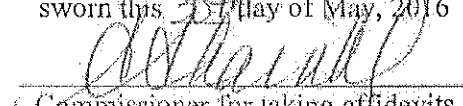


This is Exhibit "F" to the Affidavit of
Jo-Anne Poirier
sworn this 31st day of May, 2016


Commissioner for taking affidavits
F. Shambleum
LSUC: 28647N



VON CANADA PENSION PLAN

Amended and restated effective January 1, 2014

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INTRODUCTION

VON established the Retirement Income Plan effective October 1, 1945 and the Contributory Pension Plan effective November 1, 1949. These plans were amended and continued with effect from January 1, 1958 as the 1958 Pension Plan of the Victorian Order of Nurses for Canada, later renamed the Victorian Order of Nurses for Canada Pension Plan (the "*Plan*").

Effective January 1, 1987 the *Plan* was amended, restated and consolidated in order to improve the benefits being provided thereunder and to comply with the new pension legislative requirements of the Provinces of Alberta, Nova Scotia and Ontario.

The *Plan* was subsequently amended from time to time. It was restated in its entirety in June 2002 and again effective January 1, 2014.

Up to October 15, 2006, the participating employers in the *Plan* included VON Canada and the provincial and local branches authorized to carry on the objects of *VON*. Some of the participating employers in the *Plan* were separately incorporated branches. VON Canada initiated a proposal to all branches to allow them the option of either joining VON Canada or continuing on as a separate entity. In the latter case, the departing branch had to sever any relationship with VON Canada. Ten branches chose to sever their relationship with VON Canada, and as a result, effective October 15, 2006 (April 19, 2006 for the former BC branch), these branches are no longer actively participating in the *Plan*.

Carefor, an amalgamation of former separately-incorporated branches in the Ottawa region (Eastern Counties, Ottawa Carleton, Renfrew County and South Renfrew) who were no longer authorized to carry on the objects of *VON* effective October 15, 2006, entered into an agreement with VON Canada for the transfer of pension assets and liabilities to Carefor's pension plan effective January 1, 2007. The transfer received regulatory approval, and the actual transfer occurred on July 25, 2014.

A similar agreement was reached with Acclaim Health & Community Care Services, another former separately-incorporated branch, for the transfer of pension assets and liabilities effective January 1, 2011. VON is awaiting regulatory approval to complete the asset and liability transfer.

Effective May 15, 2012, VON Canada acquired the operations of Aberdeen Health and Community Services, Brant-Norfolk-Haldimand ("Aberdeen"). The participants of the Aberdeen pension plan have started accruing benefits under the *Plan* effective January 1, 2013.

SECTION 1**DEFINITIONS**

In this *Plan*:

"Aberdeen Plan Member" means a person who was employed by Aberdeen Health and Community Services Brant-Norfolk-Haldimand, was a *member* of the Aberdeen Health and Community Services Pension *Plan* and subsequently became an employee of *VON* pursuant to an asset transfer agreement between Aberdeen Health and Community Services Brant-Norfolk-Haldimand and *VON*, effective May 15, 2012.

"activating event" has the meaning assigned by Section 74 of the *Pension Benefits Act*, as it exists on July 1, 2012 and as it may be modified or renumbered from time to time.

"active member" means a *member* who has not retired, terminated employment with the *VON* or died;

"actuarially equivalent" means an actuarially equal value computed at the rate of *interest* and using the actuarial tables last adopted by the *Administrator* on the recommendations of the *Actuary*;

"Actuary" means a Fellow of the Canadian Institute of Actuaries;

"Administrator" has the meaning assigned by subsection 18.1;

"beneficiary" has the meaning assigned by subsection 12.7;

"commuted value" means the value of a person's *pension benefits* and other benefits under the *Plan*, determined in accordance with *Recommendations for the Computation of Minimum Transfer Values of Pensions*, issued by the Canadian Institute of Actuaries, as revised from time to time. Such value shall be determined without reference to the sex of the *member*.

Exception: Quebec employees. The *commuted value* shall be determined with reference to the sex of the *member*;

Exception: Alberta, British Columbia and Manitoba employees. The *commuted value* shall be determined in a manner acceptable to the applicable provincial pension regulator.

"continuous", in relation to employment, *membership* or service, means without regard to periods of temporary suspension of employment, *membership* or service and without regard to periods of lay-off from employment, and shall include periods in a *Prior Employer's Plan* recognized under the *Plan* pursuant to subsection 4.1(f);

"credited service" has the meaning assigned by subsection 4.2;

"deferred", in relation to a *pension benefit*, means a *pension benefit* other than an *immediate pension benefit*;

"employee" means a person employed by *VON* on other than a contractual basis. In this *Plan*, an employee who reports for work or is paid from a *VON* location situated in a given Province of Canada is said to be an employee in that Province;

"Employment Standards Act" means the *Employment Standards Act* of the Province of Ontario as amended from time to time and includes any other applicable legislation of a substantially similar nature adopted by any other Province or by the Government of Canada;

"Family Law Act" means the *Family Law Act, 1986* of the Province of Ontario as amended from time to time and includes any other applicable legislation of a substantially similar nature adopted by any other Province or by the Government of Canada;

"Fund" means the *Fund* established for purposes of the *Plan* effective January 1, 1958 and held in trust by the *Trustees*;

"immediate", in relation to a *pension benefit*, means a *pension benefit* that is to commence within one month after a *member* or the *member's spouse* is entitled to it;

"inactive member" means a *member* who has transferred to a successor employer and whose participation is governed by subsection 10.7;

"Income Tax Act" means the Income Tax Act, R.S.C. 1985, c.1 (5th Supp.) and the Regulations thereunder, each as amended from time to time;

"insurer" means any corporation authorized to undertake life insurance business in Canada;

"interest" has the meaning assigned by subsection 6.2;

"lifetime", in relation to a *pension benefit*, means a *pension benefit* which, once the periodic payments commence to be paid to a *member* or *member's spouse*, will continue to be paid until the death of such persons unless the benefit is suspended or commuted prior to that time;

"member" means a person who has a right to receive a benefit under the *Plan* by virtue of *pensionable service* rendered by the person;

"net contribution account" has the meaning assigned by subsection 6.1;

"normal form of pension" has the meaning assigned by subsection 12.1;

"normal retirement date" means the first day of the month coincident with or next following the month in which the *member* attains age sixty;

"pension benefit" means a periodic payment to which a *member* or the *member's spouse* is or may become entitled under the *Plan*;

"Pension Benefits Act" means the *Pension Benefits Act*, 1987 of Ontario and Regulations thereunder as amended from time to time and includes any other applicable legislation of a substantially similar nature adopted by any other Province or by the Government of Canada;

"pensionable earnings" means

- (a) Prior to January 1, 2006:
- (i) in respect of a period other than a *period of disability* or a *period of parenting*, the basic regular remuneration received by an *employee* from *VON*, including remuneration in lieu of vacation, and excluding any overtime pay, retirement allowance, shift premiums, bonuses, remuneration in lieu of statutory holidays, lump sums paid on termination of employment or retirement; and
 - (ii) in respect of a *period of disability*, the remuneration calculated in accordance with (a)(i) above at the rate in effect *immediately* prior to the start of such period; and
 - (iii) in respect of a *period of parenting*, or other period of maternity leave of absence, the remuneration calculated in accordance with (a)(i) above at the rate the *employee* would have received had employment continued throughout this period;

Notwithstanding the above, *pensionable earnings* shall include for *employees* who are *active members* of the *Plan* on the date a collective agreement is signed, any retroactive remuneration payable as a result of the collective agreement, but based on the inclusions and exclusions as outline in (a)(i) above; and

- (b) On and after January 1, 2006:
- (i) in respect of a period other than one described in (b)(ii), (iii) or (iv) below, , the basic regular remuneration received by an *employee* from *VON* and excluding any overtime pay, retirement allowance, shift premiums, bonuses, remuneration in lieu of statutory holidays, lump sums paid on termination of employment or retirement;
 - (ii) in respect of a *period of disability* that qualifies as *pensionable service*, the remuneration calculated in accordance with (b)(i) above at the rate in effect *immediately* prior to the start of such period;
 - (iii) in respect of a *period of parenting*, a period of maternity leave of absence, or any other unpaid leave of absence referenced in Section 4.1(c), that qualifies as *pensionable service*, the remuneration calculated in accordance with (b)(i) above at the rate in effect *immediately* prior to the start of such leave; and

- (iv) in respect of any period of leave of absence without pay granted for educational reasons as described in Section 4.1(d) that qualifies as *pensionable service*, the remuneration calculated in accordance with (b)(i) above at the rate in effect *immediately* prior to the start of such leave.

Notwithstanding the above, *pensionable earnings* shall include:

- (v) for employees who are *active members* of the *Plan* on the date a collective agreement is signed, any retroactive remuneration payable as a result of the collective agreement, but based on the inclusions and exclusions as outline in (b)(i) above; and
 - (vi) remuneration in lieu of vacation to the extent that the total *pensionable earnings* payable in a calendar year does not exceed the *pensionable earnings* that would be payable to the *member* had the *member* been employed on a full-time basis and received only his regular remuneration. This maximum *pensionable earnings* shall be adjusted if the *member* works less than one year.
- (c) For an *Aberdeen Plan Member* who joins the *Plan* on or after January 1, 2013 pursuant to section 3.1,
- (i) subsection (b) above shall, with respect only to the calculation of benefits earned for *pensionable service* before October 16, 2006, be read as though it refers to remuneration received from *VON* prior to that date.
 - (ii) subsection (b) above shall, with respect only to the calculation of benefits earned for *pensionable service* on or after January 1, 2013, be read as though it refers to remuneration received from *VON* or the Aberdeen Health and Community Services Brant-Norfolk-Haldimand either before or after January 1, 2013.

"pensionable service" has the meaning assigned by subsection 4.1;

"period of disability" means a period throughout which a *member* is:

- (a) totally and permanently disabled and unable, as certified in writing by a medical practitioner licensed to practice under the laws of a Province of Canada, to perform the duties associated with the *member's* usual form of remunerated employment with *VON* and is likely to remain so unable; and

- (b) is entitled to disability benefits under any one of the following *Plans*:
- (i) *VON's Long Term Disability Plan*, or
 - (ii) the Long Term Disability *Plan* being provided by a Branch that is not participating in the National *Plan*, or
 - (iii) the Workers' Compensation *Plan* of Canada or a Province of Canada;

"period of parenting" means the portion of a leave of absence or period of reduced pay that is within the twelve-month period following the birth or adoption of a child;

"Plan" means *VON Canada Pension Plan*, as amended from time to time;

"Plan year" means the twelve-month period commencing January 1 and ending December 31 each year;

"prescribed" means pursuant to the *Pension Benefits Act* or the *Income Tax Act*;

"Previous Plan" means either one or both of the Retirement Income *Plan*, effective October 1, 1945 and the Contributory Pension *Plan* effective November 1, 1949 for the Victorian Order of Nurses for Canada, as in effect prior to January 1, 1958.

"Prior Employer's Plan" means the registered pension plan maintained by the employer with whom the *member* was employed immediately prior to such *member* becoming an *employee*.

"qualification date" means the date upon which the *Pension Benefits Act* or similar legislation was adopted by a Province or by the Government of Canada;

"retire" for the purposes of this *Plan* means that a *member* commences to receive an *immediate pension benefit*, whether or not the *member's* employment with *VON* has terminated;

"spouse" of a *member* means, at the relevant date but not later than the date the *member* retires,

Alberta employees

- (a) a person who is married to the *member* and who is not living separate and apart from the *member* for more than 3 consecutive years in the *immediately* preceding period, or
- (b) if there is no one as described in paragraph (a), a person who has been living with the *member* in a conjugal relationship for the *immediately* preceding 3 years, or is in a conjugal relationship of some permanence if there is a child of the relationship through birth or adoption.

A person shall not qualify as a *spouse* for the purposes of the *Plan* if the *member's* *pension benefit* under the *Plan* is subject to division between the person and the *member* in accordance with subsection 19.2.2.

British Columbia employees

- (a) a person who is married to the *member* and had not been living separate and apart from the *member* for the two year period *immediately* preceding the relevant time, or if there is no such person,
- (b) a person who lived in a marriage-like relationship with the *member* for the two year period immediately preceding the relevant time.

A person shall not qualify as a *spouse* for the purposes of the *Plan*, if the *member's* *pension benefit* under the *Plan* is subject to division between the person and the *member* in accordance with subsection 19.2.2.

Manitoba employees

A person who

- (a) is married to the *member*, or
- (b) is in a common law relationship with the *member* that is registered under applicable Manitoba legislation, provided such person qualifies as a common law partner under the *Income Tax Act*, or

- (c) is not married to the *member* but who has cohabited with the *member* in a conjugal relationship:
 - (i) for a period of at least 3 years if either of them is married, or
 - (ii) for a period of at least 1 year if neither of them is married.

A person shall not qualify as a *spouse* for the purposes of the *Plan*, if the *member's pension benefit* under the *Plan* is subject to division between the person and the *member* in accordance with subsection 19.2.2.

New Brunswick employees

A person who

- (a) is married to the *member*, or
- (b) is married to the *member* by a marriage that is voidable and has not been voided by a declaration of nullity, or
- (c) has, with the *member*, gone through a form of marriage in good faith that is void and has cohabited with the *member* within the year immediately preceding the relevant time, or
- (d) is not married to the *member* but has cohabited with the *member* continuously in a conjugal relationship for the immediately preceding two years.

A person shall not qualify as a *spouse* for the purposes of the *Plan*, if the *member's pension benefit* under the *Plan* is subject to division between the person and the *member* in accordance with subsection 19.2.2.

Newfoundland employees

a person who:

- (a) not being married to the *member* and:
 - (i) not being prevented by law from marrying the *member*, has cohabited continuously with the *member* in a conjugal relationship for a period of not less than one year; or

- (ii) being prevented by law from marrying the *member*, has cohabited continuously with the *member* in a conjugal relationship for a period of not less than 3 years, and is cohabiting or has cohabited with the *member* within the preceding year; or
- (b) if there is no person described in subparagraph (a):
 - (i) is married to the *member*;
 - (ii) is married to the *member* by a marriage that is voidable and that has not been voided by a judgment of nullity; or
 - (iii) has, in good faith, gone through a form of marriage with the *member* that is void and is cohabiting or has cohabited with the *member* within the preceding year.

Nova Scotia employees

a person who

- (a) is married to the *member*, or
- (b) is married to the *member* by a marriage that is voidable and has not been annulled by a declaration of nullity, or
- (c) has, with the *member*, gone through a form of marriage in good faith that is void and is or has been cohabiting with the *member* within the twelve-month period *immediately* preceding the date of entitlement, or
- (d) has, with the *member*, registered as the *member's* “domestic partner” under the applicable Nova Scotia legislation, provided that the person qualifies as a common law partner under the *Income Tax Act*, or
- (e) has cohabited with the *member* in a conjugal relationship for at least two years and who is cohabiting at the relevant time, if neither the person, nor the *member* qualify as a *spouse* by reason of meeting the requirements of (a), (b), (c) or (d) above in respect of each other or any other person.

A person shall not be considered to be a *spouse* for the purposes of subsection 12.2 despite being married to the *member* if such person is living separate and apart from the *member* at the time that payment of the *pension benefit* is due to commence.

Ontario employees

- (a) a person who is married to the *member* and they are not living separate and apart, or if there is no such person,
- (b) a person who is not married to the *member* but has been living with the *member* in a conjugal relationship
 - (i) continuously for a period of not less than three years, or
 - (ii) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the *Family Law Act*.

Quebec employees

- (a) a person who is married to the *employee*, or
- (b) with effect from June 24, 2002, a person who is in a civil union with the *member* provided that the person qualifies as a common law *spouse* under the *Income Tax Act*, or
- (c) provided the *member* is neither married nor in a civil union, a person, of the same or opposite sex, who has been living with the *employee* in a conjugal relationship:
 - (i) for a period of not less than three years, or
 - (ii) for a period of not less than one year if at least one child is born or to be born of their union, or if they have adopted jointly at least one child while living together in a conjugal relationship, or if one of them has adopted at least one child who is the child of the other, while living together in a conjugal relationship.

A person shall cease to be a *spouse* of the *employee* for the purposes of the *Plan*:

- (d) in the case of a person legally married to the *employee*, if the marriage is annulled or terminated by divorce or if the *employee* and the person become separate as to bed and board; and
- (e) if the civil union is dissolved, or, in all other cases, when the *employee* and the person cease the conjugal relationship;

except that the person's entitlement to a pre-retirement death benefit under subsection 11.2 shall not be extinguished by operation of this section if the benefit entitlement of the *employee* is not divided pursuant to subsection 19.2.2 and if the *employee* notifies the *Administrator* in writing that such entitlement shall continue despite the annulment, divorce, separation as to bed and board, dissolution of the civil union or cessation of cohabitation.

Saskatchewan employees

a person who

- (a) is married to the *member*; or
- (b) if the *member* is not married, is cohabiting with the *member* as a *spouse* at the relevant time and has been cohabiting continuously with the *member* as a *spouse* for at least one year prior to the relevant time.

A person shall not qualify as a *spouse* for the purposes of the *Plan*, if the *member's pension benefit* under the *Plan* is subject to division between the person and the *member* in accordance with subsection 19.2.2.

"Trustees" means the *Trustees*, insurance company or trust company, appointed from time to time under the *Trust Agreement* entered into by the *Administrator*;

"VON" means the Victorian Order of Nurses for Canada, as incorporated under the Canada Corporations Act - Part II. For purposes of this *Plan*, *VON* shall also include provincial and local branches authorized to carry on the objects of *VON*;

"Year's Maximum Pensionable Earnings" or "YMPE" has the same meaning as in the *Canada Pension Plan* or the *Quebec Pension Plan*.

In the *Plan*, unless the context otherwise requires, words in the singular shall be construed as including words in the plural and words in the plural as including words in the singular and words importing the feminine gender shall be construed as including the masculine.

The headings in the *Plan* are for convenience of reference only and are not to be construed as part of the *Plan*.

Words which have been defined above are hereinafter italicized.

SECTION 2**APPLICATION AND LIABILITY**

2.1 EFFECTIVE DATE

VON established the Retirement Income Plan effective October 1, 1945 and the Contributory Pension Plan effective November 1, 1949. These plans were amended and continued with effect from January 1, 1958 as the 1958 Pension Plan of the Victorian Order of Nurses for Canada, later renamed the Victorian Order of Nurses for Canada Pension Plan (the "*Plan*").

2.2 ACTIVE MEMBERS JANUARY 1, 2014

The amended version of the *Plan*, as set forth herein, is applicable to *active members* of the *Plan* on January 1, 2014, and to *employees* joining the *Plan* at a later date. Unless specific provision to the contrary is made herein, *members* who ceased to be employed by *VON* prior to January 1, 2014 shall be governed by the provisions of the *Plan* in effect at the date they ceased to be employed.

2.3 COMPLIANCE WITH ACTS

Notwithstanding any provision of this *Plan*, the *Plan* shall be administered in accordance with the Acts and Regulations to which this *Plan* is subject as a condition of registration.

2.4 SEVERABILITY

If any provision of the *Plan* is found to be invalid or ineffective, this finding shall not affect the validity of the *Plan*.

2.5 PLAN NOT A CONTRACT OF EMPLOYMENT

VON intends and contemplates that the *Plan* shall embody its pension *Plan* for the eligible *employees* of *VON* and that the *Plan* will continue indefinitely into the future, but neither the terms of the *Plan* nor the benefits hereunder nor the continuance hereof shall constitute a contract between *VON* and any *employee* or be considered to be consideration for the employment of any *employee*. All *employees* shall remain subject to discharge, discipline or lay-off to the same extent as if the *Plan* had not been put into effect.

2.6 LIABILITY FOR ACTS

VON, its *employees*, officers and directors, and Pension and Benefits Committee representatives shall use ordinary care and diligence in the performance of their duties and responsibilities in connection with the administration of the *Plan*. Such persons shall not be liable for any loss, harm or damage arising out of or relating to any act done or omitted to be done by them in the administration of the *Plan* unless and to the extent that such loss, harm or damage arises out of or is related to their own willful misconduct.

3.1 ELIGIBILITY

- (a) Every permanent full-time *employee* may voluntarily become a *member* of the *Plan* on the first day of the month coinciding with or next following the completion of six months of *continuous* employment with *VON*, or if the *employee* does not then join, shall be required to join the *Plan* on the first day of the month coinciding with or next following the completion of 12 months of *continuous* employment with *VON*.

Notwithstanding the above, a permanent full-time *employee* who was a member of a *Prior Employer's Plan* may join the *Plan* on the first of the calendar month coinciding with or next following employment with *VON*, provided the *employee* makes an election pursuant to clause 5.2.1 (f).

Furthermore, *VON* may, at its discretion and on an exception basis, waive the 6-month waiting period requirement described above for an *employee* to become a *member* of the *Plan*. In such a case, the *employee* may join the *Plan* on the first of the calendar month coinciding with or next following employment with *VON*.

- (b) Every *employee* other than a permanent full-time *employee* may voluntarily become a *member* of the *Plan*, on the first day of the month coinciding with or next following the date of completion of twenty-four months of *continuous* employment.

If the *employee* elects not to join the *Plan* when first eligible, the *employee* will not be entitled to join at a later date unless the *employee* meets the provincial minimum eligibility requirements *immediately* prior to enrolment.

Exception: Quebec employees

Clauses (a) and (b) above apply to Quebec *employees* with the exception that the *employee* may voluntarily join the *Plan* on the first day of the month coinciding with or next following the calendar year in which the *employee* has earned more than 35% of the *YMPE* for that year or was employed more than 700 hours.

Exception: Aberdeen Plan Member

An *Aberdeen Plan Member* shall not be eligible to join the *Plan* and therefore shall not become a *member* of the *Plan* until the later of January 1, 2013 and the day after ceasing to accrue benefits under the Pension *Plan* for Former Employees of Aberdeen Health and

Community Services and shall join the *Plan* on that later date assuming he or she remains employed by *VON* on that date. For such an *Aberdeen Plan Member*, service with Aberdeen Health and Community Services Brant-Norfolk-Haldimand will be included for purposes of determining an *Aberdeen Plan Member's continuous employment*, but will not be included as *pensionable service* or as *credited service* as those terms are defined in the *Plan*.

Exception: Manitoba employees

Clause (b) above does not apply to Manitoba *employees* who are employed with *VON* on other than permanent full-time basis. In the alternative, such a Manitoba *employee* may voluntarily become a *member* of the *Plan* in accordance with clause (a) above, but shall be required to join the *Plan* on the first day of the month coinciding with or next following the date of completion of at least twenty-four months of *continuous* employment provided their annual remuneration during each of two consecutive calendar years was at least 35% of the *YMPE*.

3.2 APPLICATION TO JOIN

Each *employee*, upon meeting the qualifications and becoming eligible to join the *Plan* in accordance with subsection 3.1, shall become a *member* of the *Plan* by filing with the *Administrator*, on a form provided by the *Administrator*, a signed application.

3.3 RE-EMPLOYED MEMBER

- (a) If a *member* terminates employment with *VON* and as a result receives a payment or transfer from the *Fund* in partial or full settlement of benefit entitlements under the *Plan* and at a subsequent date is re-employed by *VON*, the person shall be deemed to be a new *employee* for purposes of determining future rights and benefits under the *Plan*.
- (b) If a *member* who terminated employment with *VON* is re-employed by *VON* at a subsequent date, and at that date he is entitled to a *deferred pension benefit* in respect of all benefit entitlements under the *Plan*, the *pension benefit* shall be cancelled and the previously rendered service and the balance in the *member's net contribution account* shall be reinstated to the credit of the *member*.
- (c) A person in receipt of an *immediate pension benefit* under the *Plan* who is re-employed by *VON*, and elects, by notice in writing to the *Administrator*, to suspend payment of such *pension benefit* shall be deemed not to have *retired*. The *pensionable service* and *credited service* upon which the *pension benefit* is based shall

be included with the *pensionable service* and *credited service* of the *member* accrued after again becoming an *active member*.

- (d) A person who was a *member* of the *Plan* but who subsequently became an *Aberdeen Plan Member*, is excluded from being reinstated as an *active member* prior to the later date indicated in the paragraph titled, "Exception: *Aberdeen Plan Member*" under subsection 3.1.
- (e) For greater clarity, a *member* who terminated employment with *VON* and who is subsequently re-employed by *VON* as described under paragraphs (a), (b) or (c) above is eligible to join the *Plan* in accordance with the applicable rules specified under subsection 3.1.
- (f) In respect of a *member* to whom paragraph (b) above applies, for the purpose of determining average *YMPE* and average pensionable earnings pursuant to paragraph 7.2.1, the *member's* first period of employment with *VON* and **the member's** subsequent period of employment with *VON* commencing upon the date that **the member** is re-hired shall be deemed to be a single period of employment.

In no event shall the application of this subsection reduce the benefits otherwise payable.

3.4 CESSATION OF *MEMBERSHIP*

A *member* of the *Plan* may not cease to be a *member* during a *continuous* period of employment with *VON*, unless required or permitted to do so by the applicable *Pension Benefits Act*.

3.5 TRANSFER TO PART-TIME STATUS

A *member*, other than a Manitoba *employee*, who transfers from full-time to part-time status will be allowed upon written request to suspend participation in the *Plan* while a part-time *employee*. A *member* who makes such an election shall be allowed upon written request to resume participation in the *Plan* at a later date provided such *member* meets the minimum eligibility requirements under the *Pension Benefits Act*.

3.6 *VON PLAN AS SUCCESSOR PLAN*

The following rules apply to a person, other than an *Aberdeen Plan Member*, who becomes an *employee* of *VON* as a result of the sale, assignment or disposition of business to *VON* by a prior employer if the person was a *member* of a registered pension

plan of the prior employer and if the provisions of section 80 of the *Pension Benefits Act of Ontario* or the equivalent provisions of the *pension benefits* legislation of another applicable jurisdiction deem the *Plan* be a successor *Plan*:

- (a) the person may voluntarily become a *member* of the *Plan* as of the date that the person becomes an *employee* and the person shall be required to join the *Plan* on completion of 12 months of *continuous* employment with *VON*, counting the period of the person's participation in the registered pension *Plan* of the prior employer for this purpose; and
- (b) the person's *continuous* employment for purposes of determining entitlement to benefits under *Plan* shall include the period of the person's participation in the registered pension plan of the prior employer.

SECTION 4

CREDITED & PENSIONABLE SERVICE

4.1 PENSIONABLE SERVICE

Pensionable service includes the years and fractions of years represented by the periods described under (a) to (g), and specifically excludes the years and fractions of years represented by the periods described under (h) (i) and (j) below:

- (a) the period of *continuous* employment with *VON* while an *active member* of the *Plan* or, in respect of an *employee* who was last appointed to *VON* prior to January 1, 1978, the period of *continuous* employment with *VON*; and
- (b) any unpaid leaves of absence in respect of a *period of disability*. The total amount of *pensionable service* related to one or more *periods of disability* shall not exceed thirty months in the aggregate; and
- (c) subject to subsection 4.2, any *period of parenting* or other period of maternity leave of absence, compassionate care leave or any unpaid leave of absence in respect of which the *active member* is entitled under the applicable *Employment Standards Act*, to elect to accrue *pension benefits* provided the *active member* makes contributions to the *Plan* in a manner satisfactory to the *Administrator*; and
- (d) any period of leave of absence without pay granted for educational reasons as defined in *VON's* People and Organization Standards, provided the *member* renders services with *VON* *immediately* following the end of such leave; and
- (e) the whole or any part of the *member's pensionable service* under another registered pension *Plan*, determined in accordance with a reciprocal transfer agreement pursuant to subsection 17.4; and
- (f) the whole or any part of the *member's pensionable service* under a *Prior Employer's Plan* other than a *Plan* for which *pensionable service* is recognized under clause (e), for which *member* contributions, determined according to clause 5.2.1 (f), are made to the *Plan*; and
- (g) any paid leaves of absences due to sickness;

Notwithstanding the above:

- (h) *pensionable service* shall not include periods of suspension of participation pursuant to subsection 3.5;

- (i) *pensionable service* in respect of periods after 1989 described under clauses (c) and (d) shall be limited to an aggregate of five years plus an additional three years in respect of *periods of parenting* after 1989; and.
- (j) *Pensionable service* excludes all years and fractions of years during which an *Aberdeen Plan Member* earned a benefit under the Aberdeen Health and Community Service Pension *Plan*.

4.2 CREDITED SERVICE

The *credited service* for any period equals the *pensionable service* in respect of such period multiplied by the ratio of the *member's* hours worked for the period to the hours the *member* would have worked on a full-time basis during the same period. If a *member* is accruing *pensionable service* for the period under clauses 4.1(b), or 4.1(c), or 4.1(d), the *member's* hours worked for the period shall be determined on the basis of the regular number of hours worked by the *member* immediately prior to the leave period referred to under clauses 4.1(b), or 4.1(c), or 4.1(d).

4.3 TRANSFER OF SERVICE TO GOVERNMENT AGENCY

- 4.3.1 A *member* whose employment has been transferred to a government agency may elect to remain a *member* of the *Plan* until the earlier of termination of employment with such government agency, death or attainment of the *normal retirement date* under the *Plan*. Such *member* shall not be allowed to contribute in accordance with subsection 5.2 nor shall such *member* accrue any further *credited service* or *pension benefits* under the *Plan*.
- 4.3.2 A *member* described in paragraph 4.3.1 who leaves the employment of the government agency before attaining the *normal retirement date* under the *Plan*, will be entitled at such date to the *pension benefits* determined in accordance with section 10, subject to the terms of the locking-in and vesting requirements of the *Pension Benefits Act*, based on the *member's* average *pensionable earnings*, average *YMPE* and *credited service* in effect at the date of transfer to the government agency. For vesting purposes under the *Plan*, *continuous* employment with *VON* shall be deemed to include all *continuous* employment with the government agency to which the *member* originally transferred, calculated from date of transfer to such agency to the date the termination of employment with such agency occurred.
- 4.3.3 A *member* described in paragraph 4.3.1 who continues employment with the government agency until attaining the *normal retirement date* under the *Plan*, will receive a *lifetime pension benefit* from the *Plan* calculated in accordance with section 7, based on the *member's* average *earnings*, average *YMPE* and *credited service* in effect at the date of

transfer to the government agency. Such *pension benefit* shall commence upon attainment of the *normal retirement date* in the *normal form of pension* in accordance with section 12.

- 4.3.4 In the event of the death of a *member* described in paragraph 4.3.1 prior to retirement, there shall be payable to the *member's spouse* or *beneficiary*, as applicable, a death benefit as determined in accordance with section 11.
- 4.3.5 In the event of the death of a *member* described in paragraph 4.3.1 after leaving the employment of the government agency but prior to retirement, there shall be payable to the *spouse* or *beneficiary*, as applicable, a death benefit as determined in accordance with section 11.

SECTION 5

CONTRIBUTIONS

5.1 PERMISSIBLE CONTRIBUTIONS

No contribution or gift may be made to the *Plan* except as provided for in this section.

5.2 MEMBER CONTRIBUTIONS

Effective January 1, 2007

5.2.1 Amount

(a) In respect of a period of *pensionable service* under 4.1(a) and 4.1(g) above, rendered prior to April 1, 1993, each *active member* shall contribute by payroll deduction the sum of:

- (i) 3.5% of the portion of *pensionable earnings*, that is less than or equal to the *Year's Maximum Pensionable Earnings*, and
- (ii) 5.0% of the portion of *pensionable earnings*, that is in excess of the *Year's Maximum Pensionable Earnings*; and

in respect of a period of *pensionable service* under 4.1(a) and 4.1 (g) above, rendered on or after April 1, 1993 and before July 1, 2004, each *active member* shall contribute by payroll deduction the sum of:

- (iii) 4.5% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate, that is less than or equal to the *Year's Maximum Pensionable Earnings*, and
- (iv) 6.0% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate, that is in excess of the *Year's Maximum Pensionable Earnings*; and

in respect of a period of *pensionable service* under 4.1 (a) and 4.1 (g) above, rendered on or after July 1, 2004 and before January 1, 2006, each *active member* shall contribute by payroll deduction the sum of:

- (v) 5.25% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate, that is less than or equal to the *Year's Maximum Pensionable Earnings*, and

- (vi) 7.0% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate that is in excess of the *Year's Maximum Pensionable Earnings*;

in respect of a period of *pensionable service* under 4.1 (a) and 4.1 (g) above, rendered on or after January 1, 2006 and before January 1, 2007, each *active member* shall contribute by payroll deduction the sum of:

- (vii) 6.75% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate, that is less than or equal to the *Year's Maximum Pensionable Earnings*, and
- (viii) 9.0% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate, that is in excess of the *Year's Maximum Pensionable Earnings*; and

in respect of a period of *pensionable service* under 4.1 (a) and 4.1 (g) above, rendered on or after January 1, 2007, each *active member* shall contribute by payroll deduction the sum of:

- (ix) 7.0% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate, that is less than or equal to the *Year's Maximum Pensionable Earnings*, and
- (x) 9.75% of the portion of *pensionable earnings*, expressed in terms of an annual full-time rate, that is in excess of the *Year's Maximum Pensionable Earnings*;

multiplied by the ratio of the *member's pensionable earnings* to the *member's pensionable earnings* in terms of a full-time rate.

- (b) During a *period of disability* for which *pensionable service* accrues pursuant to clause 4.1(b), *member* contributions shall be waived.
- (c) During a *period of parenting*, a period of maternity leave of absence, or any other unpaid leave for which *pensionable service* accrues pursuant to paragraph 4.1(c), such *member* shall be required to contribute:
- (i) the amount of *member* contributions calculated in accordance with clause (a) above, based on *pensionable earnings* applicable during such period; and

- (ii) for a member in Nova Scotia (or any other province where an *employee* is required by the applicable *Employment Standards Act* to also make the employer contributions in order to accrue *pensionable service* during the leave of absence), the contributions required to be remitted by *VON* under section 5.3 which are equal to the contributions remitted by the *member*.
- (d) During a leave of absence for educational reasons for which *pensionable service* accrues pursuant to paragraph 4.1(d), *member* contributions shall be waived.
- (e) An *active member* may elect to contribute to the *Plan* according to a reciprocal transfer agreement, if any, entered into between *VON* and the *member's* prior employer pursuant to subsection 17.4.
- (f) An *active member* may elect by written notice to the *Administrator* to transfer to the *Plan* the entire *pension benefit credit* in respect of the *member's pensionable service* in a *Prior Employer's Plan*, as described in clause 4.1(f). In this case
 - (i) the amount of *pensionable service* shall be determined by the *Administrator* based on the going concern actuarial liability at the date of election for the *pension benefits* attributable under the *Plan* to such *pensionable service* and the amount of *Funds* transferred to the *Plan*, but shall not exceed the *pensionable service* with the prior employer, and
 - (ii) if the *pensionable service* under clause (i) is less than the *pensionable service* with the prior employer, the *active member* may elect at any time while employed by *VON* to contribute to the *Plan* in respect of such period. The amount required shall be determined by the *Administrator* but shall not exceed an amount that is, in the opinion of the *Administrator*, reasonably necessary to *Fund* the benefits in respect of such period.

No contributions may be made to the *Plan* in respect of *pensionable service* after 1989 that is included under clause 4.1(f) until the relevant certification, in writing, has been made by the Canada Revenue Agency.

The determination referred to above shall be based on the *pensionable earnings* paid to the *member* after joining *VON* and shall be such that the *pension benefit* credited in respect of the additional *pensionable service* is of *actuarially equivalent* value to the amount of *Funds* transferred into the *Plan* in respect of the *member*.

5.2.2 Maximum *Member* Required Contributions

- (a) Prior to April 1, 2005
Prior to April 1, 2005 and notwithstanding paragraph 5.2.1, an *active member* is not required to contribute any amount in respect of *pensionable earnings*, expressed in terms of an annual full-time rate, that is in excess of the sum of
- (i) 1/9 of the money purchase limit as defined in the *Income Tax Act* divided by 2%, and
 - (ii) the *Year's Maximum Pensionable Earnings* multiplied by 25%
- (b) On and after April 1, 2005
On and after April 1, 2005 and notwithstanding paragraph 5.2.1, an *active member* other than a senior executive designated by the Victorian Order of Nurses of Canada, is not required to contribute any amount in respect of *pensionable earnings*, expressed in terms of an annual full-time rate, that is in excess of the sum of
- (i) 1/9 of the money purchase limit as defined in the *Income Tax Act* divided by 2%,
 - (ii) the *Year's Maximum Pensionable Earnings* multiplied by 25%

Notwithstanding the above paragraphs 5.2.2 (a) and (b), *member* contributions shall not exceed the maximum amount eligible as regular *member* contributions specified under the *Income Tax Act* as amended from time to time.

5.3 VON CONTRIBUTIONS

Subject to the requirements of the *Pension Benefits Act* and of the *Income Tax Act*, *VON*, along with participating provincial and local branches authorized to carry on the objects of *VON*, shall remit to the *Plan* amounts equal to contributions remitted by *members* in accordance with clauses 5.2.1(a), (b), (c) and (d). In addition *VON*, along with participating provincial and local branches authorized to carry on the objects of *VON*, shall remit contributions which in the opinion of the *Actuary* are required to amortize any unfunded liability or solvency deficiency, determined in accordance with the provisions of the *Pension Benefits Act*, that may arise from time to time. *VON*, along with each participating provincial and local branches shall pay a proportionate share of such special payment contributions based on the ratio of their annual current service contributions to the total annual current service contributions of *VON* and the participating provincial and local branches.

5.4 COLLECTION AND TIMING

The contributions made hereunder by *VON* and the *members* shall be paid over to the *Trustees* before the end of the month following the month in respect of which the contributions are due.

Exception: New Brunswick employees

Notwithstanding the foregoing paragraph, in respect of *members* in New Brunswick, contributions made hereunder by the *members* shall be paid over to the *Trustees* within 15 days following the month in respect of which the contributions are due.

5.5 RETURN OF CONTRIBUTION

An amount contributed by

- (i) a *member* under subsection 5.2; or
- (ii) *VON* or participating provincial and local branches, as applicable, under subsection 5.3,

may be refunded at any time to the *member* or *VON* or participating provincial and local branch, as applicable, where required to avoid revocation of registration of the *Plan* under the *Income Tax Act*, subject to prior notice being given to the Superintendent in accordance with the *Pension and Benefits Act*.

SECTION 6

MEMBER'S NET CONTRIBUTION ACCOUNT

6.1 NET CONTRIBUTION ACCOUNT

The *net contribution account* of a *member* is equal to the sum of:

- (i) all contributions made to the *Plan* by the *member*; and
- (ii) *interest* on the outstanding positive balance of the *member's net contribution account* from time to time;

less the sum of

- (iii) all payments under the *Plan* that are in respect of the *pensionable service* of the *member*, whether single or periodic amounts; and
- (iv) *interest* on the outstanding negative balance of the *member's net contribution account* from time to time.

6.2 INTEREST RATE

Interest shall be computed on the balance in the *member's net contribution account* at a rate equal to the average of the yields of five-year personal fixed-term chartered deposit rates (CANSIM Series B 14045 known as V122515 on and after September 1, 2001) published monthly in the Bank of Canada Review; such average to be based on the 12 monthly values ending with December of the preceding *Plan year*.

Notwithstanding the above, contributions made by an *active member* pursuant to subsection 5.2.1(f) shall be credited at a rate of *interest*, as determined by the *Administrator*, that is reasonably attributable to the operations of the *Fund*, net of investment related expenses.

Exception: Quebec employees

Notwithstanding the above, *interest* shall be computed on the balance of the *employee's net contribution account* from January 1, 2001 until the date of computation, at a rate that is reasonable attributable to the rate of return (net of investment related expenses) earned by the *Fund*, as determined by the *Administrator*

6.3 ACCRUAL

Interest at the rate described in subsection 6.2 shall accrue from January 1, 1992 on the *member's net contribution account* as of January 1, 1992 and on required contributions remitted on and after January 1, 1992.

Required contributions remitted by a *member* during a *Plan year* shall receive *interest* for the *Plan year* based on the assumption that such contributions were remitted at the mid-point of such *Plan year*.

Notwithstanding the above, effective January 1, 1999, contributions made to the *Fund* in accordance with subsection 5.2.1(f), shall accrue *interest* at the rate described in subsection 6.2 from the first day of the month following the date that such contributions are remitted to the *Fund*.

6.4 CREDITING

Accrued *interest* shall be credited to a *member's net contribution account* annually on the last day of the *Plan year*.

6.5 FINAL YEAR

In the year that a *member* ceases to be a *member*, subsections 6.2, 6.3 and 6.4 shall apply with the exception that *interest* shall be credited to the date the *member* ceases to be a *member*. In addition, required contributions remitted by a *member* during the year that a *member* ceases to be a *member* shall receive *interest* for the *Plan year* based on the assumption that such contributions were remitted at the mid-point of the period during which such contributions were remitted.

6.6 APPLICATION

Subsections 6.2 to 6.5 apply to the accumulated contributions made by *members* as at January 1, 2001, including *interest* credited to such contributions at rates in effect in years prior to 2001.

7.1 ELIGIBILITY

Each *active member* may elect to *retire* at the *normal retirement date*. An *immediate pension benefit* computed in accordance with this section 7 would then be payable.

7.2 AMOUNT OF NORMAL RETIREMENT PENSION

7.2.1 Interpretation

For the purposes of paragraph 7.2.2:

"average *YMPE*" means:

- (i) the annual average of the best five years' *YMPE* in the fifteen years of remunerated *continuous* employment *immediately* prior to retirement, death or termination, whichever first occurs; or
- (ii) if there are less than fifteen years of remunerated *continuous* employment, the annual average of the best five years' *YMPE* in the total years of remunerated *continuous* employment; or
- (iii) if there are less than five years of remunerated *continuous* employment, the annual average of the *YMPE* during the period of remunerated *continuous* employment; and

such average shall be calculated by prorating the *YMPE* during each calendar year where applicable.

"average *pensionable earnings*" means:

- (iv) the best average of a *member's pensionable earnings*, expressed in terms of an annual full-time rate, during any *continuous* five-year period in the fifteen years of remunerated *continuous* employment *immediately* preceding the date on which a *member* ceases to be an *active member*; or
- (v) if there are less than fifteen years of remunerated *continuous* employment, the best average of a *member's pensionable earnings*, expressed in terms of an annual full-time rate, during any *continuous* five-year period in the total years of remunerated *continuous* employment; or
- (vi) if there are less than five years of remunerated *continuous* employment, the average of the *member's pensionable earnings*, expressed in terms of an annual full-time rate, during the period of remunerated *continuous* employment; and

such average shall be calculated by prorating *pensionable earnings* during each calendar year where applicable.

7.2.2 Amount of *Lifetime Pension benefit*

Subject to the application of section 13.2.1, the amount of monthly *lifetime pension benefit* payable to a *member* pursuant to subsection 7.1, in the *normal form of pension*, is equal to one-twelfth of (a) plus (b):

- (a) *Pensionable service* rendered prior to January 1, 2006
 - (i) 1.5% of the *member's average pensionable earnings* up to the *average YMPE*, multiplied by the number of years and fractions of years of *credited service* rendered prior to January 1, 2006, plus
 - (ii) 2.0% of the *member's average pensionable earnings* in excess of the *average YMPE*, multiplied by the number of years and fractions of years of *credited service* rendered prior to January 1, 2006;
- (b) *Pensionable service* rendered on and after January 1, 2006
 - (i) 1.0% of the *member's average pensionable earnings* up to the *average YMPE*, multiplied by the number of years and fractions of years of *credited service* rendered on and after January 1, 2006, plus
 - (ii) 1.33% of the *member's average pensionable earnings* in excess of the *average YMPE*, multiplied by the number of years and fractions of years of *credited service* rendered on and after January 1, 2006.

For greater certainty, for any *Aberdeen Plan Member* who was a *member* of the *Plan* immediately prior to October 16, 2006 and who again became a *member* of the *Plan* on or after January 1, 2013, the benefit, if any, that is calculated for *pensionable service* rendered before October 16, 2006 shall be calculated using *average pensionable earnings* based only on *pensionable earnings* received with respect to *pensionable service* before October 16, 2006. The benefit that is calculated for *pensionable service* rendered on or after January 1, 2013 shall be calculated using *average pensionable earnings* based on *pensionable earnings* received from either *VON* or the Aberdeen Health and Community Services Brant-Norfolk-Haldimand either before or after January 1, 2013.

7.3 MINIMUM PENSION AMOUNT

Notwithstanding subsection 7.2, in respect of *pensionable service* for which subsection 15.1 does not apply, the *lifetime pension benefit* payable to a *member* shall be increased so that it is *actuarially equivalent* to the *member's net contribution account* in respect of such *pensionable service*.

7.4 INDEXATION

Each retired *member* who retired prior to January 1, 1987 and was in receipt of a *pension benefit* under the provisions of the *Plan* on January 1, 1987 is eligible, effective January 1, 1987, to receive an increase in the amount of the *pension benefit* payable as a result of such retirement. The increase will be equal to the difference between:

- (a) the retired *member's pension benefit* (excluding any *pension benefit* provided by additional voluntary contributions) in effect on January 1, 1987; and
- (b) the retired *member's pension benefit* (excluding any *pension benefit* provided by additional voluntary contributions) that was in effect at retirement increased by a percentage which is 100% of the increase in the Consumer Price Index during the period from July 1 of the year of retirement to December 31, 1986.

Effective October 1, 1989, *pension benefits* currently in pay in respect of retirements before January 1, 1989 are increased to reflect 75% of the increase in the Consumer Price Index for 1987 and 1988. A pro-rata is applied based on the number of months since retirement where retirement occurred during 1987 or 1988.

Effective October 1, 1990, *pension benefits* currently in pay in respect of retirements before January 1, 1990 are increased by 5.13%. A pro-rata is applied based on the number of months since retirement where retirement occurred during 1989.

Effective October 1, 1991, *pension benefits* currently in pay in respect of retirements before January 1, 1991 are increased by 3.75%. A pro-rata is applied based on the number of months since retirement where retirement occurred during 1990.

Effective January 1, 1996, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 1995, other than *pension benefits* provided by additional voluntary contributions, shall be increased by 1.75%; and *pension benefits* in respect of a *member* that commenced to be paid in 1995, [other than *pension benefits* provided by additional voluntary contributions,] shall be increased by 1.75% prorated based on the number of months remaining in the year following the date such benefits commenced to be paid.

Effective January 1, 1997, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 1996, other than *pension benefits* provided by additional voluntary contributions, shall be increased by 1.63% ; and *pension benefits* in respect of a *member* that commenced to be paid in 1996[, other than *pension benefits* provided by additional voluntary contributions,] shall be increased by 1.63% prorated based on the number of months remaining in the year following the date such benefits commenced to be paid.

Effective January 1, 1998, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 1997, other than *pension benefits* provided by additional voluntary contributions, shall be increased by 0.55% ; and *pension benefits* in respect of a *member* that commenced to be paid in 1997, (other than *pension benefits* provided by additional voluntary contributions) shall be increased by 0.55% prorated based on the number of months remaining in the year following the date such benefits commenced to be paid.

Effective January 1, 1999, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 1998 other than *pension benefits* provided by additional voluntary contributions, shall be increased by 0.76% ; and *pension benefits* in respect of a *member* that commenced to be paid in 1998 (other than *pension benefits* provided by additional voluntary contributions) shall be increased by 0.76% prorated on the number of months remaining in the year following the date such benefits commenced to be paid. In no event shall the aggregate percentage increase granted pursuant to this paragraph from the date on which benefits commenced to be paid exceed the aggregate percentage increase in the Consumer Price Index from the date on which benefits commenced to be paid.

Effective January 1, 2000, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 1999, other than *pension benefits* provided by additional voluntary contributions, shall be increased by 1.94% ; and *pension benefits* in respect of a *member* that commenced to be paid in 1999 (other than *pension benefits* provided by additional voluntary contributions) shall be increased by 1.94% prorated on the number of months remaining in the year following the date such benefits commenced to be paid. In no event shall the aggregate percentage increase granted pursuant to this paragraph from the date on which benefits commenced to be paid exceed the aggregate percentage increase in the Consumer Price Index from the date on which benefits commenced to be paid.

Effective January 1, 2001, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 2000, other than *pension benefits* provided by additional voluntary contributions, shall be increased by 2.10% ; and *pension benefits* in respect of a *member* that commenced to be paid in 2000 (other than *pension benefits* provided by additional voluntary contributions) shall be increased by 2.10% prorated on the number of months remaining in the year following the date such benefits commenced to be paid. In no event shall the aggregate percentage increase granted pursuant to this paragraph from the date on which benefits commenced to be paid exceed the aggregate percentage increase in the Consumer Price Index from the date on which benefits commenced to be paid.

Effective January 1, 2002, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 2001, other than *pension benefits* provided by additional voluntary contributions, shall be increased by 1.43% ; and *pension benefits* in respect of a *member* that commenced to be paid in 2001 (other than *pension benefits* provided by additional voluntary contributions) shall be increased by 1.43% prorated on the number of months remaining in the year following the date such benefits commenced to be paid. In no event shall the aggregate percentage increase granted pursuant to this paragraph from the date on which benefits commenced to be paid exceed the aggregate percentage increase in the Consumer Price Index from the date on which benefits commenced to be paid.

Effective January 1, 2003, *pension benefits* in respect of a *member* who *retired* or died prior to January 1, 2002, other than *pension benefits* provided by additional voluntary contributions, shall be increased by 2.41% ; and *pension benefits* in respect of a *member* that commenced to be paid in 2002 (other than *pension benefits* provided by additional voluntary contributions) shall be increased by 2.41% prorated on the number of months remaining in the year following the date such benefits commenced to be paid. In no event shall the aggregate percentage increase granted pursuant to this paragraph from the date on which benefits commenced to be paid exceed the aggregate percentage increase in the Consumer Price Index from the date on which benefits commenced to be paid.

SECTION 8

EARLY RETIREMENT

8.1 ELIGIBILITY

Each *active member* with vested benefits under the *Plan* may, upon termination of employment from *VON*, elect to *retire* at any time prior to the *normal retirement date* but subsequent to attainment of age fifty years. An *immediate pension benefit* computed in accordance with this section 8 would then be payable.

The age fifty years requirement shall be waived during a *period of disability*.

8.2 AMOUNT OF EARLY RETIREMENT PENSION

8.2.1 Retirement Prior to October 1, 1992

Subject to the application of section 13, for early retirements occurring prior October 1, 1992, the amount of monthly *lifetime pension benefit* payable to a *member* pursuant to subsection 8.1, in the *normal form of pension*, is equal to the amount determined according to subsection 7.2, based on the *member's pensionable earnings* and *credited service* up to the date of retirement, but reduced by 1/2 of 1% for each month by which the retirement date precedes the *normal retirement date*.

8.2.2 Retirement On and After October 1, 1992 but Prior to January 1, 2006

Subject to the application of section 13, for early retirements occurring on and after October 1, 1992, but prior to January 1, 2006 the amount of monthly *lifetime pension benefit* payable to a *member* pursuant to subsection 8.1, in the *normal form of pension*, is equal to the amount determined according to subsection 7.2, based on the *member's pensionable earnings* and *credited service* up to the date of retirement, but reduced by 1/4 of 1% for each month by which the retirement date precedes the *normal retirement date*.

8.2.3 Retirement On and After January 1, 2006

Subject to the application of section 13.2.2, for early retirements occurring on and after January 1, 2006, the amount of monthly *lifetime pension benefit* payable to a *member* pursuant to subsection 8.1, in the *normal form of pension*, is equal to the amount determined according to subsection 7.2, based on the *member's pensionable earnings* and *credited service* up to the date of retirement, but reduced as follows:

- (a) where the *member* is age 50 or more on January 1, 2006, by 1/4 of 1% for each month by which the retirement date precedes the *normal retirement date*;

- (b) where the *member* is between the age of 49 and 9 months and age 50 and has completed at least 10 years of *pensionable service* on January 1, 2006, by $\frac{1}{4}$ of 1% for each month by which the retirement date precedes the *normal retirement date*;
- (c) for all other *members*, by $\frac{1}{2}$ of 1% for each month by which the retirement date precedes the *normal retirement date*:

8.2.4 Minimum Early Retirement Pension

Notwithstanding paragraphs 8.2.1, 8.2.2 and 8.2.3, the amount of *lifetime pension benefit* payable upon early retirement shall be at least *actuarially equivalent* to the *deferred lifetime pension benefit* otherwise payable to the *member* from the *normal retirement date*.

8.3 EARLY BENEFITS/TEMPORARY PENSION: QUEBEC EMPLOYEES

- (a) An *active member* who is a Quebec *employee* and whose working time and remuneration are reduced by agreement with a *Administrator* and who has attained age 55 may elect to receive a lump sum benefit in accordance with the applicable provisions of the *Pension Benefits Act*.

A former Quebec *employee* vested in a *pension benefit* who has attained age 55 may elect to receive a lump sum benefit in accordance with the applicable provisions of the *Pension Benefits Act*.

The lump sum amount shall not exceed the amount permitted under the *Pension Benefits Act* and shall be paid in lieu of all or part of the *active employee's* or former *employee's* accrued *pension benefit* as provided in (c) below.

An *active employee* or former *employee* may not elect to receive such a payment more frequently than once each year.

- (b) A *member* who was a Quebec *employee*, who has terminated service from *VON* and who is entitled to a *pension benefit* under the *Plan*, may elect, after attaining age 55 and prior to *normal retirement date*, to replace all or part of the *member's lifetime pension benefit* with a temporary bridge benefit the terms of which are determined by and subject to the limits set out in the *Pension Benefits Act*. A temporary bridge benefit payable pursuant to this paragraph (b) shall not exceed the maximum bridge benefit permitted in such circumstances under the *Income Tax Act*.
- (c) A *employee's lifetime pension benefit* shall be reduced by an amount which is *actuarially equivalent* to the lump sum paid pursuant to (a) above or the temporary bridge benefit paid pursuant to (b) above.

9.1 ELIGIBILITY

Each *active member* may elect to *retire* after the *normal retirement date*, but prior to the end of the calendar year in which the *member* attains age 71, or any other such age as defined in the *Income Tax Act Regulations*. An *immediate pension benefit* computed in accordance with this section 9 would then be payable.

9.2 AMOUNT OF POSTPONED RETIREMENT PENSION

Subject to the application of section 13.2.1, the amount of monthly *lifetime pension benefit* payable to a *member* pursuant to subsection 9.1, in the *normal form of pension*, is equal to the amount determined according to subsection 7.2, based on the *member's pensionable earnings* and *credited service* up to the date of postponed retirement.

Exception: Quebec employees

Notwithstanding the above, subject to the application of section 13, the monthly *lifetime pension benefit* payable to a *Quebec employee* shall be calculated as the greater of (i) and (ii), where

- (i) is the amount determined according to subsection 9.2 as it applies to all other *employees*; and
- (ii) is the sum of:
 - A. an amount of pension *actuarially equivalent* to the normal retirement pension, calculated according to Section 7, which would have begun at *normal retirement date* had the pension not been postponed, and
 - B. an amount of pension *actuarially equivalent* to the *members'* contributions made following the *normal retirement date*, together with *interest* thereon.

If a *member* who is a *Quebec employee* remains in service after the *normal retirement date*, that *member* may elect to receive, in whole or in part, the *lifetime pension benefit* described above, to the extent that such benefit will compensate for a reduction in remuneration. The *Quebec employee* may make such election not more frequently than once every twelve months and shall cease to make contributions and accrue *credited service* while in receipt of the benefit.

Exception: Manitoba employees

Notwithstanding the above, subject to the application of section 13, the monthly *lifetime pension benefit* payable to a Manitoba *employee* whose postponed retirement pension commences on or after May 31, 2010 shall be calculated as the greater of (i) and (ii), where

- (i) is the amount determined according to subsection 9.2 as it applies to all other *employees*; and
- (ii) is an amount of pension that is *actuarially equivalent* to the normal retirement pension, calculated, according to Section 7, which would have begun at *normal retirement date* had the pension not been postponed.

SECTION 10

TERMINATION OF EMPLOYMENT

10.1 ELIGIBILITY

Each *active member* shall, upon termination of employment from *VON* prior to retirement or death, receive the benefits described in this section 10.

10.2 AMOUNT OF TERMINATION BENEFITS

10.2.1 Interpretation

For the purposes of paragraph 10.2.2:

"Vested" refers to a *member* who has completed at least two years of *continuous* employment.

Exception: Manitoba, Ontario and Quebec employees

Notwithstanding the above, "Vested" or "Vesting" in respect of an *employee* who is a *Manitoba employee*, an *Ontario employee* or a *Quebec employee* is *immediate*.

Exception: Saskatchewan employees

Notwithstanding the above, vested, in connection to a *Saskatchewan employee* refers to a *member* who either:

- (i) has completed at least two years of *continuous* employment, or
- (ii) has completed at least one year of *continuous* employment and the sum of the *member's* attained age and *continuous* employment equals at least forty-five. If vesting occurs under this clause rather than clause (i), the vested *pension benefit* shall be based on *pensionable service* since January 1, 1969.

10.2.2 Benefits Prior to Vesting

If at the date of termination of employment the *member* is not vested, the *member* will receive an amount equal to the *member's net contribution account* accrued to the date of termination of employment.

Exception: Manitoba, Ontario and Quebec employees

This paragraph 10.2.2 shall not apply to *employees* who are either *Ontario employees* whose termination of employment from *VON* occurs on or after July 1, 2012 or *Manitoba employees* whose termination of employment from *VON* occurs on or after May 31, 2010 or *Quebec employees*.

10.2.3 Benefits After Vesting

If at the date of termination of employment the *member* is vested, the *member* shall receive a *deferred pension benefit* payable in the *normal form of pension* from the *normal retirement date*, the monthly amount to be determined according to subsection 7.2 based on the *member's pensionable earnings* and *credited service* up to the date of termination of employment.

10.3 DISTRIBUTION OF BENEFITS

An *active member* of the *Plan* who terminates employment and who is entitled to a *deferred pension benefit* pursuant to paragraph 10.2.3 is entitled, in lieu of the *deferred pension benefit*, to require the *Administrator* to pay an amount equal to the *commuted value* of the *deferred pension benefit*:

- (i) to the pension *Fund* related to another registered pension *Plan*, if the *Administrator* of the other *Plan* agrees to accept the payment; or
- (ii) provided the *member* is not within five years of the *normal retirement date*, into a *prescribed* retirement savings arrangement; or
- (iii) provided the *member* is not within five years of the *normal retirement date*, for the purchase for the *member* of a *lifetime pension benefit* that shall not commence before age 50;

A request under this subsection must be made in writing to the *Administrator* within ninety days of receipt of written notice from the *Administrator* of the amount of benefit payable. Where a *member* fails to make an election under this subsection within such ninety day period, such *member* shall be deemed to have elected to receive a *deferred pension benefit* payable under paragraph 10.2.3.

Where a *member* elected, or is deemed to have elected, a *deferred pension benefit* payable under paragraph 10.2.3, such *member*, provided the *member* is not within five years of his *normal retirement date*, may, upon request, subsequently elect to transfer an amount equal to the *commuted value* of the *deferred pension benefit* to one of the options outlined above in accordance with the requirements of those options. A request by a member must be in the form and manner specified by VON from time to time.

Exception: Alberta Employees

Notwithstanding the other provisions of this subsection 10.3, an Alberta *member* who is entitled to transfer the *commuted value* of his *deferred pension benefit* under this subsection 10.3, may transfer such *commuted value* to any combination of registered retirement vehicles *prescribed* provided that the amount being transferred to each selected

vehicle is sufficiently large so as not to qualify as a small benefit as described in subsection 14.3.

Exception: Quebec employees

Notwithstanding the time limit mentioned above, a Quebec *employee* may exercise an option under this subsection within one of the following time limits:

- (1) 90 days from receipt of a termination statement issued pursuant to subsection 18.4 (c); or
- (2) subsequently and not later than the date provided in (3) below, every five years, within 90 days from the date of expiry of every fifth year; or
- (3) within 90 days from the date that is within 10 years of the *employee's normal retirement date*.

Also, notwithstanding the first paragraph of this subsection 10.3, the distribution options provided under this subsection 10.3 are available to a Quebec *employee* whose *active membership* in the *Plan* ceases in accordance with provisions of the *Plan*.

10.4 OPTIONAL REFUNDS PRIOR TO LOCKING-IN

In lieu of all or part of the *deferred pension benefit* provided under paragraph 10.2.3, a *member* other than an Ontario *employee* or a Manitoba *employee* or a Quebec *employee* may elect the following refunds:

- (a) Prior to attainment of age 45 or 10 years of *continuous* employment

A *member* may elect to receive the sum of the required contributions under the *Plan* together with *interest* thereon in respect of *pensionable service* prior to January 1, 1987, or in respect of a Nova Scotia *employee* prior to January 1, 1988.

- (b) After attainment of age 45 and 10 years of *continuous* employment

A *member* may elect to receive the sum of the required contributions under the *Plan* together with *interest* thereon in respect of *pensionable service* prior to the *qualification date* in the *member's* Province of employment.

- (c) Exception: British Columbia employees

The *pension benefit* accrued by a British Columbia *employee* prior to January 1, 1993 is not locked-in.

(d) Exception: Saskatchewan employees

A Saskatchewan *employee* who is entitled to a *deferred pension benefit* under paragraph 10.2.3 may elect to receive in a lump sum an amount not greater than 50% of the *member's* required contributions accumulated with *interest* to December 31, 1993, in which case the *deferred pension benefit* to which the *member* is entitled in respect of *credited service* before 1994 shall be reduced proportionately. The lump sum amount described above shall be reduced by an amount payable as refundable contributions under subsection 15.3

(e) Election and time limits

Subject to the requirements of the *Pension Benefits Act*, a *member* entitled to a payment under clauses (a) or (b) above may elect in writing to the *Administrator* within ninety days of receipt of written notice from the *Administrator* of the amount of lump sum benefit payable that payment of such benefit shall be in any one of the following methods or a combination thereof:

- (i) by transfer to the pension *Fund* related to another registered pension *Plan*, if the *Administrator* of the other *Plan* agrees to accept the payment; or
- (ii) by transfer into a *prescribed* retirement savings arrangement; or
- (iii) by a lump sum payment.

10.5 EARLY RETIREMENT

An *active member* of the *Plan* who terminates employment and who is entitled to a *deferred pension benefit* pursuant to paragraph 10.2.3 may elect to *retire* at any time prior to the *normal retirement date* but subsequent to attainment of age fifty years. Subject to the application of section 13, the amount of monthly *immediate pension benefit* payable upon early retirement shall be equal to the monthly *deferred pension benefit* otherwise payable, but reduced by 1/2 of 1% for each month by which the retirement date precedes the *normal retirement date*.

Notwithstanding the above, the amount of *immediate pension benefit* payable upon early retirement shall be at least *actuarially equivalent* to the *deferred pension benefit* otherwise payable to the *member*.

10.6 GROW-IN: ONTARIO EMPLOYEES

Notwithstanding subsection 10.5, a *member*, who is an Ontario *employee*, who is involuntarily terminated as a result of an *activating event* on or after July 1, 2012, and

not for cause, and whose combination of age plus years of *continuous* employment with *VON* or *pensionable service* equals at least 55 on the effective date of the *activating event* has the right, but only to the extent required by Section 74 of the *Pension Benefits Act* to receive:

- a) an *immediate pension benefit* under the *Plan* if so eligible;
- b) a *pension benefit* payable in accordance with Section 7 beginning on the earlier of:
 - i) the *normal retirement date*; or
 - ii) the date on which the *member* would be entitled to an unreduced *pension benefit* under the *Plan* if the *activating event* had not occurred and if the *member's membership* continued to that date; or
- c) a reduced *pension benefit* in the amount payable under the terms of the *Plan* beginning on the date on which the *member* would be entitled to the reduced *pension benefit* under the *Plan* if the *activating event* had not occurred and if the *member's membership* continued to that date.

For greater certainty,

- a) this subsection 10.6 is intended to apply to benefits and rights set out in the *Plan* that would otherwise not be available to an Ontario *employee* to whom Section 10 applies, if Section 74 of the *Pension Benefits Act* did not exist;
- b) any right to receive a *pension benefit*, including any ancillary benefit, pursuant to this subsection 10.6 shall only exist and can only be enforced by an Ontario *employee* to the extent that the right or benefit is specifically provided for in this *Plan*, other than in this subsection 10.6 or is required to be offered or provided to that Ontario *employee* by Section 74 of the *Pension Benefits Act*; and
- c) the existence of this subsection 10.6 shall not in any way create any benefits or rights that are not already required to be provided by Section 74 of the *Pension Benefits Act*.

10.7 DEATH BEFORE COMMENCEMENT OF PENSION

A *member* of the *Plan* who is entitled to a *deferred pension benefit* under this section and dies prior to the *normal retirement date* shall be entitled to the pre-retirement death benefits described in section 11, adjusted for any election the *member* may have made under subsection 10.4.

10.8 TRANSFER TO SUCCESSOR EMPLOYER

(a) *Member of Successor Plan*

A *member* whose employment has been transferred from *VON* to a successor employer as a result of the sale or disposition of business and who becomes a *member* of the successor employer's pension *Plan* shall cease to be an *active member* and become an *inactive member* upon such transfer. An *inactive member's* employment with *VON* is deemed not to terminate as a result of such transfer.

An *inactive member* shall not be allowed to contribute in accordance with subsection 5.2 nor shall such *inactive member* accrue any further *credited service* under the *Plan* while an *inactive member*.

An *inactive member* shall cease to be an *inactive member* on the earliest of termination of employment with the successor employer, retirement from the successor employer or death while employed by the successor employer and at that time the *member's* entitlements shall be determined as if the *member* had terminated employment with *VON* on the date of termination of employment with the successor employer, retirement from the successor employer or death while employed by the successor employer. The *member's pension benefit* shall be based on the *member's average pensionable earnings* and *average YMPE* as at the date of transfer to the successor employer.

(b) Transfer to CCAC

Notwithstanding clause (a) above, if a *member* has transferred from *VON* to a Community Care Access Centre (CCAC) as part of the restructuring of healthcare in Ontario during the period of January 1997 to October 1997, *VON* may approve, from time to time, that the *average pensionable earnings* and *average YMPE* be increased by all or some portion of the ratio of the wage index determined at the date when the *member* ceases to be an *inactive member* over the wage index as of the date of transfer to the CCAC. In this subsection, "wage index" means one-twelfth of the aggregate of the wage measures for each month in the twelve month period ending on the thirtieth day of the fifth month preceding the date of retirement, termination or death, or the date of transfer to the CCAC; and for this purpose, the wage measure for a month is the average weekly wages and salaries of the Industrial Aggregate for Canada for that month as published by Statistics Canada.

(c) Transfer to WRHA

Notwithstanding clause (a) above, if a *member* has transferred from *VON* to the Winnipeg Regional Health Authority (WRHA) as part of the restructuring of

healthcare in Manitoba on February 15, 2001, the *average pensionable earnings* and *average YMPE* shall be increased by the ratio of the wage index determined at the date when the *member* ceases to be an *inactive member* over the wage index as of the date of transfer to the WRHA. In this subsection, “wage index” means one-twelfth of the aggregate of the wage measures for each month in the twelve month period ending on the thirtieth day of the fifth month preceding the date of retirement, termination or death, or the date of transfer to the WRHA; and for this purpose, the wage measure for a month is the average weekly wages and salaries of the Industrial Aggregate for Canada for that month as published by Statistics Canada.

10.9 ADDITIONAL BENEFIT ON TERMINATION OR DEATH PRIOR TO EARLY RETIREMENT: QUEBEC EMPLOYEES

An additional benefit shall be payable to a *member* who is a Quebec *employee* who terminates employment from *VON* before reaching age 50 or in respect of the death of a *member* who was a Quebec *employee* who dies before reaching age 50 if:

- (a) the sum of:
 - (i) the *commuted value* of the *deferred pension benefit* for *credited service* from January 1, 2001, payable at *normal retirement date* in the *normal form of pension* described in subsection 12.1 and notionally indexed for the period between the date the *member* terminates employment from *VON* or dies and the date when *member* would reach age 50, subject to the provisions of section 13; plus
 - (ii) the refundable contributions that would be payable pursuant to subsection 15.1 if the indexation in clause (i) above applied;

EXCEEDS

- (b) the sum of:
 - (i) the *commuted value* of the *pension benefit* that would otherwise be payable to or in respect of the *member* under the *Plan* for *credited service* from January 1, 2001, subject to the provisions of section 13, plus
 - (ii) the refundable contributions that are payable pursuant to subsection 15.1.

For purposes of this subsection, the notional indexing referred to in (a)(i) above shall be determined as 50% of the percentage increase in the Consumer Price Index, as published by Statistics Canada, for the period between the month in which the *member* terminates employment from *VON* or dies and the month in which the *member* would attain age 50. The rate of such indexing shall not be less than 0% or greater than 2% on an annual basis.

The additional benefit shall equal the excess, if any, of (a) over (b), subject to the *Pension Benefits Act*. The additional benefit, if any, shall be paid to the *member* in a lump sum upon termination of employment or death. The *member* may transfer the value of the additional benefit, if any, in accordance with subsection 10.3.

10.10 TRANSFER OF LUMP-SUM CASH SETTLEMENT

Where required by the *Pension Benefits Act*, an individual entitled to a lump-sum cash settlement under the *Plan* may elect to transfer the amount to a registered retirement savings arrangement as *prescribed* under the *Pension Benefits Act* and in accordance with the requirements of the *Income Tax Act*.

SECTION 11

PRE-RETIREMENT DEATH

11.1 ELIGIBILITY

Upon the death of an *active member* the *member's spouse, beneficiary* or estate shall receive the benefits described in this section 11.

11.2 AMOUNT OF DEATH BENEFITS

11.2.1 Less than Two Years of Continuous Employment

If a *member* dies before retirement, the person who is the *member's* designated *beneficiary* shall receive an amount equal to the *member's net contribution account* accrued to the date of death or, if greater, provided the *member* was a *member* on December 31, 1986, 200% of the *member's* required contributions to the *Plan*, without *interest*.

Exception: Manitoba, Ontario, Quebec and Saskatchewan *employees*

Notwithstanding the above, if any of an Ontario *employee*, a Manitoba *employee*, a Quebec *employee* or a Saskatchewan *employee* dies before retirement, benefits shall be payable in accordance with paragraph 11.2.2 without regard to the minimum *continuous* employment requirement provided in that paragraph.

11.2.2 Two Years or More of Continuous Employment

In the event of the death of a *member* prior to termination of employment and retirement, the amount determined below shall be payable, in accordance with subsection 11.3, as a death benefit under the *Plan* if such *member* has completed at least two years of *continuous* employment:

Alberta *employee*

Provided the *member* has a *spouse* at date of death, an amount equal to the *member's net contribution account* in respect of *credited service* rendered prior to January 1, 1987 and 60% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 in respect of *credited service* rendered on and after January 1, 1987 but prior to January 1, 2000 and 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 in respect of *credited service* rendered on and after January 1, 2000 and prior to date of death.

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British Columbia employee

An amount equal to the *member's net contribution account* in respect of *credited service* rendered prior to January 1, 1993, and the greater of 60% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2, plus any refundable contributions determined pursuant to section 15, in respect of *credited service* rendered on and after January 1, 1993, and the *member's net contribution account* in respect of *credited service* rendered on and after January 1, 1993.

Manitoba employee

For a Manitoba *employee* who was an employee on or after May 31, 2010, an amount equal to 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 prior to date of death.

New Brunswick employee

An amount equal to 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 in respect of all *credited service* rendered prior to the *member's* date of death.

Newfoundland employee

Except as provided in the following paragraph, an amount equal to the *member's net contribution account* in respect of *credited service* rendered prior to January 1, 1987 and 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 in respect of *credited service* rendered on and after January 1, 1987 and prior to date of death.

In respect of a *member* who dies in the 10-year period *immediately* preceding the *normal retirement date* and who has a *spouse* at the time of death, the benefit described above shall be at least *actuarially equivalent* to the *pension benefit* the *spouse* would have received had the *member* elected early retirement *immediately* prior to death with an entitlement to an *immediate pension benefit* calculated in accordance with subsection 12.2.

Nova Scotia employee

Provided the *member* has a *spouse* at date of death, an amount equal to the *member's net contribution account* in respect of *credited service* rendered prior to January 1, 1988 and 60% of the *commuted value* of the *pension benefit* calculated

pursuant to subsection 7.2 in respect of *credited service* rendered on and after January 1, 1988 and prior to date of death.

Saskatchewan employee

For a Saskatchewan employee, an amount equal to 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2.

In respect of a *member* who dies in the 10-year period *immediately* preceding the *normal retirement date* and who has a *spouse* at the time of death, the benefit described above shall be at least *actuarially equivalent* to the *pension benefit* the *spouse* would have received had the *member* elected early retirement *immediately* prior to death with an entitlement to an *immediate pension benefit* calculated in accordance with subsection 12.2.

Any Other employee

An amount equal to the *member's net contribution account* in respect of *credited service* rendered prior to January 1, 1987 and 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 in respect of *credited service* rendered on and after January 1, 1987 and prior to date of death.

Exception: Quebec employees

Where a *member* whose retirement was postponed in whole or in part dies during the postponement period, the *member's spouse* shall be entitled to an *immediate pension benefit* of an amount equal to the greater of:

- (1) an amount calculated in accordance with the terms of this *Plan* as if the *member* had retired *immediately* prior to death; and
- (2) an amount *actuarially equivalent* to the benefit calculated in accordance with this subsection 11.2.2.

11.2.3 Calculation of *Pension benefit*

For purposes of this subsection, the *pension benefits* to which the *active member* is entitled at the moment of death shall be calculated as if employment were terminated *immediately* before the date of death.

11.2.4 Minimum benefit for service before January 1, 2006

Notwithstanding the above, the death benefit payable in accordance with subsection 11.2.2, with respect to service before January 1, 2006 for a *member* who died after having completed at least two years of *continuous* employment shall be at least equal to 200% of the *member's* own required contributions to the *Plan* before January 1, 2006, without *interest*.

Exception: Manitoba, Ontario, Quebec and Saskatchewan members

Notwithstanding the above, if an Ontario *member*, a Manitoba *member*, a Quebec *member* or a Saskatchewan *member* dies, the minimum two year *continuous* employment requirement does not apply.

11.3 DISTRIBUTION OF BENEFITS

11.3.1 Lump Sum Benefits

The benefits described under paragraph 11.2.2 shall be distributed in a lump sum equal to the *commuted value* of such benefits to the *member's spouse*, or if the *member* does not have a *spouse* on the date of death, to the *member's beneficiary* or estate. If the person entitled to the benefits is the *member's spouse*, an alternate form of distribution may be elected pursuant to paragraph 11.3.2.

Exception: Alberta, British Columbia, Manitoba and Saskatchewan employees

The *spouse* of a *member* who was an Alberta, a British Columbia, a Manitoba, or a Saskatchewan *employee* at the date of death shall not be entitled to the lump sum payment referred to above in respect of any entitlements under paragraph 11.2.2 above. Settlement of such entitlement will be in the form elected by the *spouse* under paragraph 11.3.2, provided that the benefit is locked-in as required by the *Pension Benefits Act*.

11.3.2 Options available to the *spouse*

Where the *beneficiary* is the *spouse* of the *member*, such *spouse* shall have the right to require the *Administrator* to pay an amount equal to the entitlement described under subsection 11.2:

- (i) to the pension *Fund* related to another registered pension *Plan*, if the *Administrator* of the other *Plan* agrees to accept the payment; or
- (ii) into a *prescribed* retirement savings arrangement that meets the requirements of the *Pension Benefits Act*; or
- (iii) to an *insurer* for the purchase for the *spouse* of an *immediate* or *deferred lifetime pension benefit*, provided that such *deferred pension benefit* shall not commence after such *spouse* reaches the age of 65 years, with a guarantee period that may not exceed fifteen years.

In lieu of the above options, the *spouse* may elect to receive an *immediate or deferred lifetime pension benefit*, payable from the *Fund*, of *actuarially equivalent* value to the benefit described under subsection 11.2.

11.4 ELECTION BY SPOUSE

A surviving *spouse* who has an entitlement under subsection 11.2 shall make the required election within 90 days after receiving the statement describing the *spouse's* entitlement and options. If the *spouse* has not made an election within this time limit, the *spouse* shall be deemed to have elected to receive an *immediate lifetime pension benefit* or such other default option as may be required or permitted under the *Pension Benefits Act*.

Exception: Saskatchewan employees

In lieu of the time limit imposed above and before the default election is deemed, the *spouse* of a Saskatchewan *employee* who has an entitlement under subsection 11.2 shall make the required election within 180 days of the date of death of the *member*.

11.5 WAIVER: ALBERTA, BRITISH COLUMBIA, MANITOBA, ONTARIO, QUEBEC AND SASKATCHEWAN

The *spouse* of an Alberta, British Columbia, Manitoba, Ontario, Quebec or Saskatchewan *member* may waive the *spouse's* entitlement under subsection 11.2 by filing the *prescribed* form with the *Administrator*. In such event, subsection 11.6 applies as if the *member* does not have a *spouse* on the date of death.

A Manitoba *member* and his *spouse* may jointly revoke such waiver prior to the Manitoba *employee's* death.

11.6 PAYMENT TO BENEFICIARY OR ESTATE

Where the *member* does not have a *spouse* at the date of death, or where the *member* and the *spouse* are living separate and apart, the duly appointed *beneficiary* of the *member*, or

the estate of such person if no *beneficiary* has been appointed, is entitled to receive the lump sums mentioned in subsection 11.2.

11.7 BENEFIT PAYABLE ON SPOUSE'S DEATH

Where a *spouse* becomes entitled to a benefit under subsection 11.2 and dies prior to the payment or transfer of such amount (or, if payable as a pension, the commencement of such pension), the amount to which the *spouse* was otherwise entitled shall be payable to the *spouse's beneficiary* or, where the *spouse* has not, or cannot designate a *beneficiary*, to the *spouse's* estate.

SECTION 12

POST-RETIREMENT DEATH

12.1 NORMAL FORM OF PENSION

The *normal form of pension* is a *lifetime pension benefit* payable in equal monthly installments commencing on a *member's* retirement date as follows: where a *member* who did not have a *spouse* at retirement dies after retirement but before having received sixty payments, the payments shall be continued to the designated *beneficiary* until a total of sixty payments shall have been made to the *member* and *beneficiary*.

12.2 PRESCRIBED FORM OF PENSION

As *prescribed*, the *pension benefit* paid under this *Plan* to a *member* who has a *spouse* on the date that the pension payments commence shall be a joint and survivor pension such that the pension payments are continued to the surviving *spouse* in an amount at least equal to 60% of the payments received by the retired *member* immediately prior to death.

The amount of *pension benefit* payable under this subsection 12.2 shall the optional form of payment is *actuarially equivalent* to the *pension benefit* payable in the *normal form of pension*.

12.3 WAIVER

The persons to whom subsection 12.2 applies may waive the entitlement to receive the *pension benefit* in the *prescribed* form by delivering to the *Administrator* or, in the case of a paid-up *deferred pension benefit*, to the *Insurer*, a written waiver in the *prescribed* form.

The waiver is not effective unless delivered to the *Administrator* within the period of twelve months *immediately* preceding the commencement of receipt of the *pension benefit*.

Persons who have delivered a waiver may jointly cancel the waiver by written and signed notice delivered to the *Administrator* before commencement of payment of the *pension benefit*.

12.3.1 WAIVER – ALBERTA EMPLOYEES

The *spouse* of an *Alberta employee* who waives the entitlement to receive the *pension benefit* in accordance with subsection 12.3 remains the presumptive *beneficiary* of any other death benefit payable under the *Plan* unless a further waiver is executed and delivered to the *Administrator* prior to the *member's* death.

12.4 OPTIONAL PENSION BENEFIT

Provided a valid waiver has been received if applicable by the *Administrator* of the *Plan* as described in subsection 12.3 the *member* may, by written and signed notice delivered to the *Administrator* at least ninety days prior to retirement, elect to receive a *pension benefit* in any one of the optional forms listed below.

The amount of *pension benefit* payable under this subsection 12.4 shall be such that the optional form of payment is *actuarially equivalent* to the *pension benefit* payable in the *normal form of pension*.

(a) Life - Guaranteed 10 years

This type of pension provides payments for the entire *lifetime* of the *member* and guarantees that should the *member* die after the *pension benefit* has commenced but before 120 monthly payments have been made, the payments shall be continued to the *beneficiary* or estate until 120 monthly payments in all have been made. Such option is not available to the *member* if it would result in a guarantee period extending beyond the *member's* 86th birthday.

(b) Life - Guaranteed 15 years

This type of pension provides payments for the entire *lifetime* of the *member* and guarantees that should the *member* die after the *pension benefit* has commenced but before 180 monthly payments have been made, the payments shall be continued to the *beneficiary* or estate until 180 monthly payments in all have been made. Such option is not available to the *member* if it would result in a guarantee period extending beyond the *member's* 86th birthday.

(c) Joint and Survivor Pension

A *member* who desires to have the *pension benefit* continue for the benefit of a *spouse* or former *spouse* may elect a joint and survivor pension that provides for the continuance of the same or some other monthly amounts as had been received by the *member* prior to the date of death.

(d) Level Income Pension - Guaranteed 5 years

This type of pension provides payments reducing upon the *member's* attainment of age 65, or such other age of eligibility as may be applicable under the Old Age Security Act, on account of pensions payable under government-sponsored pension plans, with

a guarantee that should the *member* die after the *pension benefit* has commenced but before 60 monthly payments have been made, the payments shall be continued to the *beneficiary* or estate until 60 monthly payments in all have been made.

Exception: Alberta and Manitoba employees

If an Alberta *employee* or Manitoba *employee* elects to receive a *pension benefit* in the optional form listed under (d) above, and if the *member* has a *spouse* when the *pension benefit* commences, such optional form can only be paid if the *spouse* has provided consent in the *prescribed* form after having received a copy of the *member's* retirement statement. In addition, the reduction in the pension must occur no later than the first day of the month following the first month in which the *member* is entitled to an unreduced government-sponsored pension.

(e) *Optional Pension benefit, Ten Year Guarantee for Prescribed Form – Quebec Employees:*

A *member* who was a Quebec *employee* and whose pension is paid in the *prescribed* form of pension described in subsection 12.2 may elect to add a 120 month guarantee to the joint and survivor pension in which case the joint and survivor pension shall be paid as provided in subsection 12.2, except that:

- (i) if the retired *member* dies before receiving 120 payments then, 60% of the amount payable to the retired *member* shall continue to the surviving *spouse* of the *member* for the remainder of the *spouse's lifetime* and 40% of the amount that was payable to the retired *member* shall continue to the retired *member's beneficiary* for the remainder of such 120 months;
- (ii) if the *member* and the surviving *spouse* both die before the retired *member* and the surviving *spouse* have received a total of 120 payments between them then the payments shall continue to the *beneficiary* of the retired *member* for the remainder of such 120 months.

Exception: Quebec employees

A Quebec *employee* may not elect to receive a *pension benefit* in the optional form listed under (d) above.

12.5 VOID ELECTION

Where a contingent annuitant named under an optional form of pension dies before the *member retires*, election of the optional form of pension shall be rendered null and void and the *pension benefit* shall be payable in the *normal form of pension*.

12.6 REVOCATION OF ELECTION

Any election may be revoked or changed provided written notice is received by the *Administrator* at least thirty days prior to retirement.

12.7 BENEFICIARY APPOINTMENTS

To the extent permitted by law, a *member* may, by a written notice signed by the *member* and filed with the *Administrator*, appoint a *beneficiary* to receive any death benefit payable hereunder not otherwise payable to the surviving *spouse* of the *member*, or may alter or revoke any such appointment; provided that in the absence of any such valid appointment the death benefit shall be payable to the *member's* estate.

12.8 QUEBEC EMPLOYEES: REINSTATEMENT OF REDUCTION TO MEMBER'S PENSION ON SEPARATION FROM SPOUSE

If the *pension benefit* of a retired Quebec *employee* has been reduced pursuant to subsection 12.2 or 12.4 to take account of spousal rights under a survivorship option, and if the spousal relationship of the retired Quebec *employee* and the *spouse* terminates after December 31, 2000 as a result of divorce, annulment of marriage, separation from bed and board, dissolution of the civil union or an end to the conjugal relationship, as applicable, then the retired Quebec *employee's pension benefit* shall be re-determined and paid in the amount that would have been payable to the retired Quebec *employee*, pursuant to subsection 12.1 after taking account of any benefits divided with the retired Quebec *employee's spouse* pursuant to paragraph 19.2.2.

Such re-determination shall occur automatically if the retired Quebec *employee's pension benefit* is divided with the retired Quebec *employee's* surviving *spouse* pursuant to paragraph 19.2.2 and shall be effective and payable as of the effective date of the judgment granting the separation from bed and board, the divorce or the annulment of marriage, the date of the dissolution of the civil union or the date of termination of conjugal relationship, as the case may be. Such re-determination shall not occur if:

- (a) the retired Quebec *employee's pension benefit* under the *Plan* is not subject to division between the retired Quebec *employee* and his or her surviving *spouse*

pursuant to paragraph 19.2.2 as a result of the termination of the spousal relationship; or

- (b) the judgment granting the separation from bed and board, the divorce or the annulment of marriage, the dissolution of the civil union or the termination of conjugal relationship, as the case may be, became effective prior to January 1, 2001,

unless the retired Quebec *employee* applies to the *Administrator* for the re-determination. If the retired Quebec *employee* does apply to the *Administrator* for the re-determination then it shall be effective and payable as of the date of such application.

SECTION 13

MAXIMUM PENSION BENEFITS

13.1 INTERPRETATION

"highest average indexed compensation" has the meaning assigned under the *Income Tax Regulations (Canada)* and shall be calculated by prorating calendar year compensation where applicable; and

"defined benefit limit" has the meaning assigned under the *Income Tax Regulations (Canada)*.

13.2 LIFE TIME PENSION LIMIT

13.2.1 Normal and Postponed Retirement

Notwithstanding subsection 7.2, monthly *lifetime pension benefits*, payable upon normal or postponed retirement shall not exceed one-twelfth of the amount determined by the formula

$$A \times B$$

where

- A** is the lesser of
- (i) two per cent of the *member's* highest average indexed compensation at such time, and
 - (ii) the defined benefit limit at such time, and
- B** is the *member's* years and fractions of a year of *credited service*, not to exceed 35 years in respect of the *member's pensionable service* prior to 1990.

13.2.2 Early Retirement

Notwithstanding subsection 8.2, monthly *lifetime pension benefits*, payable upon a *member's* early retirement shall not exceed the amount determined according to paragraph 13.2.1 reduced by ¼% for each complete month by which the date on which the *pension benefit* commences to be paid precedes the first of the month coincident with or next following the date the *member* will attain age 60 years.

13.2.3 Pre- 1990 Maximum Pension Limit

In the event that a *member* is granted periods of *credited service* with respect to calendar years before 1990, no part of which were previously recognized as *credited service* under the terms of the *Plan* or the registered pension *Plan* of another employer, the pension payable for each year of such service shall not exceed \$1,150.00, reduced, if necessary, by the reduction set out in paragraph 13.2.2, or such greater amount that may be permitted by the *Income Tax Act*.

SECTION 14**PAYMENT OF PENSION****14.1 PAYMENT OF BENEFIT**

All *pension benefits* payable under any provision of this *Plan* shall be provided, at the sole discretion of *VON*, by payments directly from the *Fund* established for the purposes of the *Plan* or by the purchase out of the *Fund* of a *pension benefit* from an *Insurer*.

14.2 COMMENCEMENT DATE

Pension benefits shall be payable to a *member* as of the first day of the month coincident with or next following retirement and shall be payable on the first day of each month thereafter in accordance with the form of pension applicable pursuant to section 12.

14.3 COMMUTATION OF SMALL AMOUNTS*Alberta employees*

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is less than one-twelfth of 4% of the *Year's Maximum Pensionable Earnings* for the year that the calculation is made, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum.

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is such that its *commuted value* is less than 20% of the *Year's Maximum Pensionable Earnings* for the year that the calculation is made, in lieu of the *pension benefit*, the *commuted value* of the *pension benefit* may be paid to the *member* in a lump sum, net of withholding taxes.

If the *Alberta member* does not elect to receive his *pension benefit* under the previous paragraph as a small benefit lump sum, then the *member* must transfer such entitlement to one of the options provided in subsection 10.3. If the *member* does not make an election under the previous paragraph within the *prescribed* time frame, the *member* is deemed to have elected to receive the *pension benefit* as a lump sum, net of withholding taxes.

If a *member*, or his *spouse*, is entitled to a *pension benefit* under the *Plan* and has become a non-resident of Canada for the purposes of the *Income Tax Act*, the *member* or *spouse*, as applicable, shall be entitled to a refund of the value of his *pension benefits* under the *Plan*, in full satisfaction thereof. Spousal consent in the *prescribed* form under the *Pension Benefits Act* must be obtained.

Ontario employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is not more than one-twelfth of 2% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*; in lieu of the *pension benefit*, the *commuted value* of the *pension benefit* shall be paid to the *member* in a lump sum, net of withholding taxes.

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is more than one-twelfth of 2% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member* and either:

- i. the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is not more than one-twelfth of 4% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, or
- ii. the *commuted value* of the *pension benefit* is less than 20% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*,

in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

Upon the death of an Ontario *employee* in receipt of a *pension benefit* under the *Plan* that occurs on or after July 1, 2012, the small benefit commutation limits above shall apply to his surviving *spouse* entitled to a survivor pension in accordance with the form of pension in pay to the Ontario *employee* pursuant to Section 12.

Saskatchewan employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is less than one-twelfth of 4% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is such that its *commuted value* is less than 20% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

If the *member* does not elect to receive his *pension benefit* under either of the previous two paragraphs as a small benefit lump sum, then the *member* must transfer such entitlement to one of the options provided in subsection 10.3.

Manitoba employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date*, together with the monthly *pension benefit* payable in the *normal form of pension* at the *normal retirement date* from any *Plan* described in subsection 10.7 is less than one-twelfth of 4% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* will receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

If the *commuted value* of the *pension benefit* calculated according to subsection 7.2 payable from the *member's normal retirement date*, together with the *commuted value* of any *pension benefit* from any *Plan* described in subsection 10.7 is less than 20% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* will receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

If a *member*, or his *spouse*, is entitled to a *pension benefit* under the *Plan* and has become a non-resident of Canada for the purposes of the *Income Tax Act*, the *member* or *spouse*, as applicable, shall be entitled to a refund of the *commuted value* of his *pension benefits* under the *Plan*, in full satisfaction thereof. A *spouse's* consent in the *prescribed* form under the *Pension Benefits Act* must be obtained.

British Columbia employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is less than one-twelfth of 10% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is such that its *commuted value* is less than 20% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

If the *member* does not elect to receive his *pension benefit* under either of the previous two paragraphs as a small benefit lump sum, then the *member* must transfer such entitlement to one of the options provided in subsection 10.3.

If a *member*, or his *spouse*, is entitled to a *pension benefit* under the *Plan* and has become a non-resident of Canada for the purposes of the *Income Tax Act*, the *member* or *spouse*, as applicable, shall be entitled to a refund of the value of his *pension benefits* under the *Plan*, in full satisfaction thereof. Spousal consent in the *prescribed* form under the *Pension Benefits Act* must be obtained.

Newfoundland employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is such that its *commuted value* is less than 10% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum, net of withholding taxes.

If the *member* does not elect to receive his *pension benefit* under either of the previous paragraph as a small benefit lump sum, then the *member* must transfer such entitlement to one of the options provided in subsection 10.3.

Nova Scotia employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is less than one-twelfth of 4% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum.

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is such that its *commuted value* is less than 10% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive the *commuted value* of the *pension benefit* in a lump sum.

If the *member* does not elect to receive his *pension benefit* under either of the previous two paragraphs as a small benefit lump sum, then the *member* must transfer such entitlement to one of the options provided in subsection 10.3.

Quebec employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is such that its *commuted value* is less than 20% of the *Year's Maximum Pensionable Earnings* in the year that the *employee* ceases to be an *active employee*, or such other amount as may be permitted in accordance with the *Pension Benefits Act*, in lieu of the *pension benefit*, the *employee* may elect to receive the *commuted value* of the *pension* in a lump sum or to transfer the *commuted value* lump sum to a registered retirement savings *Plan*.

The *Administrator* shall pay the amount determined in accordance with the preceding paragraph in a lump sum if the *Administrator* notifies the Quebec *employee*, as required under the *Pension Benefits Act*, of its intent to make the payment, and the Quebec *employee* has not elected a lump sum payment pursuant to the preceding paragraph.

Subject to the *Pension Benefits Act*, a former Quebec *employee* vested in a pension or retired Quebec *employee*, who has become a non-resident of Canada and has been absent from Canada for at least two years may elect to receive a refund which is *actuarially equivalent* to the Quebec *employee's* pension benefit entitlement. Said payment shall be in full satisfaction of the Quebec *employee's* entitlement under the *Plan*.

New Brunswick employees

If the *commuted value* of the pension payable to the New Brunswick *member* who ceases to be an *active member* on or after December 1, 2003 is less than 40% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member* divided by 1.06 for each year the age of the *member* precedes age 65, the *member* may elect to receive the *commuted value* of such benefit in a lump sum net or withholding taxes. If the *member* has a *spouse* at the time of the event, a *prescribed* spousal waiver is required.

If the *member* does not elect to receive his benefit under the previous paragraph and the *commuted value* of the pension payable would be less than 10% of the *Year's Maximum Pensionable Earnings*, or such greater amount as may be permitted under the *Pension Benefits Act*, the *member* must transfer such entitlement in accordance with the options in subsection 10.3.

If a *member* is entitled to a *pension benefit* under the *Plan* and both the *member* and his *spouse* are no longer citizens of Canada, nor residents of Canada for the purposes of the *Income Tax Act*, the *member* shall be entitled to a refund of the lump sum value of his *pension benefits* under the *Plan*, in full satisfaction thereof. Spousal consent in the *prescribed* form under the *Pension Benefits Act* must be obtained.

14.4 SHORTENED LIFE EXPECTANCY

Notwithstanding any other provision of the *Plan*, subject to the terms of the *Pension Benefits Act* (and if permitted under the *Pension Benefits Act*), upon delivery to *VON* of a medical certificate from a doctor licensed to practice in Canada or where the *member* resides, certifying, on the terms required by the *Pension Benefits Act*, that a *member* has a shortened life expectancy and upon the fulfilment of such other conditions as may be prescribed by the *Pension Benefits Act* (including any requirement for the *member's* *spouse* to provide a waiver), *VON* may permit payment of the *commuted value* of the *member's* benefit in a lump sum, net of applicable tax withholdings, in full satisfaction of his entitlement under the *Plan*.

14.5 ALBERTA – 50% UNLOCKING

An Alberta *employee* who ceases to be an *active member*, who has attained at least age 50, who has elected to transfer his *pension benefits* in accordance with subsection 10.3 to a life income *Fund* or for the purchase of an annuity and who has obtained the waiver *prescribed* under the *Pension Benefits Act*, may elect to receive up to 50% of his *pension benefits* as a lump sum payment or as a transfer to a registered retirement savings *Plan* or a registered retirement income *Fund* that is not subject to locking-in, in which case the amount transferred in accordance with subsection 10.3 will be reduced accordingly.

14.6 MANITOBA – 50% UNLOCKING

A Manitoba *employee* who ceases to be an *active member*, who has attained at least age 55, who has not made a previous one time transfer, whose *pension benefit* is not subject of a maintenance order or a preservation order under applicable legislation, and who has obtained the spousal waiver *prescribed* under the *Pension Benefits Act*, may elect to transfer up to 50% of his *pension benefits* to a *prescribed* registered retirement income *Fund*. This option is also available to the *spouse* of a deceased Manitoba *member*.

15.1 AMOUNT OF REFUNDABLE CONTRIBUTIONS

Upon retirement, termination of employment or death, of an *active member* who is entitled to a *pension benefit* under the *Plan*, the *commuted value* of the *immediate* or *deferred pension benefit* in respect of *pensionable service* rendered with *VON* on and after January 1, 1987 shall be determined and compared with the *member's net contribution account* for the same period. Any excess of the *member's net contribution account* over 50% of the *commuted value* of the *immediate* or *deferred pension benefit* shall be considered refundable contributions for the purposes of this section.

(a) Exception: Manitoba employees

Upon retirement, termination of employment, or death of a *member* employed in Manitoba, the *commuted value* of the *immediate* or *deferred pension benefit* in respect of *credited service* rendered with *VON* on and after January 1, 1985 shall be determined and compared with the *member's* required contributions accumulated with *interest* relating to the same period of employment on which such *pension benefit* is calculated. Any such accumulated contributions in excess of 50% of the *commuted value* of the *immediate* or *deferred pension benefit* shall be considered refundable contributions for the purposes of this section.

(b) Exception: Nova Scotia employees

Upon retirement, termination of employment, or death of a *member* employed in Nova Scotia, the *commuted value* of the *immediate* or *deferred pension benefit* in respect of *credited service* rendered with *VON* on and after January 1, 1988 shall be determined and compared with the *member's* required contributions accumulated with *interest* relating to the same period of employment on which such *pension benefit* is calculated. Any such accumulated contributions in excess of 50% of the *commuted value* of the *immediate* or *deferred pension benefit* shall be considered refundable contributions for the purposes of this section.

(c) Exception: Saskatchewan employees

Upon retirement or termination of employment of a *member* employed in Saskatchewan who is vested under paragraph 10.2.1, or upon the death of a *member* employed in Saskatchewan, the *commuted value* of the *immediate* or *deferred pension benefit* in respect of *credited service* rendered with *VON* shall be determined and compared with the *member's* required contributions accumulated with *interest* relating to the same period of employment on which such *pension benefit* is calculated. Any such accumulated contributions in excess of 50% of the *commuted value* of the *immediate* or *deferred pension benefit* shall be considered refundable contributions for the purposes of this section.

15.2 DISTRIBUTION OF BENEFITS - BENEFICIARY OR ESTATE

If termination of employment occurs as a result of death, the *beneficiary* of the *member*, or the estate of such person if no designation has been made, is entitled to receive in a lump-sum the benefit described in subsection 15.1 if on the date of death:

- (i) the *member* does not have a *spouse*; or
- (ii) the *member* and *spouse* are living separate and apart; or
- (iii) the *spouse's* rights have been waived pursuant to subsection 11.5.

15.3 DISTRIBUTION OF BENEFITS - MEMBER OR SPOUSE

The *member* or the *member's spouse*, as applicable, is entitled to receive the benefit described in subsection 15.1 in accordance with one of the following options, subject to the exceptions noted:

- (a) paid in a lump sum to the *member* or the *member's spouse*, as applicable; or

Exception: Quebec employees

This option shall not be available in respect of Quebec *employees*.

- (b) transferred into a *prescribed* retirement savings arrangement; or

Exception: Alberta, British Columbia, Manitoba and Saskatchewan employees

This option shall be available in respect of Alberta, British Columbia, Manitoba and Saskatchewan *employees* provided the transferee shall agree to hold the assets in trust for the sole purpose of providing a life annuity.

- (c) transferred to the pension *Fund* related to another registered pension *Plan*, if the *Administrator* of the other *Plan* agrees to accept the payment; or

Exception: Alberta, British Columbia, Manitoba and Saskatchewan employees

This option shall be available in respect of Alberta, British Columbia, Manitoba and Saskatchewan *employees* provided the transferee shall agree to hold the assets in trust for the sole purpose of providing a life annuity.

- (d) used to purchase an *immediate* or *deferred* pension benefit from an *insurer*, or
- (e) Manitoba and Quebec employees only

If the *member* is a Manitoba or Quebec *employee*, or if applicable if the *spouse* is the *spouse* of a Manitoba *employee*, such person may elect to have their refundable contributions used to provide an *actuarially equivalent pension benefit* payable under the *Plan*, provided such person has elected to receive an *immediate* or *deferred pension benefit* in respect of entitlements under sections 10 or 11.

15.4 ELECTION TIMING

- (a) A *member* who has an entitlement under this section must advise the *Administrator* of an election pursuant to subsections 15.1 or 15.3 by a written notice signed by the *member* and filed with the *Administrator* not later than ninety days following termination of employment.
- (b) A *spouse* who has an entitlement under this section must advise the *Administrator* of an election pursuant to subsection 15.3 by a written notice signed by the *spouse* and filed with the *Administrator* not later than ninety days following receipt of the *prescribed* benefit statement.

15.5 MINIMUM REFUNDABLE CONTRIBUTIONS

Notwithstanding the above, a *member* shall upon retirement, termination of employment or death while an *employee* receive a lump-sum payment equal to the amount by which the *member's* contributions made pursuant to subsection 5.2.1(f) with *interest* to the beginning of the month in which retirement, termination of employment or death occurs exceeds the *commuted value* of the *pension benefit* in respect of the *pensionable service* under subsection 4.1(f) for which such contributions were paid into the *Plan*.

16.1 TRUST AGREEMENT

All the *Funds* of the *Plan* shall be held in trust by *Trustees* appointed from time to time by the *Administrator* under a *trust agreement*. The *Fund* so established shall be used to provide the benefits of the *Plan* and at the *Administrator's* discretion to pay its expenses.

16.2 INVESTMENT ADVISOR

The *Administrator* shall have the authority to name one or more investment advisors who may, but need not be, employees of *VON*, to direct the investment of all or any portion of the *Fund*.

16.3 STATEMENT OF INVESTMENT POLICY AND GOALS

The *Administrator* shall establish a Statement of Investment Policy and Goals as *prescribed*. This Statement of Investment Policies and Goals, subject to the requirements of the *Pension Benefits Act* and of the *Income Tax Act*, specifies the eligible investments under this *Plan*. The *Administrator* shall review and confirm or modify its Statement of Investment Policy and Goals not less frequently than annually.

16.4 PAYMENTS INTO AND OUT OF FUND

16.4.1 Contributions

Only the contributions provided for in section 5 shall be eligible contributions under this *Plan*.

16.4.2 Distributions

- (a) The *Administrator* shall direct the *Trustees* to pay from the *Fund*:
 - (i) the benefits under the *Plan*; and
 - (ii) all reasonable expenses incurred in the operation of the *Plan* and *Fund*, unless payment of such expenses is assumed by *VON*.
- (b) No payment may be made from the *Fund* unless specifically provided for under the *Plan*.

16.5 VON LIABILITY

Subject to the provisions of the *Pension Benefits Act*, VON shall be under no contractual liability for any contributions to the *Fund* in excess of those required under the provisions of the *Pension Benefits Act*, and in making such contributions to the *Fund*, it may rely upon the estimates made and obtained by the *Administrator* from the *Actuary*. VON, the investment advisor or the *Actuary* shall not be liable in any manner if the *Fund* shall be insufficient to provide for the payment of all benefits subject to the provisions of the *Pension Benefits Act*. Such benefits shall be payable only from the *Fund* and only to the extent that the *Fund* shall suffice, provided that at the discretion of the *Administrator*, *pension benefits* may be provided by the purchase of an annuity, or annuities from an *insurer*, subject to the rights of a *spouse* upon the death of a *member* and the *member's* portability rights specified in section 10.3 upon termination of employment.

17.1 RIGHT TO AMEND

The *Administrator* reserves the right to amend the *Plan* at any time, but no amendment may adversely affect benefits accrued under the *Plan* up to the date of the amendment.

17.2 PLAN WIND-UP

The *Plan* may be discontinued by *VON* at any time and shall be automatically discontinued in the event of bankruptcy, liquidation or sale of assets of *VON*.

17.3 DISPOSITION OF PLAN ASSETS ON WIND-UP

In the event of discontinuance of the *Plan*, the assets of the *Fund* shall be converted into cash and such cash shall be used as follows:

- (i) to provide for the continuance of the *pension benefit* payments then in effect to *members* who have retired; or to their surviving *spouses* or *beneficiaries*, whichever is applicable; and
- (ii) to provide for the *deferred pension benefits* to which *members* have become entitled under the provisions of section 10; and
- (iii) to provide for the *pension benefits*, other than those referred to in clauses (i) and (ii) above, commencing at *normal retirement date* that have accrued to each *active member* up to the date of discontinuance provided that if the cash available for purposes of this clause is not sufficient to provide all of the benefits *prescribed*, it shall be applied to provide the benefits pro rata to the amount of cash required to provide the entire benefit.
- (iv) Notwithstanding clause 17.3(iii), in no event shall the distribution to a *member* result in benefits to the *member* being in excess of the maximum level of *pension benefit* permitted under the then current rules established under the *Income Tax Act*. Where surplus *Funds* remain following the distribution in clause 17.3(iii), subsequent distributions shall be made until all monies are distributed or all *members* have been provided the maximum allowable benefit. In the event any surplus remains after all benefits referred to in this subsection 17.3 have been provided, such surplus may, subject to the approval of the Minister of National Revenue/Taxation and the Superintendent of Pensions acting in accordance with the *Pension Benefits Act*, be returned to *VON*.

17.4 AGREEMENTS WITH OTHER EMPLOYERS

The *Administrator* may enter into a reciprocal transfer agreement with any reciprocal authority responsible for the administration of a registered pension *Plan* for the purpose of preserving some or all of the *pension benefits* to which an individual who transfers from or to employment with *VON* is entitled. Such reciprocal transfer agreement shall constitute a part of the *Plan*.

SECTION 18

ADMINISTRATION

18.1 ADMINISTRATOR

The *Victorian Order of Nurses of Canada* as incorporated under the Canada **Not-for-Profit** Corporations Act, acting through its Board of Directors, shall be the *Administrator* of the *Plan* and shall have all powers as may be necessary to discharge its duties under the *Plan*. Any determination or decision of the *Administrator* shall be conclusive and binding on all persons having *interests* or claims to *pension benefits* or other benefits under the *Plan*.

18.2 DELEGATION

The *Administrator* may carry out its responsibilities under the *Plan* through such of its agents, officers and *employees* as it may designate and empower so to act.

18.3 MAINTENANCE OF RECORDS

The *Administrator* of the *Plan* shall provide for the keeping of sufficient records with respect to the *membership* of the *Plan*.

18.4 INFORMATION TO MEMBERS

- (a) The *Administrator* undertakes to provide a written explanation of the terms and conditions of this *Plan* to each *member* and eligible *employee* and of the rights and duties of such a person in the *Plan* with reference to the benefits payable thereunder.
- (b) The *Administrator* shall issue to each *member* an annual statement of the pension and other benefits accrued to the *member* as at the statement date.
- (c) The *Administrator* shall issue to each *member*, or in respect of each *member*, a statement of benefit entitlements upon the termination of employment, death or retirement of the *member*.
- (d) The written explanation and statements as are required to be issued by this subsection shall be issued within such time periods and in such manner and form as are *prescribed*.

- (e) On written request, the *Administrator* shall make available the *prescribed* documents and information in respect of the *Plan* or *Fund* for inspection without charge, by a *member* or any other person who may become entitled to benefits under the *Plan*, or an agent of such person. Copies of any of the documents made available for inspection shall be provided by *VON* upon request and for a reasonable fee.

18.5 ACTUARIAL VALUATIONS

The *Administrator* shall cause an *Actuary* to perform at regular intervals, and not less often than every three years, an actuarial valuation of the *Plan* in accordance with The Recommendations for the Valuation of Pension *Plans* issued by the Canadian Institute of Actuaries.

18.6 FILINGS

The *Administrator* shall file or cause to be filed with the appropriate pension supervisory authorities, such documents or reports as may be required to be filed under the *Pension Benefits Act* or under the *Income Tax Act*, within the time limits *prescribed*.

18.7 PROOFS

Prior to paying or causing to be paid *pension benefits*, the *Administrator* shall be entitled to receive proof satisfactory to it of a person's entitlement to the benefit under the *Plan*.

18.8 ALTERNATE PAYEE

If, for any reason, an individual entitled to the payment of a benefit under the *Plan* is unable to give a valid receipt, payment of the benefit shall be made to the person having legal care or custody of the individual. Payment of the benefit pursuant to this subsection shall constitute a complete discharge of the payment under the *Plan*.

18.9 PAYMENT OF BENEFITS

Lump sum or transfer amounts payable under this *Plan* shall be paid or transferred within thirty days of receipt by the *Administrator* of the applicable election form duly completed by the person entitled to such benefit. In the event the amount payable is equivalent to a full or partial return of the *member's net contribution account*, *interest* shall be applied up to the beginning of the month of payment. In the event the amount payable is equivalent to

the *commuted value* of a *deferred pension benefit*, interest shall be applied up to the beginning of the month of payment at the rate used in the determination of such *commuted value*. Any person who is entitled to receive a lump sum payment under the *Plan* which is not subject to locking in may elect to transfer such portion of the said lump sum as may be permitted under the *Income Tax Act* to a registered retirement savings *Plan*.

18.10 ELECTRONIC COMMUNICATION

Where permitted under the *Pension Benefits Act*, the *Administrator* may provide information *prescribed* under the *Pension Benefits Act* by mail, or, in the alternative, electronically to a person who is entitled to receive such *prescribed* disclosure information in respect of an Ontario *employee*, provided that the person has given his written consent to receive disclosure information electronically.

19.1 ASSIGNMENT OF RIGHTS

Unless permitted in this section 19, a person’s rights under the *Plan* are not capable of being assigned, charged, anticipated, given as security or surrendered. However, such rights may be:

- (i) assigned pursuant to paragraph 19.2.2; or
- (ii) assigned by the legal representative of a deceased person on the distribution of the person’s estate; or
- (iii) commuted as permitted under the *Plan*.

19.2 MARRIAGE BREAKDOWN

19.2.1 Application

For purposes of this subsection 19.2, if a *member's* benefits become subject to provincial property law, the term “*spouse*” shall have the meaning assigned under the *Family Law Act*.

19.2.2 Assignment to spouse

Subject to the provisions of the *Pension Benefits Act*, a *member* may, pursuant to a decree, family arbitration award, order, or judgment of a competent tribunal or in accordance with a written separation agreement relating to a division of property between the *member* and the *member's spouse*, assign part of the *member's pension benefits* under the *Plan* to that person’s *spouse*.

Exception: Alberta employees

Notwithstanding the first paragraph above, subject to the provisions of the *Pension Benefits Act*, a *member* in Alberta may, pursuant to a matrimonial property order or matrimonial property agreement within the meaning of the Matrimonial Property Act (Alberta), or a similar order of another jurisdiction enforceable in Alberta, that effects a division of property between the *member* and the *member's spouse*, assign part of the *member's pension benefit* under the *Plan* to that person’s *spouse*.

Exception: Manitoba employees

Where the *spouse* of a Manitoba *employee* has become entitled to a benefit under this Section 19.2.2 and the Manitoba *employee* dies prior to that benefit commencing to be paid to the *spouse* (or transferred, as applicable), the *spouse* may waive entitlement under this subsection 19.2.2 after receiving the *prescribed* information from *VON*.

19.2.3 Calculation of Pension Benefit

In the event that all or part of a member's *pension benefit* is assigned under paragraph 19.2.2, the resulting *pension benefits* provided to each of the member and the *member's spouse* shall be *actuarially equivalent* to the *pension benefit* otherwise accrued to the *member*.

19.3 SEIZURE AND ATTACHMENT:

Notwithstanding subsection 19.1, a *member's pension benefit* may be seized for non-payment of support or maintenance to the *employee's spouse*, to the extent permitted by the provisions of the *Pension Benefits Act*.

19.4 FEES ON DIVISION OF PROPERTY

The *Administrator* may charge an Ontario *employee* a fee at the rate *prescribed* by the *Pension Benefits Act* on each application for a statement of the imputed value of the *pension benefit* to be divided pursuant to subsection 19.2.

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF THE VICTORIAN ORDER OF NURSES FOR CANADA

AMENDMENT NO. 31
TO THE
VON CANADA PENSION PLAN

WHEREAS the Victorian Order of Nurses for Canada ("VON") established a Retirement Income Plan effective October 1, 1945 which was later renamed the VON Canada Pension Plan, and which was last amended and restated January 1, 2014 (the "VON Plan"); and

WHEREAS VON reserved the right to amend the VON Plan in subsection 17.1; and

WHEREAS VON wishes to amend the VON Plan to reflect the recent changes to the *Alberta Employment Pension Plans Act*; and

WHEREAS VON intends to enter into an agreement with the Healthcare of Ontario Pension Plan ("HOOPP") under section 80.1 of the Ontario *Pension Benefits Act* for the transfer of certain assets and liabilities from the VON Plan to HOOPP, and VON wishes to amend the VON Plan to reflect this;

NOW THEREFORE IT IS RESOLVED THAT:

A. The VON Plan is hereby amended, effective September 1, 2014, as follows:

- 1. The definition of *spouse* in section 1 is amended by deleting the paragraphs that apply to *Alberta employees* and replacing them with the following:

"Alberta employees

- (a) a person who is married to the *member* and who is not living separate and apart from the *member* for a *continuous* period longer than 3 years, or
- (b) if there is no one as described in paragraph (a), a person who has been living with the *member* in a marriage-like relationship:
 - (i) for a *continuous* period of at least 3 years preceding the relevant date, or
 - (ii) of some permanence if there is a child of the relationship through birth or adoption.

A person shall not qualify as a *spouse* for the purposes of the *Plan* if the *member's pension benefit* under the *Plan* is subject to division between the person and the *member* in accordance with subsection 19.2.2."

- 2. Section 3.3 is amended by adding the following wording as the last paragraph of subsection 3.3(c):

"In respect of an *employee* to whom this paragraph applies, the pension payable at the commencement of the *employee's* subsequent pension commencement date shall not be less than the sum of the amounts determined under paragraphs (i) and (ii) below:

- (i) the pension the *employee* was receiving before his re-employment, re-determined to consider the early retirement reduction, if any, applicable at the age at his subsequent pension commencement date less the period, expressed as a number of years and months or portions of months, between the effective date of pension suspension and the initial pension commencement date, and
 - (ii) the pension the *employee* is entitled to for the subsequent period of employment, determined in isolation from the initial employment period, and based on *credited service* accrued after the *employee's* date of re-employment with VON."
3. Subsection 10.2.1 is amended by deleting the paragraph entitled "Exception: Manitoba, Ontario and Quebec *employees*" and replacing it with the following:

"Exception: Alberta, Manitoba, Ontario and Quebec *employees*

Notwithstanding the above, "Vested" or "Vesting" in respect of a *member* who is an Alberta *employee*, a Manitoba *employee*, an Ontario *employee* or a Quebec *employee* is *immediate*."

4. Subsection 10.2.2 is amended by deleting the paragraph entitled "Exception: Manitoba, Ontario and Quebec *employees*" and replacing it with the following:

"Exception: Alberta, Manitoba, Ontario and Quebec *employees*

This paragraph 10.2.2 shall not apply to Alberta *employees* whose termination of employment from VON occurs on or after September 1, 2014, Ontario *employees* whose termination of employment from VON occurs on or after July 1, 2012, Manitoba *employees* whose termination of employment from VON occurs on or after May 31, 2010, or Quebec *employees*."

5. Section 10.4 is amended by deleting the first sentence and replacing it with the following:

"In lieu of all or part of the *deferred pension benefit* provided under paragraph 10.2.3, a *member* other than an Alberta *employee*, an Ontario *employee*, a Manitoba *employee* or a Quebec *employee* may elect the following refunds:"

6. Section 10.10 is deleted.

7. Subsection 11.2.1 is amended by deleting the paragraph entitled "Exception: Manitoba, Ontario, Quebec and Saskatchewan *employees*" and replacing it with the following:

"Exception: Alberta, Manitoba, Ontario, Quebec and Saskatchewan *employees*

Notwithstanding the above, if any of an Alberta *employee*, a Manitoba *employee*, an Ontario *employee*, a Quebec *employee* or a Saskatchewan *employee* dies before retirement, benefits shall be payable in accordance with paragraph 11.2.2 without regard to the minimum *continuous* employment requirement provided in that paragraph."

8. Subsection 11.2.2 is amended by deleting the paragraph entitled "Alberta *employee*" and replacing it with the following:

"Alberta *employee*

An amount equal to 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 in respect of all *credited service* rendered prior to the *member's* date of death."

9. Subsection 11.2.4 is amended by deleting the paragraph entitled "Exception: Manitoba, Ontario, Quebec and Saskatchewan *members*" and replacing it with the following:

"Exception: Alberta, Manitoba, Ontario, Quebec and Saskatchewan *members*

Notwithstanding the above, if an Alberta *member*, a Manitoba *member*, an Ontario *member*, a Quebec *member* or a Saskatchewan *member* dies, the minimum two year *continuous* employment requirement does not apply."

10. Section 11.5 is amended by adding the following wording as the last paragraph:

"Where the *spouse* of an Alberta *member* waives his entitlement as described above, that *spouse* cannot be the Alberta *member's* *beneficiary* for purposes of any other benefit payable under the *Plan* in the event of the Alberta *member's* death prior to retirement."

11. Section 12.3 is deleted and replaced with the following:

"WAIVER OF PRESCRIBED FORM OF PENSION

Where permitted by the *Pension Benefits Act*, the *spouse*, or the *spouse* and *member* jointly if required by the *Pension Benefits Act*, may waive the requirement to receive the *pension benefit* in the *prescribed* form described under subsection 12.2. Such waiver must be in the form and manner *prescribed* by the *Pension Benefits Act*.

If permitted by the *Pension Benefits Act*, such waiver may be cancelled in the manner provided for in the *Pension Benefits Act* prior to the commencement of payment of the *pension benefit*."

12. Section 14.3 is amended by deleting the paragraphs that apply to Alberta employees, and replacing them with the following:

"Alberta *employees*

If at termination, death or retirement, the *commuted value* of the *pension benefit* calculated according to subsection 7.2 does not exceed 20% of the *Year's Maximum Pensionable Earnings* for the year that the calculation is made, or such other amount as may be prescribed under the *Pension Benefits Act*, the *member* or a *spouse* who is entitled to a benefit under Section 11, may elect to receive a lump sum payment, net of withholding taxes, equal to the *commuted value* of the *pension benefit* to which he is entitled under the *Plan*.

If the Alberta *member* or the *member's* *spouse*, as applicable, does not elect to receive his *pension benefit* as a lump sum, the *member* or *spouse* must transfer such entitlement to one of the options provided in subsection 10.3. If the *member* or *spouse*, as applicable, does not make an election to transfer within the

prescribed time frame, the *member* or *spouse*, as applicable, is deemed to have elected to receive the *pension benefit* as a lump sum, net of withholding taxes."

13. Section 14.3 is amended by deleting the last paragraph under each of the following sections: Manitoba *employees*, British Columbia *employees*, Quebec *employees* and New Brunswick *employees*.

14. Section 14.4 is deleted and replaced with the following:

"SHORTENED LIFE EXPECTANCY

Notwithstanding any other provision of the *Plan*, subject to the terms of the *Pension Benefits Act* (and if permitted under the *Pension Benefits Act*), upon delivery to VON of a medical certificate from a doctor licensed to practice in Canada or where the *member* resides, certifying, on the terms required by the *Pension Benefits Act*, that a *member* has a shortened life expectancy and upon the fulfillment of such other conditions as may be prescribed by the *Pension Benefits Act* (including any requirement for the *member's spouse* to provide a waiver), the *Administrator* shall permit payment of the *commuted value* of the *member's* benefit in a lump sum, or in such other manner as may be permitted under the *Pension Benefits Act*, net of applicable tax withholdings, in full satisfaction of his entitlement under the *Plan*."

15. Section 14.5 is deleted and replaced with the following:

"ALBERTA – 50% UNLOCKING

An Alberta *employee* who ceases to be an *active member*, or the surviving *spouse* or former *spouse* of an Alberta *member*.

- (a) who has attained at least age 50; and
- (b) who has elected to make a transfer to a life income fund in accordance with the applicable provisions of the *Plan*,

may elect to receive up to 50% of the *commuted value* of his *pension benefits* as a lump sum payment or for transfer to a registered retirement savings plan or registered retirement income fund that is not subject to locking-in, in which case, any amount transferred from the *Plan* to a life income fund shall be reduced accordingly. In order to exercise the option, an Alberta *employee* must provide VON with evidence of spousal consent in the *prescribed* form under the *Pension Benefits Act*."

16. The following is added as Section 14.7:

"NON-RESIDENCY COMMUTATION

Where permitted by the *Pension Benefits Act*, if a *member* or his *spouse*, is entitled to a *pension benefit* under the *Plan* and has become a non-resident of Canada for the purposes of the *Income Tax Act*, the *member* or *spouse*, as applicable, shall be entitled to a refund of the value of his *pension benefits* under the *Plan*, in full satisfaction thereof. In order to exercise this option, the *member* or *spouse*, as applicable, must provide VON with such documentation as may be required under the *Pension Benefits Act* including spousal consent in the *prescribed* form and manner."

17. The following is added as Section 14.8:

"TRANSFER OF LUMP SUM CASH SETTLEMENT

Where required by the *Pension Benefits Act*, an individual entitled to a lump-sum cash settlement under the *Plan* may elect to transfer the amount to a registered retirement savings arrangement as *prescribed* under the *Pension Benefits Act* on a non-locked-in basis and in accordance with the requirements of the *Income Tax Act*."

18. Clause 18.4(b) is deleted and replaced with the following:

"(b) The *Administrator* shall issue to each *member* and such other persons as may be required under the *Pension Benefits Act* at such times as may be *prescribed*, a statement of the *pension benefits* and other benefits accrued to such individual as at the statement date."

- B. The VON Plan is hereby amended, effective JULY 8, 2015, as follows:

1. The definition of "*inactive member*" in section 1 is deleted and replaced with the following:

"*inactive member*" means a *member* who has transferred to a successor employer and whose participation is governed by subsection 10.8."

2. Section 10.8(b) is deleted and replaced with the following:

"(b) Transfer to CCAC

Notwithstanding clause (a) above, if a *member* has transferred from VON to a Community Care Access Centre (CCAC) as part of the restructuring of healthcare in Ontario during the period of January 1997 to October 1997:

- (i) VON may approve, from time to time, that the *average pensionable earnings* and *average YMPE* be increased by all or some portion of the ratio of the wage index determined at the date when the *member* ceases to be an *inactive member* over the wage index as of the date of transfer to the CCAC. In this subsection, "wage index" means one-twelfth of the aggregate of the wage measures for each month in the twelve month period ending on the thirtieth day of the fifth month preceding the date of retirement, termination or death, or the date of transfer to the CCAC; and for this purpose, the wage measure for a month is the average weekly wages and salaries of the Industrial Aggregate for Canada for that month as published by Statistics Canada.
- (ii) Effective DATE, in accordance with a transfer agreement between VON and the Healthcare of Ontario Pension Plan ("HOOPP") made pursuant to Section 80.1 of the Ontario *Pension Benefits Act* (the "Transfer Agreement") an *inactive member* who transferred to CCAC and who as at [insert DATE] has not commenced his or her pension under the *Plan* or HOOPP may elect to transfer his accrued pension benefit under the *Plan* to HOOPP. If an *inactive member* elects a transfer, assets and liabilities in respect of his entitlement under the *Plan* will be transferred from the *Plan* to HOOPP in accordance with the Transfer Agreement, the applicable provisions of the Ontario *Pension Benefits Act* and the applicable regulations thereunder. Following the transfer of assets and liabilities from the *Plan* to HOOPP in respect of an *inactive member*,

such individual will have no further benefit or entitlement under the Plan."

- C. The VON Plan is hereby amended, effective January 1, 2014, by changing the term "Victorian Order of Nurses of Canada" by "Victorian Order of Nurses for Canada" in Section 18.1.
- D. Any officer of VON or any person delegated by such an officer is hereby authorized to do all things and execute all instruments in writing as may be considered necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and, without limiting the generality of the foregoing, to make such amendments to the Plan as may be required for the purpose of obtaining registration of these amendments and maintaining the registration of the Plan with the Financial Services Commission of Ontario and the Canada Revenue Agency.

CERTIFICATION

I hereby certify that the foregoing resolution was duly passed at a meeting of the Board of Directors of the Victorian Order of Nurses for Canada duly held on JUNE 20, 2015 and that the foregoing resolution is in full force and effect.

JULY 23 2015
Date

Susan J. Strelcoff
Signature
Secretary
Position

**RESOLUTIONS OF THE BOARD OF DIRECTORS
OF THE VICTORIAN ORDER OF NURSES FOR CANADA**

**AMENDMENT NO. 32
TO THE
VON CANADA PENSION PLAN**

WHEREAS the Victorian Order of Nurses for Canada ("VON") established a Retirement Income Plan effective October 1, 1945 which was later renamed the VON Canada Pension Plan (the "VON Plan");

WHEREAS prior to October 16, 2006, Aberdeen Health and Community Services, Brant-Norfolk-Haldimand ("Aberdeen") participated in the VON Plan;

WHEREAS effective October 16, 2006, Aberdeen ceased participation in the VON Plan and established the Aberdeen Health and Community Services Pension Plan, now known as the Pension Plan for Former Employees of Aberdeen Health and Community Services (the "Aberdeen Plan"), the terms of which generally mirror the VON Plan;

WHEREAS effective May 15, 2012, VON acquired the operations of Aberdeen (the "Acquisition"), and all of Aberdeen's assets, obligations and liabilities were transferred to and assumed by VON pursuant to an asset transfer agreement (the "Agreement");

WHEREAS pursuant to the Agreement, VON became the sponsor and administrator of the Aberdeen Plan, and the employer of individuals who had been employed by Aberdeen prior to the Acquisition (the "Former Aberdeen Employees");

WHEREAS effective December 31, 2012, the Former Aberdeen Employees ceased accruing under the Aberdeen Plan, and commenced accruals in the VON Plan for employment with VON on and after January 1, 2013;

WHEREAS VON wishes to transfer all of the assets and liabilities under the Aberdeen Plan to the VON Plan, effective June 1, 2015;

WHEREAS VON intends to file with the Financial Services Commission of Ontario an application for the consent of the Superintendent of Financial Services to the transfer of assets, and upon receipt of the required regulatory consent, the assets and liabilities under the Aberdeen Plan as described above will be transferred to the VON Plan;

WHEREAS once the assets and liabilities of the Aberdeen Plan are transferred to the VON Plan, all benefit entitlements of members, former members, retired members, and any other persons having an entitlement under the Aberdeen Plan; shall be payable from the VON Plan;

WHEREAS VON wishes to approve the transfer of assets and liabilities, as described above, subject to receiving the required regulatory consent, and amend the Plan to reflect the transfer of assets and liabilities; and

WHEREAS pursuant to Section 17.1 of the Plan, VON reserved the right to amend the VON Plan;

NOW THEREFORE IT IS RESOLVED THAT:

A. The transfer of assets and liabilities from the Aberdeen Plan to the VON Plan, effective June 1, 2015, is hereby authorized and approved, subject to receiving the required regulatory consent.

B. The VON Plan is hereby amended, effective June 1, 2015, as follows:

1. The following paragraph is added to the end of the INTRODUCTION:

"Upon receipt of the required regulatory consent, all of the assets and liabilities of the Pension Plan for Former Employees of Aberdeen Health and Community Services (the "Aberdeen Plan"), will be transferred to the Plan effective June 1, 2015.

Once the assets are transferred from the Aberdeen Plan to the Plan, the benefit entitlements of members, former members, retired members, and any other persons having an entitlement under the Aberdeen Plan, will be payable from the Plan in accordance with the relevant Plan provisions."

2. The following definition is added to the beginning of Section 1:

"**Aberdeen Plan**" means the Pension Plan for Former Employees of Aberdeen Health and Community Services, formerly known as the Aberdeen Health and Community Services Pension Plan, registration number 1170018."

3. The following is added to the end of paragraph (c) of the definition of *pensionable earnings* in Section 1:

"Notwithstanding the above paragraph, once all assets are transferred from the *Aberdeen Plan* to the *Plan*, effective June 1, 2015, the benefit that is calculated in respect of a *member* who accrued a benefit under the *Aberdeen Plan*, shall be calculated based on *pensionable earnings* received by the *Aberdeen Plan Member* with respect to all *pensionable service*."

4. The paragraph entitled "Exception: *Aberdeen Plan Member*" in Subsection 3.1 is deleted and replaced with the following:

"Exception: *Aberdeen Plan Member*"

An *Aberdeen Plan Member* shall not be eligible to join the *Plan* and therefore shall not become a *member* of the *Plan* until the later of January 1, 2013 and the day after ceasing to accrue benefits under the *Aberdeen Plan* and shall join the *Plan* on that later date assuming he or she remains employed by VON on that date. For such an *Aberdeen Plan Member*, service with Aberdeen Health and Community Services Brant-Norfolk-Haldimand will be included for purposes of determining an *Aberdeen Plan Member's continuous employment*, but will not be included as *pensionable service* or as *credited service* as those terms are defined in the *Plan*. Notwithstanding the foregoing sentence, once all assets are transferred from the *Aberdeen Plan* to the *Plan*, effective June 1, 2015, *pensionable service* shall include all years and fractions

of years during which an *Aberdeen Plan Member* earned a benefit under the *Aberdeen Plan*."

5. Subsection 4.1(j) is deleted and replaced with the following:

"*Pensionable service* excludes all years and fractions of years during which an *Aberdeen Plan Member* earned a benefit under the *Aberdeen Plan*, except that once all assets are transferred from the *Aberdeen Plan* to the *Plan*, effective June 1, 2015, *pensionable service* shall include all years and fractions of years during which a *member* earned a benefit under the *Aberdeen Plan*."

6. The following paragraph is added to the end of Subsection 6.1:

"Once all assets are transferred from the *Aberdeen Plan* to the *Plan*, effective June 1, 2015, a *member's net contribution account* shall include his or her net contribution account under the *Aberdeen Plan*."

7. The following paragraph is added to the end of Subsection 7.2.2:

"Notwithstanding the above paragraph, once all assets are transferred from the *Aberdeen Plan* to the *Plan*, effective June 1, 2015, the benefit that is calculated in respect of a *member* who accrued a benefit under the *Aberdeen Plan*, shall be calculated using:

1. *pensionable service* which includes all years and fractions of years during which a *member* earned a benefit under the *Aberdeen Plan*; and
2. *average pensionable earnings* based on *pensionable earnings* received by the *member* with respect to all *pensionable service*."

C. Any officer of VON or any person delegated by such an officer is hereby authorized to do all things and execute all instruments in writing as may be considered necessary or desirable for the purpose of giving effect to the foregoing resolutions including, without limiting the generality of the foregoing, applying to the Superintendent for consent to transfer the assets as described above, effecting the transfer after consent is received, and making such amendments to the Plan as may be required for the purpose of obtaining registration of these amendments and maintaining the registration of the Plan with the Financial Services Commission of Ontario and the Canada Revenue Agency.

CERTIFICATION

I hereby certify that the foregoing resolution was duly passed at a meeting of the Board of Directors of the Victorian Order of Nurses for Canada duly held on Oct 28, 2015 and that the foregoing resolution is in full force and effect.

December 17, 2015
Date

Susan J. Stalcup
Signature
DIRECTOR TOTAL COMPENSATION
Position

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF THE VICTORIAN ORDER OF NURSES FOR CANADA

AMENDMENT NO. 33
TO THE
VON CANADA PENSION PLAN

WHEREAS the Victorian Order of Nurses for Canada ("VON") established a Retirement Income Plan effective October 1, 1945 which was later renamed the VON Canada Pension Plan; and

WHEREAS VON reserved the right to amend the VON Plan pursuant to subsection 17.1; and

WHEREAS VON wishes to amend the VON Plan to:

- (a) reflect the changes to the Nova Scotia *Pension Benefits Act*, effective June 1, 2015;
- (b) reflect the changes to the British Columbia *Pension Benefits Standards Act*, effective September 30, 2015;
- (c) provide immediate vesting for all members who terminate employment on or after September 30, 2015;
- (d) provide for a pre-retirement death benefit equal to 100% of the commuted value of the member's pension accrued to the date of his death in respect of members who die on or after September 30, 2015;
- (e) to clarify certain aspects of the operations of the VON Plan, effective January 1, 2014, the date of the last restatement,

NOW THEREFORE IT IS RESOLVED THAT:

A. The VON Plan is hereby amended effective January 1, 2014, as follows:

- 1. Subsection 17.2 is deleted and replaced with the following:

"17.2 *Plan Wind-Up*

The *Plan* may be discontinued by VON at any time, in whole or in part, subject to the *Pension Benefits Act*."

B. The VON Plan is hereby amended effective June 1, 2015, as follows:

- 1. The definition of *spouse* in section 1 is amended by deleting the paragraphs that apply to Nova Scotia *employees* and replacing them with the following:

"Nova Scotia employees

A person who:

- (a) is legally married to the *member*;

- (b) is married to the *member* by a marriage that is voidable and has not been annulled by a declaration of nullity;
- (c) has gone through a form of marriage with the *member* in good faith that is void and the *member* and that person are cohabiting or have cohabited within the 12 month period immediately preceding the date of the determination of the benefit entitlement ;
- (d) is the *member's* domestic partner within the meaning of section 52 of the *Vital Statistics Act* (Nova Scotia); or
- (e) has cohabited with the *member* in a conjugal relationship for a period of at least:
 - 1. three years, if either the person or the *member* is married; or
 - 2. one year, if neither the person nor the *member* is married.

For the purposes of determining entitlement to a joint and survivor form of pension under the *Plan*, or for the purposes of any pre-retirement death benefit under the *Plan*, the *member* is deemed not to have a *spouse* if the person is living separate and apart from the *member* at the time of pension commencement or death, as applicable, with no reasonable prospect of the resumption of cohabitation, and the spouse:

- 1. has delivered a written waiver to the *Administrator* in the form and manner, and within the time periods, prescribed by the *Pension Benefits Act* with respect to the *pension benefit*, or
- 2. is not entitled to receive an amount in respect of the *pension benefit* in accordance with the terms of a written agreement for the division of a pension or a *pension benefit* (in the case of a joint and survivor pension, such agreement must be entered into before the date that payment of the first instalment of the pension is due), or
- 3. is not entitled to receive an amount in respect of the *pension benefit* by court order (in the case of the joint and survivor pension, the court order must be issued prior to the date that payment of the first instalment of the pension is due)."

- 2. Subsection 10.2.1 is amended by deleting the paragraph entitled "Exception: Alberta, Manitoba, Ontario and Quebec *employees*" and replacing it with the following:

"Exception: Alberta, Manitoba, Nova Scotia, Ontario and Quebec *employees*:"

Notwithstanding the above, "Vested" or "Vesting" in respect of a *member* who is an Alberta *employee*, a Manitoba *employee*, a Nova Scotia *employee*, an Ontario *employee* or a Quebec *employee* is *immediate*."

- 3. Subsection 10.2.2 is amended by deleting the paragraph entitled "Exception: Alberta, Manitoba, Ontario and Quebec *employees*" and replacing it with the following:

"Exception: Alberta, Manitoba, Nova Scotia, Ontario and Quebec *employees*:"

This paragraph 10.2.2 shall not apply to Nova Scotia *employees* whose termination of employment from *VON* occurs on or after June 1, 2015, Alberta *employees* whose termination of employment from *VON* occurs on or after September 1, 2014, Ontario *employees* whose termination of employment from *VON* occurs on or after July 1, 2012, Manitoba *employees* whose termination of employment from *VON* occurs on or after May 31, 2010, or Quebec *employees*."

4. Subsection 10.4 is amended by deleting the first sentence and paragraph (a), and replacing them with the following:

"In lieu of all or part of the *deferred pension benefit* provided under paragraph 10.2.3, a *member* other than an *Alberta employee*, a *Manitoba employee*, a *Nova Scotia employee*, an *Ontario employee*, or a *Quebec employee* may elect the following refunds:

- (a) Prior to attainment of age 45 or 10 years of *continuous* employment:

A *member* may elect to receive the sum of the required contributions under the *Plan* together with *interest* thereon in respect of *pensionable service* prior to January 1, 1987."

5. Subsection 11.2.1 is amended by deleting the paragraph entitled "Exception: Alberta, Manitoba, Ontario, Quebec and Saskatchewan *employees*" and replacing it with the following:

"Exception: Alberta, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan employees"

Notwithstanding the above, if any of an *Alberta employee*, a *Manitoba employee*, a *Nova Scotia employee*, an *Ontario employee*, a *Quebec employee* or a *Saskatchewan employee* dies before retirement, benefits shall be payable in accordance with paragraph 11.2.2 without regard to the minimum *continuous* employment requirement provided in that paragraph."

6. Subsection 11.2.2 is amended by deleting the paragraph entitled "Nova Scotia *employee*" and replacing it with the following:

"Nova Scotia employee"

An amount equal to 100% of the *commuted value* of the *pension benefit* calculated pursuant to subsection 7.2 in respect of all *credited service* accrued prior to the *member's* date of death."

7. Subsection 11.2.4 is amended by deleting the paragraph entitled "Exception: Alberta, Manitoba, Ontario, Quebec and Saskatchewan *members*" and replacing it with the following:

"Exception: Alberta, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan members"

Notwithstanding the above, if an *Alberta member*, a *Manitoba member*, a *Nova Scotia member*, an *Ontario member*, a *Quebec member* or a *Saskatchewan member* dies, the minimum two year *continuous* employment requirement does not apply."

8. Subsection 11.5 is deleted and replaced with the following:

"11.5 WAIVER: ALBERTA, BRITISH COLUMBIA, MANITOBA, NOVA SCOTIA, ONTARIO, QUEBEC AND SASKATCHEWAN"

The *spouse* of an *Alberta*, *British Columbia*, *Manitoba*, *Nova Scotia*, *Ontario*, *Quebec* or *Saskatchewan member* may waive the *spouse's* entitlement under subsection 11.2 by filing the *prescribed* form with the *Administrator*. In such event, subsection 11.6 applies as if the *member* does not have a *spouse* on the date of death.

Where permitted by the *Pension Benefits Act*, such waiver may be revoked in the form and manner prescribed by the *Pension Benefits Act*.

Where the *spouse* of an Alberta *member* waives his entitlement as described above, that *spouse* cannot be the *beneficiary* of the Alberta *member*, as applicable, for purposes of any other benefit payable under the *Plan* in the event of the *member's* death prior to retirement."

9. Subsection 14.3 is amended by deleting the paragraphs that apply to Nova Scotia employees, and replacing them with the following:

"Nova Scotia employees

If the monthly *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is not more than 1/12 of 4% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive a lump sum payment, net of withholding taxes, equal to the *commuted value* of the *pension benefit* to which he is entitled under the *Plan*.

If the *commuted value* of the *pension benefit* calculated according to subsection 7.2 payable in the *normal form of pension* from the *normal retirement date* is less than 20% of the *Year's Maximum Pensionable Earnings* in the year that the *member* ceases to be an *active member*, in lieu of the *pension benefit*, the *member* may elect to receive a lump sum payment, net of withholding taxes, equal to the *commuted value* of the *pension benefit* to which he is entitled under the *Plan*.

If the *member* does not elect to receive his *pension benefit* as a lump sum, the *member* must transfer such entitlement to one of the options provided in subsection 10.3. If the *member* does not make an election to transfer within the *prescribed* time frame, the *member* is deemed to have elected to receive the *pension benefit* as a lump sum, net of withholding taxes."

C. The VON Plan is hereby amended effective September 30, 2015, as follows:

1. The definition of *spouse* in section 1 is amended by deleting the paragraphs that apply to British Columbia *employees* and replacing them with the following:

"British Columbia employees

- (a) a person who is married to the *member* and who is not living separate and apart from the *member* for a *continuous* period longer than 2 years immediately preceding the relevant date, or
- (b) a person who has been living with the *member* in a marriage-like relationship for a period of at least 2 years immediately preceding the relevant date.

A person shall not qualify as a *spouse* for the purposes of the *Plan* if the *member's pension benefit* under the *Plan* is subject to division between the person and the *member* in accordance with subsection 19.2.2."

2. Subsection 8.1 is deleted and replaced with the following:

"8.1 ELIGIBILITY

Each *active member* who terminates employment with VON on or after September 30, 2015, may elect to *retire* at any time prior to the *normal retirement date* but subsequent to attainment of age fifty years. An *immediate pension benefit* computed in accordance with this section 8 would then be payable.

The age fifty years requirement shall be waived during a *period of disability*."

3. Subsections 10.2.1, 10.2.2 and 10.2.3 are deleted and replaced with the following:

"10.2.1 Immediate Vesting

A *member* who terminates employment with VON on or after September 30, 2015 is immediately vested in his or her *pension benefit* under the *Plan* for all years of *credited service*, regardless of the *member's* age, years of *continuous* employment with VON, or province of employment.

10.2.2 Deleted

10.2.3 Termination Benefit

A *member* who terminates *continuous* employment on or after September 30, 2015 is entitled to a deferred *pension benefit* payable in the *normal form of pension* from the *normal retirement date*, the monthly amount to be determined according to subsection 7.2 based on the *member's pensionable earnings* and *credited service* up to the date of termination of employment."

4. Subsection 10.4 is deleted and replaced with the following:

"10.4 Deleted"

5. Subsections 11.2.1, 11.2.2 and 11.2.4 are deleted and replaced with the following:

"11.2.1 Immediate Vesting

If a *member* dies on or after September 30, 2015 prior to commencing his or her *pension benefit*, a death benefit shall be payable in accordance with paragraph 11.2.2, regardless of the *member's* years of *continuous* employment with VON or province of employment.

11.2.2 Amount of Pre-retirement Death Benefit

In the event of the death of a *member* prior to commencement of his or her *pension benefit*, a death benefit shall be payable in an amount equal to 100% of the *commuted value* of the *member's pension benefit* calculated pursuant to subsection 7.2 in respect of all *credited service* accrued by the *member* prior to his or her date of death. Such amount shall be payable in accordance with subsection 11.3.

Notwithstanding the foregoing paragraph, the following apply:

Exception: Newfoundland and Saskatchewan employees

In respect of a *member* who dies in the 10-year period *immediately*

preceding the *normal retirement date* and who has a *spouse* at the time of death, the benefit described above shall be at least *actuarially equivalent* to the *pension benefit* the *spouse* would have received had the *member* elected early retirement *immediately* prior to death with an entitlement to an *immediate pension benefit* calculated in accordance with subsection 12.2.

Exception: Quebec employees

Where a *member* whose retirement was postponed in whole or in part dies during the postponement period, the *member's spouse* shall be entitled to an *immediate pension benefit* of an amount equal to the greater of:

- (1) an amount calculated in accordance with the terms of this *Plan* as if the *member* had retired *immediately* prior to death; and
- (2) an amount actuarially equivalent to the benefit calculated in accordance with this subsection 11.2.2.

11.2.4 Minimum benefit for service before January 1, 2006

Notwithstanding the above, the death benefit payable in accordance with subsection 11.2.2, with respect to service before January 1, 2006 shall be at least equal to 200% of the *member's* own required contributions to the *Plan* before January 1, 2006, without *interest*."

- 6. Subsection 11.5 is amended by deleting the last paragraph and replacing it with the following:

"Where the *spouse* of an Alberta *member* or a British Columbia *member* waives his entitlement as described above, that *spouse* cannot be the *beneficiary* of the Alberta *member* or the British Columbia *member*, as applicable, for purposes of any other benefit payable under the *Plan* in the event of the *member's* death prior to retirement."

- 7. Subsection 12.3.1 is deleted and replaced with the following:

"12.3.1 WAIVER – ALBERTA AND BRITISH COLUMBIA EMPLOYEES

The *spouse* of an Alberta *employee* or a British Columbia *employee* who waives the entitlement to receive the *pension benefit* in accordance with subsection 12.3 remains the presumptive *beneficiary* of any other death benefit payable under the *Plan* unless a further waiver is executed and delivered to the *Administrator* prior to the *member's* death. Such waiver shall be in the form and manner *prescribed* by the *Pension Benefits Act*."

- 8. Section 14.3 is amended by deleting the paragraphs that apply to British Columbia employees, and replacing them with the following:

"British Columbia employees

If at termination, death or retirement, the *commuted value* of the *pension benefit* calculated according to subsection 7.2 does not exceed 20% of the *Year's Maximum Pensionable Earnings* for the year that the calculation is made, or such other amount as may be prescribed under the *Pension Benefits Act*, the *member* or a *spouse* who is entitled to a benefit under Section 11, may elect to receive a lump sum payment, net of withholding taxes, equal to the *commuted value* of the *pension benefit* to which he is entitled under the *Plan*.

If the British Columbia *member* or the *member's spouse*, as applicable, does not elect to receive his *pension benefit* as a lump sum, the *member* or *spouse* must transfer such entitlement to one of the options provided in subsection 10.3. If the *member* or *spouse*, as applicable, does not make an election to transfer within the *prescribed* time frame, the *member* or *spouse*, as applicable, is deemed to have elected to receive the *pension benefit* as a lump sum, net of withholding taxes."

9. Section 14.4 is amended by adding the following wording as the last paragraph:

"The foregoing provisions shall apply, where required by the *Pension Benefits Act*, to the *spouse* of a deceased member."

10. Section 15.1(c) is deleted and replaced with the following:

"(c) Exception: Saskatchewan Employees

Upon retirement or termination of employment of a *member* employed in Saskatchewan, or upon the death of a *member* employed in Saskatchewan, the *commuted value* of the *immediate* or *deferred pension benefit* in respect of *credited service* rendered with VON shall be determined and compared with the *member's* required contributions accumulated with *interest* relating to the same period of employment on which such *pension benefit* is calculated. Any such accumulated contributions in excess of 50% of the *commuted value* of the *immediate* or *deferred pension benefit* shall be considered refundable contributions for the purposes of this section."

D. Any officer of VON or any person delegated by such an officer is hereby authorized to do all things and execute all instruments in writing as may be considered necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and, without limiting the generality of the foregoing, to make such amendments to the Plan as may be required for the purpose of obtaining registration of these amendments and maintaining the registration of the Plan with the Financial Services Commission of Ontario and the Canada Revenue Agency.

CERTIFICATION

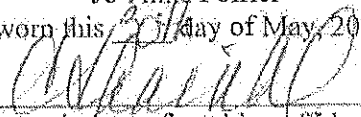
I hereby certify that the foregoing resolution was duly passed at a meeting of the Board of Directors of the Victorian Order of Nurses for Canada duly held on Oct 28, 2015 and that the foregoing resolution is in full force and effect.

December 17 2015
Date

Susan J. Strelow
Signature

DIRECTOR TOTAL COMPENSATION
Position

This is Exhibit "G" to the Affidavit of
Jo-Anne Poirier
sworn this 30th day of May, 2016



Commissioner for taking affidavits

E. Shaindum
LSUC: 28647N

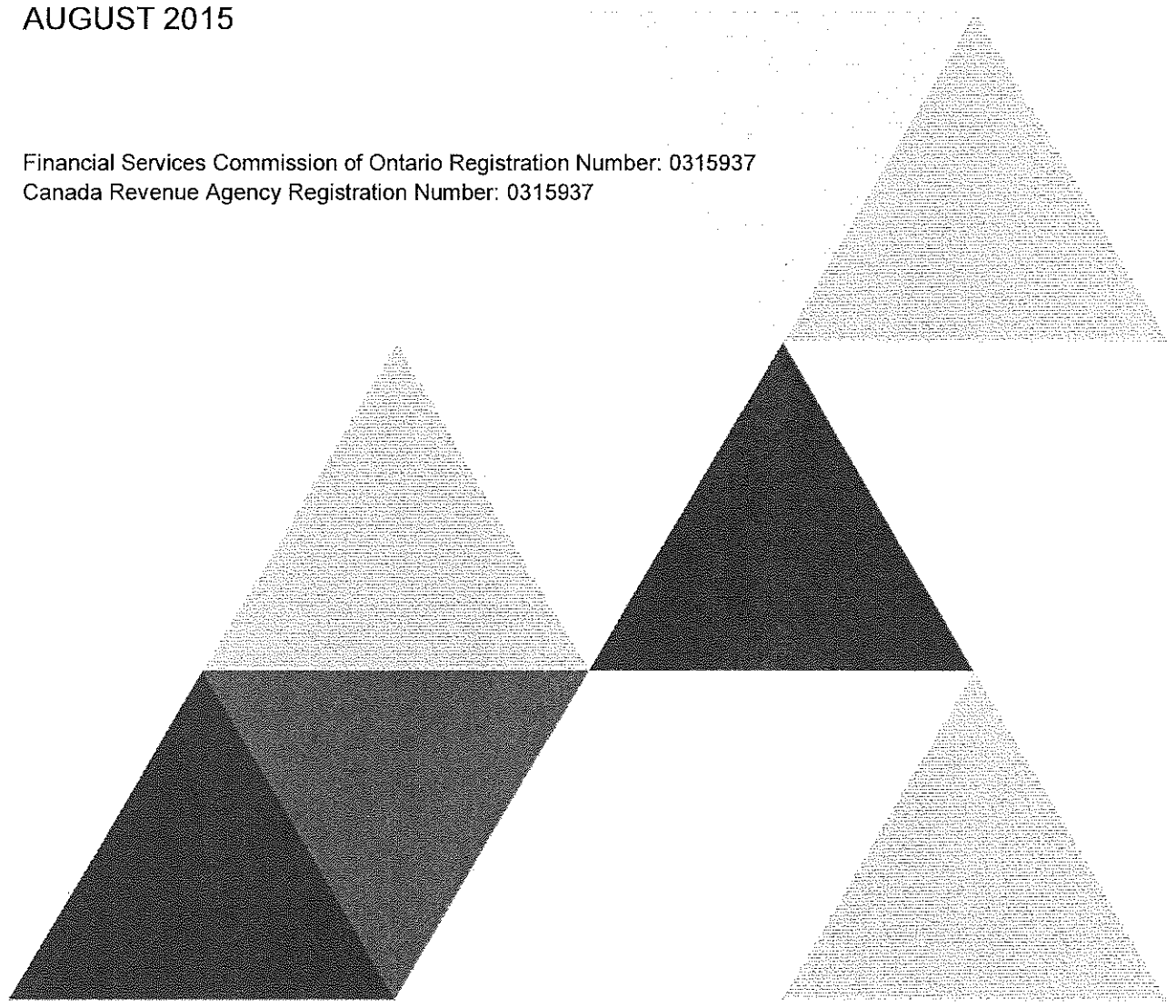


VON CANADA PENSION PLAN

REPORT ON THE ACTUARIAL VALUATION FOR FUNDING PURPOSES AS AT JUNE 1, 2015

AUGUST 2015

Financial Services Commission of Ontario Registration Number: 0315937
Canada Revenue Agency Registration Number: 0315937



Note to reader regarding actuarial valuations:

This valuation report may not be relied upon for any purpose other than those explicitly noted in the Introduction, nor may it be relied upon by any party other than the parties noted in the Introduction. Mercer is not responsible for the consequences of any other use. A valuation report is a snapshot of a plan's estimated financial condition at a particular point in time; it does not predict a pension plan's future financial condition or its ability to pay benefits in the future. If maintained indefinitely, a plan's total cost will depend on a number of factors, including the amount of benefits the plan pays, the number of people paid benefits, the amount of plan expenses, and the amount earned on any assets invested to pay the benefits. These amounts and other variables are uncertain and unknowable at the valuation date. The content of the report may not be modified, incorporated into or used in other material, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's permission. All parts of this report, including any documents incorporated by reference, are integral to understanding and explaining its contents; no part may be taken out of context, used or relied upon without reference to the report as a whole.

To prepare the results in this report, actuarial assumptions are used to model a single scenario from a range of possibilities for each valuation basis. The results based on that single scenario are included in this report. However, the future is uncertain and the plan's actual experience will differ from those assumptions; these differences may be significant or material. Different assumptions or scenarios within the range of possibilities may also be reasonable, and results based on those assumptions would be different. Furthermore, actuarial assumptions may be changed from one valuation to the next because of changes in regulatory and professional requirements, developments in case law, plan experience, changes in expectations about the future and other factors.

The valuation results shown in this report also illustrate the sensitivity to one of the key actuarial assumptions, the discount rate. We note that the results presented herein rely on many assumptions, all of which are subject to uncertainty, with a broad range of possible outcomes and the results are sensitive to all the assumptions used in the valuation.

Should the plan be wound up, the going concern funded status and solvency financial position, if different from the wind-up financial position, become irrelevant. The hypothetical wind-up financial position estimates the financial position of the plan assuming it is wound up on the valuation date. Emerging experience will affect the wind-up financial position of the plan assuming it is wound up in the future. In fact, even if the plan were wound up on the valuation date, the financial position would continue to fluctuate until the benefits are fully settled.

Decisions about benefit changes, granting new benefits, investment policy, funding policy, benefit security and/or benefit-related issues should not be made solely on the basis of this valuation, but only after careful consideration of alternative economic, financial, demographic and societal factors, including financial scenarios that assume future sustained investment losses.

Funding calculations reflect our understanding of the requirements of Ontario Pension Benefits Act, the Income Tax Act and related regulations that are effective as of the valuation date. Mercer is not a law firm, and the analysis presented in this report is not intended to be a legal opinion. You should consider securing the advice of legal counsel with respect to any legal matters related to this report.

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Summary of Results

	June 1, 2015	January 1, 2014
Going Concern Financial Status		
Smoothed value of assets, net of Prior Year Credit Balance	\$339,827,000	\$296,531,000
Going concern funding target	\$293,535,000	\$288,569,000
Funding excess (shortfall)	\$46,292,000	\$7,962,000
Hypothetical Wind-up Financial Position		
Wind-up assets	\$378,613,000	\$312,678,000
Wind-up liability	\$393,882,000	\$353,671,000
Wind-up excess (shortfall)	(\$15,269,000)	(\$40,993,000)
Funding Requirements in the Year Following the Valuation¹		
Total current service cost	\$10,265,000	\$8,756,000
Estimated members' required contributions	(\$8,202,000)	(\$7,379,000)
Estimated employer's current service cost	\$2,063,000	\$1,377,000
Employer's current service cost as a percentage of members' required contributions	25%	19%
Minimum special payments	\$3,003,890	\$8,495,904
Estimated minimum employer contribution	\$5,066,890	\$9,872,904
Estimated maximum eligible employer contribution	\$17,332,000	\$42,370,000
Next required valuation date	June 1, 2018	January 1, 2017

¹ Provided for reference purposes only. Contributions must be remitted to the Plan in accordance with the Minimum Funding Requirements and Maximum Eligible Contributions sections of this report.

2

Introduction

To VON Canada

At the request of VON Canada, we have conducted an actuarial valuation of the VON Canada Pension Plan (the "Plan"), sponsored by VON Canada ("VON Canada"), as at the valuation date, June 1, 2015. We are pleased to present the results of the valuation.

Purpose

The purpose of this valuation is to determine:

- The funded status of the plan as at June 1, 2015 on going concern, hypothetical wind-up and solvency bases;
- The minimum required funding contributions from June 1, 2015, in accordance with the *Ontario Pension Benefits Act* (the "Act"); and
- The maximum permissible funding contributions from June 1, 2015, in accordance with the *Income Tax Act*.

The information contained in this report was prepared for the internal use of VON Canada and the other organizations with employees participating in the Plan, and for filing with the Financial Services Commission of Ontario ("FSCO") and with the Canada Revenue Agency ("CRA"), in connection with our actuarial valuation of the Plan. This report will be filed with the FSCO and with the CRA. This report is not intended or suitable for any other purpose.

In accordance with pension benefits legislation, the next actuarial valuation of the Plan will be required as at a date not later than June 1, 2018, or as at the date of an earlier amendment to the Plan.

For purposes of this report we have excluded from the Plan assets and the Plan liabilities those assets and liabilities pertaining to the members affected by the different partial wind-ups of the Plan. This includes the WWD branch partial wind-up effective March 4, 2003, the Sudbury branch partial wind-up effective June 14, 2004, the Niagara branch partial wind-up effective July 13, 2008 (an update from the original partial wind-up as of September 30, 2004), the ELO branch partial wind-up effective May 21, 2004, the ELO (Inactive) branch partial wind-up effective June 18, 2006 and the Community & Primary Health Care ("CPHC") partial wind-up effective December 31, 2011. Reports with respect to these partial wind-ups have been filed with the regulators as well as a number of updates. Collectively, the former separate branches affected by these partial wind-ups (WWD, Sudbury, Niagara, ELO and CPHC) are referred herein as the Partial Wind-Up Branches.

We note that all active plan members as of June 1, 2015 are employees of VON Canada and hence, VON Canada must contribute all of the employer's current service cost. However, special payments to the Plan are payable by VON Canada, the Separate Branches and Acclaim Health ("Acclaim") in respect of their respective employees and former employees who are members of the Plan. All these former branches stopped being authorized to carry on the objects of the VON by October 15, 2006. The Separate Branches are:

- Health and Home Care Society of BC
- Nova Montreal
- Nova West Island

Appendix G to this report presents results for VON Canada. Appendices H to K present results for each of the Separate Branches and Acclaim separately.

Terms of Engagement

In accordance with our terms of engagement with VON Canada, our actuarial valuation of the Plan is based on the following material terms:

- It has been prepared in accordance with applicable pension legislation and actuarial standards of practice in Canada.
- As instructed by VON Canada, the going concern discount rate reflects a margin for adverse deviations of 0.0% per year, considering, among other things, that the solvency valuation basis adds a significant level of conservatism to going-concern funding.
- We have reflected the VON Canada decisions for determining the solvency funding requirements, summarized as follows:
 - The same plan wind-up scenario was hypothesized for both hypothetical wind-up and solvency valuations.
 - Certain excludable benefits were excluded from the solvency liabilities.
 - The solvency financial position was determined on a market value basis.

See the Valuation Results - Solvency section of the report for more information.

Events since the Last Valuation at January 1, 2014

Pension Plan

In February 2014, the proposed transfer of assets and liabilities from the Plan to the pension plan sponsored by Carefor Health & Community Services ("Carefor") was approved by FSCO. In July 2014, assets totaling \$21,610,494 were transferred from the Plan to the Carefor Plan, completing the asset transfer. As a consequence of the completion of this transaction, the assets and liabilities pertaining to benefits related to Carefor members are not considered in this report.

This valuation reflects the provisions of the Plan as at June 1, 2015. The Plan has been amended since the date of the previous valuation; however, these amendments do not have a material impact on the results presented in this report.

We are not aware of any pending definitive or virtually definitive amendments coming into effect during the period covered by this report that would have a material impact on the results presented herein. The Plan provisions are summarized in Appendix F.

Assumptions

We have used the same going concern valuation assumptions and methods as were used for the previous valuation, except for the following:

Assumptions	Current valuation	Previous valuation
Discount rate:	5.50%	6.00%
Pensionable earnings increases:	<ul style="list-style-type: none"> • 1.0% for the first two years, and • 2.0%+ productivity & merit table (Service related table) thereafter 	<ul style="list-style-type: none"> • 2.0% for the first two years, and • 2.0%+ productivity & merit table (Service related table) thereafter
Retirement rates:	Revised age-related table	Age-related table
Termination rates:	Revised age-related table	Age-related table
Form of benefit elected:	40% of eligible members under age 50, 55% of those between age 50 and 55, and 100% over age 55 receive a pension from the plan. All remaining members are assumed to elect a lump sum transfer.	100% of eligible members receive a pension from the plan
Actuarial basis for benefits assumed to be settled through a lump sum:	Discount rate: 4.25% Mortality rates: 100% of the rates of the CPM2014 with fully generational improvements using CPM-B	Not applicable

A summary of the going concern methods and assumptions is provided in Appendix C.

The hypothetical wind-up and solvency assumptions have been updated to reflect market conditions at the valuation date. A summary of the hypothetical wind-up and solvency methods and assumptions is provided in Appendix D.

Regulatory Environment and Actuarial Standards

There have been a number of changes to the Act and corresponding regulations which impact the funding of the Plan.

The Government of Ontario has announced its intentions to make changes to the funding requirements for pension plans registered in Ontario. Since then, Bill 120 received Royal assent. However, the intended changes to the funding requirements which impact the funding of single-employer pension plans will be contained in regulations which have not yet been adopted.

At its meeting on June 9, 2015, the Actuarial Standards Board (ASB) decided to promulgate the use of the following mortality table with respect of the computation of pension commuted values ("CIA CV Standard"), effective October 1, 2015: *Mortality rates equal to the 2014 Canadian Pensioners Mortality Table (CPM2014) combined with mortality improvement scale CPM Improvement Scale B (CPM-B)*. The change affects the mortality assumption used to value the solvency and wind-up liabilities for benefits assumed to be settled through a lump sum transfer. It also affects the mortality assumption used to determine the commuted values payable upon termination for members assumed to elect a lump-sum transfer under the going-concern basis. The financial impact of the change in the CIA CV Standard is reflected in this actuarial valuation on a going-concern basis and is not reflected on a solvency and hypothetical wind-up basis.

Subsequent Events

After checking with representatives of VON Canada, to the best of our knowledge there have been no events subsequent to the valuation date which, in our opinion, would have a material impact on the results of the valuation. Our valuation reflects the financial position of the Plan as of the valuation date and does not take into account any experience after the valuation date.

Impact of Case Law

This report has been prepared on the assumption that all of the assets in the pension fund are available to meet all of the claims on the Plan. We are not in a position to assess the impact that the Ontario Court of Appeal's decision in *Aegon Canada Inc. and Transamerica Life Canada versus ING Canada Inc.* or similar decisions in other jurisdictions might have on the validity of this assumption.

On July 29, 2004, the Supreme Court of Canada dismissed the appeal in *Monsanto Canada Inc. versus Superintendent of Financial Services ("Monsanto")*, thereby upholding the requirements to distribute surplus on partial plan wind-up under the *Act*. The decision has retroactive application and applies on the termination of Ontario employees if they are included in a partial plan wind-up, regardless of the province in which the pension plan is registered.

Although this decision dealt with Ontario legislation, it is possible that it could have application to other provinces since the underlying language in the *Act* is similar to language in a number of other provinces, either currently or in the past.

The declaration of a partial wind-up of the Plan where *Monsanto* may apply in respect of a past event, or disclosure of an existing past partial wind-up, could cause an additional claim on Plan assets, the consequences of which would be addressed in a subsequent report. We note the discretionary nature of the power of the regulatory authorities to declare partial wind-ups and the lack of clarity with respect to the retroactive scope of that power. We are making no representation as to whether the regulatory authorities might declare a partial wind-up in respect of other events in the plan's history.

We have assumed that all the Plan's assets, except for those as described above with respect to the Partial Wind-Up Branches, are available to meet the Plan's liabilities determined in this report.

3

Valuation Results – Going Concern

Financial Status

A going concern valuation compares the relationship between the value of Plan assets and the present value of expected future benefit cash flows in respect of accrued service, assuming the Plan will be maintained indefinitely.

The results of the current valuation, compared with those from the previous valuation, are summarized as follows:

	June 1, 2015	January 1, 2014 ²
Assets		
Market value of assets	\$379,563,000	\$313,628,000
Asset smoothing adjustment	(\$37,956,000)	(\$12,538,000)
Smoothed value of assets	\$341,607,000	\$301,090,000
Going concern funding target		
• Active members	\$107,361,000	\$96,535,000
• Pensioners and survivors	\$159,851,000	\$155,470,000
• Deferred pensioners	\$15,133,000	\$16,449,000
• Suspended members (CCAC & WRHA)	\$9,334,000	\$10,515,000
• Suspended members – Separate Branches and Acclaim	\$1,856,000	\$9,600,000
Total	\$293,535,000	\$288,569,000
Funding excess (shortfall)	\$48,072,000	\$12,521,000
Prior Year Credit Balance	\$1,780,000	\$4,559,000
Net position	\$46,292,000	\$7,962,000

² Includes \$20,256,000 in respect of Carefor liabilities (comprised of \$11,086,000 for pensioners and survivors, \$1,647,000 for deferred members and \$7,523,000 for suspended members), and \$22,415,000 in respect of the smoothed value of assets attributable to Carefor. These assets and liabilities were transferred to the Carefor pension plan in 2014.

Reconciliation of Financial Status

Net position as at previous valuation		\$7,962,000
Interest on funding excess (shortfall) at 6.0% per year		\$685,000
Employer's special payments, with interest ³		\$12,639,000
Expected funding excess (shortfall)		\$21,286,000
Net experience gains (losses)		
• Investment return	\$44,924,000	
• Increases in pensionable earnings and YMPE	(\$1,613,000)	
• Mortality	\$579,000	
• Interest on employee contributions	\$96,000	
• Retirement and termination of employment	(\$1,880,000)	
Total experience gains (losses)		\$42,106,000
Impact of changes in assumptions		
• Discount rate		(\$15,205,000)
• Pensionable earnings increase		\$1,331,000
• Retirement and termination of employment		\$2,768,000
• Commuted value election		(\$1,451,000)
Total assumption changes impact		(\$12,557,000)
Net Impact of Carefor asset/liability transfer and other asset adjustments		(\$4,257,000)
Net impact of other elements of gains/(losses)		(\$286,000)
Net position as at current valuation		\$46,292,000

³ Including amounts drawn from the PYCB to make special payments. See Appendix A for details.

Current Service Cost

The current service cost is an estimate of the present value of the additional expected future benefit cash flows in respect of pensionable service that will accrue after the valuation date, assuming the Plan will be maintained indefinitely.

We are providing the current service cost for VON Canada's employees only since they are the only group that is accruing service under the Plan. The current service cost during the year following the valuation date, compared with the corresponding value determined in the previous valuation, is as follows:

	2015	2014
Total current service cost	\$10,265,000	\$8,756,000
Estimated members' required contributions	(\$8,202,000)	(\$7,379,000)
Total estimated employer's current service cost	\$2,063,000	\$1,377,000
Employer's current service cost expressed as a percentage of members' required contributions	25%	19%
Employer's current service cost expressed as a percentage of members' pensionable earnings	1.8%	1.4%
Expected annual covered payroll	\$112,621,000	\$101,657,000

The key factors that have caused a change in the employer's current service cost since the previous valuation are summarized in the following table:

Employer's current service cost as at previous valuation	19%
Demographic changes	(1%)
Changes in assumptions	7%
Employer's current service cost as at current valuation	25%

Discount Rate Sensitivity

The following table summarizes the effect on the going concern funding target shown in this report of using a discount rate which is 1% lower than that used in the valuation. For the purposes of the illustration, we have not changed the interest rate used to determine commuted values upon termination of employment.

Scenario	Valuation Basis	Reduce Discount Rate by 1%
Going concern funding target	\$293,535,000	\$328,054,000
Current service cost		
• Total current service cost	\$10,265,000	\$11,618,000
• Estimated members' required contributions	(\$8,202,000)	(\$8,202,000)
• Estimated employer's current service cost	\$2,063,000	\$3,416,000

4

Valuation Results – Hypothetical Wind-up

Financial Position

When conducting a hypothetical wind-up valuation, we determine the relationship between the respective values of the Plan's assets and its liabilities assuming the Plan is wound up and settled on the valuation date, assuming benefits are settled in accordance with the Act and under circumstances producing the maximum wind-up liabilities on the valuation date.

The hypothetical wind-up financial position as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014 ⁴
Assets		
Market value of assets	\$379,563,000	\$313,628,000
Termination expense provision	(\$950,000)	(\$950,000)
Wind-up assets	\$378,613,000	\$312,678,000
Present value of accrued benefits for:		
• Active members	\$157,165,000	\$127,287,000
• Pensioners and survivors	\$196,623,000	\$176,084,000
• Deferred pensioners	\$22,135,000	\$21,600,000
• Suspended members (CCAC & WRHA)	\$15,044,000	\$15,046,000
• Suspended members – Separate Branches and Acclaim	\$2,915,000	\$13,654,000
Total wind-up liability	\$393,882,000	\$353,671,000
Wind-up excess (shortfall)	(\$15,269,000)	(\$40,993,000)

⁴ Includes \$25,472,000 in respect of Carefor liabilities (comprised of \$12,582,000 for pensioners and survivors, \$2,169,000 for deferred members and \$10,721,000 for suspended members, and \$23,277,000 in respect of wind-up assets attributable to Carefor. These assets and liabilities were transferred to the Carefor pension plan in 2014.

Wind-up Incremental Cost

The wind-up incremental cost is an estimate of the present value of the projected change in the hypothetical wind-up liabilities from the valuation date until the next scheduled valuation date, adjusted for the benefit payments expected to be made in that period.

The hypothetical wind-up incremental cost determined in this valuation, compared with the corresponding value determined in the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Number of years covered by report	3 years	3 years
Total hypothetical wind-up liabilities at the valuation date (A)	\$393,882,000	\$353,671,000
Present value of projected hypothetical wind-up liability at the next required valuation (including expected new entrants) plus benefit payments until the next required valuation (B)	\$442,912,000	\$385,095,000
Hypothetical wind-up incremental cost (B – A)	\$49,030,000	\$31,424,000

The incremental cost is not an appropriate measure of the contributions that would be required to maintain the financial position of the Plan on a hypothetical wind-up basis unchanged from the valuation date to the next required valuation date, if actual experience is exactly in accordance with the going concern valuation assumptions. This is because it does not reflect the fact that the expected return on plan assets (based on the going concern assumptions) is greater than the discount rate used to determine the hypothetical wind-up liabilities.

Also note that the above incremental cost does not take into account the impact of the proposed change in the mortality table to be used for the computation of pension commuted values as described in the introduction of this report.

Discount Rate Sensitivity

The following table summarizes the effect on the hypothetical wind-up liabilities shown in this report of using a discount rate which is 1% lower than that used in the valuation:

Scenario	Valuation Basis	Reduce Discount Rate by 1%
Total hypothetical wind-up liability	\$393,882,000	\$452,128,000

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Valuation Results – Solvency

Overview

The Act also requires the financial position of the Plan to be determined on a solvency basis. The financial position on a solvency basis is determined in a similar manner to the Hypothetical Wind-up Basis, except for the following:

Exceptions	Reflected in valuation based on the terms of engagement
The circumstance under which the Plan is assumed to be wound up could differ for the solvency and hypothetical wind-up valuations.	The same circumstances were assumed for the solvency valuation as were assumed for the hypothetical wind-up valuation.
<p>Certain benefits can be excluded from the solvency financial position. These include:</p> <ul style="list-style-type: none"> (a) any escalated adjustment (e.g. indexing), (b) certain plant closure benefits, (c) certain permanent layoff benefits, (d) special allowances other than funded special allowances, (e) consent benefits other than funded consent benefits, (f) prospective benefit increases, (g) potential early retirement window benefit values, and (h) pension benefits and ancillary benefits payable under a qualifying annuity contract. 	<p>The following benefits were excluded from the solvency liabilities shown in this valuation:</p> <ul style="list-style-type: none"> • Liability with respect to future escalated adjustments for WRHA suspended members.
The financial position on the solvency basis needs to be adjusted for any Prior Year Credit Balance.	A Prior Year Credit Balance was reflected.
The solvency financial position can be determined by smoothing assets and the solvency discount rate over a period of up to 5 years.	No smoothing was used.
The benefit rate increases coming into effect after the valuation date can be reflected in the solvency valuation.	Not applicable.

Financial Position

The financial position on a solvency basis, compared with the corresponding figures from the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$379,563,000	\$313,628,000
Termination expense provision	(\$950,000)	(\$950,000)
Net assets	\$378,613,000	\$312,678,000
Liabilities		
Total hypothetical wind-up liabilities	\$393,882,000	\$353,671,000
Difference in circumstances of assumed wind-up	\$0	\$0
Value of excluded benefits	(\$779,000)	(\$786,000)
Liabilities on a solvency basis	\$393,103,000	\$352,885,000
Prior Year Credit Balance	\$1,780,000	\$4,559,000
Liability smoothing adjustment	\$0	\$0
Asset smoothing adjustment	\$0	\$0
Surplus (shortfall) on a solvency basis	(\$16,270,000)	(\$44,766,000)
Transfer ratio	96%	87%

6

Minimum Funding Requirements

The Act prescribes the minimum contributions that the employer must make to the Plan. The minimum contributions of a pension plan are comprised of going concern current service cost and special payments to fund any going concern or solvency shortfalls.

On the basis of the assumptions and methods described in this report, the rule for determining the minimum required employer monthly contributions, as well as an estimate of the employer contributions, from the valuation date until the next required valuation are as follows:

Employer's contribution rule			Estimated employer's contributions	
Period beginning	Monthly current service cost ⁵	Minimum monthly special payments	Monthly current service cost including expense allowance	Total minimum monthly contributions
June 1, 2015	25%	\$250,324	\$171,917	\$422,241
June 1, 2016	25%	\$250,324	\$173,636	\$423,960
June 1, 2017	25%	\$250,324	\$177,109	\$427,433

The estimated contribution amounts above are based on projected members' required contributions. Therefore the actual employer's current service cost may be different from the above estimates and, as such, the contribution requirements should be monitored closely to ensure contributions are made in accordance with the Act.

Special payments are payable by VON Canada, Acclaim and the Separate Branches in respect of their employees and former employees who are members of the Plan. Special payments are shared on the basis of the portion of the solvency deficit⁶ of the Plan attributable to employees and former employees of VON Canada, Acclaim and the Separate Branches respectively as of June 1, 2015.

The development of the minimum special payments is summarized in Appendix A.

⁵ Expressed as a percentage of members' required contributions.

⁶ The solvency deficit for Acclaim is determined based on the assets allocated to them as identified in Appendix H, net of their proportionate share of the solvency termination expense provision. The remaining assets net of contributions exceeding the minimum required (PYCB) were allocated between VON Canada and the Separate Branches based on the wind-up liability as of June 1, 2015 for their respective employees and former employees. The additional assets (the PYCB) generated by contributions beyond the minimum required, and the additional deficit resulting from the use of a PYCB, were allocated to VON Canada and the respective branches that used a PYCB. More details are presented in appendices G to K of this report.

Other Considerations

Differences Between Valuation Bases

There is no provision in the minimum funding requirements to fund the difference between the hypothetical wind-up and solvency shortfalls, if any.

In addition, although minimum funding requirements do include a requirement to fund the going concern current service cost, there is no requirement to fund the expected growth in the hypothetical wind-up or solvency liability after the valuation date, which could be greater than the going concern current service cost.

Timing of Contributions

Funding contributions are due on a monthly basis. Contributions for current service cost must be made within 30 days following the month to which they apply. Special payment contributions must be made in the month to which they apply.

Retroactive Contributions

VON Canada and other participating employers must contribute the excess, if any, of the minimum contribution recommended in this report over contributions actually made in respect of the period following the valuation date. This contribution, along with an allowance for interest, is due no later than 60 days following the date this report is filed. Alternatively, this additional contribution may be made from the PYCB.

Payment of Benefits

The Act imposes certain restrictions on the payment of lump sums from the Plan when the transfer ratio revealed in an actuarial valuation is less than one. If the transfer ratio shown in this report is less than one, the plan administrator should ensure that the monthly special payments are sufficient to meet the requirements of the Act to allow for the full payment of benefits, and otherwise should take the prescribed actions.

Additional restrictions are imposed when:

- The transfer ratio revealed in the most recently filed actuarial valuation is less than one and the administrator knows or 'ought to know' that the transfer ratio of the Plan has declined by 10% or more since the date the last valuation was filed.
- The transfer ratio revealed in the most recently filed actuarial valuation is greater than or equal to one and the administrator knows or 'ought to know' that the transfer ratio of the Plan has declined to less than 0.9 since the date the last valuation was filed.

As such, the administrator should monitor the transfer ratio of the Plan and, if necessary, take the prescribed actions.

Letters of Credit

Minimum funding requirements in respect of solvency deficiencies that otherwise require monthly contributions to the pension fund may be met, in the alternative, by establishing an irrevocable letter of credit subject to the conditions established by the Act. Required solvency special payments in excess of those met by a letter of credit must be met by monthly contributions to the pension fund.

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Maximum Eligible Contributions

The *Income Tax Act* (the "ITA") limits the amount of employer contributions that can be remitted to the defined benefit component of a registered pension plan.

In accordance with Section 147.2 of the ITA and *Income Tax Regulation* 8516, for a plan which is underfunded on either a going concern or on a hypothetical wind-up basis the maximum permitted contributions are equal to the employer's current service cost, including the explicit expense allowance if applicable, plus the greater of the going concern funding shortfall and hypothetical wind-up shortfall.

For a plan which is fully funded on both going concern and hypothetical wind-up bases, the employer can remit a contribution equal to the employer's current service cost, including the explicit expense allowance if applicable, as long as the surplus in the plan does not exceed a prescribed threshold. Specifically, in accordance with Section 147.2 of the ITA, for a plan which is fully funded on both going concern and hypothetical wind-up bases, the plan may not retain its registered status if the employer makes a contribution while the going concern funding excess exceeds 25% of the going concern funding target.

Notwithstanding the above, any contributions that are required to be made in accordance with pension benefits legislation are eligible contributions in accordance with Section 147.2 of the ITA and can be remitted.

Schedule of Maximum Contributions

VON Canada, Acclaim and the Separate Branches, collectively, are permitted to fully fund the greater of the going concern and hypothetical wind-up shortfalls (\$15,269,000), as well as make current service cost contributions. The portion of this contribution representing the payment of the hypothetical wind-up shortfall can be increased with interest at 2.44% per year from the valuation date to the date the payment is made, and must be reduced by the amount of any deficit funding made from the valuation date to the date the payment is made.

Assuming VON Canada, Acclaim, and the Separate Branches, collectively, contribute the greater of the going concern and hypothetical wind-up shortfall (\$15,269,000) as of the valuation date, the rule for determining the estimated maximum eligible annual contributions, as well as an estimate of the maximum eligible contributions until the next valuation, are as follows:

Employer's contribution rule			Estimated employer's contributions
Year beginning	Monthly current service cost ⁷	Deficit Funding	Monthly current service cost including expense allowance
June 1, 2015	25%	n/a	\$171,917
June 1, 2016	25%	n/a	\$173,636
June 1, 2017	25%	n/a	\$177,109

The employer's current service cost in the above table was estimated based on projected members' required contributions. The actual employer's current service cost will be different from these estimates and, as such, the contribution requirements should be monitored closely to ensure compliance with the ITA.

⁷ Expressed as a percentage of members' required contributions.

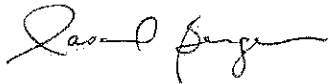
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Actuarial Opinion

In our opinion, for the purposes of the valuations,

- The membership data on which the valuation is based are sufficient and reliable.
- The assumptions are appropriate.
- The methods employed in the valuation are appropriate

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada. It has also been prepared in accordance with the funding and solvency standards set by the Ontario Pension Benefits Act.



Pascal Berger
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries



Douglas Malone
Associate of the Society of Actuaries

August 25, 2015

Date

August 25, 2015

Date

APPENDIX A

Prescribed Disclosure

Definitions

The Act defines a number of terms as follows:

Defined Term	Description	Result
Transfer Ratio	The ratio of: (a) solvency assets minus the lesser of the Prior Year Credit Balance and the minimum required employer contributions until the next required valuation; to (b) the sum of the solvency liabilities and liabilities for benefits, other than benefits payable under qualifying annuity contracts, that were excluded in calculating the solvency liabilities.	0.96
Prior Year Credit Balance	Accumulated excess of contributions made to the pension plan in excess of the minimum required contributions (note: only applies if VON Canada chooses to treat the excess contributions as a Prior Year Credit Balance).	\$1,780,000
Solvency Assets	Market value of assets including accrued or receivable income and excluding the value of any qualifying annuity contracts.	\$379,563,000
Solvency Asset Adjustment	The sum of: (a) the difference between smoothed value of assets and the market value of assets (b) the present value of any going concern special payments (including those identified in this report) within 5 years following the valuation date (c) the present value of any previously scheduled solvency special payments (excluding those identified in this report) (d) the face value of the letter of credit	\$0 \$0 \$34,128,000 ⁸ \$0
		\$34,128,000

⁸ Excluding special payments which existed for Carefor.

Defined Term	Description	Result
Solvency Liabilities	Liabilities determined as if the plan had been wound up on the valuation date, including liabilities for plant closure benefits or permanent layoff benefits that would be immediately payable if the employer's business were discontinued on the valuation date of the report, but, if elected by the plan sponsor, excluding liabilities for, <ul style="list-style-type: none"> (a) any escalated adjustment, (b) excluded plant closure benefits, (c) excluded permanent layoff benefits, (d) special allowances other than funded special allowances, (e) consent benefits other than funded consent benefits, (f) prospective benefit increases, (g) potential early retirement window benefit values, and (h) pension benefits and ancillary benefits payable under a qualifying annuity contract. 	\$393,103,000
Solvency Liability Adjustment	The amount by which solvency liabilities are adjusted as a result of using a solvency valuation interest rate that is the average of market interest rates calculated over the period of time used in the determination of the smoothed value of assets.	\$0
Solvency Deficiency	The amount, if any, by which the sum of: <ul style="list-style-type: none"> (a) the solvency liabilities (b) the solvency liability adjustment (c) the prior year credit balance Exceeds the sum of: <ul style="list-style-type: none"> (d) the solvency assets net of estimated termination expenses⁹ (e) the solvency asset adjustment 	\$393,103,000 \$0 \$1,780,000 <hr/> \$394,883,000 \$378,613,000 \$34,128,000 <hr/> \$412,741,000 \$0

Timing of Next Required Valuation

In accordance with the Act the next valuation of the Plan would be required at an effective date within one year of the current valuation date if:

- The ratio of solvency assets to solvency liabilities is less than 85%.
- The employer elected to exclude plant closure or permanent lay-off benefits under Section 5(18) of the regulations, and has not rescinded that election.

Otherwise, the next valuation of the Plan would be required at an effective date no later than three years after the current valuation date.

Accordingly, the next valuation of the Plan will be required as of June 1, 2018.

⁹ In accordance with accepted actuarial practice, for purposes of determining the financial position, the market value of plan assets was reduced by a provision for estimated termination expenses payable from the Plan's assets that may reasonably be expected to be incurred in terminating the Plan and to be charged to the Plan.

Special Payments

Based on the results of this valuation, the Plan is not fully funded. In accordance with the Act, any going concern deficits must be amortized over a period not exceeding 15 years, beginning on a date no later than 12 months after June 1, 2015, and any solvency deficits must be amortized over a period not exceeding 5 years, also beginning on a date not later than 12 months after June 1, 2015.

As such, special payments must be made as follows:

Type of payment	Start date	End date	Monthly Special Payment	Present Value on Solvency Basis ¹⁰
Solvency	Jan. 1, 2011	Dec. 31, 2020 ¹¹	\$221,303	\$13,859,000
Solvency	Jan. 1, 2013	Dec. 31, 2022 ¹²	\$29,021	\$2,411,000
Total			\$250,324	\$16,270,000

As the Plan does not have a going concern deficit, going concern special payments are not required.

The present value of the previously scheduled solvency payments exceeds the solvency shortfall. In accordance with the Act, the excess can be used to reduce any solvency relief special payment and the period of any solvency special payment schedule. Therefore, we have removed the solvency payment schedule of \$427,819 per month ending on December 31, 2018 and reduced the amount of the special payment ending on December 31, 2020 from \$246,375 per month to \$221,303 per month as well as the amount of the special payment ending on December 31, 2022 from \$33,798 per month to \$29,021 per month.

Special payments are payable by VON Canada, Acclaim and the Separate Branches in respect of their respective employees and former employees who are members of the Plan. For this purpose, all schedules of special payments required for the Plan are sub-divided between the participating employers based on the proportion of the Plan's solvency deficit attributable to each employer, as presented in appendices G to K of this report.

¹⁰ Calculation is based on the average solvency discount rate of 2.44%.

¹¹ VON Canada elected to make use of Options 1, 2 and 3 of the solvency relief measures on January 1, 2010 which allowed for the amortization of the solvency deficit at the time over the 10-year period starting on January 1, 2011.

¹² VON Canada elected to make use of Option 5 of the solvency relief measures applicable on January 1, 2012 which allowed for the amortization of the new solvency deficit over a 10-year period starting on January 1, 2013.

Pension Benefit Guarantee Fund (PBGF) Assessment

The PBGF assessment base and liabilities are derived as follows:

Solvency assets	\$379,563,000	(a)
PBGF liabilities	\$256,120,000	(b)
Solvency liabilities	\$393,103,000	(c)
Ontario asset ratio	65.15%	(d) = (b) ÷ (c)
Ontario portion of the fund	\$247,285,000	(e) = (a) x (d)
PBGF assessment base	\$8,835,000	(f) = (b) – (e)
Amount of additional liability for plant closure and/or permanent layoff benefits which is not funded and subject to the 2% assessment pursuant to s.37(4)	-	(g)

Prior Year Credit Balance

Some of the participating employers contributed more than the minimum required contributions in the past which prompted the identification of a Prior Year Credit Balance (PYCB).

A reconciliation of the PYCB from January 1, 2014 to June 1, 2015 for VON Canada, Acclaim and each of the Separate Branches is presented separately for each employer in appendices G to K of this report. The sum of the PYCB for each employer is \$1,780,000 as of June 1, 2015 as compared to \$4,559,000 as of January 1, 2014.

APPENDIX B

Plan Assets

The pension fund is invested in MGI funds and held in trust by RBC Investor & Treasury Services. In preparing this report, we have relied upon the auditors' report prepared by PricewaterhouseCoopers LLP Chartered Accountants and the RBC Investor & Treasury Services' fund statements without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

Reconciliation of Market Value of Plan Assets

The pension fund transactions in accordance with RBC Investor & Treasury Services' fund statements since the last valuation are summarized in the following table:

	2015	2014
January 1	\$372,921,994	\$336,306,135
PLUS		
Members' contributions	\$2,794,155	\$7,562,653
Company's contributions	\$3,238,341	\$7,748,647
Other receipts	\$0	(\$21,563,749)
Investment income and realized and unrealized gains and losses	\$32,655,750	\$69,605,615
	\$38,688,246	\$63,353,166
LESS		
Pensions paid	\$6,778,613	\$16,459,337
Lump-sums paid	\$2,792,873	\$7,378,969
Administration and investment management expenses	\$1,454,848	\$2,899,001
	\$11,026,334	\$26,737,307
End of period ¹³	\$400,583,906	\$372,921,994
Gross rate of return ¹⁴	8.82%	21.76%
Rate of return net of expenses ¹⁵	8.41%	20.76%

¹³ December 31, 2014 and May 31, 2015.

¹⁴ Assuming mid-period cash flows.

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The market value of assets shown in the above table is adjusted to reflect in-transit amounts as follows:

	Current Valuation	Previous Valuation
Market value of invested assets	\$400,583,906	\$336,306,135
In-transit amounts		
• Contributions ^{15,16}	\$2,749,858	\$4,390,834
• Benefit payments	(\$1,096,315)	(\$1,665,370)
• Expenses	(\$355,223)	(\$462,196)
• Other	\$0	\$216,090
Market value of assets adjusted for in-transit amounts	\$401,882,226	\$338,785,493

Finally, the market value of assets as of June 1, 2015 is adjusted to reflect the portion of the plan assets that relate to the Partial Wind-Up Branches, as follows:

	Partial Wind-Up
Assets attributable to members affected by the partial wind-up as at December 31, 2013 before expenses	\$25,157,282
Removal of in-transit amounts for Partial Wind-Up Branches of last year	\$58,679
Benefit payments to members affected by the partial wind-up (January 1, 2014 to May 31, 2015)	(\$5,516,995)
Investment income net of fees (January 1, 2014 to May 31, 2015)	\$3,466,778
Transfers	(\$1,070,328)
Company's contributions	\$371,961
In-transit amounts for Partial Wind-Up Branches	(\$148,466)
Assets attributable to members affected by the partial wind-up as at May 31, 2015 before expenses	\$22,318,911

The resulting net market value of assets as of June 1, 2015 is **\$379,563,315** (\$401,882,226 minus \$22,318,911).

We have tested the pensions paid, the lump-sums paid and the contributions for consistency with the membership data for the Plan members who have received benefits or made contributions. The results of these tests were satisfactory.

¹⁵ The in-transit employer contributions as of January 1, 2014 include contributions receivable from Carefor, with interest, for their unpaid share of the solvency special payments from October 2006 to December 2013. As of January 1, 2014, \$3,265,132 was payable by Carefor. The balance is regular contributions in transit.

¹⁶ Includes contributions receivable from Nova Montreal to support the payment of the balance of commuted values to three former members paid out in 2011 (\$16,202 as of June 1, 2015 and \$32,223 as of January 1, 2014).

Investment Policy

The plan administrator has adopted a statement of investment policy and procedures. This policy is intended to provide guidelines for the manager(s) as to the level of risk that is consistent with the Plan's investment objectives. A significant component of this investment policy is the asset mix.

The plan administrator is solely responsible for selecting the plan's investment policies, asset allocations and individual investments.

The constraints on the asset mix and the actual asset mix at the valuation date are provided for information purposes:

	Investment Policy			Actual Asset Mix ¹⁷
	Minimum	Target	Maximum	June 1, 2015
Equities	46%	50%	54%	52%
Fixed Income				
Physical Bond	20%	24%	28%	24%
Synthetic Bond ¹⁸	21%	25%	29%	23%
Cash and cash equivalents	0%	1%	3%	1%
		100%		100%

This investment policy applies to the Plan assets other than partial wind-up assets. The partial wind-up assets have been partially immunized using a portfolio of fixed income securities.

Because of the mismatch between the Plan's assets (which are invested in accordance with the above investment policy) and the Plan's liabilities (which tend to behave like long bonds) the Plan's financial position will fluctuate over time. These fluctuations could be significant and could cause the Plan to become underfunded, or overfunded even if VON Canada contributes to the Plan based on the funding requirements presented in this report.

¹⁷ Excluding partial wind-up assets.

¹⁸ A swap strategy is used to obtain a 75% exposure to the Canadian bond market with the 25% of asset allocation, in order to reduce the interest rate risk for the Plan.

APPENDIX C

Methods and Assumptions – Going Concern

Valuation of Assets

For this valuation, we have continued to use an adjusted market-value method to determine the smoothed value of assets. Under this method, the excess of actual investment returns over expected investment returns are spread on a straight line basis over 5 years. The adjusted market value of assets is also capped at 110% and floored at 90% of the market value of assets.

The asset values produced by this method are related to the market value of the assets, with the advantage that, over time, the market-related asset values will tend to be more stable than market values.

The smoothed value of assets as at June 1, 2015, was derived as follows:

Market value of assets	\$400,583,906
LESS	
Unrecognized investment gains (losses)	
June 1, 2014 to May 31, 2015: $\$49,590,156 \times 80\% =$	\$39,672,125
June 1, 2013 to May 31, 2014: $\$17,677,990 \times 60\% =$	\$10,606,794
June 1, 2012 to May 31, 2013: $\$1,729,730 \times 40\% =$	\$691,892
June 1, 2011 to May 31, 2012: $\$13,570,114 \times 20\% =$	\$2,714,023
	\$53,684,834
PLUS	
Net in-transit amount (see Appendix B for details)	\$1,298,320
Smoothed value of assets before adjustment due to partial wind-ups	\$348,197,392
Partial wind-up assets (see Appendix B for details)	(\$22,318,911)
Unrecognized investment gains (losses) attributable to partial wind-up assets	(\$405,558)
Actuarial value of assets net of partial wind-up assets	\$325,472,923
Adjusted actuarial value of assets net of partial wind-up assets (Floor of 90% of the market value of assets)	\$341,606,984

As per the above table, the actuarial value of assets, determined as at June 1, 2015, is **\$341,607,000**.

The unrecognized investment gains (losses) used in the above table are derived from the amounts shown below by taking appropriate pro-rata adjustments to account for the June 1st valuation date. For example, the unrecognized investment gain of \$49,590,156 (shown above) applicable for the period June 1, 2014 to May 31, 2015 was calculated by summing \$21,922,091 (representing the 5 months of 2015 gains to June 1st) and 7/12 of \$47,430,969.

Unrecognized Market Gains/(Losses) as at 6.1.2015

Year	Market value beginning of year A	Market value end of year B	Investment income* during the year C	Average fund value D = 0.5 x (A+B-C)	Expected net rate of return E	Unrecognized market gains/(losses) C-(DxE)
2015 ¹⁹	\$372,921,994	\$400,583,906	\$31,200,903	\$371,152,498	6.00%	\$21,922,091
2014	\$336,306,134	\$372,921,994	\$66,706,614	\$321,260,757	6.00%	\$47,430,969
2013	\$326,568,010	\$336,306,134	\$15,836,979	\$323,518,583	6.00%	(\$3,574,136)
2012	\$309,953,521	\$326,568,010	\$22,406,374	\$307,057,579	5.50%	\$5,518,207
2011	\$279,041,448	\$309,953,521	\$35,913,908	\$276,540,531	6.00%	\$19,321,476

* Net of expenses.

A portion of the unrecognized investment gains (losses) is attributable to partial wind-up assets. We have estimated this amount to be (\$405,558) using a methodology consistent with the above.

Going Concern Funding Target

Over time, the real cost to the employer of a pension plan is the excess of benefits and expenses over member contributions and investment earnings. The actuarial cost method allocates this cost to annual time periods.

For purposes of the going concern valuation, we have continued to use the projected unit credit actuarial cost method. Under this method, we determine the present value of benefit cash flows expected to be paid in respect of service accrued prior to the valuation date, based on projected final average earnings. This is referred to as the funding target.

The valuation of the Plan as at June 1, 2015 is based on membership data as at January 1, 2015. The valuation results as at June 1, 2015 were determined by extrapolating actuarial liabilities calculated as of January 1, 2015 (using assumptions applicable to June 1, 2015) to June 1, 2015 allowing for interest on the liabilities, the accrual of further benefits by active members and the actual benefits payments paid out. We have assumed that all other experience during the projection period, apart from investment returns, contributions, benefit payments and administration expenses has been in line with the assumptions used to determine the actuarial liabilities as of January 1, 2015.

¹⁹ To June 1, 2015

The funding excess or funding shortfall, as the case may be, is the difference between the market or smoothed value of assets and the funding target. A funding excess on a market value basis indicates that the current market value of assets and expected investment earnings are expected to be sufficient to meet the cash flows in respect of benefits accrued to the valuation date as well as expected expenses – assuming the plan is maintained indefinitely. A funding shortfall on a market value basis indicates the opposite – that the current market value of the assets is not expected to be sufficient to meet the plan’s cash flow requirements in respect of accrued benefits, absent additional contributions.

As required under the Act, a funding shortfall must be amortized over no more than 15 years through special payments. A funding excess may, from an actuarial standpoint, be applied immediately to reduce required employer current service contributions unless precluded by the terms of the plan or by legislation.

The actuarial cost method used for the purposes of this valuation produces a reasonable matching of contributions with accruing benefits. Because benefits are recognized as they accrue, the actuarial cost method provides an effective funding target for a plan that is maintained indefinitely.

Current Service Cost

The current service cost is the present value of projected benefits to be paid under the plan with respect to service expected to accrue during the period until the next valuation.

The employer’s current service cost is the total current service cost reduced by the members’ required contributions.

The employer’s current service cost has been expressed as a percentage of the members’ pensionable earnings or required contributions to provide an automatic adjustment in the event of fluctuations in membership and/or pensionable earnings.

Under the projected unit credit actuarial cost method, the current service cost for an individual member will increase each year as the member approaches retirement. However, the current service cost of the entire group, expressed as a percentage of the members’ pensionable earnings or required contributions, can be expected to remain stable as long as the average age distribution of the group remains constant.

Actuarial Assumptions – Going Concern Basis

The present value of future benefit payment cash flows is based on economic and demographic assumptions. At each valuation we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them, if necessary. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations.

The table below shows the various assumptions used in the current valuation in comparison with those used in the previous valuation.

Assumption	Current valuation	Previous valuation
Discount rate:	5.50%	6.00%
Inflation:	2.00%	2.00%
ITA limit / YMPE increases:	3.00%	3.00%
Pensionable earnings increases:	<ul style="list-style-type: none"> • 1.0% for the first two years and • 2.0% + productivity & merit table (Service-related table) thereafter 	<ul style="list-style-type: none"> • 2.0% for the first two years and • 2.0% + productivity & merit table (Service-related table) thereafter
Pre-retirement indexing:	3.00%	3.00%
Interest on employee contributions:	3.00%	3.00%
Retirement rates:	Revised age-related table	Age-related table
Termination rates:	Revised age-related table	Age-related table
Mortality rates:	100% of the rates of the 2014 Canadian Pensioners Mortality Table (CPM2014)	100% of the rates of the 2014 Canadian Pensioners Mortality Table (CPM2014)
Mortality improvements:	Fully generational using Scale CPM-B	Fully generational using Scale CPM-B
Form of benefit elected:	40% of eligible members under age 50, 55% of those between age 50 and 55, and 100% over age 55 receive a pension from the plan. All remaining members are assumed to elect a lump sum transfer.	100% of eligible members receive a pension from the plan
Actuarial basis for benefits assumed to be settled through a lump sum:	Discount rate: 4.25% Mortality rates: CPM2014 with fully generational improvements using CPM-B	Not applicable
Disability rates:	None	None

The assumptions are best-estimates with the exception that the discount rate includes a margin for adverse deviations, as shown below.

Age-Related Tables

Sample rates from the age related tables are summarized in the following table:

Age	Revised Table		Old Table	
	Termination	Retirement	Termination	Retirement
20	36.0%	0.0%	16.2%	0.0%
25	23.0%	0.0%	16.2%	0.0%
30	13.0%	0.0%	9.7%	0.0%
35	10.0%	0.0%	8.7%	0.0%
40	9.0%	0.0%	7.9%	0.0%
45	7.0%	0.0%	7.7%	0.0%
50	7.0%	0.0%	0.0%	6.3%
51	7.0%	0.0%	0.0%	6.6%
52	6.0%	0.0%	0.0%	7.2%
53	6.0%	0.0%	0.0%	7.8%
54	6.0%	0.0%	0.0%	8.4%
55	0.0%	5.0%	0.0%	9.0%
56	0.0%	7.5%	0.0%	9.6%
57	0.0%	10.0%	0.0%	10.2%
58	0.0%	10.0%	0.0%	10.8%
59	0.0%	15.0%	0.0%	12.5%
60	0.0%	20.0%	0.0%	22.5%
61	0.0%	12.5%	0.0%	13.5%
62	0.0%	12.5%	0.0%	16.5%
63	0.0%	12.5%	0.0%	19.5%
64	0.0%	25.0%	0.0%	26.5%
65	0.0%	40.0%	0.0%	100.0%
66	0.0%	25.0%	0.0%	0.0%
67	0.0%	30.0%	0.0%	0.0%
68	0.0%	35.0%	0.0%	0.0%
69	0.0%	40.0%	0.0%	0.0%
70	0.0%	100.0%	0.0%	0.0%

Service-Related Tables

Sample rates of productivity and merit increases are summarized in the following table:

Service	Salary Increase
0	4.06%
1	4.06%
2	4.06%
3	2.90%
4	2.21%
5	1.74%
6	1.39%
7	1.12%
8	0.90%
9	0.72%
10	0.57%
11	0.44%
12	0.33%
13+	0.25%

Pensionable Earnings

The benefits ultimately paid will depend on each member's final average earnings. To calculate the pension benefits payable upon retirement, death or termination of employment, we have taken the pensionable earnings from the year prior to the valuation date and assumed that such pensionable earnings will increase at the assumed rate.

Rationale for Assumptions

A rationale for each of the assumptions used in the current valuation is provided below.

Discount Rate

We have discounted the expected benefit payment cash flows using the expected investment return on the market value of the fund net of fees. Other bases for discounting the expected benefit payment cash flows may be appropriate, particularly for purposes other than those specifically identified in this valuation report.

The discount rate is comprised of the following:

- Estimated returns for each major asset class consistent with market conditions on the valuation date, the expected time horizon over which benefits are expected to be paid, and the target asset mix specified in the Plan's investment policy.
- Additional returns assumed to be achievable due to active equity management capped to the fees related to active equity management. Such fees were determined by the difference between the provision for total investment expenses and the hypothetical fees that would be incurred for passive management of all assets.
- Implicit provision for expenses determined based on past average plan expenses and future expectations for the Plan.
- A margin for adverse deviations of 0.0%.

The discount rate was developed as follows:

Assumed investment return	6.0%
Additional returns for active management	0.2%
Expense provision	(0.7%)
Margin for adverse deviation	0.0%
Net discount rate	5.5%

Inflation

The inflation assumption is based on the mid-point of the Bank of Canada's long-term inflation target range of between 1% and 3% at the valuation date.

Income Tax Act Pension Limit and Year's Maximum Pensionable Earnings

The assumption is based on historical real economic growth and the underlying inflation assumption.

Pensionable Earnings

The assumption is based on a study of Plan experience conducted in 2009 considering real salary increases over the years 2007 to 2008, the underlying inflation assumption, as well as short-term expectations based on our discussions with VON Canada.

Pre-retirement indexing for WRHA

Pensions of WRHA suspended members are indexed before retirement with increases in wage index. We have therefore used the same assumption as for the increase in the Income Tax Act limit and the YMPE.

Retirement Rates

The assumption is based on a study of Plan experience over the years 2010 to 2014.

Termination Rates

The assumption is based on a study of Plan experience over the years 2010 to 2014.

Mortality Rates

The assumption for the mortality rates is based on the Canadian Pensioners' Mortality (CPM) study published by the Canadian Institute of Actuaries in February 2014.

Due to the size of the Plan, specific data on plan mortality experience is insufficient to determine the mortality rates. After considering plan-specific characteristics, such as the type of employment, the industry experience, pension and employment income for the plan members, and data in the CPM study, it was determined to use the CPM mortality rates without adjustment.

There is broad consensus among actuaries and other longevity experts that mortality improvement will continue in the future, but the degree of future mortality improvement is uncertain. The mortality improvement scale published in the CPM study represents one reasonable outlook for future improvement. We have used the CPM mortality improvement scale B without adjustment.

Based on the assumption used, the life expectancy of a member age 60 at the valuation date is 26.7 years for males and 29.2 years for females.

Interest on Employee Contributions

The assumption is based on Plan terms, market expectations of returns on Federal long-term bonds and historical spreads.

Disability Rates

Use of a different assumption would not have a material impact on the results of the valuation.

Form of benefit elected and cost of future lump sums

The assumption for the percentage of eligible plan participants that will elect to receive their benefit as a lump sum transfer from the Plan is based on Plan experience from 2007 to 2008.

The cost of future lump sums will depend on the level of market interest rates at the time the lump sum is paid and any changes in the applicable actuarial standards for the determination of pension plan commuted values. The assumed cost of future lump sums is based on the average expected level of market interest rates over the period during which lump sums are expected to be paid, taking into account market conditions on the valuation date modified to include a provision for increases in market interest rates to a level higher than current historically low levels. We have also assumed that future lump sums elected by eligible plan participants will be calculated using the mortality basis described in the memorandum issued by the Actuarial Standards Board on June 15, 2015 and expected to be effective in October 2015.

APPENDIX D

Methods and Assumptions – Hypothetical Wind-up and Solvency

Hypothetical Wind-up Basis

The Canadian Institute of Actuaries requires actuaries to report the financial position of a pension plan on the assumption that the plan is wound up on the effective date of the valuation, with benefits determined on the assumption that the pension plan has neither a surplus nor a deficit. For the purposes of the hypothetical wind-up valuation, the plan wind-up is assumed to occur in circumstances that maximize the actuarial liability.

To determine the actuarial liability on the hypothetical wind-up basis, we have valued those benefits that would have been paid had the Plan been wound up on the valuation date, with all members fully vested in their accrued benefits.

The valuation of the Plan as at June 1, 2015 is based on membership data as at January 1, 2015. The valuation results as at June 1, 2015 were determined by extrapolating actuarial liabilities calculated as of January 1, 2015 (using assumptions applicable to June 1, 2015) to June 1, 2015 allowing for interest on the liabilities, the accrual of further benefits by active members and the actual benefits payments paid out. We have assumed that all other experience during the projection period, apart from investment returns, contributions, benefit payments and administration expenses has been in line with the assumptions used to determine the actuarial liabilities as of January 1, 2015.

There are no benefits under the plan contingent upon the circumstances of the plan wind-up or contingent upon other factors. In particular, there are no additional benefits that would be immediately payable if the employer's business were discontinued on the valuation date. Therefore, it was not necessary to postulate a scenario upon which the hypothetical wind-up valuation is made. Therefore, no benefits payable on plan wind-up were excluded from our calculations.

Upon plan wind-up, members are given options for the method of settling their benefit entitlements. The options vary by eligibility and by province of employment, but in general, involve either a lump sum transfer or an immediate or deferred pension.

The value of benefits assumed to be settled through a lump sum transfer is based on the assumptions described in Section 3500 – *Pension Commuted Values* of the Canadian Institute of Actuaries' Standards of Practice applicable for June 1, 2015.

Benefits provided as an immediate or deferred pension are assumed to be settled through the purchase of annuities based on an estimate of the cost of purchasing annuities. We have estimated the cost of settlement through purchase of annuities in accordance with the *Canadian Institute of Actuaries Educational Note: Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates Between March 31, 2015 and December 30, 2015*.

We have not included a margin for adverse deviation in the solvency and hypothetical wind-up valuations.

The assumptions are as follows:

Form of Benefit Settlement Elected by Member	
Lump sum:	60% of active and deferred members under age 50, 45% of those between age 50 and 55 and 30% of those over age 55 elect to receive their benefit entitlement in a lump sum.
Annuity purchase:	All remaining members are assumed to elect to receive their benefit entitlement in the form of a deferred or immediate pension. These benefits are assumed to be settled through the purchase of deferred or immediate annuities from a life insurance company.
Basis for Benefits Assumed to be Settled through a Lump Sum	
Mortality rates:	UP94 with fully generational improvements using Scale AA
Interest rate:	2.2% per year for 10 years, 3.6% per year thereafter
Indexing of deferred benefits for WRHA members:	2.0% per year for 10 years, 3.1% per year thereafter
Basis for Benefits Assumed to be Settled through the Purchase of an Annuity	
Mortality rates:	UP94 with fully generational improvements using Scale AA
Interest rate:	2.5% per year based on a duration of 12.4 years determined for the liabilities assumed to be settled through the purchase of an annuity.
Indexing of deferred benefits for WRHA members:	2.0% per year for 10 years, 3.1% per year thereafter
Retirement Age	
Maximum value:	Members are assumed to retire at the age which maximizes the value of their entitlement from the Plan based on the eligibility requirements which have been met at the valuation date.
Other Assumptions	
Special payments:	Discounted at the average interest rate of 2.44% per year
Final average earnings:	Based on actual pensionable earnings over the averaging period
Maximum pension limit:	\$2,819 per year of credited service
Termination expenses:	\$950,000

To determine the hypothetical wind-up position of the Plan, a provision has been made for estimated termination expenses payable from the Plan's assets in respect of actuarial and administration expenses that may reasonably be expected to be incurred in terminating the Plan and to be charged to the Plan.

Because the settlement of all benefits on wind-up is assumed to occur on the valuation date and is assumed to be uncontested, the provision for termination expenses does not include custodial, investment management, auditing, consulting and legal expenses that would be incurred between the wind-up date and the settlement date or due to the terms of a wind-up being contested.

Expenses associated with the distribution of any surplus assets that might arise on an actual wind-up are also not included in the estimated termination expense provisions.

In determining the provision for termination expenses payable from the Plan's assets, we have assumed that the plan sponsor would be solvent on the wind-up date. We have also assumed, without analysis, that the Plan's terms as well as applicable legislation and court decisions would permit the relevant expenses to be paid from the Plan.

Actual fees incurred on an actual plan wind-up may differ materially from the estimates disclosed in this report.

Incremental Cost

In order to determine the incremental cost, we estimate the hypothetical wind-up liabilities at the next valuation date. We have assumed that the cost of settling benefits by way of a lump sum or purchasing annuities remains consistent with the assumptions described above. Since the projected hypothetical wind-up liabilities will depend on the membership in the Plan at the next valuation date, we must make assumptions about how the Plan membership will evolve over the period until the next valuation.

We have assumed that the Plan membership will evolve in a manner consistent with the going concern assumptions as follows:

- Members terminate, retire and die consistent with the termination, retirement and mortality rates used for the going concern valuation.
- Pensionable earnings, the Income Tax Act pension limit and the Year's Maximum Pensionable Earnings increase in accordance with the related going concern assumptions.
- Active members accrue pensionable service in accordance with the terms of the Plan.
- To accommodate for new entrants to the Plan, we have added to the projected liability, an amount equal to the liability of new entrants that have joined the Plan over the last three years.

Solvency Basis

In determining the financial position of the Plan on the solvency basis, we have used the same assumptions and methodology as were used for determining the financial position of the Plan on the hypothetical wind-up basis except for the following:

- We have excluded the liabilities with respect to the future escalation adjustments for WRHA suspended members.

The solvency position is determined in accordance with the requirements of the Act.

APPENDIX E

Membership Data

Analysis of Membership Data

The actuarial valuation is based on membership data as at January 1, 2015, provided by Morneau Shepell on behalf of VON Canada

We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, gender, etc.), pensionable earnings, credited service, contributions accumulated with interest and pensions to retirees and other members entitled to a deferred pension. Contributions, lump sum payments and pensions to retirees were compared with corresponding amounts reported in financial statements. The results of these tests were satisfactory.

If the data supplied are not sufficient and reliable for its intended purpose, the results of our calculation may differ significantly from the results that would be obtained with such data. Although Mercer has reviewed the suitability of the data for its intended use in accordance with accepted actuarial practice in Canada, Mercer has not verified or audited any of the data or information provided.

In assessing whether it is appropriate to use membership data as at January 1, 2015 rather than as at June 1, 2015, we were guided by the Canadian Institute of Actuaries Standards of Practice ("SOP") with respect to the data used to prepare actuarial work. Ideally, membership data on the valuation date would be used to prepare our actuarial report. However, section 1530.08 of the SOPs explicitly anticipates appropriate actuarial engagements where less than ideal data are available to the actuary:

1530.08 If the ideal data are unobtainable at reasonable cost within the available time, then the actuary would consider what, if any, alternative data are sufficient and reliable.

For our engagement with VON Canada, ideal data were not available at June 1, 2015 and could not be made available without the Plan incurring unnecessary additional fees. As per the SOPs, we considered the appropriateness of readily available membership data as at January 1, 2015.

We considered if the data as at January 1, 2015 are sufficient and reliable for the purposes of the valuation. The data are sufficient to determine the Plan's obligations at June 1, 2015 using the methods described in the report. The data are reliable to the extent that changes in Plan membership between January 1, 2015 and June 1, 2015 that are not reflected in the valuation do not materially impact the valuation results. We have assessed the materiality of changes in membership data by comparing the level of Plan terminations, retirements and deaths between January 1, 2015 and June 1, 2015 to the recent demographic experience from which the actuarial assumptions have been derived. Moreover, the Plan's demographic experience is relatively stable and consistent with expectations as evidenced in recent actuarial reports. We

have therefore concluded that using ideal data would not materially impact the valuation results and that the data used are sufficient and reliable for the purpose of this report.

Plan membership data are summarized below. For comparison, we have also summarized corresponding data from the previous valuation.

Note that for deferred vested members who had not yet made an election between a commuted value or a deferred pension as of the valuation date, the commuted value offered to them is used as the Plan's liability. For members who did elect a deferred pension from the Plan, their deferred pension as described in the summary of statistics is valued.

Membership data		
	01.01.2015	01.01.2014
Active Members		
Number	2,945	2,836
Average pensionable earnings for the following year	\$48,606	\$47,531
Average years of pensionable service	5.6	5.7
Average age	46.6	46.9
Accumulated contributions with interest	\$55,464,738	\$53,276,948
Suspended Members – CCAC & WRHA		
Number	205	232
Average annual lifetime pension	\$4,179	\$4,436
Average age	54.5	54.4
Suspended Members – Separate Branches		
Number	61	247
Average annual lifetime pension	\$2,897	\$3,928
Average age	55.2	54.3
Deferred Pensioners		
Number	602	661
Average annual lifetime pension	\$3,388 ²⁰	\$3,565 ²¹
Average age	48.5	48.5
Pensioners and Survivors		
Number	2,081	2,132
Average annual lifetime pension	\$6,660	\$6,495
Average annual temporary pension ²²	\$6,431	\$6,276
Average age	70.9	70.6

²⁰ Based on information for 393 members. The liability for the remaining 209 deferred pensioners is based on commuted values calculated by the plan administrator and totals \$850,953.

²¹ Based on information for 454 members. The liability for the remaining 207 deferred pensioners is based on commuted values calculated by the plan administrator and totals \$933,913.

²² 77 members are receiving a temporary pension as at January 1, 2015 and 80 members as at January 1, 2014.

The membership movement for all categories of membership since the previous actuarial valuation is as follows:

	Actives	Suspended Members - CCAC & WRHA	Suspended Members- Separate Branches	Deferred Pensioners	Pensioners and Beneficiaries	Total
Total at 01.01.2014	2,836	232	247	661	2,132	6,108
Rehires	2			(1)	(1)	-
Adjustments	(4)	1		1	9	7
New entrants	489					489
Terminations:						
• Transfers/ lump sums	(183)	(6)	(3)	(81)		(273)
• Deferred pensions	(111)	(4)	(1)	116		-
• Carefor			(180)	(62)	(158)	(400)
Deaths with no beneficiary or lump sums	(1)	(1)		(3)	(27)	(32)
Deaths with beneficiary					(9)	(9)
Retirements	(83)	(17)	(2)	(29)	131	-
Beneficiaries					9	9
Expiration of benefits					(5)	(5)
Total at 01.01.2015	2,945	205	61	602	2,081	5,894

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The distribution of the active members by age and pensionable service as at January 1, 2015 is summarized as follows:

Age	Years of Pensionable Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 +	
Under 25	\$38,363								\$38,363
	36								36
25 to 29	\$43,094	*							\$43,086
	171	1							172
30 to 34	\$46,128	\$46,416	*						\$46,137
	254	37	1						292
35 to 39	\$44,320	\$49,161	\$51,409	*					\$45,582
	249	66	15	1					331
40 to 44	\$44,059	\$52,133	\$55,051	\$52,252					\$47,931
	227	105	56	9					397
45 to 49	\$48,454	\$53,855	\$50,559	\$65,661	\$50,673				\$51,003
	246	109	45	23	4				427
50 to 54	\$46,687	\$52,033	\$51,935	\$54,227	\$58,472	*	*		\$49,607
	239	118	80	25	10	2	1		475
55 to 59	\$50,912	\$52,470	\$48,887	\$54,551	\$63,232	\$76,198		*	\$52,438
	150	109	93	48	26	7		1	434
60 to 64	\$46,519	\$45,269	\$51,162	\$53,616	\$60,805	\$68,160	\$65,602	*	\$49,145
	114	79	58	27	16	5	5	1	305
65 +	\$51,222	\$43,159	\$45,105	\$50,280	*	*			\$48,361
	30	20	13	9	2	2			76
Total	\$46,071	\$50,693	\$51,031	\$55,570	\$60,190	\$71,556	\$62,895	*	\$48,606
	1,716	644	361	142	58	16	6	2	2,945

*Cells with fewer than 3 members have been suppressed in order to preserve confidentiality.

The distribution of Plan members by group is presented in the following tables:

**Distribution of Suspended Members –
CCAC & WRHA and Separate Branches
by Age Group as at January 1, 2015**

Age	CCAC & WRHA members		Members from the Separate Branches and Acclaim	
	Number	Average Annual Pension	Number	Average Annual Pension
30 – 34			2	*
35 – 39	2	*	3	\$1,466
40 – 44	15	\$1,799	3	\$4,156
45 – 49	34	\$2,600	3	\$260
50 – 54	47	\$4,399	12	\$4,814
55 – 59	49	\$4,821	17	\$3,248
60 – 64	52	\$5,168	15	\$2,772
65 +	6	\$4,652	6	\$707
Total	205	\$4,179	61	\$2,897

Distribution of Pensioners and Deferred Pensioners by Age Group as at January 1, 2015

Age	Deferred Pensioners		Pensioners and Survivors	
	Number	Average Annual Pension	Number	Average Annual Pension
30 – 34	8	\$1,556		
35 – 39	18	\$2,341		
40 – 44	46	\$2,254		
45 – 49	68	\$2,733		
50 – 54	91	\$3,104	11	\$4,141
55 – 59	128	\$4,541	43	\$6,173
60 – 64	29	\$3,500	345	\$8,308
65 – 69	4	\$5,160	599	\$6,624
70 – 74	1	*	509	\$6,313
75 – 79			290	\$6,037
80 – 84			165	\$6,225
85 +			119	\$6,074
Total	393²³	\$3,388	2,081	\$6,660

*Cells with fewer than 3 members have been suppressed in order to preserve confidentiality.

²³ The liability for the remaining deferred pensioners is based on commuted values calculated by the plan administrator and totals \$850,953.

APPENDIX F

Summary of Plan Provisions

This valuation is based on the plan provisions in effect on June 1, 2015. Since the previous valuation, the Plan has been amended to reflect certain housekeeping changes and to reflect recent legislative changes.

The following is a summary of the main provisions of the Plan in effect on June 1, 2015. This summary is not intended as a complete description of the Plan.

Eligibility for Membership

Every full-time employee may voluntarily become a member of the Plan after six months of continuous employment with VON Canada. If the employee does not then join, he or she will be required to join after completing 12 months of continuous employment. Part-time employees may voluntarily become members of the Plan after twenty-four months of continuous employment. If the part-time employee elects not to join when first eligible, the employee may not join at a later date unless he or she meets the provincial minimum eligibility requirements.

Eligibility conditions differ slightly for employees residing in Manitoba and Québec.

Contributions

Members are required to contribute 7.0% of annualized pensionable earnings up to the YMPE, plus 9.75% of annualized pensionable earnings in excess of the YMPE multiplied by the ratio of the member's pensionable earnings to the member's annualized pensionable earnings.

The interest credited on employee contributions returned on death or termination of employment is based on the yields of five-year personal fixed term chartered bank deposit rates taken over a twelve-month period. Effective January 1, 2001 the interest credited on member contributions in Québec is the fund rate of return net of investment expenses.

Retirement Dates

Normal Retirement Date

The normal retirement date is the first day of the month coincident with or next following the member's 60th birthday.

Early Retirement Date

The member may choose to retire as early as age 50.

Postponed Retirement Date

An active member may postpone retirement beyond the normal retirement date up to the end of the year of his 71st birthday.

Retirement Benefits

Normal Retirement

If a member retires on the normal retirement date, the member will be entitled to the sum of:

For years prior to January 1, 2006

- (1) 1.5% of the best consecutive five-year average earnings in the last 15 years up to the five-year average YMPE
PLUS
- (2) 2% of the best consecutive five-year average earnings in the last 15 years in excess of the five-year average YMPE
MULTIPLIED by credited service prior to January 1, 2006;

For years after December 31, 2005

- (1) 1.0% of the best consecutive five-year average earnings in the last 15 years up to the five-year average YMPE
PLUS
- (2) 1.33% of the best consecutive five-year average earnings in the last 15 years in excess of the five-year average YMPE
MULTIPLIED by credited service after December 31, 2005.

For suspended members, average earnings were frozen when the member's employer stopped being authorized to carry on the objects of the VON in 2006. The same is true as of October 15, 2006 for former Aberdeen employees with an entitlement for service up to October 15, 2006.

Early Retirement Pension

If a member retires early from active employment, the member will be entitled to a pension that is calculated the same way as for a normal retirement. The basic pension payable, however, will be reduced by 1/2 of 1% for each month the member's early retirement date precedes the member's normal retirement date. This reduction factor is 1/4 of 1% instead of 1/2 of 1% for the following grandfathered members:

- (a) the member is age 50 or more on January 1, 2006; or
- (b) the member is between age 49 and 9 months and age 50 and has completed at least 10 years of pensionable service on January 1, 2006.

Postponed Retirement Pension

The postponed retirement benefit is equal to the normal retirement benefit calculated using service and average earnings at the actual date of retirement. For Québec members, if greater, the postponed retirement benefit is equal to the actuarial equivalent of the benefit accrued as of the member's normal retirement date plus the actuarial equivalent pension of the members' contributions made following the normal retirement date, plus interest.

Maximum Pension

The total annual pension payable from the plan upon retirement, death or termination of employment cannot exceed the lesser of:

- 2% of the average of the best three consecutive years of total compensation paid to the member by the employer, multiplied by total credited service; and
- the maximum pension amount permitted under the Income Tax Act (\$2,818.89 in 2015 indexed in the future in accordance with general increases in the average wage), multiplied by total credited service.

Survivor Benefits

Death Before Retirement

Upon the death of a member prior to retirement, the surviving spouse, beneficiary or estate shall receive a lump sum equal to the sum of:

- the commuted value of benefits accrued after December 31, 1986, and
- the member's contributions made before January 1, 1987, with interest.

(Benefits differ slightly for employees in some provinces due to minimum provincial requirements.)

Death After Retirement

The normal form of pension is a life annuity, guaranteed five years. Optional forms of pension are available on an actuarial equivalent basis. If a member has a spouse at retirement, an actuarial equivalent optional form of pension must be chosen that provides a continuing pension to the surviving spouse that, upon the member's death, is at least 60% of the pension payable to the member.

Termination Benefits

A member who terminates employment prior to retirement is entitled to her accrued pension payable at her normal retirement date. (Benefits differ slightly for employees in some provinces due to minimum provincial requirements). The member may also transfer the commuted value of that pension into another retirement vehicle prior to age 55.

A terminated member who elects a deferred pension may commence her retirement benefit as early as age 50. The benefit upon early retirement is equal to the normal retirement benefit reduced by 1/2 of 1% for each month by which retirement precedes the member's normal retirement date.

Ad-hoc Indexation

At its discretion, VON Canada may increase pensions in payment. The last ad hoc pension increase was effective January 1, 2003.

WRHA

If a member has transferred from VON Canada to the Winnipeg Regional Health Authority (WRHA) as part of the restructuring of healthcare on February 15, 2001, the final average earnings and the final average YMPE will increase by the increase in the wage index between the date of the transfer and the date the member is no longer an employee of WRHA.

APPENDIX G

VON Canada

This Appendix provides information with respect to the VON Canada employees and former employees who are members of the Plan as of June 1, 2015.

Financial Position – Hypothetical Wind-Up Basis

The hypothetical wind-up financial position of the portion of the Plan in respect of VON Canada employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$366,784,000	\$280,200,000
Termination expense provision	(\$918,000)	(\$849,000)
Wind-up assets	\$365,866,000	\$279,351,000
Present value of accrued benefits for:		
• active members	\$ 157,165,000	\$127,287,000
• pensioners and survivors	\$187,918,000	\$155,791,000
• deferred pensioners	\$21,155,000	\$18,900,000
• suspended members (CCAC & WRHA)	\$ 15,044,000	\$15,046,000
Total wind-up liability	\$381,282,000	\$317,024,000
Wind-up excess (shortfall)	(\$15,416,000)	(\$37,673,000)

For purposes of the above table, the share of the Plan's assets attributed to VON Canada as of the valuation date was derived from the market value of assets of the Plan, net of Acclaim's assets as determined in Appendix H and allocated between VON Canada and each of the Separate Branches, proportionately to wind-up liabilities as of the valuation date for the respective employees and former employees of each employer.

The assets attributed to VON Canada as of June 1, 2015 for purposes of the hypothetical wind-up position, were calculated as follows:

Market value of Plan assets as of June 1, 2015	\$379,563,000
LESS	
Contributions exceeding minimum required (PYCB) for VON Canada and the Separate Branches	\$1,591,000
LESS	
Assets attributed to Acclaim as at June 1, 2015 (see Appendix H)	\$10,484,000
Market value of assets net of assets attributed to Acclaim and PYCB (1)	\$367,488,000
Total liabilities on a wind-up basis net of Acclaim (2)	\$383,650,000
VON Canada' wind-up liabilities (3)	\$381,282,000
Proportion of wind-up liabilities for VON Canada as of June 1, 2015 (4) = [(3) ÷ (2)]	99.3828%
Assets attributed to VON Canada as of June 1, 2015, before PYCB [(4) X (1)]	\$365,220,000
Plus	
Contributions from VON Canada exceeding minimum required (VON Canada's PYCB)	\$1,564,000
Assets attributed to VON Canada as of June 1, 2015	\$366,784,000

A share of the termination expense provision on a wind-up basis as of June 1, 2015 of \$918,000 was also attributed to VON Canada. This share is equal to the ratio of the assets allocated to VON Canada to the total Plan assets (\$366,784,000 divided by \$379,563,000) multiplied by the hypothetical wind-up termination expense provision of \$950,000 as of June 1, 2015.

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Financial Position – Solvency Basis

The solvency position of the portion of the Plan in respect of VON Canada employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$366,784,000	\$280,200,000
Termination expense provision	(\$918,000)	(\$849,000)
Net assets	\$365,866,000	\$279,351,000
Total hypothetical wind-up liabilities		
Value of excluded benefits	(\$779,000)	(\$786,000)
Liabilities on a solvency basis	\$380,503,000	\$316,238,000
Prior Year Credit Balance	\$1,564,000	\$4,433,000
Liability smoothing adjustment	\$0	\$0
Asset smoothing adjustment	\$0	\$0
Surplus (shortfall) on a solvency basis	(\$16,201,000)	(\$41,320,000)

Financial Position – Going Concern Basis

The going concern position of the portion of the Plan in respect of VON Canada employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$366,784,000	\$280,200,000
Asset smoothing adjustment	(\$36,678,000)	(\$11,202,000)
Smoothed value of assets	\$330,106,000	\$268,998,000
Going concern funding target		
• active members	\$107,361,000	\$96,535,000
• pensioners and survivors	\$152,733,000	\$137,571,000
• deferred pensioners	\$14,426,000	\$14,396,000
• suspended members (CCAC & WRHA)	\$9,334,000	\$10,515,000
Total	\$283,854,000	\$259,017,000
Funding excess (shortfall)	\$46,252,000	\$9,981,000
Prior Year Credit Balance	\$1,564,000	\$4,433,000
Net position	\$44,688,000	\$5,548,000

Funding Requirements

All active members of the Plan are employees of VON Canada. As such, VON Canada makes 100% of the employer current service cost contributions.

Special payments are payable by VON Canada, Acclaim and the Separate Branches in respect of their respective employees and former employees who are members of the Plan. For this purpose, all schedules of special payments required for the Plan are sub-divided between the participating employers based on the proportion of the Plan's solvency deficit attributable to each employer, as presented in appendices G to K of this report.

As a result of the above, VON Canada's estimated minimum monthly contributions are as follows:

Year beginning	Estimated monthly employer's contributions				
	Current service cost	Minimum special payments	Employer contributions from PYCB	Total employer contributions	Estimated employee contributions
June 1, 2015	\$171,917	\$248,671	\$0	\$683,500	\$683,500
June 1, 2016	\$173,636	\$248,671	\$0	\$690,335	\$690,335
June 1, 2017	\$177,109	\$248,671	\$0	\$704,142	\$704,142

The estimated contribution amounts above are based on members' projected pensionable earnings and required contributions. Therefore, the actual employer's current service cost will be different from the above estimates and, as such, the contribution requirements should be monitored closely to ensure contributions are made in accordance with the Act.

VON Canada is permitted to fully fund its portion of the hypothetical wind-up shortfall of \$15,269,000. For this purpose, the shortfall can be increased with interest at 2.44% per year from the valuation date to the date the payment is made, and must be reduced by the amount of any deficit funding made from the valuation date to the date the payment is made.

Special Payments Schedule

The expected future minimum special payments attributable to VON Canada are as follows:

Start date	End date	Minimum Monthly Special Payments
June 1, 2015	Dec. 31, 2020	\$248,671
Jan. 1, 2021	Dec. 31, 2022	\$28,924

Prior Year Credit Balance

VON Canada, as one of the participating employers in the VON Plan, contributed less than the minimum required contributions as determined in accordance with the January 1, 2014 valuation report. The difference has reduced the Prior Year Credit Balance available as of June 1, 2015. The VON Canada Prior Year Credit Balance can be reconciled as follows:

Prior Year Credit Balance at January 1, 2014	\$4,433,000	(a)
Actual VON Canada contributions	\$10,168,000	(b)
Required VON Canada contributions	\$13,037,000	(c)
Prior Year Credit Balance at June 1, 2015	\$1,564,000	(d) = (a) + (b) - (c)

The amount of Prior Year Credit Balance may be used at the discretion of VON Canada to make the minimum monthly contributions identified above.

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VON Canada Membership Data

All of the active members of the Plan are employees of VON Canada and all of the CCAC & WRHA suspended members are the responsibility of VON Canada. The distribution of VON Canada inactive plan members is presented in the following table:

**Distribution of Inactive Members by Age Group
as at January 1, 2015**

Age	Deferred Pensioners		Pensioners and Survivors	
	Number	Average Annual Lifetime Pension	Number	Average Annual Lifetime Pension ²⁴
< 25				
25 - 29				
30 - 34	8	\$1,556		
35 - 39	18	\$2,341		
40 - 44	43	\$2,288		
45 - 49	64	\$2,798		
50 - 54	87	\$3,165	11	\$4,141
55 - 59	122	\$4,602	43	\$6,173
60 - 64	26	\$3,853	332	\$8,405
65 - 69	3	\$864	567	\$6,527
70 - 74	1	*	482	\$6,340
75 - 79			275	\$6,150
80 - 85			155	\$6,412
>85			110	\$6,324
Total	372²⁵	\$3,423	1,975	\$6,703

* For confidentiality reasons, pensions are not shown for cells with just one member.

²⁴ In addition to the annual lifetime pension, 77 pensioners are receiving an annual temporary pension equal to \$6,431 on average.

²⁵ 567 deferred pensioners were valued. The liability for the other 195 members is based on commuted values calculated by the plan administrator and totals \$823,853.

APPENDIX H

Separate Branches – Acclaim Health

This Appendix provides information with respect to the Acclaim Health (Acclaim) employees and former employees who are members of the Plan as of June 1, 2015.

Financial Position – Hypothetical Wind-Up Basis

The hypothetical wind-up financial position of the portion of the Plan in respect of Acclaim employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$10,484,000	\$8,227,000
Termination expense provision	(\$26,000)	(\$25,000)
Wind-up assets	\$10,458,000	\$8,202,000
Present value of accrued benefits for:		
• suspended members	\$2,299,000	\$2,250,000
• pensioners and survivors	\$7,282,000	\$6,342,000
• deferred pensioners	\$651,000	\$486,000
Total wind-up liability	\$10,232,000	\$9,078,000
Wind-up excess (shortfall)	\$226,000	(\$876,000)

In accordance with the Pension Transfer Agreement effective January 1, 2011 between the Plan and the Acclaim Pension Plan, the assets attributable to Acclaim as at June 1, 2015 and the reconciliation of this asset value with the value as at January 1, 2014 is as follows:

Assets attributable to Acclaim as at January 1, 2014 before expenses	\$8,227,181
Employer solvency special payments (January 1, 2014 to June 1, 2015)	\$359,826
Benefit payments to Acclaim members (January 1, 2014 to June 1, 2015)	(\$703,961)
Investment income net of fees (January 1, 2014 to June 1, 2015)	\$2,600,566
Assets attributable to Acclaim as at June 1, 2015 before expenses	\$10,483,612

A share of the termination expense provision on a wind-up basis as of June 1, 2015 of \$26,000 was also attributed to Acclaim. This share is equal to the ratio of the assets allocated to Acclaim to the total Plan assets (\$10,484,000 divided by \$379,563,000) multiplied by the hypothetical wind-up termination expense provision of \$950,000 as of June 1, 2015.

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Financial Position – Solvency Basis

The solvency position of the portion of the Plan in respect of Acclaim employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$10,484,000	\$8,227,000
Termination expense provision	(\$26,000)	(\$25,000)
Net assets	\$10,458,000	\$8,202,000
Total hypothetical wind-up liabilities		
Value of excluded benefits	\$0	\$0
Liabilities on a solvency basis	\$10,232,000	\$9,078,000
Prior Year Credit Balance	\$189,000	\$97,000
Liability smoothing adjustment	\$0	\$0
Asset smoothing adjustment	\$0	\$0
Surplus (shortfall) on a solvency basis	\$37,000	(\$973,000)

Financial Position - Going Concern Basis

The going concern position of the portion of the Plan in respect of Acclaim employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$10,484,000	\$8,227,000
Asset smoothing adjustment	(\$1,048,000)	(\$329,000)
Smoothed value of assets	\$9,436,000	\$7,898,000
Going concern funding target		
• suspended members	\$1,466,000	\$1,575,000
• pensioners and survivors	\$5,911,000	\$5,575,000
• deferred pensioners	\$441,000	\$366,000
Total	\$7,818,000	\$7,516,000
Funding excess (shortfall)	\$1,618,000	\$382,000
Prior Year Credit Balance	\$189,000	\$97,000
Net position	\$1,429,000	\$285,000

Funding Requirements

All active members of the Plan are employees of VON Canada. As such, VON Canada makes 100% of the employer current service cost contributions.

Special payments are payable by VON Canada, Acclaim and the Separate Branches in respect of their respective employees and former employees who are members of the Plan. For this purpose, all schedules of special payments required for the Plan are sub-divided between the participating employers based on the proportion of the Plan's solvency deficit attributable to each employer, as presented in appendices G to K of this report.

As Acclaim does not have a solvency shortfall, solvency special payments revealed in the previous valuation are no longer required.

Acclaim is not allowed to make any contributions to the Plan until the next valuation.

Prior Year Credit Balance

Acclaim, as one of the participating employers in the VON Plan, contributed more than the minimum required contributions as determined in accordance with the January 1, 2014 valuation report. The difference has increased the Prior Year Credit Balance available as of June 1, 2015. The Acclaim Prior Year Credit Balance can be reconciled as follows:

Prior Year Credit Balance at January 1, 2014	\$97,000	(a)
Actual Acclaim contributions	\$359,000	(b)
Required Acclaim contributions	\$267,000	(c)
Prior Year Credit Balance at June 1, 2015	\$189,000	(d) = (a) + (b) - (c)

The amount of Prior Year Credit Balance will be included in the amount of assets transferred from the VON Plan to the Acclaim plan later in 2015.

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Acclaim Membership Data

The distribution of Acclaim plan members by group is presented in the following tables:

**Distribution of Suspended members
by Age Group as at January 1, 2015**

Age	Number	Average Annual Lifetime Pension
<35	2	\$118
35 to 39	3	\$1,466
40 to 44	3	\$4,156
45 to 49	3	\$260
50 to 54	9	\$4,046
55 to 59	12	\$3,530
60 to 64	12	\$3,212
>65	5	\$706
Total	49	\$2,831

**Distribution of Inactive Members by Age Group
as at January 1, 2015**

Age	Deferred Pensioners		Pensioners and Survivors	
	Number	Average Annual Lifetime Pension	Number	Average Annual Lifetime Pension ²⁶
<40				
40 - 44	3	\$1,768		
45 - 49	4	\$1,686		
50 - 54	3	\$2,129		
55 - 59	6	\$3,295		
60 - 64	3	\$439	11	\$6,415
65 - 69			27	\$9,279
70 - 74			18	\$6,158
75 - 79			7	\$5,141
80 - 85			5	\$3,988
>85			4	\$1,480
Total	19²⁷	\$2,080	72	\$6,858

²⁶ In addition to the annual lifetime pension, 1 pensioner is receiving an annual temporary pension equal to \$6,618.

²⁷ 27 deferred pensioners were valued. The liability for the other 8 members is based on commuted values calculated by the plan administrator and totals \$11,175.

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APPENDIX I

Separate Branches – Nova Montreal

This Appendix provides information with respect to the Nova Montreal employees and former employees who are members of the Plan as of June 1, 2015.

Financial Position – Hypothetical Wind-Up Basis

The hypothetical wind-up financial position of the portion of the Plan in respect of Nova Montreal employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$474,000	\$421,000
Termination expense provision	(\$1,000)	(\$1,000)
Wind-up assets	\$473,000	\$420,000
Present value of accrued benefits for:		
• suspended members	\$4,000	\$3,000
• pensioners and survivors	\$464,000	\$457,000
• deferred pensioners	\$0	\$0
Total wind-up liability	\$468,000	\$460,000
Wind-up excess (shortfall)	\$5,000	(\$40,000)

For purposes of the above table, the share of the Plan's assets attributed to Nova Montreal as of the valuation date was derived from the market value of assets of the Plan, net of Acclaim's assets as determined in Appendix H, and allocated between VON Canada and each of the Separate Branches, proportionately to wind-up liabilities as of the valuation date for the respective employees and former employees of each employer.

The assets attributed to Nova Montreal as of June 1, 2015 for purposes of the hypothetical wind-up position, were calculated as follows:

Market value of Plan assets as of June 1, 2015	\$379,563,000
LESS	
Contributions exceeding minimum required (PYCB) for VON Canada and the Separate Branches	\$1,591,000
LESS	
Assets attributed to Acclaim as at June 1, 2015 (see Appendix H)	\$10,484,000
Market value of assets net of assets attributed to Acclaim and PYCB (1)	\$367,488,000
Total liabilities on a wind-up basis net of Acclaim (2)	\$383,650,000
Nova Montreal's wind-up liabilities (3)	\$468,000
Proportion of wind-up liabilities for Nova Montreal as of June 1, 2015 (4) = [(3) ÷ (2)]	0.1220%
Assets attributed to Nova Montreal as of June 1, 2015, before PYCB [(4) X (1)]	\$449,000
Plus	
Contributions from Nova Montreal exceeding minimum required (Nova Montreal's PYCB)	\$25,000
Assets attributed to Nova Montreal as of June 1, 2015	\$474,000

A share of the termination expense provision on a wind-up basis as of June 1, 2015 of \$1,000 was also attributed to Nova Montreal. This share is equal to the ratio of the assets allocated to Nova Montreal to the total Plan assets (\$474,000 divided by \$379,563,000) multiplied by the hypothetical wind-up termination expense provision of \$950,000 as of June 1, 2015.

Financial Position – Solvency Basis

The solvency position of the portion of the Plan in respect of Nova Montreal employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$474,000	\$421,000
Termination expense provision	(\$1,000)	(\$1,000)
Net assets	\$473,000	\$420,000
Total hypothetical wind-up liabilities		
Value of excluded benefits	\$0	\$0
Liabilities on a solvency basis	\$468,000	\$460,000
Prior Year Credit Balance	\$25,000	\$21,000
Liability smoothing adjustment	\$0	\$0
Asset smoothing adjustment	\$0	\$0
Surplus (shortfall) on a solvency basis	(\$20,000)	(\$61,000)

Financial Position – Going Concern Basis

The going concern position of the portion of the Plan in respect of Nova Montreal employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$474,000	\$421,000
Asset smoothing adjustment	(\$47,000)	(\$17,000)
Smoothed value of assets	\$427,000	\$404,000
Going concern funding target		
• suspended members	\$3,000	\$3,000
• pensioners and survivors	\$389,000	\$411,000
• deferred pensioners	\$0	\$0
Total	\$392,000	\$414,000
Funding excess (shortfall)	\$35,000	(\$10,000)
Prior Year Credit Balance	\$25,000	\$21,000
Net position	\$10,000	(\$31,000)

Funding Requirements

All active members of the Plan are employees of VON Canada. As such, VON Canada makes 100% of the employer current service cost contributions.

Special payments are payable by VON Canada, Acclaim and the Separate Branches in respect of their respective employees and former employees who are members of the Plan. For this purpose, all schedules of special payments required for the Plan are sub-divided between the participating employers based on the proportion of the Plan's solvency deficit attributable to each employer, as presented in appendices G to K of this report.

As Nova Montreal does not have a shortfall on a hypothetical wind-up basis, solvency payments revealed in the previous valuation are no longer allowed. However, Nova Montreal must still contribute an additional payment of \$1,030 per month until September 2016 to the VON pension fund to support the payment of the balance of commuted values to three former members paid out in 2011.

Prior Year Credit Balance

Nova Montreal, as one of the participating employers in the VON Plan, contributed more than the minimum required contributions as determined in accordance with the January 1, 2014 valuation report. The difference has increased the Prior Year Credit Balance available as of June 1, 2015. The Nova Montreal Prior Year Credit Balance can be reconciled as follows:

Prior Year Credit Balance at January 1, 2014	\$21,000	(a)
Actual Nova Montreal contributions	\$18,000	(b)
Required Nova Montreal contributions	\$14,000	(c)
Prior Year Credit Balance at June 1, 2015	\$25,000	(d) = (a) + (b) - (c)

The amount of Prior Year Credit Balance may be used at the discretion of Nova Montreal to make the minimum monthly contributions identified above.

Nova Montreal Membership Data

The distribution of Nova Montreal plan members by group is presented in the following tables:

Distribution of Suspended members by Age Group as at January 1, 2015

Number	Average Annual Lifetime Pension
1	*

Distribution of Inactive Members by Age Group as at January 1, 2015

Age	Deferred Pensioners		Pensioners and Survivors	
	Number	Average Annual Lifetime Pension	Number	Average Annual Lifetime Pension
60 - 64			1	*
65 - 69			3	\$2,841
70 - 74			5	\$3,876
75 - 79			2	\$2,590
> 80				
Total:			11	\$3,178

* For confidentiality reasons, pensions are not shown for cells with just one member.

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APPENDIX J

Separate Branches – Nova West Island

This Appendix provides information with respect to the Nova West Island employees and former employees who are members of the Plan as of June 1, 2015.

Financial Position – Hypothetical Wind-Up Basis

The hypothetical wind-up financial position of the portion of the Plan in respect of Nova West Island employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$994,000	\$755,000
Termination expense provision	(\$3,000)	(\$2,000)
Wind-up assets	\$991,000	\$753,000
Present value of accrued benefits for:		
• suspended members	\$212,000	\$354,000
• pensioners and survivors	\$523,000	\$486,000
• deferred pensioners	\$301,000	\$20,000
Total wind-up liability	\$1,036,000	\$860,000
Wind-up excess (shortfall)	(\$45,000)	(\$107,000)

For purposes of the above table, the share of the Plan's assets attributed to Nova West Island as of the valuation date was derived from the market value of assets of the Plan, net of Acclaim's assets as determined in Appendix H, and allocated between VON Canada and each of the Separate Branches, proportionately to wind-up liabilities as of the valuation date for the respective employees and former employees of each employer.

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The assets attributed to Nova West Island as of June 1, 2015 for purposes of the hypothetical wind-up position, were calculated as follows:

Market value of Plan assets as of June 1, 2015	\$379,563,000
LESS	
Contributions exceeding minimum required (PYCB) for VON Canada and the Separate Branches	\$1,591,000
LESS	
Assets attributed to Acclaim as at June 1, 2015 (see Appendix H)	\$10,484,000
Market value of assets net of assets attributed to Acclaim and PYCB (1)	\$367,488,000
Total liabilities on a wind-up basis net of Acclaim (2)	\$383,650,000
Nova West Island's wind-up liabilities (3)	\$1,036,000
Proportion of wind-up liabilities for Nova West Island as of June 1, 2015 (4) = [(3) ÷ (2)]	0.2700%
Assets attributed to Nova West Island as of June 1, 2015, before PYCB [(4) X (1)]	\$992,000
Plus	
Contributions from Nova West Island exceeding minimum required (Nova West Island's PYCB)	\$2,000
Assets attributed to Nova West Island as of June 1, 2015	\$994,000

A share of the termination expense provision on a wind-up basis as of June 1, 2015 of \$3,000 was also attributed to Nova West Island. This share is equal to the ratio of the assets allocated to Nova West Island to the total Plan assets (\$994,000 divided by \$379,563,000) multiplied by the hypothetical wind-up's termination expense provision of \$950,000 as of June 1, 2015.

Financial Position – Solvency Basis

The solvency position of the portion of the Plan in respect of Nova West Island employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$994,000	\$755,000
Termination expense provision	(\$3,000)	(\$2,000)
Net assets	\$991,000	\$753,000
Total hypothetical wind-up liabilities		
Value of excluded benefits	\$0	\$0
Liabilities on a solvency basis	\$1,036,000	\$860,000
Prior Year Credit Balance	\$2,000	\$7,000
Liability smoothing adjustment	\$0	\$0
Asset smoothing adjustment	\$0	\$0
Surplus (shortfall) on a solvency basis	(\$47,000)	(\$114,000)

Financial Position – Going Concern Basis

The going concern position of the portion of the Plan in respect of Nova West Island employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$994,000	\$755,000
Asset smoothing adjustment	(\$100,000)	(\$30,000)
Smoothed value of assets	\$894,000	\$725,000
Going concern funding target		
• suspended members	\$132,000	\$269,000
• pensioners and survivors	\$431,000	\$430,000
• deferred pensioners	\$242,000	\$17,000
Total	\$805,000	\$716,000
Funding excess (shortfall)	\$89,000	\$9,000
Prior Year Credit Balance	\$2,000	\$7,000
Net position	\$87,000	\$2,000

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Funding Requirements

All active members of the Plan are employees of VON Canada. As such, VON Canada makes 100% of the employer current service cost contributions.

Special payments are payable by VON Canada, Acclaim and the Separate Branches in respect of their respective employees and former employees who are members of the Plan. For this purpose, all schedules of special payments required for the Plan are sub-divided between the participating employers based on the proportion of the Plan's solvency deficit attributable to each employer, as presented in appendices G to K of this report.

As a result of the above, Nova West Island's minimum monthly contributions for the year beginning June 1, 2015 with respect to its share of the Plan's funding deficit as of June 1, 2015, is \$733.

Nova West Island is permitted to fully fund its applicable portion of the hypothetical wind-up shortfall of \$15,269,000. For this purpose, the shortfall can be increased with interest at 2.44% per year from the valuation date to the date the payment is made, and must be reduced by the amount of any deficit funding made from the valuation date to the date the payment is made.

Special Payments Schedule

The expected future minimum special payments attributable to Nova West Island are as follows:

Start date	End date	Minimum Monthly Special Payments
June 1, 2015	Dec. 31, 2020	\$733
Jan. 1, 2021	Dec. 31, 2022	\$32

Prior Year Credit Balance

Nova West Island, as one of the participating employers to the VON Plan, contributed less than the minimum required contributions as determined in accordance with the January 1, 2014 valuation report. The difference has reduced the Prior Year Credit Balance available as of June 1, 2015. The Nova West Island Prior Year Credit Balance can be reconciled as follows:

Prior Year Credit Balance at January 1, 2014	\$7,000	(a)
Actual Nova West Island contributions	\$26,000	(b)
Required Nova West Island contributions	\$31,000	(c)
Prior Year Credit Balance at June 1, 2015	\$2,000	(d) = (a) + (b) - (c)

The amount of Prior Year Credit Balance may be used at the discretion of Nova West Island to make the minimum monthly contributions identified above.

Nova West Island Membership Data

The distribution of Nova West Island plan members by group is presented in the following tables:

Distribution of Suspended members by Age Group as at January 1, 2015

Age	Number	Average Annual Lifetime Pension
45 to 49		
50 to 54	1	*
55 to 59	2	\$1,828
60 to 64	1	*
Total	4	\$3,463

Distribution of Inactive Members by Age Group as at January 1, 2015

Age	Deferred Pensioners		Pensioners and Survivors	
	Number	Average Annual Lifetime Pension	Number	Average Annual Lifetime Pension
55 - 59				
60 - 64			1	*
65 - 69	1	*	2	\$4,003
70 - 74			3	\$5,112
75 - 79			2	\$4,672
> 80			1	*
Total:	1	*	9	\$4,201

* For confidentiality reasons, pensions are not shown for cells with just one member.

APPENDIX K

Separate Branches – Health and Home Care Society of BC

This Appendix provides information with respect to Health and Home Care Society of BC (HHCSBC) employees and former employees who are members of the Plan as of June 1, 2015.

Financial Position – Hypothetical Wind-Up Basis

The hypothetical wind-up financial position of the portion of the Plan in respect of HHCSBC employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$827,000	\$677,000
Termination expense provision	(\$2,000)	(\$2,000)
Wind-up assets	\$825,000	\$675,000
Present value of accrued benefits for:		
• suspended members	\$400,000	\$326,000
• pensioners and survivors	\$436,000	\$426,000
• deferred pensioners	\$28,000	\$25,000
Total wind-up liability	\$864,000	\$777,000
Wind-up excess (shortfall)	(\$39,000)	(\$102,000)

For purposes of the above table, the share of the Plan's assets attributed to HHCSBC as of the valuation date was derived from the market value of assets of the Plan, net of Acclaim's assets as determined in Appendix H, and allocated between VON Canada and each of the Separate Branches, proportionately to wind-up liabilities as of the valuation date for the respective employees and former employees of each employer.

The assets attributed to HHCSBC as of June 1, 2015 for purposes of the hypothetical wind-up position, were calculated as follows:

Market value of Plan assets as of January 1, 2015	\$379,563,000
LESS	
Contributions exceeding minimum required (PYCB) for VON Canada and the Separate Branches	\$1,591,000
LESS	
Assets attributed to Acclaim as at June 1, 2015 (see Appendix H)	\$10,484,000
Market value of assets net of assets attributed to Acclaim and PYCB (1)	\$367,488,000
Total liabilities on a wind-up basis net of Acclaim (2)	\$383,650,000
HHCSBC's wind-up liabilities (3)	\$864,000
Proportion of wind-up liabilities for HHCSBC as of June 1, 2015 (4) = [(3) ÷ (2)]	0.2252%
Assets attributed to HHCSBC as of June 1, 2015, before PYCB [(4) X (1)]	\$827,000
Plus	
Contributions from HHCSBC exceeding minimum required (HHCSBC's PYCB)	\$0
Assets attributed to HHCSBC as of June 1, 2015	\$827,000

A share of the termination expense provision on a wind-up basis as of June 1, 2015 of \$2,000 was also attributed to HHCSBC. This share is equal to the ratio of the assets allocated to HHCSBC to the total Plan assets (\$827,000 divided by \$379,563,000) multiplied by the hypothetical wind-up termination expense provision of \$950,000 as of June 1, 2015.

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Financial Position – Solvency Basis

The solvency position of the portion of the Plan in respect of HHCSBC employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$827,000	\$677,000
Termination expense provision	(\$2,000)	(\$2,000)
Net assets	\$825,000	\$675,000
Total hypothetical wind-up liabilities		
Value of excluded benefits	\$0	\$0
Liabilities on a solvency basis	\$864,000	\$777,000
Prior Year Credit Balance	\$0	\$1,000
Liability smoothing adjustment	\$0	\$0
Asset smoothing adjustment	\$0	\$0
Surplus (shortfall) on a solvency basis	(\$39,000)	(\$103,000)

Financial Position – Going Concern Basis

The going concern position of the portion of the Plan in respect of HHCSBC employees and former employees as of the valuation date, compared with that at the previous valuation, is as follows:

	June 1, 2015	January 1, 2014
Assets		
Market value of assets	\$827,000	\$677,000
Asset smoothing adjustment	(\$83,000)	(\$27,000)
Smoothed value of assets	\$744,000	\$650,000
Going concern funding target		
• suspended members	\$255,000	\$230,000
• pensioners and survivors	\$387,000	\$397,000
• deferred pensioners	\$24,000	\$23,000
Total	\$666,000	\$650,000
Funding excess (shortfall)	\$78,000	\$0
Prior Year Credit Balance	\$0	\$1,000
Net position	\$78,000	(\$1,000)

Funding Requirements

All active members of the Plan are employees of VON Canada. As such, VON Canada makes 100% of the employer current service cost contributions.

Special payments are payable by VON Canada, Acclaim and the Separate Branches in respect of their respective employees and former employees who are members of the Plan. For this purpose, all schedules of special payments required for the Plan are sub-divided between the participating employers based on the proportion of the Plan's solvency deficit attributable to each employer, as presented in appendices G to K of this report.

As a result of the above, HHCSBC's minimum monthly contributions for the year beginning June 1, 2015 with respect to its share of the Plan's funding deficit as of June 1, 2015, is \$590.

HHCSBC is permitted to fully fund its portion of the hypothetical wind-up shortfall of \$15,269,000. For this purpose, the shortfall can be increased with interest at 2.44% per year from the valuation date to the date the payment is made, and must be reduced by the amount of any deficit funding made from the valuation date to the date the payment is made.

Special Payments Schedule

The expected future minimum special payments attributable to HHCSBC are as follows:

Start date	End date	Minimum Monthly Special Payments
June 1, 2015	Dec. 31, 2020	\$590
Jan. 1, 2021	Dec. 31, 2022	\$65

Prior Year Credit Balance

HHCSBC, as one of the participating employers to the VON Plan, contributed less than the minimum required contributions as determined in accordance with the January 1, 2014 valuation report. The difference has decreased the Prior Year Credit Balance available as of June 1, 2015. The HHCSBC Prior Year Credit Balance can be reconciled as follows:

Prior Year Credit Balance at January 1, 2014	\$1,000	(a)
Actual HHCSBC contributions	\$26,000	(b)
Required HHCSBC contributions	\$27,000	(c)
Prior Year Credit Balance at June 1, 2015	\$0	(d) = (a) + (b) - (c)

HHCSBC Membership Data

The distribution of HHCSBC plan members by group is presented in the following tables:

Distribution of Suspended members by Age Group as at January 1, 2015

Age	Number	Average Annual Lifetime Pension
<50		
50 to 54	2	\$5,613
55 to 59	2	\$4,491
60 to 64	2	\$1,480
> 65	1	*
Total	7	\$3,411

Distribution of Inactive Members by Age Group as at January 1, 2015

Age	Deferred Pensioners		Pensioners and Survivors	
	Number	Average Annual Lifetime Pension	Number	Average Annual Lifetime Pension
<40				
45 - 49				
50 - 54	1	*		
55 - 59				
60 - 64				
65 - 69				
70 - 74			1	*
75 - 79			4	\$2,264
80 - 84			5	\$2,653
>85			4	\$4,910
Total	1 ²⁸	*	14	\$3,834

* For confidentiality reasons, pensions are not shown for cells with just one member.

²⁸ 7 deferred members were valued. The liability for the other 6 deferred members is based on commuted values calculated by the plan administrator and totals \$15,924.

APPENDIX L

Employer Certification

With respect to the Report on the Actuarial Valuation for Funding Purposes as at June 1, 2015, of the VON Canada Pension Plan, I hereby certify that, to the best of my knowledge and belief:

- The valuation reflects the terms of VON Canada's engagement with the actuary described in Section 2 of this report, particularly the requirement to include a margin of 0.0% in the discount rate used to perform the going concern valuation, and VON Canada's decisions in regards to determining the going-concern and solvency funding requirements.
- A copy of the official plan documents and of all amendments made up to June 1, 2015, were provided to the actuary.
- The asset information summarized in Appendix B is reflective of the plan's assets.
- The membership data provided to the actuary included a complete and accurate description of every person who is entitled to benefits under the terms of the Plan for service up to January 1, 2015.
- All events subsequent to June 1, 2015 that may have an impact on the Plan have been communicated to the actuary.

August 13 2015
Date

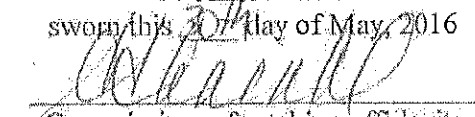
Susan Strelloff
Signed

Susan Strelloff
Name



Mercer (Canada) Limited
55 Metcalfe Street, Suite 550
Ottawa, Ontario K1P 6L5
613 230-9348

This is Exhibit "H" to the Affidavit of
Jo-Anne Poirier
sworn this 20th day of May, 2016


Commissioner for taking affidavits
E. SHAMBLUM
LSUC: 28647N



CANADA

Private and Confidential
Privileged

Chantal Laurin
Insolvency Coordinator, Pension Division
Financial Services Commission of Ontario
5160 Yonge Street,
Toronto ON M2N 6L9

February 18, 2016

Re: VON Canada Pension Plan: Implications of CCAA filing and Proposal for Pension Treatment

Dear Ms. Laurin:

We are writing to inform you of certain facts concerning the VON Canada Pension Plan (the "Plan"), and to propose how VON will proceed with administering and paying Plan members' benefits.

The organization referred to as the Victorian Order of Nurses is made up of five distinct corporate entities: the Victorian Order of Nurses for Canada ("VON Canada"), Victorian Order of Nurses for Canada – Ontario Branch ("VON Ontario"), Victorian Order of Nurses for Canada Nova Scotia Branch ("VON Nova Scotia"), Victorian Order of Nurses for Canada - Eastern Region ("VON East"), and Victorian Order of Nurses for Canada - Western Region ("VON West"). VON Canada is a participating employer and the sponsor and administrator of the Plan, while the other four entities are all participating employers in the Plan.

As you know, on November 25, 2015, VON Canada, VON East and VON West filed for protection under the Companies' Creditors Arrangement Act ("CCAA") in the Ontario Superior Court of Justice (Commercial List) in Toronto. VON Ontario and VON Nova Scotia are not part of the CCAA proceedings and are continuing their operation as usual. The operations of VON East and VON West were closed, resulting in the immediate termination of employment of all of those entities' employees. As well, some (but not all) of the employees of VON Canada were also terminated on November 25, 2015.

Details Concerning Active Members Affected by the November 25, 2015 Terminations

At the time that VON Canada commenced proceedings under CCAA, approximately 19% of its staff was terminated as part of the reorganization of its operations. Its remaining staff continues to earn benefits under the Plan and VON Canada continues to contribute to the Plan, in its normal manner.

At the time that VON East and VON West commenced proceedings under CCAA, the employment of 100% of their staff was terminated, and their operations were closed. These two entities have ceased contributing to the Plan; their last contributions were with respect to service up to November 25, 2015.

Each of the five entities is the sole employer of its employees. As such, each entity is responsible to contribute only in respect of its own employees and former employees – consistent with the decision of the Financial Services Tribunal dated July 3, 2009 (FST file No. P0303-2008).

Jurisdiction of Employment of Members terminated on November 25, 2015

Province	VON Canada	VON East	VON West
Ontario	21		
British Columbia			1
Alberta	1		21
Saskatchewan			1
Manitoba			9
New Brunswick	1	47	
Newfoundland		13	
Nova Scotia	12		
Prince Edward Island		2	
Total	35	62	32

We note that all affected members will be provided with the option of contributing to the Plan and accruing additional service related to the notice period under the applicable Employment Standards Act ("ESA"), to the extent that that legislation requires that treatment.

Possibility of Partial Wind-up

As Administrator, VON Canada considered whether a partial wind-up of the Plan should be declared. We propose that the Superintendent declare a partial wind-up with respect to all Plan members who were employed by VON East and VON West in provinces where partial wind ups are still permitted. A summary of the affected Plan membership as of November 25, 2015, is enclosed in Appendix.

Our detailed proposal, by group of affected plan members, is as follows:

1. VON Canada employees affected by the November 25, 2015 reorganization
 - Although VON Canada commenced proceedings under CCAA, it is still making its share of the required contributions to the Plan (going concern and solvency).
 - It is expected that VON Canada will continue in operation and will ultimately emerge from CCAA as an ongoing entity.
 - VON Canada employees affected by the November 25, 2015 event (including affected Ontario regulated employees) will be treated as regular terminations of employment, and we propose to pay them 100% of their Plan entitlement, as usual – subject to any applicable constraints as a result of s. 19 of Ontario Regulation 909 or any other similar provision of provincial pension legislation that may apply.
 - We propose to send option statements to these individuals as soon as possible – please let us know if FSCO has any concerns in that regard.

2. VON East and VON West members from provinces allowing partial wind-ups
 - We understand that a partial wind-up can be ordered by the regulator in Newfoundland, New Brunswick, Manitoba and Saskatchewan. As per the summary presented in the Appendix, these provinces cover approximately 84% of the Plan membership (active, deferreds and pensioners) of VON East and VON West.
 - To avoid further administrative burden and cost associated with multiple partial wind-ups, we propose that a single partial wind-up be declared for all former members of VON East and VON West who are employed in New Brunswick, Newfoundland, Saskatchewan or Manitoba.
 - PEI does not have any pension legislation in force. We propose to include the two affected PEI members in the partial wind-up group.



- As these entities will not emerge from CCAA as viable entities, all benefits held by the Plan for former employees of VON East and VON West, will be included in the partial wind up (i.e., members who were actively employed by VON East and VON West immediately before November 25 and deferred vested and retired members who previously earned benefits while employed by VON East or VON West would all be included in the partial wind-up).
 - VON East and VON West have contributed to the Plan for service up to November 25, 2015. To date, no further contributions have been made by VON East or VON West.
 - As none of VON Canada, VON Ontario and VON Nova Scotia were the employer of the former employees of VON East and VON West, none of those three entities are responsible for contributing VON East's and VON West's share of the Plan's solvency deficit. As such, all former employees of the Plan from VON East and VON West would ultimately be settled through annuity purchase or a commuted value transfer – reduced to reflect the funded portion of their Plan entitlement. The partial wind-up actuarial valuation report will identify the appropriate percentage to pay.
 - Unless required otherwise by the pension legislation of any of the provinces covering affected members, all of the partial wind up members would be paid the same proportion of their entitlement and be treated in the same manner.
 - The partial wind-up report would be filed with the Financial Services Commission of Ontario, the registration authority for the Plan.
 - The partial wind-up could be declared effective November 25, 2015 given that this is the date when affected members lost their employment, stopped accruing service under the Plan, and stopped contributing to the Plan. We recognize that a later date (to take into account any ESA notice period accruals) could also be chosen, although in the context of a partial wind up, an adjustment to the wind up date for that purpose is not always necessary.
 - Until an actuarial report identifies the wind-up ratio of the Plan, we propose to treat these members as follows:
 - Pensions in payment will initially continue at 100%. After the partial wind-up report is filed (and perhaps before that date), retirees' and survivors' pensions would be reduced both to reflect the estimated funded ratio of the Plan and to adjust for the overpayment made until then. A further adjustment will be made once benefits are being settled and available funds are more accurately determined.
 - Employees affected by the reorganization as well as suspended members and deferred members who are eligible to retire will be allowed to start receipt of their pension. However, their pension will be paid at the estimated wind up funded ratio. Any adjustments to this amount will be made at the same time as the final adjustment to the current pensioners.
 - For members included in the partial wind up, commuted values will not be paid out until the partial wind-up report is approved and annuities (reflecting reduced pensions) are purchased. The amount of the commuted values that can be transferred out will likewise be reduced.
3. VON East and VON West members from provinces not allowing partial wind-ups
- Given that, like in Ontario, partial wind-ups can no longer be declared under Alberta, British Columbia and Quebec pension legislation, we propose to treat employees of VON East and VON West in those provinces as regular terminations of employment, but to pay them only the funded portion of their entitlement based on the estimated wind-up funded ratio of their respective portion of the plan – i.e., by applying any applicable constraints of s. 19 of Ontario Regulation 909 or any other similar provision of the



applicable pension legislation. As VON East and VON West will not continue as viable entities there are no funds to pay for the difference between their share of the Plan assets and their members' entitlement.

- After the settlement of all benefits, should it turn out that additional Plan assets are available, an additional amount may be paid to the affected individuals.
- Annuities would be purchased for the Alberta, British Columbia and Quebec former employees of VON East and VON West at the same time that annuities are purchased for the partial wind up. The annuities would pay only the funded portion of their entitlement based on the estimated wind-up funded ratio.

Finally, we note that the former employees of VON Canada, VON East and VON West affected by the reorganization have not yet been provided a statement of their pension entitlement and payment options. As soon as we have FSCO's approval of the above approach, we will produce statements for affected employees of VON Canada and we will communicate appropriately to affected members from VON East and VON West who will be included in a partial wind up.

In addition to obtaining your response to our proposal we will also seek CCAA court approval of the proposed treatment outlined in this letter.

In these unfortunate circumstances, we believe that the above proposal is in the best interest of all parties concerned. We look forward to FSCO's response to this proposal and we would also be available for a meeting or conference call to discuss these matters. In the meantime, please do not hesitate to contact me should you require additional information.

Best Regards,



Jo-Anne Poirier, President and CEO
VON Canada

Copy to:
Pascal Berger, Mark Eagles, Mercer



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN
ORDER OF NURSES FOR CANADA

Court File No: CV-15-11192-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**AFFIDAVIT OF JO-ANNE POIRIER
(Sworn May 30, 2016)**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ●, THE ●
)
JUSTICE ●) DAY OF ●, 2016
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF VICTORIAN ORDER OF NURSES FOR CANADA, VICTORIAN ORDER OF
NURSES FOR CANADA – EASTERN REGION AND VICTORIAN ORDER OF
NURSES FOR CANADA – WESTERN REGION

Applicants

ORDER

(Re. Pension Plan)

THIS MOTION, made by Victorian Order Of Nurses For Canada ("**VON Canada**"), for an order authorizing and directing VON Canada, Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**") and Victorian Order Of Nurses For Canada – Western Region ("**VON West**", and together with VON East and VON Canada, the "**Applicants**") to proceed with the Pension Plan Restructuring, as defined in the Affidavit of Jo-Anne Poirier, sworn May ●, 2016 (the "**Poirier Affidavit**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Poirier Affidavit, the ● Report of Collins Barrow Toronto Limited, in its capacity as Monitor of the Applicants (in such capacity, the "**Monitor**"), and on hearing the submissions of counsel for the Applicants, the Monitor, and ●, no one else appearing although served as evidenced by the Affidavit of ● sworn ●, 2016, filed;

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Motion Record and the ● Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

PENSION PLAN RESTRUCTURING

2. THIS COURT ORDERS that the Applicants are hereby authorized and directed to commence immediately the Pension Plan Restructuring in accordance with the steps described in Schedule "A" hereto (the "**Pension Plan Restructuring Steps**"). Capitalized terms used in the Pension Plan Restructuring Steps that are not otherwise defined therein have the meanings given to them in the Poirier Affidavit.

3. THIS COURT ORDERS that the Applicants are hereby authorized and directed to perform their respective obligations under the Pension Plan Restructuring Steps and to do all things reasonably necessary to complete the Pension Plan Restructuring Steps and, with the consent of Collins Barrow Toronto Limited as court-appointed Monitor in the CCAA Proceedings, to make such modifications or additions to the Pension Plan Restructuring Steps and to take such additional steps and execute such documents as may be necessary or desirable for the completion of the Pension Plan Restructuring.

4. THIS COURT ORDERS that each of the Monitor, the directors and officers of the Applicants and the chief restructuring officer of VON Canada shall have no liability with respect to any losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the Applicants performing the Pension Plan Restructuring, including the Pension Plan Restructuring Steps, in accordance with the terms of this Order.

Schedule "A"

Pension Plan Restructuring Steps

The following are the Pension Plan Restructuring Steps pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) dated ●, 2016 (the "**Pension Plan Order**") in the Companies' Creditors Arrangement Act proceedings (the "**CCAA Proceedings**") of Victorian Order Of Nurses For Canada ("**VON Canada**"), Victorian Order Of Nurses For Canada – Eastern Region ("**VON East**") and Victorian Order Of Nurses For Canada – Western Region ("**VON West**").

VON Canada, VON East and VON West are authorized, with the consent of Collins Barrow Toronto Limited as court-appointed Monitor in the CCAA Proceedings, to make such modifications or additions to the Pension Plan Restructuring Steps and to take such additional steps and execute such documents as may be necessary or desirable to complete the Pension Plan Restructuring.

The Pension Plan Restructuring Steps are as follows:

- (a) Notice of the Pension Plan Restructuring will be communicated by VON Canada to Pension Plan members employed or formerly employed by VON Canada, VON East and VON West. Formal notice of partial wind-up will be sent by VON Canada to Pension Plan members who are employees or former employees of VON East and VON West in provinces where a partial wind-up is contemplated by applicable law and will be implemented. These notices will be sent within 45 days of the date of the Pension Plan Order.
- (b) A split of Pension Plan assets between the portion relating to VON East and VON West members and the portion relating to the other entities in the VON Group will be undertaken.
- (c) Assets attributable to VON East and VON West as of November 25, 2015 will be rolled forward, including their investment return and related cash flows following November 25, 2015 and the resulting asset value will be segregated and re-invested in a portfolio of fixed income securities. The Applicants will use reasonable efforts to complete this step within 90 days following the date of the Pension Plan Order.
- (d) Commuted values and estimated annuity purchase costs for VON East and VON West members if full funding was available will be calculated based upon applicable actuarial standards to determine the aggregate wind-up liability for VON East and VON West.

- (e) Calculation and reporting to applicable regulators of the partial wind-up ratio or analogous ratio in provinces where partial wind-ups are not provided for by the legislation will be completed in accordance with each applicable provincial regulator's requirement. The Applicants will use reasonable efforts to complete this step within 150 days of the date of the Pension Plan Order.
- (f) Approval of the partial wind-up report, or analogous reports in provinces where partial wind-ups are not provided for in the legislation, will be sought from the Superintendent of Financial Services in Ontario. The Applicants will use reasonable efforts to apply for such approval within 150 days of the date of the Pension Plan Order.
- (g) If the approval in Step (f) is obtained (the "**PPR Approval**"), statements of benefits and payment options will be prepared and distributed for all VON East and VON West Pension Plan members based upon a preliminary approximation of the percentage of benefits that will be paid. The Applicants will use reasonable efforts to complete this step within 60 days of the date of the PPR Approval.
- (h) VON East and VON West Pension Plan members who are not in receipt of pension payments or who have not yet elected to commence receipt of pension payments will have 90 days to choose between receiving an annuity from an insurance company or a lump sum commuted value as a result of the Pension Plan Restructuring. In the event that no election is made, the default approach will be to receive an annuity from an insurance company. In the case of VON East and VON West Pension Plan members that have retired, an annuity will be purchased from an insurance company.
- (i) The market will be canvassed by VON Canada to identify potential annuity providers. A list of potential annuity providers (the "**Bidders List**") that is representative of the market will be prepared by VON Canada. Bids will be solicited from the annuity providers on the Bidders List by VON Canada and the preferred provider will be selected by VON Canada to provide the annuities described in Step (h) above for VON East and VON West Pension Plan members. Selection will be made based upon the financial terms offered by the potential annuity providers solicited. The Applicants will use reasonable efforts to complete this step within 210 days of the date of the PPR Approval.

- (j) Pension Plan assets available to VON East and VON West members will again be rolled forward from the date of the prior roll forward in Step (c) above including their investment return and related cash flows.
- (k) VON East and VON West Pension Plan members' entitlements will be finalized taking into account the cost to purchase annuities, VON East's and VON West's costs of administering the Pension Plan Restructuring, and benefits to be covered by annuity purchases. If the cost to purchase annuities is higher or lower than had been estimated, the benefits (both annuities and commuted values) payable to all VON East and VON West members will be adjusted so that all benefit entitlements are adjusted by an equivalent percentage.
- (l) Annuity premiums, adjusted as required and net of any commuted value payments elected by VON East and VON West members, will be paid to the insurance company that provides these annuities from the available Pension Plan funds that have been segregated for VON East and VON West as provided in Step (c) above. Monthly pension payments from these annuities will begin to be paid shortly thereafter and the interim pension payments described below under the heading "Interim Payments" that are to be made until the completion of Step (k) above will cease to be made. The Applicants will use reasonable efforts to complete this step within 240 days of the date of the PPR Approval.
- (m) Commuted values will be paid to all VON East and VON West Pension Plan members that so elected. The Applicants will use reasonable efforts to complete this step within 240 days of the date of the PPR Approval.
- (n) Prescribed reports will be prepared and filed with FSCO with respect to the partial wind-up confirming that all benefits have been settled. The Applicants will use reasonable efforts to complete this step within 270 days of the date of the PPR Approval.
- (o) All required annual update reports will be prepared and filed with FSCO, as required.

Interim Payments

Until Step (k) above is completed, VON East and VON West Pension Plan members who are currently receiving payments, or on whose behalf payments are being received, under the Pension Plan at this time will continue to receive their payments in full.

After Step (k) above is completed, payments to VON East and VON West Pension Plan members will be adjusted for each member's lifetime: (i) to reflect the estimated funded ratio of the Pension Plan; and (ii) to eliminate excess payments previously made, where such excess payments are calculated by determining the difference between the amount of the pension payments made following November 25, 2015 and the amount that those pension payments should have been taking into account any reduced estimated funded ratio. Any pension reductions will be performed on an actuarially equivalent basis, considering the member's expected lifetime.

During the period while the Pension Plan Restructuring is being implemented, and subject to the consent of the relevant pension regulator where required, VON East and VON West Pension Plan members who are eligible to begin receiving periodic payments of benefits under the Pension Plan will be permitted to start receiving benefits under the Pension Plan. These benefits would be paid in accordance with a reduced ratio of 80%. Pension Plan members entitled to lump sum payments would not receive these interim payments. After Step (k) above is completed, payments to these VON East and VON West Pension Plan members will be adjusted: (i) to reflect the estimated funded ratio of the Pension Plan; and (ii) to provide a lump-sum payment for any previously missed portions of pension payments as a result of the reduced estimated payment ratio of 80%.

VON Canada, VON Ontario and VON Nova Scotia

For greater certainty, the Pension Plan benefits and entitlements of Pension Plan members employed or formerly employed by employers other than VON East and VON West will not be affected by the above steps and will be processed in the ordinary course.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No: CV-15-11192-00CL

AND IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF VICTORIAN ORDER OF NURSES FOR CANADA ET AL.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER (RE. PENSION PLAN)

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
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SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD
(Re: Pension Matters)
(returnable July 14, 2016)**

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