



Defined Benefit Pension Plan Summary

Canadian Blood
Services

December 24, 2018



Plan overview

The Basics

Your Canadian Blood Services Pension Plan is a defined benefit (DB) plan. At retirement, you receive a monthly pension that is defined in advance based on a set of assumptions and a formula. The formula uses your years of service and your earnings*.

You and Canadian Blood Services share the cost of the plan. You contribute 6.1% of your pensionable earnings. Canadian Blood Services contributes 8.1% of your pensionable earnings, or 133% of your contribution. In other words, for every \$1 of contributions that you make Canadian Blood Services contributes \$1.33. Contribution rates will change from time to time.

The plan also provides you with a pension at retirement and provides protection for your eligible survivors when you die.

Your retirement income from the DB plan, along with your own savings and investments and pension benefits from the Canada/Québec Pension Plan, Old Age Security and any other pensions you may have provide you with your total retirement income.

Joining

If you are a member of a Participating Union**, you join the DB plan when you meet the eligibility criteria. If you are not a member of a Participating Union**, when you meet the eligibility criteria, you can choose to join this plan or the Canadian Blood Services Defined Contribution Plan. Upon enrolment, your pension is immediately vested¹.

**Individual circumstances (such as termination of employment prior to age 55, or early retirement) may also impact the calculation of your monthly pension*

¹ Vesting refers to your right to received a pension from the plan. Your pension benefits are locked-in and the money must be used to provide a pension or pension-like payout or must be transferred to a locked-in retirement plan

Eligibility

Regular full-time employees are eligible to join the plan after three months of continuous service and must have joined before two years of continuous service. Employees who are not regular-full time are eligible to join after three months² (different rules apply to Manitoba employees who are not regular full-time).

Employees will be automatically enrolled in the DB plan if they do not make an enrolment decision by the required mandatory enrolment date. Once enrolled, employees cannot change plans.

What the Words Mean Consult the website at <https://cbsdbpension.hroffice.com> or ask for a copy of the booklet, which can also be found on-line at the DB plan website or at the Canadian Blood Service ABOut You intranet site, for the definitions of the pension terms used in this brochure.

Contributing to the plan

Both you and Canadian Blood Services contribute to the DB plan to ensure that there will always be sufficient funds to pay the pension benefits.

Tax-deductible contributions are deducted from your pay, with you and Canadian Blood Services sharing the cost of the plan.

Regular Contributions*

You contribute 6.1% of your pensionable earnings. Canadian Blood Services contributes 8.1% of your pensionable earnings, or 133% of your contribution.

Employee Regular Contributions:	6.1%
CBS Regular Contributions:	8.1%
Total Regular Contributions:	14.2%

**Effective the first pay in 2018, which is December 25, 2017 to January 08, 2018 inclusive*

Contribution rates will continue to change from time to time.

² *Provision for non regular full time employees came into effect January 01, 2010.*

Pension Formula

The normal retirement age for an unreduced pension is age 65. Your best average earnings to calculate your annual pension payable are the average of your best five consecutive years.

2.0% X your best average earnings X your pensionable service to October 31, 1997	Plus	1.6% X your best average earnings X your pensionable service since November 01, 1997
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Early Retirement

If you retire or leave Canadian Blood Services after age 55, you are eligible for an unreduced pension at age 65, or a reduced pension from age 55.

If you retire before age 65 your pension is calculated according to the pension formula above and then reduced by:

- 0.4% for each month between your retirement date and age 60, and
- 0.3% for each month between age 60 and age 65

If you leave Canadian Blood Services prior to age 55, and you choose a deferred pension which you commence before age 65, an actuarial recalculation of your pension will apply. Please contact Morneau Shepell for details.

What Happens If

If you leave Canadian Blood Services before age 55

You choose either:

- a deferred (future) pension from the plan and can receive it unreduced at age 65, or an actuarially reduced pension as early as age 55, or
 - a transfer of the value of your deferred (future) pension out of the DB plan. The value of your pension is locked-in and can only be used to provide retirement income. In some cases, you may be also entitled to excess contributions or a higher pension benefit based on the “10% rule”.
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You become disabled

If you receive monthly benefits from the Long-Term Disability Plan, you stop making your contributions to the plan. Instead, Canadian Blood Services pays the contributions on your behalf until you return to work, terminate your employment, reach age 65, or die. These contributions are based on your *pensionable earnings* just before you became disabled.

You take a leave of absence

If you go on maternity, parental, adoption or any other statutory leave, you can contribute to the plan for the period of your statutory leave, plus one month. If you choose to contribute, Canadian Blood Services contributes too.

You become separated or divorced

If your marriage or common-law relationship ends, provincial legislation may require that the retirement account balance that you've built up during your marriage or common-law relationship be shared with your former *spouse*.

The actual split of the funds will be according to a court order or separation agreement. If this situation arises, your legal counsel can advise you of the steps to follow. You may contact Morneau Shepell at 1-877-252-4442 to request a valuation. A charge for the valuation will apply.

More about your pension plan

Cost-of-living increases

Pensions are indexed each January 1st to reflect 75% of the annual increase in the Consumer Price Index above 2%, to a maximum of 5.5%. Survivor pensions are indexed in the same way.

Designating a beneficiary In all provinces, pension laws require that your spouse, if you have one, receive survivor benefits in the event of your death. If you have a spouse, you can still designate a "non-spouse" beneficiary to receive your survivor benefit if your spouse dies before you do. In most provinces, your spouse may sign a waiver, waiving her or his right to survivor benefits. If you do not have a spouse, your beneficiary receives survivor benefits when you die.

Investing

Investment decisions are made by the Trustees of the plan for the fund as a whole. Your pension at retirement depends on your years of pensionable service and your earnings. It does not depend on how much you contribute

or on the investment performance of the plan.

Your responsibilities

If you have a change of name, marital status, address or telephone number, you are responsible for advising your Human Resources representative.

You are also responsible for updating, when necessary, your beneficiary for pension benefits payable in case of your death.

Impact on personal savings

The value of the benefits you earned in a calendar year under the Canadian Blood Services DB pension plan will result in the issuance of a pension adjustment (PA), which reduces the amount you can contribute to a registered retirement savings plan the following year.

Monitoring your pension plan income

You receive an annual statement, which provides an estimate of your future pension based on general assumptions, including your years of pensionable service and earnings.

IMPORTANT: The plan booklet and summary may not cover all individual circumstances that may affect an individual plan member's benefit. Given the complexity of pension plans, a plan member should contact Morneau Shepell to validate their own pension benefit calculations and individual circumstances.

For more information

Visit the DB plan website <https://cbsdbpension.hroffice.com>

Contact Morneau Shepell, the DB plan administrator Monday to Friday 8:30am – 5:30pm (ET): Telephone: 1-877-252-4442 Email: cbspensions@morneaushepell.com

Visit the [ABOut You](#) CBS intranet, or contact your [Employee Support Representative](#).

Email Penion@blood.ca

Accessing your retirement planning resources is easy!

- 1 Check out <https://cbsdbpension.hroffice.com>
- 2 Go to "Member log in"
- 3 Enter your **access code** (your Canadian Blood Services employee ID) **and password**



4 Have questions about your pension?

Call Canadian Blood Services Defined Benefit Pension Administration
1-877-252-4442 (Monday to Friday, 9 a.m. to 5 p.m.)

Logging in for the first time?

Your initial password will be your employee ID followed by your month and day of birth.

Example

Employee ID: 1234

Birth date: May 27 (05/27)

Password: 12340527

You will be prompted to change your password the first time you log in.



** Participating Unions

Employees represented by the following unions participate in the DB plan only:

British Columbia Nurses' Union	Manitoba Nurses' Union
Canadian Union of Public Employees, Local 1655	Registered Nurses' Union Newfoundland and Labrador
Canadian Union of Public Employees, Local 1846	Nova Scotia Nurses' Union
Canadian Union of Public Employees, Local 3728	Ontario Nurses' Association
Health Sciences Association of British Columbia	Ontario Public Service Employees Union
Hospital Employees' Union of British Columbia	Saskatchewan Union of Nurses

This document is a brief summary of the main provisions of the Canadian Blood Services Defined Benefit Pension Plan. For all details, we encourage you to read the DB plan booklet or consult the DB plan website.

The official plan text governs your actual pension benefits from the plan and is the final authority in any case of



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