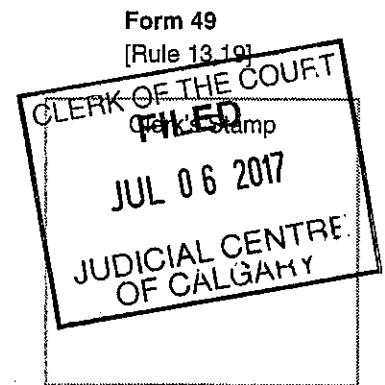


COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH
OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended

APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA –
BRITISH COLUMBIA DISTRICT, ENCHARIS
COMMUNITY HOUSING AND SERVICES,
ENCHARIS MANAGEMENT AND SUPPORT
SERVICES, AND LUTHERAN CHURCH – CANADA,
THE ALBERTA – BRITISH COLUMBIA DISTRICT
INVESTMENTS LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Bishop & McKenzie LLP
Barristers & Solicitors
1700-530-8th Avenue SW
Calgary, Alberta T2P 3S8

Attention: Francis N. J. Taman/Ksena J. Court

Telephone: 403-237-5550
Fax: 403-243-3623

File No.: 103,007-003

AFFIDAVIT OF CAMERON SHERBAN

Sworn on July 6, 2017

I, CAMERON SHERBAN, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the Chief Restructuring Officer (“CRO”) of the Applicants. I have personal knowledge of the matters hereinafter deposed, except where stated to be based on information and belief, and where so stated, I verily believe them to be true. All capitalized terms in this Affidavit which are not specifically defined herein shall have the meaning ascribed to them in the Fifth Amended Plan of Compromise and Arrangement (the “District Plan”) of Lutheran Church – Canada, the Alberta – British Columbia District (the “District”).

Settlement of Disputed Claim

2. I am advised by the Monitor and verily believe the same to be true that:
- (a) Attached hereto and marked as **Exhibit "A"** is a copy of the Proof of Claim that was submitted by Lutheran Church - Canada ("LCC") to the Monitor dated April 17, 2015. In this Proof of Claim, LCC claims as a secured creditor of the District (the "LCC Claim").
 - (b) By Notice of Disallowance dated May 4, 2015, the Monitor disallowed the LCC Claim as against the District. Attached hereto and marked as **Exhibit "B"** is a copy of the Notice of Disallowance.
 - (c) By Dispute Notice dated May 12, 2015, LCC disputed the Monitor's disallowance of the LCC Claim against the District. Attached hereto and marked as **Exhibit "C"** is a copy of the Dispute Notice.
3. I have had numerous discussions with representatives of LCC, counsel for LCC, and the Monitor about the LCC Claim. I confirm that the District and LCC have agreed to settle the LCC Claim on the following basis:
- (a) the LCC Claim will be allowed as an unsecured claim against the District in the amount of \$703,941.58;
 - (b) in settlement of its disputed claim, LCC will receive \$164,000.00;
 - (c) LCC will not receive any shares in NewCo which has been formed pursuant to the District Plan;
 - (d) LCC will no longer be able to claim against the District for any contribution for any shortfall with respect to the defined benefit portion of the pension plan; and
 - (e) the District will continue to be liable to make future payments to the defined contribution retirement plan administered by LCC.
4. I understand that the Monitor and the District Creditors' Committee have approved of the above settlement of the LCC Claim.

SWORN BEFORE ME at Calgary, Alberta,
this 6th day of July, 2017.

Commissioner for Oaths in and for the
Province of Alberta

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Cameron Sherban

FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR

COURT FILE NUMBER 1501-00955
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT,

R.S.C 1985, c. C-36, as amended


APPLICANTS LUTHERAN CHURCH – CANADA, THE ALBERTA –
BRITISH COLUMBIA DISTRICT, ENCHARIS COMMUNITY
HOUSING AND SERVICES, ENCHARIS MANAGEMENT
AND SUPPORT SERVICES, AND LUTHERAN CHURCH –
CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT
INVESTMENTS LTD.

DOCUMENT GENERAL PROOF OF CLAIM FORM

Regarding the claim of the Lutheran Church-Canada (referred to in this form as the "Creditor").

All notices or correspondence regarding this claim to be forwarded to the Creditor at the following address:

Lutheran Church-Canada
Attn: Dwayne Cleave, Treasurer
3074 Portage Avenue
Winnipeg, MB R3K 0Y2
Telephone: 204-895-3433 Ext 2219
Alternate Telephone: 1-800-588-4226
Email: treasurer@lutheranchurch.ca

This is Exhibit " A " referred to in the
Affidavit of
Cameron Sherban
Sworn before me this 6 day
of July A.D., 2017

A Commissioner for Oaths in and for
the Province of Alberta

FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR

1. I, Dwayne Cleave, residing in Winnipeg in the Province of Manitoba, do hereby certify that:

Check one:

I am the creditor

I am the Treasurer of the Creditor.

2. I have knowledge of all the circumstances connected with the claim referred to in this form.
3. Check which CCAA debtor(s) your claim is against:

- LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT, INCLUDING THE CHURCH EXTENSION FUND
- ENCHARIS COMMUNITY HOUSING AND SERVICES
- ENCHARIS MANAGEMENT AND SUPPORT SERVICES
- LUTHERAN CHURCH – CANADA, THE ALBERTA – BRITISH COLUMBIA DISTRICT INVESTMENTS LTD.

The CCAA Debtor (above) was, as at January 23, 2015, and still is indebted to the Creditor in the sum of \$ ****SEE ADDENDUM ATTACHED** as shown by the statement of account attached hereto and marked as Schedule "A". Claims should not include the value of goods and/or services supplied after January 23, 2015. If the Creditor's claim is to be reduced by deducting any counter claims to which the CCAA debtor is entitled and/or amounts associated with the return of equipment and/or assets by the CCAA debtor, please specify.

The statement of account must specify invoices or other evidence in support of the claim including the date and location of the delivery of all services and materials. Any claim for interest must be supported by contractual documentation evidencing the entitlement to interest.

4. Check one:

(A) Unsecured claim. \$ _____. In respect of the said debt, the creditor does not and has not held any assets as security.

(B) Secured claim. \$ ****SEE SCHEDULE ATTACHED**. In respect of the said debt, the creditor holds assets valued at \$ _____ as security:

Provide full particulars of the security, including the date on which the security was given and the value at which the Creditor assesses the security together with the basis of valuation, and attach a copy of the security documents as Schedule "B".

(C) Claim against Directors/Officers/Management. \$ _____. In respect of the said claim, the particulars of my claim are as follows.

Provide full particulars of the claim, including date that the claim arose, what the claim is about and how the value of the claim is arrived at together with a copy of any relevant documents as Schedule "C".

(D) Wage Earners/Employees. \$ _____

X (E) Pension Holders. \$ **SEE SCHEDULE ATTACHED.

____ (F) Trust Claim. \$ _____. In respect of the said trust, the particulars of my claim are as follows:

Provide full particulars of the trust claim, including the date that the trust arose, what the trust is about, the nature of the trust, and how the value of the trust is arrived at together with a copy of any relevant documents as Schedule "D".

Dated at Winnipeg, Manitoba (city/town), this 17 day of April, 2015.



Witness

Dwayne Cleaveland
(signature of individual completing the form)

Must be signed and witnessed.

Instructions for completing a General Proof of Claim Form:

1. Please complete the General Proof of Claim Form as set out therein.
2. The General Proof of Claim Form is intended for all persons asserting a claim, other than Depositors or Residents (as those terms are defined in the Court Order dated February 20, 2015), of any kind or nature whatsoever, including an unsecured, secured, contingent or unliquidated claim, against any of the Applicants and their directors and officers arising before January 23, 2015.
3. General Proof of Claim Forms must be delivered to the Monitor via mail, courier service or facsimile, as follows:

Deloitte Restructuring Inc.
700, 850-2nd Street SW
Calgary, Alberta T2P 0R8
Attention: Joseph Sithole

VIA facsimile to: 403-718-3691
VIA email to: CalgaryRestructuring@deloitte.ca

4. Please note that if you do not file a proof of claim form prior to April 20, 2015:
 - *You will not receive any further notice of the CCAA proceedings.*
 - *You will not be entitled to attend any creditors' meeting.*
 - *You will not be entitled to participate in any creditors vote.*
 - *You will not be entitled to receive any distribution under any Plan of Compromise or Arrangement which may be approved in the CCAA proceedings.*
 - *You will be forever barred from making or enforcing any claim that you may have against Lutheran Church – Canada, the Alberta- British Columbia District, including the Church Extension Fund, Encharis Community Housing and Services, Encharis Management and Support Services, and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd., and current and former directors, officers, and employees.*

ADDENDUM

The Lutheran Church-Canada (the "Creditor") has contingent secured claims against Lutheran Church-Canada, the Alberta-British Columbia District (the "District") and Encharis Community Housing and Services ("Encharis" together with the District, the "Debtors") which could arise out of their respective obligations under the Creditor-sponsored pension plan (the "Plan"), in which they are each participants.

Regular Monthly Payments

The normal course contributions required to be paid to the Creditor on a monthly basis pursuant to the Plan (the "Normal Contributions") have been remitted up to date by the Debtors and there is currently no indication that this will not continue. In addition, Encharis continues to make regular monthly payments of \$912.58 to the Creditor to repay a funding deficit of \$51,690.92 (the "Funding Deficit") that arose out of a commuted value payout to a former Encharis employee (Giselle Middlekoop), which the Creditor funded in July 2013. The remaining balance of this Funding Deficit as of January 5, 2015 is \$34,351.90 is set out in the attached Schedule "A".

If the Debtors were to stop making the Normal Contributions and/or if Encharis were to stop making the monthly payments on account of the Funding Deficit, then the Creditor would have a secured claim for the unremitted Normal Contributions and for the unpaid balance of the Funding Deficit. **The Creditor hereby reserves its right to amend this claim if such events were to occur in the future.**

Underfunded Status of the Plan

The Plan is currently underfunded. The District's portion of the funding deficit is estimated to be approximately \$627,610.00 (the "District's Deficit") as shown in the attached Schedule "B".

All or a portion of the District's Deficit will become payable in the event the District or a significant number of its employees were to no longer be part of the Plan (for example as a result of a downsizing pursuant to a CCAA plan of arrangement). **The Creditor hereby reserves its right to amend this claim if such events were to occur in the future.**

SCHEDULE A

Date	12/31/2015
Cust No.	EMP026
Page No:	1

Prince Of Peace Village
630 Westchester Road
Strathmore AB T1P 1H8

Credit Limit: \$0.00
Credit Available: \$0.00

Invoice Number	Date	Type	Reference	Due Date	Current Amount
LEG13070026	07/01/2013	IN	100000118LK	07/01/2013	\$51,690.92
LEG13070026	07/15/2013	CA	071513EFT12	07/15/2013	\$-912.58
LEG13070026	08/15/2013	CA	081513EFT12	08/15/2013	\$-912.58
LEG13070026	09/16/2013	CA	091613EFT12	09/16/2013	\$-912.58
LEG13070026	10/15/2013	CA	101513EFT12	10/15/2013	\$-912.58
LEG13070026	11/15/2013	CA	111513EFT12	11/15/2013	\$-912.58
LEG13070026	12/16/2013	CA	121613EFT12	12/16/2013	\$-912.58
LEG13070026	01/20/2014	CA	012014EFT12	01/20/2014	\$-912.58
LEG13070026	02/18/2014	CA	021814EFT12	02/18/2014	\$-912.58
LEG13070026	03/17/2014	CA	031714EFT12	03/17/2014	\$-912.58
LEG13070026	04/15/2014	CA	041514EFT12	04/15/2014	\$-912.58
LEG13070026	05/15/2014	CA	051514EFT12	05/15/2014	\$-912.58
LEG13070026	06/16/2014	CA	061614EFT12	06/16/2014	\$-912.58
LEG13070026	07/15/2014	CA	071514EFT12	07/15/2014	\$-912.58
LEG13070026	08/15/2014	CA	081514EFT32	08/15/2014	\$-912.58
LEG13070026	09/15/2014	CA	091514EFT12	09/15/2014	\$-912.58
LEG13070026	10/15/2014	CA	101514EFT13	10/15/2014	\$-912.58
LEG13070026	11/18/2014	CA	241-1	11/18/2014	\$-912.58
LEG13070026	12/15/2014	CA	121514EFT12	12/15/2014	\$-912.58
LEG13070026	03/02/2015	CA	030215EFT11	03/02/2015	\$-912.58
LEG13070026	03/16/2015	CA	031615LEG1	03/16/2015	\$-1,825.16

[Handwritten signature]

					\$ 32,526.74
30Days O/Due	60Days O/Due	90Days O/Due	Over	90Days	
\$0.00	\$0.00	\$0.00	\$32,526.74		

SCHEDULE B

SCHEDULE B

Employee First Name	Employee Last Name	Total Credited Service(Yrs)	ABC - Employer Credited Service (Yrs)	% ABC Service	Total Solvency Deficit	ABC - Employer Share of Solvency Deficit
		DB Records	DB Records	(D/C)	2014 Actuarial Report	(E*F)
[REDACTED]	[REDACTED]	26.91	8.67	32.22%	-\$87,742.29	-\$28,269.26
[REDACTED]	[REDACTED]	13.5	3	22.22%	-\$20,427.11	-\$4,539.36
[REDACTED]	[REDACTED]	9.916	9.916	100.00%	-\$18,876.38	-\$18,876.38
[REDACTED]	[REDACTED]	38.75	20.83	53.75%	-\$227,721.49	-\$122,411.32
[REDACTED]	[REDACTED]	7.83	7.83	100.00%	-\$10,209.83	-\$10,209.83
[REDACTED]	[REDACTED]	5.25	5.25	100.00%	-\$28,475.82	-\$28,475.82
[REDACTED]	[REDACTED]	3.08	3.08	100.00%	-\$2,940.65	-\$2,940.65
[REDACTED]	[REDACTED]	25.5	15.42	60.46%	-\$94,349.92	-\$57,041.74
[REDACTED]	[REDACTED]	11.25	11.25	100.00%	-\$25,340.28	-\$25,340.28
[REDACTED]	[REDACTED]	5.25	5.25	100.00%	-\$8,741.07	-\$8,741.07
[REDACTED]	[REDACTED]	9.75	4.67	47.90%	-\$11,271.69	-\$5,398.85
[REDACTED]	[REDACTED]	4.25	3.75	88.24%	-\$2,779.55	-\$2,452.54
[REDACTED]	[REDACTED]	40.416	23.67	58.57%	-\$187,502.83	-\$109,812.75
[REDACTED]	[REDACTED]	7	7	100.00%	-\$8,348.29	-\$8,348.29
[REDACTED]	[REDACTED]	2	2	100.00%	-\$5,381.82	-\$5,381.82
[REDACTED]	[REDACTED]	16.83	16.83	100.00%	-\$20,506.31	-\$20,506.31
[REDACTED]	[REDACTED]	20.58	0	0.00%	-\$43,303.76	\$0.00
[REDACTED]	[REDACTED]	7.25	3.083	42.52%	-\$10,346.04	-\$4,399.56
[REDACTED]	[REDACTED]	9.58	9.58	100.00%	-\$22,791.79	-\$22,791.79
[REDACTED]	[REDACTED]	12.08	12.08	100.00%	-\$13,483.92	-\$13,483.92
[REDACTED]	[REDACTED]	4.167	4.167	100.00%	-\$10,243.39	-\$10,243.39
[REDACTED]	[REDACTED]	27.5	27.5	100.00%	-\$64,442.52	-\$64,442.52
[REDACTED]	[REDACTED]	5.167	5.167	100.00%	-15,380.63	-\$15,380.63
[REDACTED]	[REDACTED]	2	2	100.00%	-12,385.51	-\$12,385.51
[REDACTED]	[REDACTED]	20.75	2	9.64%	-\$22,612.08	-\$2,179.48
[REDACTED]	[REDACTED]	11.16	5.5	49.28%	-\$47,798.39	-\$23,556.55
Totals					-\$1,023,403.36	-\$627,609.62

**Alberta British Columbia District Solvency Liabilities
Breakdown by Member as at 31-Dec-2014**

Name	Status	Solvency Liabilities	Solvency Assets	Solvency Deficit
[REDACTED]	DBDC	324,233.66	236,491.37	(87,742.29)
[REDACTED]	DBDC	75,484.19	55,057.08	(20,427.11)
[REDACTED]	DBDC	69,753.80	50,877.42	(18,876.38)
[REDACTED]	DB	841,498.07	613,776.58	(227,721.49)
[REDACTED]	DBDC	37,728.34	27,518.51	(10,209.83)
[REDACTED]	DBDC	105,226.57	76,750.74	(28,475.82)
[REDACTED]	DBDC	10,866.58	7,925.93	(2,940.65)
[REDACTED]	DB	348,650.77	254,300.86	(94,349.92)
[REDACTED]	DBDC	93,639.81	68,299.53	(25,340.28)
[REDACTED]	DBDC	32,300.83	23,559.76	(8,741.07)
[REDACTED]	DB	41,652.22	30,380.53	(11,271.69)
[REDACTED]	DBDC	10,271.24	7,491.69	(2,779.55)
[REDACTED]	DB	692,878.25	505,375.43	(187,502.83)
[REDACTED]	DB	30,849.39	22,501.10	(8,348.29)
[REDACTED]	DB	19,887.42	14,505.60	(5,381.82)
[REDACTED]	DB	75,776.86	55,270.55	(20,506.31)
[REDACTED]	DB	160,020.17	116,716.41	(43,303.76)
[REDACTED]	DB	38,231.68	27,885.64	(10,346.04)
[REDACTED]	DB	84,222.40	61,430.61	(22,791.79)
[REDACTED]	DB	49,827.08	36,343.15	(13,483.92)
[REDACTED]	DB	37,852.35	27,608.96	(10,243.39)
[REDACTED]	DB	238,134.11	173,691.59	(64,442.52)
[REDACTED]	DBDC	56,835.98	41,455.35	(15,380.63)
[REDACTED]	DBDC	45,768.12	33,382.61	(12,385.51)
[REDACTED]	DB	83,558.30	60,946.22	(22,612.08)
[REDACTED]	DBDC	176,629.14	128,830.75	(47,798.39)
Total		3,781,777.34	2,758,373.97	(1,023,403.37)

Deloitte.

Deloitte Restructuring Inc.
700, 850 - 2nd Street S.W.
Calgary AB T2P 0R8
Canada

May 4, 2015

Tel: 403-298-5955
Fax: 403-718-3681
www.deloitte.ca

VIA REGISTERED MAIL AND EMAIL

Dwayne Cleave
Lutheran Church - Canada
3074 Portage Avenue
Winnipeg, MB R3K 0Y2

Dear Dwayne Cleave:

Re: Lutheran Church – Canada, the Alberta – British Columbia District including the Church Extension Fund, Encharis Community Housing and Services, Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. (the "District Group") – Proceedings under the *Companies' Creditors' Arrangement Act* (the "CCAA")

As you are aware, the District Group commenced proceedings under the CCAA on January 23, 2015. Deloitte Restructuring Inc. acts as the Monitor in the CCAA proceedings.

Attached is a Notice of Revision or Disallowance for Voting and /or Distribution Purposes (the "Disallowance Notice") provided in respect of your proof of claim filed in the captioned proceedings.

If you intend to dispute this Notice of Revision or Disallowance, you must **within ten (10) days from the date of this Notice of Revision or Disallowance** deliver to the Monitor a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier or facsimile to the address below:

Deloitte Restructuring Inc.
700, 850 - 2nd Street SW
Calgary, AB T2P 3K4

VIA Facsimile: 403-718-3681

Attention: Joseph Sithole

If you would like to provide additional information in support of your proof of claim or if you have any questions, please contact the undersigned at 403-298-5955.

Yours truly,

DELOITTE RESTRUCTURING INC.

In its capacity as the Court-appointed Monitor of Lutheran Church – Canada, the Alberta – British Columbia District, Encharis Community Housing and Services, Encharis Management and Support Services and Lutheran Church – Canada, the Alberta – British Columbia District Investments Ltd. and not in its personal or corporate capacity



Per: Vanessa Allen, B. Comm, CIRP
Vice-President

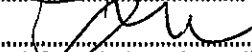
This is Exhibit " B " referred to in the

Affidavit of

Cameron Sherban

Sworn before me this 6 day

of July A.D., 20 17


A Commissioner for Oaths in and for
the Province of Alberta

FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR

**NOTICE OF REVISION OR DISALLOWANCE FOR VOTING
AND/OR DISTRIBUTION PURPOSES**

**For Creditors of Lutheran Church – Canada, the Alberta – British Columbia District,
EnCharis Community Housing and Services, EnCharis Management and Support
Services, and Lutheran Church – Canada, the Alberta – British Columbia District
Investments Ltd.**

Claim Reference Number: Not applicable

Name of CCAA Debtor: Lutheran Church – Canada, the Alberta – British Columbia District

TO: Lutheran Church – Canada
3074 Portage Avenue
Winnipeg, MB R3K 0Y2

Attention: Dwayne Cleaver, Treasurer

VIA Registered Mail

Copy VIA Email: treasurer@lutheranchurch.ca

Defined terms not defined in the Notice of Revision or Disallowance have the meaning ascribed in the Order of the Court of Queen's Bench of Alberta dated February 20, 2015 (the "Order"). All dollar values contained herein are in Canadian dollars unless otherwise noted.

Pursuant to the Order, Deloitte Restructuring Inc., in its capacity as Court-appointed Monitor of the CCAA Debtors, hereby gives you notice that it has reviewed your Proof of Claim in conjunction with the CCAA Debtors and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Order, your Claim will be allowed as follows:

Amount Allowed by Monitor for:

	<u>Proof of Claim Amount</u>	<u>Voting</u>	<u>Distribution</u>
Unsecured Claim:	\$ Not applicable	\$ NIL	\$ NIL
Secured Claim:	\$ 627,609.62	\$ NIL	\$ NIL

Reason(s) for the Revision or Disallowance:

Insufficient documentation has been provided in support of this claim. Such documentation would include constating documents for the pension plan as well as any documentation in support of your claim that the Lutheran Church – Canada, the Alberta – British Columbia District is responsible for any pension plan funding deficit.

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must **within ten (10) days from the date on this Notice of Revision or Disallowance** deliver to the Monitor a Dispute Notice (in the form enclosed) either by prepaid registered mail, personal delivery, courier or facsimile to the address below:

Deloitte Restructuring Inc., the Court-appointed Monitor of the CCAA Debtors

By Mail/Courier:

Deloitte Restructuring Inc.
700, 850 – 2nd Street SW
Calgary, Alberta T2P 3K4

Attention: Joseph Sithole

Fax: 403-718-3681

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE WITHIN TEN (10) DAYS OF THE DATE ON THIS NOTICE OF REVISION OR DISALLOWANCE, THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED THIS 4TH DAY OF MAY, 2015.

This is Exhibit " C " referred to in the
Affidavit of
Cameron Sherban
Sworn before me this 6 day
of July A.D., 2017
[Signature]
A Commissioner for Oaths in and for
the Province of Alberta

COURT FILE NUMBER

1501-00955

COURT

COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY

FRANCIS N.J. TAMAN
BARRISTER & SOLICITOR

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended

APPLICANTS

LUTHERAN CHURCH – CANADA, THE ALBERTA –
BRITISH COLUMBIA DISTRICT, ENCHARIS
COMMUNITY HOUSING AND SERVICES,
ENCHARIS MANAGEMENT AND SUPPORT
SERVICES, AND LUTHERAN CHURCH – CANADA,
THE ALBERTA – BRITISH COLUMBIA DISTRICT
INVESTMENTS LTD.

DOCUMENT

DISPUTE NOTICE

I, Dwayne Cleave, of Winnipeg in the Province of Manitoba:

Check one:

(for Depositors or Residents) Dispute the amount stated in the Proof of Claim sent to me.

(for other Claimants) Dispute the amount stated in the Notice of Revision or Disallowance.

On behalf of the Lutheran Church – Canada (the "LCC"), I dispute the amount for the following reasons, and attach all applicable documents:

In the Notice of Revision dated May 4, 2015 in respect of claims against the Lutheran Church – Canada, the Alberta – British Columbia District (the "District"), the reasons for the revision were as follows:

Insufficient documentation has been provided in support of this claim. Such documentation would include constating documents for the pension plan as well as any documentation in support of your claim that the Lutheran Church – Canada, the Alberta British Columbia District is responsible for any pension plan funding deficit.

Attached as Schedule "A" hereto is the Lutheran Church – Canada Pension Plan, amended and restated as of January 1, 2012 (the "Plan"). The District is a Participating Employer, as that term is defined in the Plan. Article 6.01 of the Plan sets out the requirements with respect to employer contributions, mandating under 6.01(b) that:

...each Participating Employer will make contributions to the Fund in accordance with the most recent actuarial valuation of the Plan prepared by the Actuary in accordance with accepted actuarial practice, Applicable Pension Laws and Revenue Rules which will provide funding sufficient to meet the ongoing funding requirements and tests for solvency prescribed by Applicable Pension Laws...

Pursuant to the Plan, the Applicable Pension Laws means:

...the Employment Pension Plans Act (Alberta) and any regulation pursuant thereto and any amendments or substitutes therefor as well as any similar statute applicable in a particular circumstance and any regulation pursuant thereto adopted by the federal or any provincial government.

Section 45(1) of the *Employment Pension Plans Act*, SA 2012, c E-8.1 sets out that the "participating employers in a pension plan must comply with the funding requirements applicable to the plan".

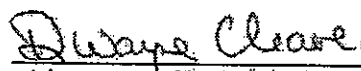
As noted in the LCC's proof of claim dated April 17, 2015 (the "Proof of Claim"), the normal course contributions required to be paid to the LCC on a monthly basis pursuant to the Plan have been remitted up to date by the District and there is currently no indication that this will not continue. As is further noted in the Proof of Claim, the Plan is currently underfunded. In the event the District or a significant number of its employees were to withdraw from the Plan, then the District's portion of the funding deficit would become payable. Since the District continues to make its normal course contributions and continues to be a Participating Employer in the Plan, LCC's claim is contingent and unknown at this time. In the circumstances, counsel for LCC wrote to counsel for the District prior to the submission of the Proof of Claim to request confirmation that the filing of a contingent proof of claim would not be necessary. Counsel for the District declined to provide such confirmation and accordingly the Proof of Claim was filed. Attached as Schedule "B" hereto is a copy of the email exchange dated April 15, 2015 between counsel for the LCC and counsel for the District.

LCC reserves its right to amend the Proof of Claim in the future.

Dated at Winnipeg, Manitoba, this 12 day of May, 2015.



Witness



(signature of individual completing the form)

SCHEDULE A

**Lutheran Church - Canada
Pension Plan**

Amended and Restated as of January 1, 2012

Canada Revenue Agency and
Alberta Superintendent of Financial Institutions
Registration No. 0355610

Table of Contents

PART 1 – GENERAL PROVISIONS

ARTICLE 1 – INTRODUCTION.....	1
ARTICLE 2 – CONSTRUCTION, INTERPRETATION AND DEFINITIONS	5
ARTICLE 3 – MEMBERSHIP	19
ARTICLE 4 – SERVICE	21
ARTICLE 5 – RETIREMENT DATES.....	29
ARTICLE 6 – CONTRIBUTIONS AND FUNDING	30
ARTICLE 7 – PROTECTION OF BENEFITS.....	36
ARTICLE 8 – AMENDMENT OR DISCONTINUANCE	37
ARTICLE 9 – DISCLOSURE.....	41
ARTICLE 10 – ADMINISTRATION	43
ARTICLE 11 – GENERAL PROVISIONS.....	45

PART 2 – DEFINED CONTRIBUTION PROVISIONS

ARTICLE 12 – APPLICATION	50
ARTICLE 13 – MEMBER CONTRIBUTIONS.....	51
ARTICLE 14 – PARTICIPATING EMPLOYER CONTRIBUTIONS.....	54
ARTICLE 15 – MAXIMUM CONTRIBUTIONS.....	59
ARTICLE 16 – ACCOUNTS.....	60

Table of Contents
(Continued)

ARTICLE 17 – RETIREMENT BENEFITS	62
ARTICLE 18 – DEATH BENEFITS	65
ARTICLE 19 – TERMINATION OF EMPLOYMENT	67
ARTICLE 20 – TRANSFERS OF BENEFITS.....	70
PART 3 – DEFINED BENEFIT PROVISIONS	
ARTICLE 21 – APPLICATION	71
ARTICLE 22 – MEMBER CONTRIBUTIONS.....	72
ARTICLE 23 – RETIREMENT INCOME FORMULAE	75
ARTICLE 24 – AMOUNT OF RETIREMENT INCOME.....	77
ARTICLE 25 – EXCESS CONTRIBUTIONS.....	80
ARTICLE 26 – PAYMENT OF RETIREMENT BENEFITS.....	82
ARTICLE 27 – DEATH BENEFITS	88
ARTICLE 28 – TERMINATION OF EMPLOYMENT	93
ARTICLE 29 – TRANSFER OF BENEFITS	95

Table of Contents (Continued)

APPENDICES

APPENDIX A – BRITISH COLUMBIA SCHEDULE

APPENDIX B – MANITOBA SCHEDULE

APPENDIX C – NEW BRUNSWICK SCHEDULE

APPENDIX D – NOVA SCOTIA SCHEDULE

APPENDIX E – ONTARIO SCHEDULE

APPENDIX F – QUEBEC SCHEDULE

APPENDIX G – SASKATCHEWAN SCHEDULE

Part 1 – General Provisions

Article 1 – Introduction

- 1.01 The primary purpose of the Plan is to provide pension benefits to eligible Employees of Participating Employers after retirement and until death in respect of their service as Employees.
- 1.02 The Plan was a successor plan to the Prior Plan, and provided benefits of the same form and level as generally provided under the Prior Plan. The Plan assumed all liabilities in respect of members of the Prior Plan who transferred to the Plan. Assets sufficient to fund all accrued liabilities were transferred from the Prior Plan to the Plan, as agreed upon by the Administrator, on the advice of the Actuary.
- 1.03 Benefits in respect of a Member whose employment with a Participating Employer ceased prior to January 1, 2012 shall be determined in accordance with the terms of the Plan applicable when the Member ceased employment except as required by Applicable Pension Laws or Revenue Rules or as may be specifically provided herein.
- 1.04 The Plan is intended to be a pension plan accepted for registration under Applicable Pension Laws and Revenue Rules. The Plan shall be designed, written and administered to comply with the requirements for registration under Applicable Pension Laws and Revenue Rules. If the Plan fails to comply with any such requirements, the Church may in its sole and absolute discretion amend the Plan so to comply, or discontinue the Plan.
- Any amendment to the Plan is conditional upon acceptance for registration under both Applicable Pension Laws and Revenue Rules and may be modified or withdrawn by the Church in its sole and absolute discretion if the amendment is not accepted for registration under either Applicable Pension Laws or Revenue Rules.
- 1.05 Subject to Applicable Pension Laws, the Church and the Participating Employers in the establishment of the Plan, the Prior Plan or in this amendment and restatement expressly do not and have not intended to create a trust. If, and to the extent the Plan, or the Plan together with the Funding Agreement, is construed as a trust, then, if permitted by law, the Church and Participating Employers expressly reserve the right to revoke such trust,

in accordance with the powers of amendment or the powers of termination contained in the Plan, which shall be exercised by the Church on behalf of the Participating Employers.

1.06 The purpose of this amendment and restatement, effective January 1, 2012, is:

- (a) to consolidate amendments since the previous restatement effective August 10, 2006;
- (b) to require each Employee who becomes a Member of the Plan on or after January 1, 2012 to participate in the DC Provisions;
- (c) to require each Member who has attained age 55 and whose age plus Credited Service equals or exceeds 80 years as of December 31, 2012 to continue to participate in the DB Provisions and to require each such Member to make required contributions under the DB Provisions;
- (d) to require each Member who has not met the eligibility requirements under paragraph (c) as of December 31, 2012 to cease accruing Credited Service under the DB Provisions and to commence accruing benefits under the DC Provisions;
- (e) to incorporate changes required to comply with Applicable Pension Laws and Revenue Rules; and
- (f) to incorporate certain provisions which clarify certain administrative requirements of the Church, Applicable Pension Laws and Revenue Rules.

1.07 Plan History

- (a) The Pension Plan for Pastors and Teachers of The Lutheran Church – Missouri Synod (the “PPPT”), a money purchase pension plan, was established in October 1937, to provide pension benefits for professional workers of the Synod, including those in Canada.
- (b) On July 10, 1964, the Board of Directors of the Lutheran Church – Missouri Synod adopted the Concordia Retirement Plan (the “CRP”) for the workers of

- the Synod and its controlled organizations, including Canadian members of the Synod.
- (c) Effective January 1, 1965, the CRP replaced the PPPT; however members of the PPPT were given the option of remaining as members of the PPPT or joining the CRP.
 - (d) The PPPT subsequently became inactive in 1972 and no further contributions were made thereto. Funds in the plan are being accumulated with interest for the provision of current and future benefits. All members of the PPPT are 100% vested and the Plan is funded through a trust with the Canada Trust Company.
 - (e) Effective January 1, 1989, certain Canadian members of the Lutheran Church – Missouri Synod formed the Lutheran Church – Canada and established the Lutheran Church – Canada Pension Plan (the “LC-CPP”). The LC-CPP was a successor plan to the CRP, and provided benefits of the same form and level as was generally provided under the CRP. The LC-CPP assumed all liabilities in respect of members of the CRP who transferred to the LC-CPP. Assets sufficient to fund all accrued liabilities were transferred from the CRP to the LC-CPP, as agreed upon by the Administrator, on the advice of the Actuary.
 - (f) Effective January 1, 1990, the PPPT and the LC-CPP (collectively called the “Plan”) was merged. The merger of the PPPT with the LC-CPP did not cause any pension benefits accrued in respect of any worker, prior to the merger, to be reduced.
 - (g) The Plan as constituted herein is a consolidation of the LC-CPP as contained in Part 3 – Defined Benefit Provisions of the Plan and the PPPT as contained in Part 2 – Defined Contribution Provisions of the Plan.
 - (h) Effective January 1, 2003, the Plan introduced a defined contribution provision. The employers made a one-time defined contribution on behalf of every Member of the Plan. Thereafter, Members could elect to contribute to this defined contribution provision and the employers would also contribute on behalf of those members. The defined contribution provision was a supplemental benefit to the benefits that the Members accrued under the defined benefit provisions.

For greater clarity, membership under the defined benefit provisions was unaffected by participation in the defined contribution provision.

- (i) Effective January 1, 2008, the Plan introduced employers contributions from the Lutheran Church – Canada Flexible Benefits Plan (the “Flex Plan”) to the defined contribution provision, at the direction of the member.
- (ii) Effective January 1, 2011, employer contributions to the defined contribution provision under paragraph (h) were discontinued. Members could elect to contribute to the defined contribution provisions on or after January 1, 2011 and such contributions were recorded as additional voluntary contributions and are not locked-in in accordance with Applicable Pension Laws.

Article 2 – Construction, Interpretation and Definitions

Construction and Interpretation

- 2.01 This document, as it may be amended from time to time, constitutes the Plan. No statement in any other document or communication, whether or not such document or communication is required by Applicable Pension Laws or Revenue Rules, shall create or confer any right or obligation other than as set out in this document or otherwise as required by Applicable Pension Laws or Revenue Rules, nor may any such document or communication be used or relied upon to interpret or vary any terms or provisions of the Plan.
- 2.02 In the Plan, references to the masculine include the feminine and vice versa; references to the singular shall include the plural and vice versa, as the context shall require, and references to a subparagraph, paragraph, Section, Article, Part, Schedule or Appendix mean a subparagraph, paragraph, Section, Article, Part, Schedule or Appendix of the Plan.
- 2.03 The Plan shall be construed in accordance with the laws of the Province of Alberta.
- 2.04 All amounts payable under the Plan are stated and shall be paid in the lawful currency of Canada. If an amount of benefit or earnings entering into the computation of any benefit or contribution hereunder is expressed in a currency other than that of Canada, such amount shall be converted to Canadian currency prior to such computation based upon exchange rates established by the Administrator.
- 2.05 Each provision of the Plan is distinct and severable, and if any provision of the Plan or part thereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.06 Headings wherever used herein are for reference purposes only, and do not limit or extend the meaning of any of the Plan's provisions.

Definitions

In the Plan, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

- 2.07 “Account(s)” means one or more of the Employee Account, Employer Account, Optional Account or the Forfeiture Account.
- 2.08 “Actuarial Equivalent” means a benefit of same value but of different form of payment, as determined on an actuarial basis in accordance with accepted actuarial practice, adopted by the Administrator after consultation with the Actuary and which is in accordance with Applicable Pension Laws and Revenue Rules, and in effect on the date such determination is being made. Notwithstanding the foregoing, the Administrator may adopt a basis that eases administration of the Plan including the use of unisex factors, provided that such basis is not precluded by Applicable Pension Laws or Revenue Rules.
- 2.09 “Actuary” means a person who is, or a firm one of whose employees is, a Fellow of the Canadian Institute of Actuaries and who carries out actuarial valuations and provides actuarial advice and services at the request of the Church or the Administrator.
- 2.10 “Administrator” means the Church which has the responsibility for administering the Plan in accordance with Section 10.01.
- 2.11 “Affiliated Agency” means an organization that is associated or affiliated with a Member Congregation or Synodical Entity of the Church.
- 2.12 “Alberta Employee” means an Employee who works for a Participating Employer in the Province of Alberta. If the Employee is not required to report to work at an establishment of the Participating Employer or is required to report to more than one establishment of the Participating Employer in different provinces, “Alberta Employee” means an Employee who is paid from an establishment of the Participating Employer, such establishment being situated in the Province of Alberta.
- 2.13 “Applicable Pension Laws” means the Employment Pension Plans Act (Alberta) and any regulation pursuant thereto and any amendments or substitutes therefor as well as

any similar statute applicable in a particular circumstance and any regulation pursuant thereto adopted by the federal or any provincial government.

- 2.14 “Beneficiary” means the person last designated by the Member in accordance with Section 11.01 to receive benefits under the Plan on the death of the Member.
- 2.15 “Board of Directors” means the Board of Directors of the Church.
- 2.16 “Board of Managers” means the board appointed to administer the Plan pursuant to the Synodical by-laws of the Church and given that name.
- 2.17 “Church” means the Lutheran Church - Canada and any successor organization.
- 2.18 “Continuous Service” means the service of a Member as specified in Section 4.01.
- 2.19 “Consumer Price Index” means, for application on January 1 of a particular calendar year, the average Consumer Price Index for Canada (All Items), as published by Statistics Canada under the Statistics Act, for the 12-month period ending on December 31 of the preceding calendar year.
- 2.20 “Council of Presidents” means the president and vice-presidents of the Synod and the district presidents.
- 2.21 “Credited Service” means the service of a DB Member or DB/DC Member, as defined in Section 4.02:
- (a) “Credited Contributory Service” means the portion of Credited Service on or after January 1, 2013 in respect of which a DB Member makes or is deemed to make Required Contributions, as defined in paragraph 4.02(a).
 - (b) “Credited Non-Contributory Service” means the portion of Credited Service prior to January 1, 2013 in respect of which a DB Member or DB/DC Member has not made Required Contributions, as defined in paragraph 4.02(b).
- 2.22 “Date of Determination” means the date as of which a benefit is to be calculated under the Plan, as specified in each relevant Section, and being as the context requires:

- (a) a Member's Retirement Date, date of termination of employment or date of death, whichever shall first occur;
 - (b) the date of amendment of the Plan;
 - (c) the date at complete or partial discontinuance of the Plan affecting the Member;
or
 - (d) the date of consolidation or merger of the Plan with another registered pension plan.
- 2.23 "DB Member" means a Member who participates in the DB Provisions in accordance with Section 3.05.
- 2.24 "DB Provisions" means the defined benefit provisions set out in Part 3.
- 2.25 "DB/DC Member" means a Member who, in accordance with Section 3.05, participates in the DC Provisions as of January 1, 2013, but remains entitled to a benefit under the DB Provisions with respect to Credited Service accrued prior to January 1, 2013 in accordance with paragraph 4.04.
- 2.26 "DC Member" means a Member who participates in the DC Provisions in accordance with Section 3.05.
- 2.27 "DC Provisions" means the defined contribution provisions set out in Part 2.
- 2.28 "Disabled" means, in respect of a Member, a physical or mental impairment, as certified in writing by a qualified medical doctor who is licensed to practise in Canada, which prevents the Member from performing the duties of employment in which the Member was engaged before the commencement of the impairment and provided the Member is in receipt of benefits under the Participating Employer's long term disability plan. A Member shall cease to be Disabled on the earlier of the date on which the Member ceases to qualify as Disabled, the Member's death, termination of employment, retirement, return to active employment, and the Member's Normal Retirement Date.
- 2.29 "Early Retirement Date" means the date of a Member's actual retirement determined in accordance with Section 5.02.

2.30 “Earnings” means:

- (a) a Member’s base salary or wages paid by the Participating Employer for personal services rendered, plus either (i) or (ii), where;
 - (i) is cash utility and housing allowance; and
 - (ii) is the monetary value of housing furnished by the Participating Employer, which shall be deemed to be 30% of the base salary or wages,

but shall not include any bonuses, car allowances, cash allowances (except as specifically set forth above), or other forms of remuneration.

- (b) During a period of Temporary Leave of Absence or Educational Leave in respect of which a Member does not have Earnings as defined in paragraph (a), such Member shall be deemed to have received Earnings during such period at a rate equal to that in effect immediately prior to the commencement of the Temporary Leave of Absence or Educational Leave. The deemed Earnings shall be used to calculate contributions and retirement income under Part 2 and Part 3, as applicable.
- (c) During a period in which a Member is Disabled and in respect of which a Member does not have Earnings as defined in paragraph (a), such Member shall be deemed to have received Earnings during such period at a rate equal to that in effect immediately prior to the commencement of such period, indexed each January 1 as per the increase in the Consumer Price Index, subject to a maximum of 3% in respect of any one-year increase. The deemed Earnings shall be used to calculate contributions and retirement income under Part 2 and Part 3, as applicable.

2.31 “Educational Leave” means an educational leave of absence, with or without pay, to a maximum of five years, approved by the Participating Employer.

2.32 “Effective Date” means January 1, 1989.

2.33 “Employee” means:

- (a) A person who is employed by a Participating Employer and is not accruing pension or retirement benefits under any other pension or retirement plan to which a Participating Employer contributes (other than the Canada or Quebec Pension Plan) on that person's behalf.
 - (b) The Participating Employer shall initially determine whether such a person meets the definition of Employee and shall promptly inform the Administrator. The Administrator may, on its own motion, re-examine the Participating Employer's determination and if such Participating Employer shall exclude any employed person, such person may appeal in writing to the Administrator. The decision of the Administrator concerning such person's eligibility as an Employee shall be binding and conclusive.
 - (c) In the case of a person assigned as an Employee to a Participating Employer by the Council of Presidents (acting as the Board of Assignments), the "date on which he becomes an Employee" shall be the date upon which the person reports to the assigned Participating Employer or the first day of the calendar quarter coinciding with or next following the date upon which the Council of Presidents made the assignment, whichever is the earlier date.
- 2.34 "Employer Contributions" means the contributions made by a Participating Employer in respect of a DC Member or DB/DC Member pursuant to Sections 14.01, 14.02 and 14.03.
- 2.35 "Excess Contributions" means the amount in respect of a DB Member determined in accordance with Article 25.
- 2.36 "Final Average Earnings" means:
- (a) as of the Date of Determination of a DB Member, the annual average of the largest aggregate Earnings for a period of 60 consecutive calendar months occurring within the last 240 calendar months of the DB Member's Credited Service, or, if the DB Member has fewer than 60 calendar months of Credited Service, the annual average Earnings over the DB Member's entire period of Credited Service; or

- (b) as of the Date of Determination of a DB/DC Member, the annual average of the largest aggregate Earnings for a period of 60 consecutive months occurring within the last 240 calendar months of the DB/DC Member's Credited Service before January 1, 2013 and the DB/DC Member's Continuous Service on or after January 1, 2013 during which the Participating Employer made Employer Contributions on the DB/DC Member's behalf, or if the DB/DC Member has fewer than 60 months of such service, the annual average Earnings of the DB/DC Member's entire period of Credited Service before January 1, 2013 and the DB/DC Member's Continuous Service on or after January 1, 2013 during which the Participating Employer made Employer Contributions on the DB/DC Member's behalf.
- (c) A DB Member or DB/DC Member who transfers to the Concordia Retirement Plan in accordance with paragraph 4.06(c) and whose employment is not terminated upon transfer, shall have his Final Average Earnings at his date of such transfer indexed each January 1 as per the increase in the Consumer Price Index, subject to a maximum of 3% in respect of any one-year increase, until the January 1 coincident with or preceding his Date of Determination. The deemed Final Average Earnings shall be used to calculate the Plan Benefit under Part 3.
- 2.37 "Final Average YMPE" means, as of the Date of Determination, the YMPE for the calendar year containing the Date of Determination plus the YMPE for each of the two preceding calendar years, divided by 3.
- 2.38 "Flex Plan" means the Lutheran Church – Canada Flexible Benefits Plan.
- 2.39 "Forfeiture Account" means the separate account maintained on behalf of a Participating Employer in accordance with Section 16.02.
- 2.40 "Fund" means the fund established for the purposes of the Plan. For greater certainty, the Fund includes assets in the Member Accounts and the Forfeiture Account.
- 2.41 "Funding Agency" means a trust company or Insurer or any combination thereof eligible under Applicable Pension Laws, designated by the Church to hold the whole or a portion of the assets of the Fund at any time pursuant to the terms of a Funding Agreement.

- 2.42 “Funding Agreement” means any written arrangement or agreement in force between the Church and any Funding Agency, with respect to the portion of the assets of the Fund held by the Funding Agency.
- 2.43 “Insurer” means an insurance company licensed or otherwise authorized under Canadian or provincial laws to carry on an annuities business in Canada.
- 2.44 “Interest”¹ means interest credited on a DB Member’s Required Contributions:
- (a) at the end of each Plan Year, at a rate determined by the Administrator using the average of the yields of 5-year personal fixed term chartered bank deposit rates (CANSIM Series V122515, or such other series as may be prescribed by Applicable Pension Laws) for that Plan Year; plus
 - (b) for the portion of the Plan Year in which the Member ceases Continuous Service, a pro-rata portion of the rate calculated in accordance with paragraph (a) for the preceding Plan Year, up until the beginning of the month in which payment is made.

Interest shall be calculated and credited in accordance with the administrative procedures that may be established from time to time by the Administrator and in accordance with the requirements of Applicable Pension Laws and Revenue Rules.

- 2.45 “Locked-in Retirement Savings Vehicle” means in relation to the transfer of an accrued benefit or amounts from a Member’s Account:
- (a) a registered pension plan, where the administrator of such plan agrees to accept the transfer;
 - (b) for a Member who is an Alberta Employee, a locked-in retirement account, as approved under Applicable Pension Laws;
 - (c) for a Member who is a Manitoba Employee as defined in Appendix B, a locked-in retirement fund, as approved under Applicable Pension Laws; or

¹ Applicable as modified in the Appendices for Members employed in Manitoba and Quebec.

- (d) for a Member who is not an Alberta Employee and not a Manitoba Employee as defined in Appendix B, such other registered vehicle as may be approved under Applicable Pension Laws and Revenue Rules;

as designated by the Member, provided, however, that the administrator of such plan or vehicle agrees in writing to administer the transferred amounts within the conditions of Applicable Pension Laws and, where approval by the Member's Spouse is required by Applicable Pension Laws, such approval has been given in respect of the transfer.

- 2.46 "Maximum Formula" means the formula used to calculate the maximum annual lifetime retirement income in respect of Credited Service, which can be paid from the Plan as set out in Section 23.02.
- 2.47 "Member" means an Employee who has joined the Plan in accordance with Article 3 and who remains contingently or absolutely entitled to a retirement income under the Plan.
- 2.48 "Member Accounts" means the accounts which are maintained under the DC Provisions in the Fund:
 - (a) "Employee Account" means the separate account maintained on behalf of a DC Member or DB/DC Member in accordance with paragraph 16.01(a).
 - (b) "Employer Account" means the separate account maintained on behalf of a DC Member or DB/DC Member in accordance with paragraph 16.01(b).
 - (c) "Optional Account" means the separate account maintained on behalf of a Member in accordance with paragraph 16.01(c).
- 2.49 "Member Congregation" means, in relation to the Church, an individual congregation which has applied for and been received into membership in the Church pursuant to the provisions of the By-laws of the Church.
- 2.50 "Money Purchase Limit" has the meaning assigned under Revenue Rules.
- 2.51 "Normal Retirement Date" means the date specified in Section 5.01.

- 2.52 “Optional Contributions” means contributions that are made by a Member to the DC Provisions in accordance with Section 13.04. Such contributions are considered additional voluntary contributions, not subject to the locking-in requirements of Applicable Pension Laws.
- 2.53 “Participating Employer” means:
- (a) the Church;
 - (b) such Synodical Entities as shall adopt the Plan. The Administrator shall establish criteria for determining the eligibility of a Synodical Entity to adopt the Plan and become Participating Employers;
 - (c) such Member Congregations as shall adopt the Plan. The Administrator shall establish criteria for determining the eligibility of Member Congregations to adopt the Plan and become Participating Employers; and
 - (d) such Affiliated Agencies after admission to the Plan. The Board of Directors shall establish criteria for determining the eligibility of Affiliated Agencies to become Participating Employers. The determination of whether an Affiliated Agency qualifies for participation in the Plan shall be made by the Administrator on the basis of the criteria approved by the Board of Directors, subject, however, to an appeal directly to the Board of Directors by an Affiliated Agency in the event of an adverse determination by the Administrator.

A Member Congregation or Synodical Entity who adopts the Plan or an Affiliated Agency who is admitted to the Plan assumes all obligations of the Participating Employer and agrees to be bound by the terms of the Plan and the administrative rules of the Administrator.

A participating Member Congregation, Synodical Entity or Affiliated Agency will cease to participate in the Plan at such time and upon such terms as the Administrator shall deem reasonable, including the requirement to make additional employer contributions in respect of any deficit attributable to the Members of such withdrawing Member Congregation, Synodical Entity or Affiliated Agency in accordance with paragraph 6.01(c).

- 2.54 “Pension Commencement Date” means the first day of the month on which the Member starts receiving his lifetime retirement income under Part 3.
- 2.55 “Plan” means the Lutheran Church – Canada Pension Plan as amended from time to time.
- 2.56 “Plan Benefit” means the annual lifetime retirement income determined in accordance with Section 23.03.
- 2.57 “Plan Formula” means the formula used to calculate the annual lifetime retirement income in respect of Credited Service, prior to the application of the Maximum Formula, as set out in Section 23.01.
- 2.58 “Plan Year” means the calendar year.
- 2.59 “Postponed Retirement Date” means the date specified in Section 5.03.
- 2.60 “Prior Plan” means the Concordia Retirement Plan, in effect up to and including December 31, 1988.
- 2.61 “Required Contributions” means:
- (a) in respect of a DC Member, contributions that are made to the DC Provisions on or after January 1, 2012 in accordance with Section 13.01; and
 - (b) in respect of a DB/DC Member, contributions that are made to the DC Provisions on or after January 1, 2013 in accordance with Section 13.01; and
 - (c) in respect of a DB Member, contributions that are made to the DB Provisions on or after January 1, 2013 in accordance with Section 22.01.
- 2.62 “Retirement Date” means the Early Retirement Date, Normal Retirement Date or Postponed Retirement Date on which a Member actually retires or is deemed under the terms of the Plan to retire.
- 2.63 “Revenue Rules” means the provisions of the Income Tax Act (Canada) and any applicable provincial income tax act, and any relevant regulations thereto, as they may

be amended from time to time, pertaining to pension plans or funds registered under the Income Tax Act (Canada) as they are applicable to the Plan.

- 2.64 “RRSP” means a registered retirement savings plan or a registered retirement income fund as prescribed under Revenue Rules from time to time.
- 2.65 “Service Provider” means the entity appointed by the Church for the purposes of Part 2 of the Plan pursuant to paragraph 6.04(d) to provide administrative services and to make available investment options to the Members in respect of the Member Accounts and to the Church in respect of the Forfeiture Account.
- 2.66 “Service Provider Agreement” means any written agreement or contract in force between the Church and a Service Provider as amended from time to time.
- 2.67 “Spouse”² means, subject to the requirements for registration under Applicable Pension Laws and Revenue Rules, in relation to a Member, the person who, at the earlier of the commencement of a Member’s pension and the date of the Member’s death, meets one of the following eligibility requirements:
- (a) the person who is married to the Member and has not been living separate and apart from the Member for three or more consecutive years; or
 - (b) if there is no person to whom subparagraph (a) above applies, the person who, immediately preceding the relevant time, lived with the Member in a conjugal relationship:
 - (i) for a continuous period of at least three years; or
 - (ii) of some permanence, if there is a child of the relationship by birth or adoption.
- 2.68 “Synodical Entities” includes colleges and seminaries established by the Church, entities that have been granted auxiliary status by the Church, and service organizations which have been listed in the Canadian Lutheran Annual.

² Applicable as modified in the Appendices for Members employed in British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan.

2.69 “Temporary Leave of Absence” means:

- (a) a leave of absence, with or without pay, approved by the Participating Employer;
or
- (b) an absence owing to sickness or disability while the Employee is not Disabled, with or without pay, including periods of maternity, adoption or parental leave of absence for the first 12 months of such leave of absence or for a longer period if required by law; or
- (c) for a Member who is a pastor, a leave in between calls to a maximum of 180 days per leave.

The Administrator shall determine the qualifications and criteria for approving a Member’s request for a leave of absence under paragraphs (a) and (c), in a uniform and non-discriminatory manner. Such criteria may include the requirement of both the Member to make Required Contributions and the Participating Employer to make contributions to the Plan on the Member’s behalf.

2.70 “Temporary Suspension of Employment”³ means any suspension of employment that lasts less than 52 weeks and is expected to be temporary in nature or any period of layoff.

2.71 “Transferred Account” means the amounts transferred into the Fund in accordance with paragraph 20.01(b).

2.72 “Valuation Date” means the date at which the Funding Agency determines the value of each Account in accordance with Section 16.04.

2.73 “Vesting Date”⁴ means the date on which the Member completes 2 years of Continuous Service as a Member.

³ Applicable as modified in the Appendices for Members employed in Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan.

⁴ Applicable as modified in the Appendices for Members employed in Manitoba, Quebec and Saskatchewan.

Notwithstanding the foregoing, for any Member affected by the withdrawal of a Participating Employer, the Vesting Date of such Member shall be the date upon which the Participating Employer withdraws from the Plan.

- 2.74 “YMPE” means the Year’s Maximum Pensionable Earnings established each year under the Canada Pension Plan as may be amended from time to time, or under any superseding legislation.

Article 3 – Membership

3.01 Members at December 31, 2011

Each Employee who was a Member of the Plan on December 31, 2011 shall continue as a Member of the Plan on and after January 1, 2012.

3.02 Other Employees⁵

Subject to Section 4.07, each Employee who was not a Member of the Plan on December 31, 2011 shall become a Member of the Plan on the later of January 1, 2012 and the first day of the month next following the date on which he:

- (a) becomes employed by a Participating Employer on a full-time basis;
- (b) becomes employed by a Participating Employer in other than full-time employment where the Employee is working at least 24 hours per week; or
- (c) becomes employed by a Participating Employer in other than full-time employment where the Employee is working less than 24 hours per week and where such Employee has earned at least 35% of the YMPE in each of two consecutive calendar years or has worked at least 700 hours in each of two consecutive calendar years with a Participating Employer.

3.03 Modify Eligibility Requirements⁶

The Administrator may, in its absolute discretion but in a uniform and non-discriminatory manner, waive or modify any eligibility requirements to permit an Employee to become a Member of the Plan as of any earlier date the Administrator shall specify.

⁵ Applicable as modified in Appendix F for Members employed in Quebec.

⁶ Applicable as modified in Appendix B for Members employed in Manitoba.

3.04 Enrolment

Upon joining the Plan, the Employee shall complete and sign an enrolment form prescribed by the Administrator, thereby authorizing the deduction of contributions from Earnings and designating a Beneficiary.

3.05 DB and/or DC Membership

- (a) Each Employee who was a Member of the Plan on December 31, 2011, shall become a DB Member on January 1, 2012 and:
 - (i) shall continue as a DB Member on January 1, 2013 if such Member attains age 55 and such Member's age plus Credited Service equals or exceeds 80 years on December 31, 2012; or
 - (ii) shall become a DB/DC Member on January 1, 2013 if such Member does not meet the eligibility criteria under subparagraph (i) on December 31, 2012.
- (b) Each other Employee who becomes a Member of the Plan on or after January 1, 2012, shall accrue benefits under the DC Provisions.

3.06 No Discontinuance of Membership

While an Employee of a Participating Employer, a Member may not terminate, suspend or withdraw from participation in the Plan.

Article 4 – Service

4.01 Continuous Service

- (a) Continuous Service means the period of uninterrupted employment of a Member with a Participating Employer, beginning with the date on which the Member was last hired by a Participating Employer and ending on the earliest of:
- (i) the date at which the Member is no longer being employed by any Participating Employer;
 - (ii) the Member's date of death;
 - (iii) the Member's Retirement Date;
 - (iv) the date at which the Participating Employer withdraws from the Plan affecting the Member; and
 - (v) the date of complete discontinuance of the Plan, or partial discontinuance of the Plan affecting the Member, without immediate substitution of a successor registered pension plan.

Periods of continuous service completed as a member of the Prior Plan shall also be included in Continuous Service.

To the extent that periods are included in Credited Service by virtue of paragraph 4.03(b), such periods shall also be included in Continuous Service.

- (b) The following shall not constitute an interruption of employment and shall be included in a Member's Continuous Service, to the extent not already included under paragraph (a):
- (i) periods of Temporary Leave of Absence or Educational Leave; and
 - (ii) periods of Temporary Suspension of Employment provided that the Member does not elect, where permitted by Applicable Pension Laws, to receive benefits in accordance with Article 19 or Article 28; and

- (iii) periods during which the Member is Disabled.

4.02 Credited Service

“Credited Service” means for purposes of the DB Provisions, the sum of (a) and (b) as follows:

- (a) “Credited Contributory Service” means the aggregate of years and months of Continuous Service on or after January 1, 2013 during which the DB Member makes or is deemed to make Required Contributions to the DB Provisions; and
- (b) “Credited Non-Contributory Service” means the aggregate of years and months of continuous membership up to December 31, 2012. In the case of a Member who, immediately prior to the Effective Date was a participant under the Prior Plan, Credited Service under the Plan shall include any period of “creditable service” under that plan up to December 31, 1988.

4.03 Exclusions and Inclusions of Credited Service

Notwithstanding Section 4.02, Credited Service is subject to the following exclusions and inclusions.

- (a) *Exclusions from Credited Service*

Credited Service shall exclude:

- (i) prior to January 1, 2013, any leave of absence of a DB Member or DB/DC Member which did not qualify for continued accrual of “credited service” under the Plan up to and including December 31, 2012;
- (ii) on or after January 1, 2013:
 - (A) any Temporary Leave of Absence of a DB Member without pay as described in paragraph 2.69(a) during which the Participating Employer did not elect for continued accrual of “credited service” under the DB Provisions;

- (B) any Temporary Leave of Absence of a DB Member described in paragraph 2.69(c) during which the Participating Employer did not elect for continued accrual of “credited service” under the DB Provisions; and
 - (iii) on or after January 1, 2013, any Temporary Suspension of Employment of a DB Member.
- (b) *Inclusions in Credited Service*

Credited Service shall include:

- (i) prior to January 1, 2013, any leave of absence of a DB Member or DB/DC Member which qualified for continued accrual of “credited service” under the Plan up to and including December 31, 2012, provided the Member does not elect to receive benefits in accordance with Article 28;
- (ii) on or after January 1, 2013:
 - (A) any Temporary Leave of Absence of a DB Member with pay as described in paragraph 2.69(a);
 - (B) any Temporary Leave of Absence of a DB Member without pay as described in paragraph 2.69(a) where the Participating Employer elects for continued accrual of “credited service” under the DB Provisions;
 - (C) any Temporary Leave of Absence of a DB Member as described in paragraph 2.69(b);
 - (D) any Temporary Leave of Absence of a DB Member as described in paragraph 2.69(c) where the Participating Employer elects for continued accrual of “credited service” under the DB Provisions;
 - (E) any Educational Leave with or without pay as described in Section 2.31 up to a maximum of five years,

provided the Member does not elect to receive benefits in accordance with Article 28;

- (iii) prior to January 1, 2013, any periods during which the DB Member or DB/DC Member is Disabled; and
- (iv) on or after January 1, 2013, any periods during which a DB Member is Disabled.

In no event, however, shall the total periods of absence included in Credited Service under paragraphs (i) and (ii) during which a Member does not have Earnings as defined in paragraph 2.30(a), when combined with the periods of absence during which a Member does not have Earnings as defined in paragraph 2.30(a) and for which contributions are made by the Participating Employer under Section 14.02 or by the Member under paragraphs 13.02(a) or 13.04(b), exceed the sum of:

- (v) the full-time equivalent of five years; and
- (vi) the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.

4.04 DB/DC Members

In respect of a DB/DC Member:

- (a) the DB/DC Member shall cease accruing Credited Service under the DB Provisions on December 31, 2012;
- (b) the DB/DC Member's Credited Service for purposes of determining the Plan Benefit shall exclude Continuous Service on or after January 1, 2013;
- (c) the DB/DC Member's Credited Service for purposes of determining the early retirement percentage in paragraph 24.02(c) shall include Continuous Service on or after January 1, 2013 during which the Participating Employer makes Employer Contributions to the DC Provision on the DB/DC Member's behalf; and
- (d) Final Average Earnings shall be determined in accordance with paragraph 2.36(b).

4.05 Disabled Members

- (a) While a Member is Disabled, Continuous Service shall continue to accrue in full. A Member who ceases to be Disabled shall continue to be entitled to the Continuous Service prior to the date of recovery regardless of whether the Member returns to active employment upon the expiry of the period of disability.
- (b) Should a Member cease to be Disabled, and provided the Member is eligible, the Member may elect to retire in accordance with Article 17 and Article 24. If the Member is not eligible or does not elect to retire and if the Member does not return to active employment with a Participating Employer, the Member shall be deemed to terminate employment in accordance with Article 19 and Article 28 on the date the Member ceases to be Disabled.
- (c) In the event of death of a Disabled Member, the death benefits shall be determined in accordance with Article 18 and Article 27.

4.06 Transfers of Employment

(a) *Transfers between Participating Employers⁷*

If a Member, including a Member who is on a Temporary Leave of Absence, terminates his employment with a Participating Employer and, within 90 days thereafter, accepts employment with any other Participating Employer, this transfer shall not constitute a termination of employment for the purposes of Article 19 or Article 28.

The Administrator shall determine the qualifications and criteria in dealing with a transferred Member, shall set administrative rules and shall provide all Participating Employers with these rules.

The Administrator shall apply the criteria and administrative rules in a uniform and non-discriminatory manner.

(b) *Transfers to a Non-Participating Employer*

If a Member, including a Member who is on a Temporary Leave of Absence, terminates his employment with a Participating Employer and, accepts employment with any other Member Congregation or Affiliated Agency that is not a Participating Employer, this transfer shall constitute a termination of employment for the purposes of Article 19 or Article 28.

(c) *Transfers to the Concordia Retirement Plan*

If a Member transfers employment to an employer in the United States that participates in the Concordia Retirement Plan:

- (i) this transfer shall not constitute a termination of employment for the purposes of Article 19 or Article 28;
- (ii) Required Contributions to the DB Provisions and the DC Provisions shall cease;

⁷ Applicable as modified in Appendix B for Members employed in Manitoba.

- (iii) Employer Contributions to the DC Provisions shall cease;
- (iv) Continuous Service shall include continuous service while the Member is an employee of an employer in the United States;
- (v) Credited Service for purposes of determining the Plan Benefits shall exclude continuous service while the Member is an employee of an employer in the United States;
- (vi) Credited Service for purposes of determining the early retirement percentage in paragraph 24.02(c) shall exclude continuous service while the Member is an employee of an employer in the United States; and
- (vii) Final Average Earnings shall be determined in accordance with paragraph 2.36(c).

Notwithstanding the foregoing, the Member may elect, or may be required by Applicable Pension Laws, to terminate employment and receive benefits in accordance with Article 19 or Article 28.

(d) *Transfers from the Concordia Retirement Plan*

If an Employee transfers employment from an employer in the United States that participates in the Concordia Retirement Plan and if such Employee was a member of the Concordia Retirement Plan immediately preceding the date he becomes an Employee:

- (i) he shall immediately become a Member of the Plan;
- (ii) if the transfer of employment occurs prior to January 1, 2012, he shall become a DB Member in accordance with paragraph 3.05(a) and whether he becomes a DB Member or DB/DC Member on January 1, 2013 shall be determined in accordance with paragraph 3.05(a);
- (iii) if the transfer of employment occurs on or after January 1, 2012, he shall become a DC Member in accordance with paragraph 3.05(b);

- (iv) service with the employer in the United States which occurs immediately preceding the date of transfer shall be included in Continuous Service.

4.07 Re-Employment

- (a) In the event that an Employee who terminates employment with a Participating Employer is subsequently re-employed with a Participating Employer prior to the end of the calendar year in which he attains age 71, or such other age as may be permitted by Revenue Rules, his periods of Continuous Service shall be treated separately, and the second period shall be considered to start from the date of said subsequent re-employment.

Notwithstanding the foregoing, if such Employee was previously a Member of the Plan and is re-employed with a Participating Employer within 1 year, he shall become a Member of the Plan on the first day of the month next following the date of said subsequent re-employment and his period of Continuous Service in respect of his prior employment with a Participating Employer shall be recognized for purposes of determining his Vesting Date.

- (b) Such Employee who is re-employed on or after January 1, 2012 shall accrue benefits under the DC Provisions and shall not accrue additional Credited Service under the DB Provisions in respect of his subsequent period of employment on or after January 1, 2012.
- (c) In the event such Employee is receiving retirement income under the DB Provisions, the Employee's retirement income shall continue, to the extent permitted by Applicable Pension Laws and Revenue Rules.

Article 5 – Retirement Dates

5.01 Normal Retirement

The Normal Retirement Date of a Member is the first day of the month next following or coincident with the day the Member attains age 65.

5.02 Early Retirement

A Member may retire on an Early Retirement Date which shall be the first day of any month following or coincident with the later of the date on which the Member attains age 55 and the Member's Vesting Date.

5.03 Postponed Retirement

If the Member continues in the employ of a Participating Employer beyond Normal Retirement Date, the Member shall retire, or be deemed to have retired for the purposes of the Plan, not later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted by the Revenue Rules.

The date of the Member's actual or deemed retirement in accordance with this paragraph shall be the Postponed Retirement Date.

Article 6 – Contributions and Funding

6.01 Employer Contributions

- (a) With respect to benefits under Part 2 of the Plan and subject to Section 6.02, each Participating Employer shall contribute in accordance with Article 14. Subject to Applicable Pension Laws, the liability of the Participating Employers to contribute under Part 2 of the Plan is limited to those required under Article 14.
- (b) With respect to benefits under Part 3 of the Plan and subject to Section 6.02, each Participating Employer will make contributions to the Fund in accordance with the most recent actuarial valuation of the Plan prepared by the Actuary in accordance with accepted actuarial practice, Applicable Pension Laws and Revenue Rules which will provide funding sufficient to meet the ongoing funding requirements and tests for solvency prescribed by Applicable Pension Laws but, provided that such tests are satisfied, the Participating Employers shall not be required to make further contributions to the Plan. In the event the Plan is terminated, in whole or in part, the Participating Employers shall make the contributions accrued to the date of termination in respect of the benefits under the Plan but shall not be obliged to contribute further, unless and only to the extent otherwise required by Applicable Pension Laws. For greater clarity, in the event the Plan is terminated, in whole or in part, and additional contributions are required under the Employment Pensions Plans Act (Alberta) and Regulation thereto, in respect of any deficit attributable to Members affected by the plan termination, the Participating Employers shall make such contributions. The additional contributions shall be made only in accordance with and to the extent required by the Employment Pension Plans Act (Alberta) and Regulation thereto, as amended.
- (c) With respect to benefits under Part 3 of the Plan, in the event a Participating Employer withdraws from the Plan, the Participating Employer shall make such additional contributions to fund any deficit attributable to Members affected by the withdrawal of such Participating Employer.

- (d) All Employer Contributions shall be paid into the Fund within the time limits specified in Applicable Pension Laws.

6.02 Surplus

At the discretion of the Church and subject to the provisions of Applicable Pension Laws, any surplus determined by the Actuary, or a portion thereof, including, without limitation, the balance in the Forfeiture Account, may be used to reduce the contributions of Participating Employers under the Plan, including, without limitation, Employer Contributions under Part 2 of the Plan, and contributions required under paragraph 6.01(b), to the extent permitted by the Revenue Rules, or may, to the extent allowed and subject to any conditions or approval procedures under Applicable Pension Laws, be returned to the Participating Employers. The allocation of surplus among Participating Employers shall be determined by the Church after consultation with the Actuary.

6.03 Refund of Contributions to Avoid Revocation

In the event that a Participating Employer or a Member makes a contribution to the Plan which would cause the Plan's registration to be revocable under Revenue Rules then, subject to conditions or approval procedures under Applicable Pension Laws, such contribution shall be returned to the Participating Employer or the Member, as applicable.

6.04 Fund

- (a) A Fund has been established and shall be maintained for the purposes of the Plan under which all contributions and earnings thereon are held to make the payments specified in the Plan.
- (b) The Church shall be responsible for the selection of a Funding Agency. The Fund (or a portion thereof) shall be maintained by a Funding Agency in accordance with the terms of the Funding Agreement entered into between the Church and such Funding Agency. The Church and the Funding Agency may jointly agree to amend the form and the terms of the Funding Agreement at any time and from time to time. The Church may further appoint an advisor and/or

an investment manager to advise in respect of or manage the investment of any portion of the Fund. The Church may replace any Funding Agency, advisor or investment manager so appointed at any time, in accordance with the terms of any applicable agreement or contract.

- (c) The Funding Agreement is ancillary to the Plan and is intended to receive contributions made to the Plan and to give effect to the provisions of the Plan relating to the safekeeping and investment of the assets of the Fund and to facilitate the payment of the benefits and other payments properly made under the Plan, in accordance with Applicable Pension Laws and Revenue Rules, and not to create rights to payments from the Fund that are in addition to those payments expressly provided under the Plan. In the case of conflict between the provisions of the Plan and those of the Funding Agreement, the provisions of the Plan shall govern.
- (d) The Church may appoint a Service Provider to maintain records, make payments or transfers from the Member Accounts and the Forfeiture Account and provide investment options for the purposes of Part 2 of the Plan. The Church may replace any Service Provider so appointed at any time, in accordance with the terms of the Service Provider Agreement with the Service Provider.
- (e) Subject to Applicable Pension Laws, the retirement income, Member Accounts and other benefits provided under the Plan shall only be paid to the extent that they are provided for by the assets held in the Fund, and no liability or obligation to make any contributions thereto or otherwise shall be imposed upon the Funding Agency or a Participating Employer other than in accordance with Section 6.01.
- (f) Subject to paragraph 6.04(g), the fees properly paid and the expenses reasonably incurred in respect of the Plan and the Fund, including but not restricted to:
 - (i) the fees of the Administrator and expenses incurred by the Administrator on behalf of the Plan or the Fund;
 - (ii) the fees of the Funding Agency and the Service Provider;

- (iii) the fees and disbursements of the agents of the Administrator with respect to the Plan or Fund;
- (iv) the fees and disbursements of the advisors with respect to the Plan or Fund, including but not limited to actuarial, consulting, legal and accounting;
- (v) costs related to the investments of the Fund, including brokerage, commissions and transfer taxes, and costs related to investment counsel and investment management services, except investment management fees and expenses related to the Member Accounts under Part 2 of the Plan, which are specifically dealt with in paragraph 6.04(g);
- (vi) expenses incurred in winding up the Plan; and
- (vii) costs incurred by the Administrator in connection with the breakdown of a Member's marriage including, but not limited to, the costs of disclosure, calculation and processing;

may, to the extent permitted by Applicable Pension Laws and Revenue Rules, be paid from the Fund, including the Forfeiture Account.

Notwithstanding subparagraph (vii), the costs incurred by the Administrator in connection with the breakdown of a Member's marriage including, but not limited to, the costs of disclosure, calculation and processing may be charged to the Member to the extent permitted under Applicable Pension Laws.

The Administrator or the Participating Employers or any of them may pay any such fees and expenses on behalf of the Plan or Fund, and may be reimbursed by the Fund, subject to any prohibition against such reimbursement under Applicable Pension Laws. The payer may waive reimbursement.

- (g) The Participating Employers shall pay such fees and expenses related to Part 2 of the Plan (other than investment management fees and expenses related to the Accounts) as the Church agrees to with the Funding Agency from time to time to cover a portion of the cost associated with the custody, recordkeeping and administration of Part 2 of the Plan. The Church reserves the right, in its sole

discretion, to modify the amount at any time and from time to time (for greater certainty, the amount may be nil). Any such costs not paid directly by the Participating Employers shall be paid from Member Accounts or, at the sole discretion of the Church, the Forfeiture Account. Notwithstanding the foregoing, all investment management fees and expenses related to the Member Accounts shall be paid, to the extent permitted by Applicable Pension Laws and Revenue Rules, from the Forfeiture Account, from the respective Member Accounts or by the Participating Employers (or a combination of one or more of the aforesaid) as the Church may, in its sole discretion, from time to time determine. Expenses related to investment brokerage, taxes and similar costs, as well as fees arising from the purchase or sale of securities in respect of the Member Accounts or the Forfeiture Account may be included in the unit values of the underlying investment fund. For greater certainty, if a former Member who has terminated Continuous Service does not elect distribution of his Member Accounts in accordance with Section 17.03 or Section 19.03, the investment management fees and expenses, recordkeeping and other administration fees and expenses in respect of such Member Accounts shall be paid out of such Member Accounts while they remain in the Fund.

6.05 Investments

- (a) The investment of the Fund shall be made in accordance with Applicable Pension Laws and Revenue Rules.
- (b) The Administrator shall establish a written statement of investment policies and procedures for the Plan.

6.06 Borrowing

Neither the Administrator nor the Funding Agency shall borrow money on behalf of the Plan except as allowed under Applicable Pension Laws and Revenue Rules and provided for in the statement of investment policies and procedures for the Plan.

6.07 Claims on the Fund

- (a) Contributions made by a Participating Employer shall not constitute an enlargement of the amount of any benefit provided in the Plan, and shall not at any time create for any person other than a Participating Employer the right, title or interest in the assets of a Participating Employer or the Fund, except as provided under Applicable Pension Laws.
- (b) No Member or any person claiming through a Member shall have any right to, or any interest in any part of the Fund, or to any benefit or other payment from the Fund, except to the extent specifically provided from time to time under the Plan, the Funding Agreement or Applicable Pension Laws.

6.08 Sole Recourse to Fund

A Member or person claiming through the Member shall have recourse solely to the Fund for any benefit or other payment from the Plan. Under no circumstances shall any liability attach to a Participating Employer, the Administrator, any member of the Board of Managers, or any director, officer or employee of a Participating Employer, for any benefit or other payment hereunder.

Article 7 – Protection of Benefits

7.01 Non-Assignability of Benefits

Except as permitted under Section 7.02 and the portability and commutation provisions of any other Article of the Plan, no benefit, right or interest provided under the Plan shall be:

- (a) capable of anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, seizure, attachment or other legal or equitable process; or
- (b) capable of being given as security or surrendered;

and, for the purposes of this Section:

- (c) assignment does not include assignment by the legal representative of a deceased individual on the distribution of the individual's estate; and
- (d) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan under Revenue Rules.

7.02 Support and Division of Property

- (a) Subject to Applicable Pension Laws, a benefit payable under the Plan may be:
 - (i) subject to execution, seizure or attachment in satisfaction of an order for support or maintenance, pursuant to a decree, order or judgement of a competent tribunal or garnishing order; or
 - (ii) assigned, pledged, charged, encumbered or alienated to satisfy a division of matrimonial property, pursuant to a written agreement, decree, order or judgement or a competent tribunal or a written agreement between the two parties, if permitted by applicable legislation.
- (b) The determination of the benefit payable to a person under paragraph (a) and of the Member's remaining benefit entitlements shall be subject to Applicable Pension Laws and Revenue Rules.

Article 8 – Amendment or Discontinuance

8.01 Amendment

The Church shall have the exclusive power to:

- (a) amend the Plan;
- (b) terminate the Plan;
- (c) merge or consolidate the Plan with any other registered pension plan adopted by the Board;

provided that no such action shall adversely affect any benefit accrued immediately prior to the time such action is taken, except as provided in Sections 8.02 or 8.04. The accrued benefits will be computed using as the applicable Date of Determination, the earliest of the date the Member ceases to accrue Continuous Service and the date of the amendment, termination, merger or consolidation of the Plan, as applicable.

Any amendment of the Plan shall be made by:

- (d) the adoption of a resolution by the Board of Directors; or
- (e) the execution of a certificate of amendment by an officer of the Church authorized by resolution of the Board of Directors to amend the Plan.

A copy of each amendment shall be provided forthwith upon adoption to each of the Participating Employers.

8.02 Amendment Required to Maintain Registration

Notwithstanding any other provisions of the Plan, the Church may amend the Plan as is necessary to maintain the registration of the Plan under Applicable Pension Laws and Revenue Rules. Section 8.01 shall not restrict the Church's ability to make an amendment to the Plan, including, but without limiting the generality of the foregoing, an amendment providing for benefits to be reduced, when the purpose of the amendment

is to maintain such registration of the Plan. Any such benefit reduction shall be subject to conditions or approval procedures under Applicable Pension Laws.

8.03 Certification of Post-1989 Additional Benefits

An amendment to the Plan which creates additional benefits in respect of a period of employment after 1989 and which must be certified by the Minister of National Revenue in accordance with Revenue Rules shall not be effective in respect of a Member until such certification has been received for that Member, and such additional benefits will not be paid as a result of the amendment prior to certification. The Church shall apply for such certification before the Participating Employers make any contributions to the Plan in respect of such amendment.

8.04 Discontinuance

In the event the Plan is discontinued at any time in whole or in part with respect to a specified group of Members only, the assets of the Fund (or the interest therein of Members affected by a partial discontinuance) shall be allocated to provide, to the extent of said assets and subject to Applicable Pension Laws, the benefits then accrued under the Plan. Members shall become fully vested and accrued benefits will be computed using the date the Member ceases to accrue Continuous Service as the applicable Date of Determination. Such allocation shall be made in accordance with an allocation schedule then established by the Church in consultation with the Actuary and filed with and approved by the appropriate authorities in accordance with Applicable Pension Laws.

8.05 Settlement on Discontinuance of Plan

The provision for accrued benefits described in Section 8.04 may be made in the form of cash, the purchase of annuity contracts, the transfer of monies to other registered pension plans or to approved registered vehicles, or the continuation of the Fund or a combination thereof, at the discretion of the Church and as permitted under Applicable Pension Laws and Revenue Rules.

8.06 Surplus upon Discontinuance

- (a) Upon discontinuance of the Plan in whole, assets remaining in the Fund (including but not limited to, the balance in the Forfeiture Account) after the discharge of all liabilities under the Plan or under Applicable Pension Laws may be paid to the Participating Employers or used as the Church may direct, subject to Applicable Pension Laws and any agreements among Participating Employers.
- (b) Upon discontinuance of the Plan in part, assets of the Plan in respect of the partial discontinuance shall be used to discharge all liabilities under the Plan or under Applicable Pension Laws in respect of the Members affected by the partial discontinuance, the terms of such payment being subject to Applicable Pension Laws. The Church, with the advice of the Actuary, shall allocate the total assets in the Plan between the portion of the Plan that is discontinued and the remaining portion of the Plan. At the option of the Church, the excess of the assets allocated to the discontinued portion of the Plan over the liabilities of the discontinued portion of the Plan in respect of the Members affected by the partial discontinuance, may be paid to the Participating Employers or used as the Church may direct, subject to Applicable Pension Laws and any agreements among Participating Employers.
- (c) The expenses related to the discontinuance of the Plan in whole or in part may be paid from the Plan, at the sole discretion of the Church, and subject to Applicable Pension Laws and Revenue Rules. In the case of a full discontinuance, such expenses may include expenses related to the distribution of assets remaining in the Plan after payment of the liabilities related to the discontinuance. In the case of a partial discontinuance, such expenses may include expenses related to the allocation of assets to the discontinued portion of the Plan and the distribution of the assets so allocated and remaining after the payment of liabilities related to the partial discontinuance.

8.07 Insufficient Assets upon Discontinuance

Upon discontinuance of the Plan, in whole or in part, if the assets of the Fund are not sufficient to pay all accrued benefits under the Plan, the accrued benefits of a Member

under Part 2 of the Plan shall not be reduced and the balance in the Member Accounts will not be used to fund the benefits of any Member accrued under Part 3 of the Plan.

Article 9 – Disclosure

9.01 Plan Explanation

Within the period prescribed by Applicable Pension Laws, the Administrator shall provide to each Employee who becomes eligible for membership in the Plan, a written description of the Plan. Such description shall explain the terms and conditions of the Plan and amendments thereto applicable to the Employee and the rights and obligations of the Employee in respect of the Plan and shall contain any other information prescribed by Applicable Pension Laws.

Except as otherwise permitted or required under Applicable Pension Laws, the Administrator shall provide a written explanation of an amendment to each Employee affected by the amendment not later than 60 days after registration of any amendment to the Plan.

9.02 Inspection

- (a) The Administrator or the Participating Employer shall permit a Member, or such person as is required to be permitted under Applicable Pension Laws, to inspect, to make extracts from or to copy the Plan text and any other related documents required to be made available under Applicable Pension Laws, at such time and places as may be required by Applicable Pension Laws.
- (b) To the extent required by Applicable Pension Laws, the Administrator shall provide, on request, a Member, or such person as is required to be permitted under Applicable Pension Laws, with copies of any of the documents required to be made available under Applicable Pension Laws upon payment to the Administrator of a reasonable fee.

9.03 Benefits Statement

- (a) Within the period prescribed by Applicable Pension Laws, the Administrator shall provide to each Member a written statement describing the benefits the Member has earned to date and such other information as required under Applicable Pension Laws.

- (b) Upon cessation of employment of a Member or upon termination of the Member's active membership in the Plan, the Administrator shall provide to the Member (or the person entitled to benefits in the event of the Member's death) within the period prescribed by Applicable Pension Laws, a written statement containing the information prescribed under Applicable Pension Laws in respect of the benefits and options to which the Member or other person is entitled.

9.04 Other Information

The Administrator or the Church shall provide such other information regarding the Plan, statistical or otherwise, as is required under Applicable Pension Laws and Revenue Rules.

9.05 Limitation

Such explanation, statement or right of disclosure of the Plan text and other documents provided shall have no effect on the rights or obligations of any person under the Plan, and shall not be referred to in interpreting or giving effect to the provisions of the Plan. Neither the Administrator, the Participating Employers, nor any employee, officer or director of a Participating Employer who is involved in the administration of the Plan shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

Article 10 – Administration

10.01 The Administrator

- (a) The Church is the Administrator of the Plan for all purposes including, without limitation, for purposes of Applicable Pension Laws. The Administrator shall decide conclusively all matters relating to the operation, interpretation and application of the Plan.
- (b) The Plan and the Fund shall be administered by the Administrator in accordance with the Plan, the Funding Agreement, written statement of investment policies and procedures for the Plan, Applicable Pension Laws and Revenue Rules and any applicable policies adopted by the Church from time to time.
- (c) The Administrator may adopt rules for the administration of the Plan for the conduct of any of its delegates and agents and may amend such rules from time to time, provided such rules do not conflict with any provision of the Plan.

10.02 Power to Delegate

The Administrator may delegate or appoint one or more agents to carry out any act or transaction required for the administration and management of the Plan and the Fund or may retain advisors. Every delegate and agent appointed by the Administrator shall report to and shall be subject to the direction and continuing supervision of the Administrator.

10.03 Board of Managers

The Board of Managers shall have such responsibilities as set-out in the Synodical Bylaws of the Church.

10.04 Entitlement to Rely on Statements

The Administrator, or a member of the Board of Managers, may rely in good faith on the statements or reports of the Funding Agency, the Actuary, the Service Provider, an

accountant, an appraiser, a lawyer or other professional advisor retained by the Church, the Board of Managers or the Administrator, subject to Applicable Pension Laws.

10.05 No Personal Liability

Subject to Applicable Pension Laws, neither the Administrator, the Participating Employers, nor any member of the Board of Managers, nor any director, officer or other employee of a Participating Employer shall be liable to any person whatsoever for anything done or omitted to be done in respect of the administration of the Plan.

10.06 Church Liability

The Church and Participating Employers shall have no liability to make any payments to the Fund except as expressly provided in Section 6.01. Each Employee agrees, and may be required in writing to agree, as a condition precedent to enrolling in the Plan, for himself, his heirs, executors, administrators and legal representatives to be bound by all the terms and conditions of the Plan and expressly to release the Church and Participating Employers, the Administrator, and any officer thereof from any and all liability for any loss or damage whatsoever arising in connection with the administration and management of the Plan and the Fund, except that arising from any breach of Applicable Pension Laws.

10.07 Indemnification

Subject to applicable legislation, the Church shall indemnify and save harmless the members of the Board of Managers and any other employee, officer or director of a Participating Employer whose responsibilities or duties involve any aspect of the administration of the Plan from personal liability in respect of their respective acts or omissions in respect of the administration of the Plan, except where the act or omission was in breach of Applicable Pension Laws.

10.08 Employer Records

Whenever the records of a Participating Employer are used for the purposes of the Plan, such records shall be conclusive of the facts with which they are concerned.

Article 11 – General Provisions

11.01 Beneficiary Designation

- (a) A Member shall designate in writing a Beneficiary to receive any benefits that are payable under the Plan to a Beneficiary upon the death of such Member and may change such designation from time to time. Such designation or change must be in accordance with any law applicable to the Member and shall be in such form and executed in such manner as the Administrator may, from time to time, determine. Any designation or change must be filed with the Administrator.
- (b) Benefits payable as a result of the death of the Member shall be paid in accordance with the most recent designation filed by the Member with the Administrator and, in the absence of an effective designation of a Beneficiary, the Administrator shall instruct the Funding Agency to make payment of any death benefits payable to the Beneficiary under the Plan to the estate of the Member and any such payment shall completely discharge all liability with respect to the amount paid.
- (c) Notwithstanding paragraphs (a) and (b), if the Member has a surviving Spouse at death, the surviving Spouse shall be deemed to be the Beneficiary and shall receive any benefits payable under the Plan unless the Spouse has waived any entitlement under the Plan in the form and manner prescribed by Applicable Pension Legislation.

11.02 Information Provided by the Members, Spouses and Beneficiaries

- (a) The Administrator may require a Member, a Spouse, a Beneficiary and any other person claiming payment under the Plan to provide any information and documents which the Administrator, acting reasonably, considers necessary for such payment and the Member, Spouse, Beneficiary and such other person shall provide the information or documents.

- (b) In the absence of actual notice to the contrary, the Administrator shall make payment in accordance with information provided by the Member, Spouse, Beneficiary or other person claiming payment. If there is a dispute as to whether a person is a Spouse, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of a benefit, or where a person makes a claim that is inconsistent with information provided by the Member, the Administrator may obtain court directions and the cost in respect thereof, in the discretion of the Administrator, may be charged to the person entitled to the benefit to be paid.
- (c) Payment of pension benefits or an Account shall not be made until the person entitled to payment of the pension benefit or the Account delivers to the Administrator:
- (i) satisfactory proof of age of the person and any other person who may become entitled to payment of the pension benefit or the Account and any other information that is required to calculate and pay the pension benefit or the Account;
- and
- (ii) if the pension benefit or the Account is payable to a Member or Spouse, a signed declaration of marital status.

11.03 Employment Rights

Nothing herein contained shall be deemed to give any Employee the right to be retained in the service of a Participating Employer or to interfere with the rights of a Participating Employer to discharge or lay off any Employee at any time and to treat such Employee without regard to the effect which such treatment might have under the Plan upon such Employee.

11.04 Withdrawal

Except as expressly provided in the Plan and permitted by Applicable Pension Laws, no Member may withdraw all or part of his benefit entitlement under Part 3 or his Member Accounts while remaining in employment with the Participating Employer.

11.05 Purchase of Annuity

The purchase of an annuity from an Insurer to provide a retirement income that the Member or his Spouse is entitled to under the Plan whether before or after any Date of Determination, shall constitute a complete discharge of the Plan, the Church, the Participating Employers and the Administrator of all liabilities under the Plan to the Member or the Spouse in respect of such retirement income.

11.06 Infirmary

If the Administrator receives evidence, which in its absolute discretion is satisfactory to it, that a person entitled to receive any benefit under the Plan is a minor or is physically or mentally incompetent to receive such a benefit, the Administrator may direct the payment to any representative, trustee, guardian, attorney or other person or persons entitled at law to receive the benefit on the person's behalf. Such payment shall be a complete discharge of the payment obligation under the Plan.

11.07 Commutation of Pensions and Lump Sum Refunds⁸

- (a) Retirement income under Part 3 and the value of the Member's Employee Account and Employer Account under Part 2 may, before payment has commenced, be commuted and paid in a lump sum at the discretion of the person entitled to the benefit if:
 - (i) the annual retirement income that would be payable under Part 3 and from the value of the Member's Employee Account and Employer Account under Part 2 at or after Normal Retirement Date does not exceed 4% of the YMPE as at the date the Member or the Member's Spouse, as applicable, makes the application in the prescribed form; or
 - (ii) the lump sum Actuarial Equivalent of the retirement income under Part 3 and the value of the Member's Employee Account and Employer Account under Part 2 does not exceed 20% of the YMPE as at the date

⁸ Applicable as modified in the Appendices for Members employed in British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan.

the Member or the Member's Spouse, as applicable, makes the application in the prescribed form.

The amount of any such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

- (b) Retirement income under Part 3 and the value of the Member's Employee Account and Employer Account under Part 2 required to be paid to a Member who has ceased to accrue Continuous Service or to a Spouse, either of whom is a non-resident of Canada for purposes of Revenue Rules, may be commuted and paid in a lump sum at the discretion of the person entitled to the benefit, provided that the prescribed forms are completed and filed as required by Applicable Pension Laws. If the Member has a Spouse, an election to commute and receive a lump sum payment may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws.
- (c) The Administrator may, at its sole discretion, require a Member who is entitled to a deferred retirement income under Part 3 and the value of the Member's Employee Account and Employer Account under Part 2 upon termination of employment or termination of the Plan, to transfer, in lieu of any other benefit under the Plan, the lump sum Actuarial Equivalent of such deferred retirement income in accordance with Section 29.02 and Section 19.03, if the lump sum Actuarial Equivalent of such deferred retirement income under Part 3 plus the value of the Member's Employee Account and Employer Account under Part 2 do not exceed 20% of the YMPE in the year the Member ceased to accrue Continuous Service.
- (d) Subject to Applicable Pension Laws, a benefit required to be paid under the Plan may be commuted and paid in a lump sum at the discretion of the Administrator if the Member establishes, by a written statement from a qualified medical doctor licensed to practise in Canada, that he has a life expectancy considerably shorter than the life expectancy for his age and sex on the then current Canadian Life Tables. If the Member has a Spouse, an election to commute and receive a lump sum payment may only be made if the Spouse completes a waiver in the form and manner prescribed by Applicable Pension Laws. The amount of any

such form of benefit settlement shall be the Actuarial Equivalent of the benefit remaining to be paid.

11.08 Non-Duplication of Benefits

There shall be no duplication of benefits payable under one provision of the Plan and benefits payable under any other provision of the Plan.

Part 2 – Defined Contribution Provisions

Article 12 – Application

12.01 The provisions of this Part 2 shall apply:

- (a) To a DC Member, in respect of Continuous Service on or after January 1, 2012;
and
- (b) To a DB/DC Member, in respect of Continuous Service on or after
January 1, 2013.

Article 13 – Member Contributions

13.01 Required Contributions

- (a) Subject to Section 13.02, 13.03 and 15.01, in each pay period or portion thereof, a DC Member or DB/DC Member who is an Employee of a Participating Employer shall contribute to the DC Provision, by regular payroll deduction, Required Contributions equal to 4% of the Member's Earnings received in the pay period.
- (b) Required Contributions made pursuant to paragraph (a) shall cease upon the earliest of:
 - (i) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death;
 - (v) the date the Member commences a Temporary Leave of Absence or Educational Leave;
 - (vi) the date the Member becomes Disabled; or
 - (vii) the date of complete or partial discontinuance of the Plan affecting the Member.
- (c) All Required Contributions shall be paid into the Fund and allocated to the Member Employee Account within the time limits prescribed by Applicable Pension Laws.

13.02 Required Contributions During a Temporary Leave of Absence or Educational Leave

- (a) Notwithstanding Section 13.01 but subject to Section 15.01, if a DC Member or DB/DC Member is:
 - (i) on a Temporary Leave of Absence with pay as described in paragraph 2.69(a), the Member shall continue to make Required Contributions for such period of Temporary Leave of Absence;
 - (ii) on a Temporary Leave of Absence as described in paragraph 2.69(b) during which the Member qualifies for benefits under a Participating Employer's short-term disability income plan, the Member shall continue to make Required Contributions for such period of Temporary Leave of Absence;
 - (iii) on any other Temporary Leave of Absence as described in Section 2.69, the Member shall not be required to contribute to the DC Provisions for such period of Temporary Leave of Absence; or
 - (iv) on an Educational Leave with or without pay as described in Section 2.31, the Member shall not be required to contribute to the DC Provisions for such period of Educational Leave.
- (b) Required Contributions made pursuant to this Section 13.02 shall be paid on such terms and in such manner as may be determined by the Administrator, subject to applicable laws.
- (c) Required Contributions made pursuant to this Section 13.02 shall cease upon the earliest of:
 - (i) the termination of the Member's Temporary Leave of Absence in accordance with subparagraphs (a)(i) and (ii);
 - (ii) the Member's termination of employment;
 - (iii) the Member's Normal Retirement Date;

- (iv) the Member's death; or
- (v) the date of complete or partial discontinuance of the Plan affecting the Member.

13.03 Required Contributions During a Period of Disability

Notwithstanding Section 13.01, if a DC Member or DB/DC Member is Disabled, the Member shall not be required to contribute to the DC Provisions.

13.04 Optional Contributions

- (a) Subject to Section 15.01 and paragraphs (b) and (c), a DC Member, a DB/DC Member or a DB Member, who is accruing Continuous Service, may contribute Optional Contributions to the Member's Optional Account in the Plan Year by payroll deduction or by lump sum payment or both, up to a maximum of 4% of the Member's Earnings. The Member may change his rate of Optional Contributions at such times and in accordance with such policies and procedures as are adopted by the Administrator. Such contributions are considered additional voluntary contributions, not subject to the locking-in requirements of Applicable Pension Laws.
- (b) Notwithstanding paragraph (a) but subject to Section 15.01 and paragraphs 4.03(b) and 14.02(c), if a DC Member, a DB/DC Member or a DB Member is on Temporary Leave of Absence or Educational Leave, the Member may elect to make Optional Contributions for the Temporary Leave of Absence or Educational Leave.
- (c) Notwithstanding paragraph (a) but subject to Section 15.01 and paragraphs 4.03(b) and 14.02(c), if a DC Member, a DB/DC Member or a DB Member is Disabled, the Member may elect to make Optional Contributions in respect of the period when the Member is Disabled.
- (d) All Optional Contributions shall be paid into the Fund and allocated to the Member's Optional Account within time limits prescribed by Applicable Pension Laws.

Article 14 – Participating Employer Contributions

14.01 Participating Employer Contributions

- (a) Subject to Sections 6.02, 14.02, 14.03, 14.05 and 15.01, in each pay period or portion thereof, the Participating Employer shall contribute on behalf of a DC Member or DB/DC Member, Employer Contributions equal to 6% of the Member's Earnings received in the pay period.
- (b) Employer Contributions made pursuant to paragraph (a) shall cease upon the earliest of:
 - (i) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death;
 - (v) subject to paragraph 14.02(a), the date the Member commences a Temporary Leave of Absence or Educational Leave;
 - (vi) the date the Member becomes Disabled; or
 - (vii) the date of complete or partial discontinuance of the Plan affecting the Member.
- (c) All Employer Contributions shall be paid into the Fund and allocated to the Member's Employer Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Participating Employers at any time is limited to such contributions as should have been made in accordance with Applicable Pension Laws.

14.02 Participating Employer Contributions During a Temporary Leave of Absence or Educational Leave

- (a) Notwithstanding Section 14.01 but subject to Sections 6.02, 14.05 and 15.01, if a DC Member or DB/DC Member is:
 - (i) on a Temporary Leave of Absence with pay as described in paragraph 2.69(a), the Participating Employer shall continue to make Employer Contributions pursuant to paragraph 14.01(a) for such period of Temporary Leave of Absence;
 - (ii) on a Temporary Leave of Absence without pay as described in paragraph 2.69(a), the Participating Employer shall have the option to continue to make Employer Contributions pursuant to paragraph 14.01(a) for such period of Temporary Leave of Absence;
 - (iii) on a Temporary Leave of Absence as described in paragraph 2.69(b), the Participating Employer shall continue to make Employer Contributions pursuant to paragraph 14.01(a) for such period of Temporary Leave of Absence;
 - (iv) on a Temporary Leave of Absence as described in paragraph 2.69(c), the Participating Employer shall have the option to continue to make Employer Contributions pursuant to paragraph 14.01(a) for such period of Temporary Leave of Absence;
 - (v) on an Educational Leave with or without pay as described in Section 2.31, the Participating Employer shall continue to make Employer Contributions pursuant to paragraph 14.01(a) for such period of Educational Leave up to a maximum of five years.
- (b) Employer Contributions made pursuant to this Section 14.02 shall be paid on such terms and in such manner as may be determined by the Administrator, subject to applicable laws.
- (c) In no event shall the total periods, during which the DC Member or DB/DC Member does not have Earnings as defined in paragraph 2.30(a) and for which

contributions are made by the Participating Employer under this Section 14.02 or by a Member under paragraphs 13.02(a) or 13.04(b), when combined with any period of absence without Earnings as defined in paragraph 2.30(a) during which the Member accrued Credited Service under subparagraphs 4.03(b)(i) and (ii), exceed the sum of:

- (i) the full-time equivalent of five years; and
 - (ii) the periods of parenting, as defined in Revenue Rules, subject to a maximum of the full-time equivalent of 36 months of such periods of parenting and a maximum of 12 months for any one period of parenting.
- (d) Employer Contributions made pursuant to this Section 14.02 shall cease upon the earliest of:
- (i) the date the Participating Employer ceases making Employer Contributions in accordance with paragraph (a);
 - (ii) the termination of the Member's Temporary Leave of Absence or Educational Leave;
 - (iii) the Member's termination of employment;
 - (iv) the Member's Normal Retirement Date;
 - (v) the Member's death; or
 - (vi) the date of complete or partial discontinuance of the Plan affecting the Member.

14.03 Participating Employer Contributions During a Period of Disability

- (a) Notwithstanding Section 14.01 but subject to Sections 6.02, 14.05 and 15.01, if a DC Member or DB/DC Member is Disabled, the Employer Contributions shall continue to be made by the Participating Employers pursuant to paragraph 14.01(a) in respect of the period when the Member is Disabled.

- (b) Employer Contributions made pursuant to this Section 14.03 shall be paid on such terms and in such manner as may be determined by the Administrator, subject to applicable laws.
- (c) Employer Contributions made pursuant to this Section 14.03 shall cease upon the earliest of:
 - (i) the date the Member ceases to be Disabled;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Normal Retirement Date;
 - (iv) the Member's death; or
 - (v) the date of complete or partial discontinuance of the Plan affecting the Member.

14.04 Flex Plan Contributions

- (a) Subject to 6.02 and Section 15.01, the Participating Employers may, at the discretion of a DC Member, a DB/DC Member or a DB Member, contribute on behalf of such Member by allocating excess funds from the Member's Flex Plan account.
- (b) All Employer Contributions shall be paid into the Fund and allocated to the Member's Employer Account within the time limits specified in Applicable Pension Laws. Subject to Applicable Pension Laws, the liability of the Participating Employers at any time is limited to such contributions as should have been made in accordance with Applicable Pension Laws.

14.05 Allocation of Forfeiture Account

Without limiting the generality of Section 6.02, at the discretion of the Administrator and subject to the provisions of Applicable Pension Laws, the balance of the Forfeiture Account shall, within the time limits specified in Revenue Rules:

- (a) be used to pay the fees and expenses reasonably incurred in respect of the Plan and the Fund pursuant to paragraphs 6.04(f) and (g);
- (b) be used to reduce the Employer Contributions otherwise required under this Part by means of transfer of monies from the Forfeiture Account to the Member Employer Accounts; or
- (c) be returned to the Participating Employers.

Article 15 – Maximum Contributions

15.01 Maximum Contribution Limit

- (a) For the purpose of Articles 13 and 14, and subject to paragraph (b), the maximum contribution limit in respect of a Member in any calendar year shall be the lesser of 18% of the Member's Earnings in that calendar year and the Money Purchase Limit as is applicable in that calendar year.
- (b) The maximum contribution limit calculated in accordance with paragraph (a) shall be reduced by the amount, if any, of a Member's expected pension adjustment as determined under Revenue Rules for any benefits accrued or contributions made in the calendar year under Part 3 or any other registered pension plan or deferred profit sharing plan of a Participating Employer or Related Employer.

Article 16 – Accounts

16.01 Member Accounts

Individual accounts shall be maintained in the Fund by the Funding Agency with respect to each DC Member, DB Member and DB/DC Member, as follows:

- (a) The Required Contributions made by a DC Member or a DB/DC Member in accordance with Sections 13.01, 13.02 or 13.03 shall be allocated to the Member's Employee Account. The Member's Employee Account shall also include amounts in respect of member contributions made to the defined contribution provisions of the Plan prior to January 1, 2011.
- (b) The Employer Contributions made on behalf of a DC Member or a DB/DC Member in accordance with Sections 14.01, 14.02, 14.03, 14.04 or 14.05 shall be allocated to the Member's Employer Account. The Employer Contribution made on behalf of a DB Member in accordance with Section 14.04 shall be allocated to the Member's Employer Account.
- (c) The Optional Contributions made by a DC Member, a DB/DC Member or a DB Member in accordance with Section 13.04 shall be allocated to the Member's Optional Account. The Member's Optional Account shall also include amounts in respect of contributions made to the Plan by a Member on or after January 1, 2011 that were considered additional voluntary contributions, not subject to the locking-in requirements of Applicable Pension Laws.

16.02 Forfeiture Account

A separate Forfeiture Account representing unvested balances from Member's Employer Accounts forfeited in accordance with paragraph 18.01(a) or Section 19.01 shall be maintained for the Participating Employers in the Fund. On each Valuation Date, the Funding Agency shall decrease the Forfeiture Account by the amount of any applications made in accordance with Section 14.05, since the previous Valuation Date.

16.03 Investment of Accounts

- (a) The Member's Accounts shall be invested, pursuant to directions provided by the Member, in the investment options made available by the Funding Agency under the terms of the Funding Agreement.
- (b) The Forfeiture Account shall be invested, pursuant to directions provided by the Administrator, in the investment options made available by the Funding Agency under the terms of the Funding Agreement.
- (c) In the event that a Member fails to provide any direction for the investment of his Accounts, the Accounts shall be invested in the default investment option that may be prescribed from time to time by the Church, until the Member files his investment direction with the Administrator.
- (d) A Member may change the investment options in which his Accounts are invested, in the manner prescribed by the Administrator.
- (e) The Church reserves the right to change the investment options available under this Part 2 at any time.

16.04 Valuation of Accounts

- (a) The value of each Account shall be determined by the Funding Agency or its agent at each Valuation Date to account for the allocation of:
 - (i) net investment income;
 - (ii) net realized and unrealized capital gains and losses; and
 - (iii) fees and expenses paid from the Account, in accordance with paragraphs 6.04(f) and (g).
- (b) Valuation Dates shall occur at such times as may be required or permitted by the Funding Agreement, but not less frequently than monthly. The value of each Account shall be computed on the basis of market values at the Valuation Date concerned, having regard to the terms of the Funding Agreement.

Article 17 – Retirement Benefits

17.01 Retirement

For purposes of the Plan, a DC Member or DB/DC Member shall retire if:

- (a) the Member's employment with a Participating Employer ceases on or after the Member's Normal Retirement Date and in no event later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules; or
- (b) the Member's employment with a Participating Employer ceases after becoming eligible for early retirement in accordance with Section 5.02.

For greater certainty, if a DC Member's or DB/DC Member's employment with a Participating Employer is terminated on or after the date on which the Member attains age 55 but before his Normal Retirement Date and before his Vesting Date, the Member's entitlement to his Accounts shall be governed by Article 19.

17.02 Retirement Benefit⁹

Upon retirement in accordance with Section 17.01, a Member shall be entitled to the distribution of the value of his Accounts in the form elected by the Member in accordance with Section 17.03, determined as of the Valuation Date coincident with or immediately preceding distribution of the Accounts.

17.03 Payment of Retirement Benefit

- (a) Subject to Section 11.07, if a Member retires in accordance with Section 17.01, the Member shall elect distribution of the Member's Employee Account and Employer Account in any one of the following forms:
 - (i) for a Member who is not an Alberta Employee and not a Manitoba Employee as defined in Appendix B, a single premium purchase of an

⁹ Applicable as modified in Appendix F for Members employed in Quebec.

immediate or deferred life annuity contract from an Insurer, commencing not earlier than 10 years prior to Normal Retirement Date; and commencing not later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted by Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules; or

- (ii) a lump sum transfer to a Locked-in Retirement Savings Vehicle.
- (b) If, at the date the first installment of the life annuity purchased in accordance with subparagraph (a)(i) or ultimately purchased with the amount transferred in accordance with subparagraph (a)(ii) is due:
- (i) the former Member has a Spouse; and
 - (ii) the Spouse has not waived, in the prescribed form, his entitlement within the period prescribed by Applicable Pension Laws;

the former Member shall receive any retirement income as if the former Member had elected to receive his retirement income with provision for a portion of the former Member's retirement income continuing to be paid to the Spouse after the former Member's death. This portion shall be 60% or such higher percentage elected by the Member.

A Spouse who has waived his entitlement may revoke such a waiver in writing prior to the date the first installment is due to the former Member, if permitted by, and in the manner and form prescribed by Applicable Pension Laws.

A life annuity purchased in accordance with this paragraph shall comply with any other requirements prescribed by Applicable Pension Laws and Revenue Rules.

- (c) The Member shall elect distribution of the Member's Optional Account in accordance with Section 19.04.

17.04 Phased Retirement¹⁰

A Member shall not be permitted to take a phased retirement.

¹⁰ Applicable as modified in Appendix F for Members employed in Quebec.

Article 18 – Death Benefits

18.01 Death Benefits Prior to Vesting Date¹¹

If a Member dies prior to the distribution of his Accounts under any other Article of the Plan and prior to attaining his Vesting Date, the Member's Spouse or, if there is no Spouse or if the Spouse has waived entitlement to the death benefit in the prescribed form and in accordance with Applicable Pension Laws, the Member's Beneficiary shall be entitled to distribution of the value of the Member's Employee Account and if applicable, Optional Account in accordance with Section 18.03. The value of the Member's Employer Account shall be forfeited and allocated to the Forfeiture Account.

18.02 Death Benefits After Vesting Date¹²

If a Member dies prior to the distribution of his Accounts under any other Article of the Plan and on or after the Member attaining his Vesting Date, the Member's Spouse or, if there is no Spouse or if the Spouse has waived entitlement to the death benefit in the prescribed form and in accordance with Applicable Pension Laws, the Member's Beneficiary shall be entitled, to distribution of the value of the Member Accounts in accordance with Section 18.03.

18.03 Payment of Death Benefits¹³

- (a) In the event a Member dies prior to his Vesting Date, distribution of the Member's Employee Account under Section 18.01 to the Member's Spouse shall be made as:
 - (i) a lump sum cash payment; or
 - (ii) a lump sum transfer to a RRSP;

¹¹ Applicable as modified in the Appendices for Members employed in New Brunswick and Nova Scotia.

¹² Applicable as modified in the Appendices for Members employed in New Brunswick and Nova Scotia.

¹³ Applicable as modified in the Appendices for Members employed in British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Quebec and Saskatchewan.

as designated by the Spouse, or if the Spouse fails to make a designation within the time required or permitted under Applicable Pension Laws, as may be determined by the Administrator in its absolute discretion, in such form as may be permitted under Applicable Pension Laws.

- (b) In the event a Member dies on or after attaining his Vesting Date, distribution of the Member's Employee Account and Employer Account to the Member's Spouse shall, subject to Section 11.07, be made as a transfer to a Locked-in Retirement Savings Vehicle as designated by the Spouse, provided, however, that the administrator of such plan or vehicle agrees in writing to administer such transferred benefit within the conditions of Applicable Pension Laws.
- (c) The Member's Optional Account shall be distributed to the Member's Spouse in accordance with paragraph (a).
- (d) The value of the Accounts shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.
- (e) Distribution of the Member's Accounts to a Beneficiary who is not a Spouse shall be made as a lump sum cash payment.
- (f) If the Spouse should die prior to transferring the Accounts pursuant to this Section, the Accounts shall be paid to the Spouse's estate.

18.04 Timing of Payment

Any death benefit payable under this Part shall be paid as soon as practicable after the Member's death and in no event later than the time required under Applicable Pension Laws.

Article 19 – Termination of Employment

19.01 Termination of Employment Prior to Vesting Date

If a Member's employment with a Participating Employer is terminated prior to the Member attaining his Vesting Date, the Member shall be entitled to the distribution of the Member's Employee Account and Optional Account in accordance with Section 19.04 and the Member's Employer Account shall be forfeited and allocated to the Forfeiture Account.

19.02 Termination of Employment After Vesting Date

If a Member's employment with a Participating Employer is terminated on or after the Member attains his Vesting Date, the Member shall be entitled to the distribution of the value of his Member's Employee Account and Employer Account in accordance with Section 19.03 and to the distribution of the value of his Optional Account in accordance with Section 19.04.

19.03 Payment of Accounts

Subject to Section 11.07, a Member who is entitled to distribution of his Employee Account and Employer Account in accordance with Section 19.02 shall elect distribution of such Accounts in any one of the following forms:

- (a) a transfer to a Locked-in Retirement Savings Vehicle; or
- (b) for a Member who is not an Alberta Employee and not a Manitoba Employee as defined in Appendix B, a transfer to an Insurer for the purchase a life annuity, commencing no later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules; or
- (c) where permitted by Applicable Pension Laws and subject to the approval of the Administrator, retain the balances of such Accounts in the Fund, provided that on or after the Member's Normal Retirement Date and in no event later than December 1 of the calendar year in which the Member attains age 71, or such

other age as may be permitted under Revenue Rules, the Administrator shall purchase with such Accounts, if not already transferred out of the Plan, a life annuity contract from an Insurer in a form acceptable under Applicable Pension Laws and Revenue Rules. If the Accounts are retained in the Fund following the Member's termination of employment, the investment management fees and expenses, recordkeeping and other administrative fees and expenses with respect to such Accounts shall be paid out of such Accounts.

The value of such Accounts shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.

19.04 Transfer Options for Cash Settlements

A Member who is entitled to distribution of his Employee Account in accordance with Section 19.01 and, if applicable, distribution of his Optional Account may elect to receive the balances in such Accounts in one of the following forms:

- (a) a lump sum cash payment; or
- (b) a lump sum transfer to a RRSP;
- (c) a transfer to another registered pension plan, if the administrator of the plan accepts such transfer; or
- (d) a single premium purchase of an immediate or deferred life annuity contract from an Insurer, commencing not earlier than 10 years prior to Normal Retirement Date and commencing not later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted by Revenue Rules, in a form acceptable under Applicable Pension Laws and Revenue Rules.

The value of such Accounts shall be determined as of the Valuation Date coincident with or immediately preceding the date of distribution.

19.05 Payment in Default of Election

If a Member who is entitled to elect distribution of all or some of his Accounts under Section 19.03 or Section 19.04 fails to make an election as permitted under Applicable Pension Laws, the Administrator may, in its absolute discretion retain the balance of the Member's Accounts in the Fund, provided that on or after the Member's Normal Retirement Date and in no event later than December 1 of the calendar year in which the Member attains age 71, or such other age as may be permitted under Revenue Rules, the Administrator shall purchase with the Member Accounts, if not already transferred out of the Plan, a life annuity contract from an Insurer in a form acceptable under Applicable Pension Laws and Revenue Rules. If the Accounts are retained in the Fund following the Member's termination of employment, the investment management fees and expenses, recordkeeping and other administrative fees and expenses with respect to such Accounts shall be paid out of such Accounts.

Article 20 – Transfers of Benefits

20.01 Transfer from Registered Plan of Previous Employer

At the sole discretion of the Church, the Church will accept deposits into the Fund to the credit of an Employee under the DC Provisions by way of transfer from the previous employer's registered pension plan or deferred profit sharing plan. Amounts so transferred shall be separately accounted for and invested pursuant to directions provided by the Member, in a number of investment options to be made available by the Funding Agency under the terms of the Funding Agreement. The Transferred Amounts shall only be applied toward the provisions of benefits on a money purchase basis upon the Member ceasing to accrue Continuous Service. Thereupon the Member or, after death in the absence of an election, the Beneficiary, shall receive the Transferred Amounts in accordance with Applicable Pension Laws and Revenue Rules.

Part 3 – Defined Benefit Provisions

Article 21 – Application

21.01 The provisions of this Part 3 shall apply:

- (a) to a DB Member, in respect of all Continuous Service; and
- (b) to a DB/DC Member, in respect of Continuous Service prior to January 1, 2013.

Article 22 – Member Contributions

22.01 Required Contributions

- (a) In each pay period, or portion thereof, commencing January 1, 2013, a DB Member who is an Employee of a Participating Employer shall contribute to the DB Provision, by regular payroll deduction, Required Contributions equal to 4% of the Member's Earnings.
- (b) Required Contributions made pursuant to paragraph (a) shall cease upon the earliest of:
 - (i) the Member's transfer to a category of employment where the Member ceases to be an Employee;
 - (ii) the Member's termination of employment;
 - (iii) the Member's Retirement Date;
 - (iv) the Member's death;
 - (v) the date the Member commences a Temporary Leave of Absence or Educational Leave;
 - (vi) the date the Member becomes Disabled; or
 - (vii) the date of complete or partial discontinuance of the Plan affecting the Member.
- (c) All Required Contributions shall be paid into the Fund within the time limits specified in Applicable Pension Laws.
- (d) In no event shall the Required Contributions made by a DB Member during any calendar year exceed the lesser of:
 - (i) 9% of the Member's total remuneration for such year, as determined under Revenue Rules; and

- (ii) 70% of the Member's pension credit under the Plan for the calendar year, as determined under Revenue Rules.

22.02 Required Contributions During a Temporary Leave of Absence or Educational Leave

- (a) Notwithstanding Section 22.01 but subject to paragraph 22.01(d), if a DB Member is:
 - (i) on a Temporary Leave of Absence with pay as described in paragraph 2.69(a), the Member shall continue to make Required Contributions for such period of Temporary Leave of Absence;
 - (ii) on a Temporary Leave of Absence as described in paragraph 2.69(b) during which the Member qualifies for benefits under a Participating Employer's short-term disability income plan, the Member shall continue to make Required Contributions for such period of Temporary Leave of Absence;
 - (iii) on any other Temporary Leave of Absence as described in Section 2.69, the Member shall not be required to contribute to the DB Provisions for such period of Temporary Leave of Absence; or
 - (iv) on an Educational Leave with or without pay as described in Section 2.31, the Member shall not be required to contribute to the DB Provisions for such period of Educational Leave.

In computing the amount of Credited Service on or after January 1, 2013 in accordance with Section 4.02, if the periods of absence under paragraphs (iii) and (iv) are included in Credited Service under subparagraph 4.03(b)(ii), the DB Member shall be deemed to have made Required Contributions which would have otherwise been made under Section 22.01.

- (b) Required Contributions made pursuant to this Section 22.02 shall be paid on such terms and in such manner as may be determined by the Administrator, subject to applicable laws.

- (c) Required Contributions made pursuant to this Section shall cease upon the earliest of:
- (i) the date the Member ceases making Required Contributions in accordance with subparagraphs (a)(i) and (ii);
 - (ii) the termination of the Member's Temporary Leave of Absence;
 - (iii) the Member's termination of employment;
 - (iv) the Member's Normal Retirement Date;
 - (v) the Member's death; or
 - (vi) the date of complete or partial discontinuance of the Plan affecting the Member.

22.03 Required Contributions During a Period of Disability

Notwithstanding Section 22.01, if a DB Member is Disabled, the Member shall not be required to contribute to the DB Provisions in respect of the period when the Member is Disabled. In computing the amount of Credited Service on or after January 1, 2013 in accordance with Section 4.02, the DB Member shall be deemed to have made the Required Contributions which would have otherwise been made under Section 22.01.

22.04 Optional Contributions

A DB Member is permitted to make Optional Contributions in accordance with Part 2.

Article 23 – Retirement Income Formulae

The formulae shown in this Article are used in the calculation of the retirement income in respect of a Member under this Part 3, and the amount derived therefrom is the basis on which the actual amount of retirement income will be determined in accordance with the applicable provisions of Part 3 of the Plan. The amount of annual retirement income under this Part 3 will be determined as of a Member's Date of Determination.

23.01 Plan Formula

The Plan Formula shall be the greater of (a) and (b), where:

- (a) is the sum of (i) and (ii), where:
 - (i) is 1.25% of the Member's Final Average Earnings not in excess of the Final Average YMPE multiplied by Credited Service; and
 - (ii) is 1.60% of the Member's Final Average Earnings in excess of the Final Average YMPE multiplied by Credited Service; and
- (b) \$48.00 multiplied by Credited Service.

23.02 Maximum Formula

The Maximum Formula shall be the product of (a) and (b), where:

- (a) is the lesser of (i) and (ii), where:
 - (i) is 2% of the average of the Member's highest three years of indexed Earnings at the Date of Determination, which may be used to determine the maximum retirement income under Revenue Rules; and
 - (ii) is \$2,522.22 or such higher amount at the Date of Determination, which may be used to determine the maximum retirement income under Revenue Rules; and
- (b) is the sum of (i) and (ii), where:

- (i) is the lesser of (A) and (B) as follows:
 - (A) Credited Service prior to January 1, 1992; and
 - (B) 35 years;
- (ii) is Credited Service after December 31, 1991.

23.03 Plan Benefit

The Plan Benefit shall be the lesser of the amount calculated according to the Plan Formula and the amount calculated according to the Maximum Formula.