DIVESTMENT PENSION TRANSFER AGREEMENT

This Agreement (as defined herein) is between:

the **Ontario Pension Board**, in respect of the Public Service Pension Plan;

the **Board of Trustees of the OPSEU Pension Plan Trust**, in respect of the Ontario Public Service Employees Union Pension Plan; and

the **Workplace Safety and Insurance Board**, in respect of the Workplace Safety and Insurance Board Employees' Pension Plan.

WHEREAS, section 80.1 of the PBA (as defined herein) was proclaimed into force on January 1, 2014; and

WHEREAS, the Parties (as defined herein) wish to enter into this Agreement pursuant to section 80.1 of the PBA to allow Eligible Persons (as defined herein) to transfer service and assets from the Exporting Plan (as defined herein) to the Importing Plan (as defined herein);

NOW THEREFORE, the Parties agree as follows:

1. **DEFINITIONS**

1.1 In this Agreement, the following terms shall have the meaning ascribed to them:

"Actuarial Present Value" means an amount equal to the sum of the discounted values, as of a specified date, of a set of future pension payments calculated in accordance with accepted actuarial practice in Canada.

"Agreement" means this divestment pension transfer agreement between OPB, OPT, and WSIB.

"Calculation Date" means, with respect to an Eligible Person, January 1, 2015, or such other date jointly agreed upon by the Exporting Administrator and the Importing Administrator.

"Common Assumptions" means the actuarial assumptions set out in Schedule A.

"Election Form" means the form, as agreed to by both the Exporting Administrator and the Importing Administrator, used by an Eligible Person to apply for a Transfer under this Agreement.

"Eligible Person" means a person who meets the conditions for eligibility set out in sections 2.1 and 2.2.

"Exporting Administrator" means, with respect to an Eligible Person, the exporting administrator listed in Section 1.2.

"Exporting Plan" means, with respect to an Eligible Person, the exporting plan listed in Section 1.2.

"Exporting Plan Credited Service" means an Eligible Person's credited service for which pension and ancillary benefits have accrued under the Exporting Plan in respect of time before the event described in subsection 80.1(3) of the PBA, excluding any Exporting Plan Overlap Credited Service.

"Exporting Plan Overlap Credited Service" means an Eligible Person's credited service for which pension and ancillary benefits have accrued under the Exporting Plan in respect of time before the event described in subsection 80.1(3) of the PBA that, if aggregated with service in the Importing Plan before the Transfer, would cause an Eligible Person to have:

(a) more than one year of service in respect of any calendar year; or

(b) service above a limitation specified under the terms of the Importing Plan.

"Exporting Plan Value One" means the Actuarial Present Value of the pension and ancillary benefits the Eligible Person has accrued under the Exporting Plan as at the Calculation Date in respect of the Exporting Plan Credited Service.

"Exporting Plan Value Two" means the Actuarial Present Value of the pension and ancillary benefits the Eligible Person has accrued under the Exporting Plan as at the Calculation Date in respect of the Exporting Plan Overlap Credited Service.

"Former Member" means a former member as defined in subsection 1(1) of the PBA.

"Importing Administrator" means, with respect to an Eligible Person, the importing administrator listed in Section 1.2.

"Importing Plan" means, with respect to an Eligible Person, the importing plan listed in Section 1.2.

"Importing Plan Additional Credited Service" means the amount, as calculated in section 6.1, which would be aggregated with the Eligible Person's credited service in the Importing Plan following a Transfer.

"Importing Plan Credited Service" means the Eligible Person's credited service for which pension and ancillary benefits have accrued under the Importing Plan in respect of the period of time before the Calculation Date.

"Importing Plan Value" means, with respect to an Eligible Person, the amount calculated as (a) minus (b) where:

(a) is the Actuarial Present Value of the Eligible Person's total pension and ancillary benefits determined under the Importing Plan as at the Calculation Date using: (i) the Exporting Plan Credited Service and the Importing Plan Credited Service; and (ii) the earnings history of the Eligible Person that would be recognized by the Importing Plan following a Transfer; and

(b) is the Actuarial Present Value of the pension and ancillary benefits the Eligible Person has accrued under the Importing Plan as at the Calculation Date.

"Interest" means the amount described in section 7.7.

"ITA" means the *Income Tax Act* (Canada), as amended from time to time.

"OPB" means the Ontario Pension Board.

"OPT" means the Board of Trustees of the OPSEU Pension Plan Trust Fund.

"Original Employer" means, with respect to an Eligible Person, the name originally recorded on file with the Exporting Administrator and/or the Importing Administrator, as applicable, and may reference a ministry, municipality, agency, board, commission, corporation or employer location, as the case may be.

"Overlap Amount" means, with respect to an Eligible Person, the amount calculated in accordance with section 7.2.

"Parties" means OPB, OPT, and WSIB.

"Party" means OPB, OPT, and WSIB, as the case may be.

"Preliminary Transfer Amount" means, with respect to an Eligible Person, the amount calculated in accordance with section 7.1.

"PBA" means the *Pension Benefits Act* (Ontario), as amended from time to time.

"Regulation" means Ontario Regulation 308/13 made under the *Pension Benefits Act* (Asset Transfers under Section 80.1 of the Act).

"Retired Member" means a retired member as defined in subsection 1(1) of the PBA.

"Retirement Compensation Arrangement" means a retirement compensation arrangement as defined in subsection 248(1) of the ITA.

"Sale of Business" means a "sale of the business" as defined in subsection 80.1(1) of the PBA.

"Service Credit Reduction" means, with respect to an Eligible Person, the amount determined under section 6.3.

"Successor Employer" means the Workplace Safety and Insurance Board.

"Transfer" means the payment of a Transfer Amount plus Interest, as authorized in accordance with section 7, together with the transfer of the associated actuarial liabilities.

"Transfer Amount" means, with respect to an Eligible Person, an amount of money to be transferred from the Exporting Plan to the Importing Plan (excluding Interest), determined in accordance with section 7.

"Transfer Notice" means the notice to be provided to an Eligible Person in accordance with paragraph 3 of subsection 80.1(9) of the PBA and section 5.

"Transferring Member" means an Eligible Person who has elected a Transfer under this Agreement.

"WSIB" means the Workplace Safety and Insurance Board.

1.2 For the purposes of this Agreement:

(a) "Date of Divestment" is the date recorded on file with the Exporting Administrator and/or the Importing Administrator, as applicable, pertaining to a Sale of Business. This date is for reference purposes only (e.g. Eligible Persons may have switched employment as a result of a Sale of Business on different dates and/or over a period of time) and is not intended to reflect the actual effective date of the Sale of Business.

(b) "Divestment Group" is the group of Eligible Persons associated with each set of criteria listed below:

(i) From OPT to WSIB

- Exporting Plan: OPSEU Pension Plan
- Exporting Administrator: OPT
- Importing Plan: Workplace Safety and Insurance Board Employees' Pension Plan
- Importing Administrator: WSIB

	Date of Divestment	Original Employer	Successor Employer
	2000/12/31	Ministry of Labour	Workplace Safety & Insurance Board

(ii) From OPB to WSIB

- Exporting Plan: Public Service Pension Plan
- Exporting Administrator: OPB
- Importing Plan: Workplace Safety and Insurance Board Employees' Pension Plan
- Importing Administrator: WSIB

	Date of Divestment	Original Employer	Successor Employer
	1997/12/31	Workplace Health and Safety Agency	Workplace Safety & Insurance Board

2. ELIGIBILITY

2.1 Subject to section 2.2, a person is eligible for a Transfer under this Agreement if that person:

(a) was an employee of the Original Employer, was a member of the Exporting Plan and, in connection with a Sale of Business, became an employee of the

Successor Employer and a member of the Importing Plan; and was employed by the Successor Employer on January 1, 2015;

(b) is not a Former Member or Retired Member in the Exporting Plan or the Importing Plan on the day the Transfer Notices in sections 5.1 and 5.2 are issued; and

(c) meets any additional conditions imposed under section 2.2.

2.2 If a person who otherwise meets the conditions for eligibility set out in subsections 2.1(a), (b) and (c) is:

(a) subject to a court order under the *Family Law Act*, family arbitration award or domestic contract for the division of pension or pension benefits upon marital/spousal relationship breakdown;

(b) subject to an order for support enforceable in Ontario; or

(c) otherwise subject to impediments created by such person's individual circumstances in relation to the terms of either the Importing Plan or the Exporting Plan, the PBA or other applicable law,

the Exporting Administrator and the Importing Administrator shall consult together and may, if they agree, impose additional conditions that must be met before the person will be considered a person eligible for a Transfer under this Agreement.

2.3 Notwithstanding section 2.1, if an Eligible Person becomes:

(a) a Former Member or Retired Member in the Exporting Plan or the Importing Plan prior to the date the Importing Administrator receives the Eligible Person's completed Election Form; or

(b) subject to impediments that would preclude a Transfer, as recognized by both the Exporting Administrator and the Importing Administrator, created by such person's individual circumstances in relation to the terms of either the Importing Plan or the Exporting Plan, the PBA or other applicable law,

he or she will cease to be eligible for a Transfer under this Agreement.

3. TRANSFER OF DATA

3.1 Within such period as the Exporting Administrator and the Importing Administrator may agree, the Exporting Administrator shall provide the Importing Administrator with all the data identified and required by the Importing Administrator to calculate the Importing Plan Value in relation to an Eligible Person.

3.2 Within such period as the Exporting Administrator and the Importing Administrator may agree, the Importing Administrator shall provide the Exporting Administrator with all the data identified and required by the Exporting Administrator to calculate the Exporting Plan Value One and Exporting Plan Value Two in relation to an Eligible Person.

3.3 Within such period as the Exporting Administrator and the Importing Administrator may agree, the Exporting Administrator shall provide the Importing Administrator with any additional data identified and required by the Importing Administrator to administer the pension and ancillary benefits of a Transferring Member.

4. CALCULATION OF VALUES

4.1 The Exporting Administrator shall calculate the Exporting Plan Value One and Exporting Plan Value Two. The Importing Administrator shall calculate the Importing Plan Value.

4.2 The Exporting Plan Value One and Importing Plan Value shall be calculated in accordance with the Common Assumptions.

4.3 The Exporting Plan Value Two shall be calculated in accordance with assumptions consistent with the commuted value calculation provisions and procedures of the Exporting Plan.

4.4 The Exporting Plan Value One and Exporting Plan Value Two shall not include any additional voluntary contributions the Eligible Person may have made under the Exporting Plan. The payment of any additional voluntary contributions to a Transferring Member shall be governed by the terms of the Exporting Plan.

4.5 The Exporting Plan Value One, Exporting Plan Value Two and the Importing Plan Value shall not include pension or ancillary benefits which exceed the limits imposed by the ITA in force at the time the values are calculated as those limits are applied to the applicable plan. For greater certainty, benefits provided under a Retirement Compensation Arrangement or any other unregistered supplemental benefit arrangements are not covered by this Agreement.

5. TRANSFER NOTICE AND ELECTION TO TRANSFER

5.1 The Exporting Administrator shall provide each Eligible Person with a Transfer Notice containing the information prescribed in sections 8 and 9 of the Regulation.

5.2 The Importing Administrator shall provide each Eligible Person with a Transfer Notice containing the information prescribed in sections 8 and 10 of the Regulation.

5.3 The Transfer Notices in sections 5.1 and 5.2 shall be provided in such a format and at such time as the Exporting Administrator and the Importing Administrator may agree.

5.4 The Importing Administrator shall provide an Election Form to an Eligible Person along with the Transfer Notice set out in section 5.2.

5.5 An Eligible Person who has been sent both Transfer Notices and an Election Form may apply for a Transfer by completing, signing and delivering the Election Form to the Importing Administrator by the election deadline that appears on the Election Form.

The election deadline will be no earlier than 90 days after the date on which the Transfer Notices are sent to the Eligible Person.

5.6 If an Eligible Person does not deliver the Election Form within the time period specified in section 5.5, he or she will no longer be eligible for a Transfer under this Agreement.

5.7 If an Eligible Person ceases to be eligible for a Transfer under this Agreement pursuant to section 2.3 or section 5.6, the Importing Administrator shall notify the Eligible Person of this fact in such format as the Exporting Administrator and the Importing Administrator may agree.

5.8 The Importing Administrator shall provide a copy of the completed Election Form to the Exporting Administrator.

6. SERVICE CREDITED BY IMPORTING PLAN

6.1 Importing Plan Additional Credited Service shall be calculated as Exporting Plan Credited Service multiplied by the lesser of 1 and the ratio of the Transfer Amount to the Importing Plan Value.

6.2 Following a Transfer, the Importing Administrator will establish the Importing Plan Additional Credited Service as credited service in respect of the Transferring Member.

6.3 The Service Credit Reduction shall equal the Exporting Plan Credited Service minus the Importing Plan Additional Credited Service, but shall not be less than zero.

6.4 For greater certainty, following a Transfer, the Service Credit Reduction shall be recognized by the Importing Plan, in accordance with the provisions of the Importing Plan for the purposes of determining the Transferring Member's eligibility for ancillary benefits in the Importing Plan.

6.5 If the terms of the Importing Plan permit, a Transferring Member who has a Service Credit Reduction may elect to purchase all or part of the Service Credit Reduction in accordance with the terms of the Importing Plan. Such an election must be made within the timeframe established by the Importing Administrator, but in no event shall the deadline be earlier than 90 days after the date on which the notice is sent to the Transferring Member advising him or her of his or her right to make such election.

6.6 The Importing Plan Additional Credited Service shall be attributed to the same time period for which the Transferring Member accrued the Exporting Plan Credited Service or in the case where the Importing Plan Additional Credited Service is less than the Exporting Plan Credited Service, to the most recent time period(s) during which the Transferring Member accrued the Exporting Plan Credited Service.

7. CALCULATION AND PAYMENT OF TRANSFER AMOUNT

7.1 The Preliminary Transfer Amount shall equal the Exporting Plan Value Two plus the lesser of the Exporting Plan Value One and the Importing Plan Value.

7.2 For the purposes of subsection 79.2(8) of the PBA, the Overlap Amount shall equal the Preliminary Transfer Amount less the Importing Plan Value. If the Preliminary Transfer Amount is less than or equal to the Importing Plan Value, the Overlap Amount shall be zero.

7.3 If the Preliminary Transfer Amount is greater than the Importing Plan Value, the Transfer Amount shall equal the Preliminary Transfer Amount less the Overlap Amount.

7.4 If the Preliminary Transfer Amount is less than the Importing Plan Value, the Transfer Amount shall equal the Preliminary Transfer Amount.

7.5 Within 60 days following the election deadline specified in section 5.5, or such other period as the Exporting Administrator and the Importing Administrator may agree, the Importing Administrator shall notify the Exporting Administrator of the Transfer Amount to be paid plus Interest calculated in accordance with section 7.7.

7.6 Within 60 days after being notified by the Importing Administrator of the Transfer Amount and Interest, or such other period as the Exporting Administrator and Importing Administrator may agree, the Exporting Administrator shall:

(a) authorize payment from the Exporting Plan to the Importing Plan an amount equal to the Transfer Amount, plus Interest; and

(b) pay the Overlap Amount, if any, plus interest as determined by the Exporting Administrator, to the account of or to the Transferring Member in accordance with subsections 79.2(8) and 79.2(9) of the PBA.

7.7 For the purposes of section 7.5 and subsection 7.6(a), Interest shall:

(a) equal an amount of interest on the Transfer Amount spanning from the Calculation Date to the end of the month preceding the date on which the Transfer is made; and

(b) be calculated using the nominal discount rate in the Common Assumptions.

8. ESTABLISHMENT OF BENEFITS IN ACCORDANCE WITH THE TERMS OF THE IMPORTING PLAN

8.1 Following a Transfer, and pursuant to the terms of this Agreement, pension and ancillary benefits of the Transferring Member shall be exclusively determined in accordance with the terms of the Importing Plan.

8.2 The Importing Administrator shall use the Transferring Member's relevant information while a member of the Exporting Plan to calculate pension and ancillary benefit entitlements under the Importing Plan.

8.3 Following a Transfer, eligibility for benefits, if any, payable upon the Transferring Member's death will be exclusively determined in accordance with the terms of the Importing Plan (including any beneficiary designations), the PBA and the ITA.

9. ASSIGNMENT OF BENEFITS

9.1 In the event that a Transferring Member's accrued benefits under the Exporting Plan have been partitioned or assigned following a marital/spousal relationship breakdown, the Importing Administrator and the Exporting Administrator shall take all reasonable steps to ensure that the benefits are administered in accordance with the PBA and ITA.

9.2 The Exporting Administrator shall provide to the Importing Administrator any information required by the Importing Administrator under section 9.1.

10. NOTICE TO TRANSFERRING MEMBER

10.1 Within 60 days of a Transfer, the Importing Administrator shall provide the Transferring Member with written confirmation that the Transfer is complete and that the Transferring Member's records under the Importing Plan have been adjusted accordingly.

11. RECORDS

11.1 Each Party agrees to maintain and provide to the other Party records concerning all matters under this Agreement, and for such purposes, agrees to act in accordance with the requirements and standards of applicable legislation and industry practices. With respect to personal information about plan members provided by one Party to another for the purpose of fulfilling the objects of this Agreement, the Party receiving the personal information agrees that it shall maintain and use such information only for the purposes for which it collects, uses and maintains personal information about its own plan members, and shall apply the same standards of privacy protection, retention and destruction as it does with respect to personal information about its own plan members.

12. RELEASE

12.1 Following the Transfer, the Importing Plan shall release and irrevocably discharge the Exporting Plan from any and all actions, causes of action, claims and demands made by, on behalf of or through a Transferring Member in connection with the Exporting Plan Credited Service; provided that this release and discharge shall not cover any actions, causes of action, claims or demands to the extent they relate to any errors or omissions by the Exporting Administrator that affect the amount of the Exporting Plan Value One or the Exporting Plan Value Two.

13. OBLIGATIONS OF THE ADMINISTRATOR

13.1 All obligations of the Exporting Plan or Importing Plan as described in this Agreement shall be the responsibility of, and carried out by, the Exporting Administrator or the Importing Administrator, as applicable, as the administrators of the Exporting Plan and the Importing Plan, respectively.

14. COMPLIANCE WITH LEGISLATION

14.1 This Agreement shall be administered in compliance with all relevant legislation of Canada and the Province of Ontario.

15. DIRECTIONS AND NOTICE REQUIREMENTS

15.1 Any notice or other communication required or permitted to be given hereunder between the Parties shall be in writing, and if sent by facsimile, transmission or delivered by another form of recorded communications shall be deemed to have been received on the next business day following dispatch and acknowledgement of receipt by the recipient's facsimile machine or other recorded form of communication, or if delivered by hand shall be deemed to have been received at the time it is delivered.

16. AMENDMENT OR TERMINATION OF AGREEMENT

16.1 This Agreement may be amended or modified at any time by agreement in writing executed by the Parties and at any time a Party may withdraw from this Agreement upon two months notice in writing to the other Parties, provided that no Transfer initiated prior to the amendment or notice of termination shall be adversely affected by such amendment, notice of termination, or termination.

17. ASSIGNMENT

17.1 Neither this Agreement nor any rights or obligations hereunder shall be assignable by any Party without the prior written consent of the other Parties.

18. EFFECTIVE DATE

18.1 The Agreement is effective as of the date of signature, in respect of each Party that signs the Agreement.

18.2 This Agreement shall expire at midnight on July 1, 2016 or the day that section 80.1 of the PBA is repealed, whichever is later.

18.3 Sections 6, 8, 9, 10, 11 and 12 shall survive the termination or expiration of this Agreement.

19. INTERPRETATION

19.1 The headings used in this Agreement are for convenience only and are not to be considered part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

19.2 Unless noted otherwise, references to sections made throughout this Agreement are to sections in this Agreement.

19.3 It is intended that all provisions of this Agreement shall be fully binding and effective between the Parties, but in the event that any particular provision is found to be void, voidable or unenforceable, in whole or in part, for any reason whatsoever, then the provision, as affected, shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force.

19.4 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

19.5 This Agreement shall enure to the benefit of and be binding upon the successors and any permitted assigns of the Parties.

19.6 Schedule A attached hereto shall form an integral part of this Agreement.

19.7 References to the terms of the Exporting Plan or the terms of the Importing Plan in this Agreement are inclusive of any relevant polices or practices of the Exporting Administrator or the Importing Administrator, as applicable.

19.8 For the purposes of subsection 4(2) of the Regulation, the effective date is the Calculation Date.

20. COUNTERPARTS

20.1 This Agreement, and any amendment under section 16.1, may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written below.

ONTARIO PENSION BOARD

By: ______________________________ Date: ______________________________

Name:

Title:

By: ______________________________ Date: ______________________________

Name:

Title:

BOARD OF TRUSTEES OF THE OPSEU PENSION PLAN TRUST

By: R. Swamy Date: April 28, 2015

Name: REG SWAMY

Title: SVP, Actuarial Services & Plan Policy

WORKPLACE SAFETY AND INSURANCE BOARD

By: ______________________________ Date: ______________________________

Name:

Title:

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written below.

ONTARIO PENSION BOARD

By: ______________________ Date: ______________________
Name:
Title:

By: ______________________ Date: ______________________
Name:
Title:

BOARD OF TRUSTEES OF THE OPSEU PENSION PLAN TRUST

By: ______________________ Date: ______________________
Name:
Title:

WORKPLACE SAFETY AND INSURANCE BOARD

By: ______________________ Date: May 11, 2015
Name: I. David Marshall
Title: President & CEO

Schedule A
METHODS AND ACTUARIAL ASSUMPTIONS

ACTUARIAL METHOD

The actuarial method is the "projected unit credit actuarial cost" method. Under this method, the transfer amount is the actuarial present value of the pension in respect of service accrued.

ACTUARIAL ASSUMPTIONS

The following are the common assumptions to be used:

- Price inflation: 2.25% per annum
- Nominal discount rate: 6.25% per annum
- Rate of increase of the YMPE: 3.00% per annum
- Rate of increase of the ITA maximum pension: 3.00% per annum
- Pre-retirement decrements: None
- Post-retirement mortality, including mortality improvements and unisex basis, if any: UP94 fully generational using scale AA, sex-distinct
- Retirement age: The single age which results from 60% multiplied by the later of current age and the earliest unreduced retirement age plus 40% multiplied by the later of current age and the normal retirement age
- Probability of having a spouse at retirement: 80%
- Age/gender of spouse
    - Male members: spouse is a female 2 years younger;
    - Female members: spouse is a male 2 years older
- Rate of future increase in earnings
    - Importing Plan Value: The salary scale in a current going concern valuation (The Importing Administrator shall provide to the Exporting Administrator the salary scale used for the calculation of the Importing Plan Value and the date of the going concern valuation from which the scale was drawn.)
    - Exporting Plan Value One: 2.25% per annum
- The 50% cost sharing rule will not be applied at the assumed retirement age. For greater certainty, this assumption does not change the fact that a 50% cost sharing rule will be applied appropriately in respect to transferred service on subsequent cessation of employment.

For greater certainty, the earnings history of the Eligible Person will be used where relevant to the calculation of the Importing Plan Value and Exporting Plan Value One (e.g., there will be no backwards projections of earnings).

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