2%
13	3%
14	4%
15	5%
16	6%
17	7%
18	8%
19	9%
20 or more	10%

For years of service between the integer years, the percentage will be pro-rated. For example, if your years of service at retirement 13 years and nine months, the applicable percentage would be 3.75%.

You may select either a lump sum payment upon retirement or a monthly payment from date of retirement until age 65

Death Benefit

If you die after monthly payments from the ERP have commenced (but prior to attaining age 65), your beneficiary will receive the commuted value of the remaining payments.

If you die before retiring, no benefit will be payable from the ERP.

Termination Benefit

If your employment is terminated by either you or SMUS prior to becoming eligible for payment under the ERP, no benefit will be payable from the ERP.

Rollover of Retiring Allowance to an RRSP

The value of your benefit may be able to be transferred to an RRSP as a retiring allowance according to the rules of the Income Tax Act (Canada). The maximum rollover to an RRSP of a retiring allowance is the sum of \$2,000 for each year or partial year of employment with S.M.U.S. prior to 1996.

Appointing a Beneficiary

If you have a spouse, your spouse may have certain rights to the benefits earned under this ERP at your death or retirement. You may designate your beneficiary by using the form as provided by the plan administrator as of the time of your retirement under the ERP.

The Future of the ERP

S.M.U.S. anticipates the ERP to continue indefinitely. However, future taxation and/or economic conditions may require S.M.U.S. to change or discontinue the ERP. In the event of discontinuation of the ERP, no employee will be entitled to any subsequent payments from the ERP.