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Welcome to Your Retirement Journey

Planning for a financially sound retirement is a lot like planning for a trip – you need to know what your final destination is and have a plan for how you’re going to get there. Everyone’s plan for retirement is different, so creating a map or “plan” and regularly checking it to make sure you’re still on the right track is the best way to ensure your journey is successful and your income at retirement meets your needs.

The Western Retirement Plan (Plan) can play an important role in your map to financial security at retirement. The Plan, along with government benefits, your personal savings and other sources of income are important elements of your journey to a financially secure retirement.

Your pension plan at Western is a defined contribution plan. This means that your income at retirement is determined by the contributions that are made to your retirement account and the investment earnings that your money generates. When you want to retire, you use your retirement account balance to provide the type of retirement income that suits you. How much retirement income you are able to generate from the Plan depends on different factors:

- how much money you have accumulated in your retirement account (the amount of contributions that are made to your account and how your investments perform)
- your retirement date (when you choose to draw on your income)
- your choice of retirement income vehicle at retirement
- long-term interest rates when you retire, if you choose to purchase an annuity
- any legislative requirements

Consider this summary as a map of your employer-sponsored retirement savings that will help you reach your final retirement destination. The Glossary at the end of the summary provides definitions for important terms.
» Welcome to Your Retirement Journey

IMPORTANT NOTE

Western University offers two retirement plans to employees at Western and employees at participating employers:

• The University of Western Ontario Pension Plan for Members of the Academic Staff
• The University of Western Ontario Pension Plan for Members of the Administrative Staff

For the sake of simplicity, and unless otherwise noted, throughout this summary, “Western” refers to Western University and the other employers who participate in the Plan (Brescia University College and Huron University College), and “Plan” refers to both the pension plan for academic staff and the pension plan for administrative staff.

This summary provides important information on the Western retirement plans. Of course, the summary does not provide exhaustive detail. The official plan texts govern your actual pension benefits from the Plan and are the final authority in any case of dispute. Any Plan member, beneficiary, or other authorized person may see a copy of the full plan text, annual information returns, and other relevant documents by contacting Human Resources.
## Your Plan at a Glance

<table>
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<th><strong>APPROACH TO RETIREMENT SAVINGS</strong></th>
<th>You build up tax-deferred savings in a retirement account and arrange retirement income based on the amount accumulated in your account at retirement.</th>
</tr>
</thead>
</table>
| **CONTRIBUTIONS**                | You and Western contribute to the Plan.  
You can choose to make additional voluntary contributions to the Plan to grow your retirement income faster.  
The contributions made to your account have a direct impact on the income you can generate at retirement. |
| **INVESTMENTS**                  | Your required contributions and Western’s contributions are deposited to your regular retirement account. Voluntary contributions go into your voluntary account.  
You choose how to invest your accounts from among the investment choices provided.  
Investment returns have a direct impact on the income you can generate at retirement. |
| **RETIREMENT INCOME**            | The amount of retirement income you will receive is only known when you retire. It depends on the amount of money you have accumulated in your retirement account (your contributions and Western’s and the investment earnings on those contributions) and the type of retirement income you arrange. |
| **RETIREMENT AGE**               | You can retire from Western and start receiving retirement income from the Plan as early as 10 years before your normal retirement date (see glossary), or wait until a later date to start drawing your retirement income as long as your retirement income begins no later than December 31 of the year in which you reach age 71.  
Your membership in the Plan – as well as your contributions and Western’s – end, at the latest, on December 31 of the year in which you reach age 69.  
If you are a member of the Professional and Managerial Association, Police Association or IUOE, contributions will end on the earlier of this day and the day you reach 95 points (when you are at least age 65 and your age plus service equal 95). |
| **LEAVING WESTERN**              | When you leave Western – whether to change jobs or to retire – you are entitled to the full balance in your retirement accounts. With your locked-in savings, you can choose to:  
• transfer your savings to the Western Retirement Income Fund (Western RIF) (as early as 10 years before your normal retirement date) and continue investing your retirement savings while receiving periodic income  
• leave your savings in the Plan and continue investing and growing your retirement savings until you are ready to draw on the savings (as early as 10 years before your normal retirement date, but no later than age 71)  
• transfer your savings out of the Plan to another locked-in retirement savings vehicle  
• transfer your savings to your new employer’s pension plan, if that plan accepts the transfer  
• have Western purchase an immediate annuity (as early as 10 years before your normal retirement date) or deferred annuity on your behalf  
You have similar choices for any non-locked-in savings accumulated in your voluntary account; however, the options for your retirement vehicles are not locked-in and you have the additional option to take the savings in cash, less income tax. |
| **IN THE EVENT OF YOUR DEATH**   | **Before retirement**  
Your spouse or, if you do not have a spouse, your designated beneficiary or estate receives your retirement account balance.  
**During retirement**  
The death benefit depends on what arrangements you made for your retirement account balance when you retired. |
Your pension savings could be your most important financial asset. The decisions you make about your pension savings can have a big impact on your retirement income down the road.

Although Western takes care of the day-to-day administration of the Plan, governance and plan design, you have responsibilities as well. Taking your responsibilities as a plan member seriously will help increase the likelihood that your journey will be successful and you will meet your retirement goals.

You are responsible for:

- Understanding the impact your decision may have on your future retirement income if you choose not to join when you first become eligible, or if you choose to contribute less than the maximum permitted.
- The investment decisions you make, including the investment and financial risk associated with these decisions.
- Reading the information available, making use of the tools provided by Western and asking for clarification on any elements you don’t understand and for obtaining any additional information you may need – from sources other than Western – to make informed decisions under the Plan.
- Reviewing your investment choices to ensure that your investments continue to be in line with your personal situation.
- Regularly monitoring your retirement destination against your actual financial situation and making modifications to your income goals or adjusting the amount you save towards retirement, as necessary.
- Choosing your retirement income arrangement when you retire or leave Western. Western will provide you with the options that are available to you and tools to assist you in your decision, but you are responsible for the decision.
- Reviewing and, when necessary, updating your beneficiary and marital status for benefits payable in the event of your death, as well as informing Western of any other changes in your personal information, such as a name change or change of address.

Western provides you with various tools and resources to help you with your responsibilities. Go to the Learning About the Plan section for more information.
Joining the Plan

REGULAR FULL-TIME EMPLOYEES

FACULTY

If you are a regular full-time faculty employee, you automatically join the Plan on the first of the month coinciding with or following your date of hire, with the following exceptions:

• if you are a Brescia University College employee, you automatically join the Plan on the first of the month immediately following one year of continuous full-time employment
• if you are a Huron University College employee, you automatically join the Plan on the first day of employment

ADMINISTRATIVE

If you are a regular full-time administrative employee, you can choose to join the Plan on the first of any month coinciding with or following your date of hire and you automatically join the Plan on the first of the month coinciding with or following five years of employment, with the following exceptions:

• if you are a Brescia University College employee, you are eligible to join the Plan on the first day of employment
• if you are a unionized employee at Huron University College, you can choose to join on the first day of employment and you automatically join after two years of employment

OTHER THAN REGULAR FULL-TIME EMPLOYEES

If you are not a regular full-time employee, you are eligible to join the Plan on January 1 of the year after you have earned at least 21% of the year’s maximum pensionable earnings in each of the two previous calendar years. Human Resources or your employer will advise you when you are eligible to join the Plan. You are also eligible to join the Plan on the first of any month as long as you have 24 months of continuous service and you earned at least 21% of the year’s maximum pensionable earnings in each of the two previous calendar years before that date.

Membership in the Plan is optional for employees who are not regular full-time.

You may not join the Plan after December 31 of the year in which you reach age 69 – the day when membership in the Plan ends.
Joining the Plan

ARE YOU ELIGIBLE TO JOIN THE PLAN BUT HAVEN'T YET? CONSIDER IT!

If you are eligible to join the Plan and haven’t joined yet, you should consider it carefully. When you start contributing to the Plan, Western also makes contributions on your behalf. If you’re not benefiting from Western’s contributions to the Plan, you’re missing out on an important part of your overall compensation. The earlier you start saving for retirement, the more you save, and the better the chance you have of reaching your retirement income goals.

Choosing to join the Plan as soon as you can means you’ll be better prepared for financial security down the road.

Meet Anita.

Anita was hired in a full-time position as a research technologist (UWOSA) on March 1, 2013. Anita can voluntarily join the Administrative Staff Pension Plan on the first of any month after her date of hire, or if she doesn’t, she will automatically join the Plan after five years.

ANITA’S STATS

- Anita’s annual earnings: $50,000
- Anita’s annual contributions: $1,250 (2.5% of her annual earnings)
- Western’s annual contributions: $3,750 for the first 10 years of employment, $4,000 for the next 10 years and $4,250 for the rest of her career

If Anita waits five years to join the Plan, she loses out on $3,750 in Western contributions every year. In addition to losing out on valuable compensation from Western, the retirement savings that Anita can accumulate from the Plan will be lower. Here’s a look at what Anita’s savings at retirement might look like if she voluntarily chooses to contribute when she first becomes eligible or waits for five years to join the Plan. Keep in mind, this example doesn’t take into account future salary increases of Anita’s, which would trigger higher contributions from her and Western, and mean even bigger savings at retirement.

The projections shown are for illustration purposes only, using a net rate of return (that is, after all investment fees) of 5.25%. They do not represent any form of guarantee, including rates of return. Actual accumulated savings at the time of retirement will vary based on contribution levels, actual future earnings, investment choices and actual rates of return.
Contributing

REQUIRED CONTRIBUTIONS

You and Western contribute a percentage of your earnings to the Plan. These contributions are deposited to your regular account. How much you and Western contribute may depend on different factors, such as whether you are faculty or administrative staff, your employee group/employer and your years of service. The tables below outline your required contributions and Western’s contributions to the Plan.

FACULTY

<table>
<thead>
<tr>
<th>YOUR CONTRIBUTIONS</th>
<th>WESTERN’S CONTRIBUTIONS</th>
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<tbody>
<tr>
<td>UWO Faculty Association</td>
<td>5.5% (or 1.5% for certain employees)</td>
</tr>
<tr>
<td>Clinical Teachers</td>
<td>1.5%</td>
</tr>
<tr>
<td>Huron University College</td>
<td>7.0%</td>
</tr>
<tr>
<td>Brescia University College</td>
<td>5.0%</td>
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</tbody>
</table>

ADMINISTRATIVE

<table>
<thead>
<tr>
<th>YOUR CONTRIBUTIONS</th>
<th>WESTERN’S CONTRIBUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Professional and Managerial Association (PMA)</td>
<td>5.5% (or 2.5% for certain employees)</td>
</tr>
<tr>
<td>less than 10 years</td>
<td>8.0%</td>
</tr>
<tr>
<td>10 or more years</td>
<td>8.5%</td>
</tr>
<tr>
<td>if you are contributing 5.5% with 20 or more years</td>
<td>9.0%</td>
</tr>
<tr>
<td>Other Western Staff Employees</td>
<td>2.5%</td>
</tr>
<tr>
<td>less than 10 years</td>
<td>7.5%</td>
</tr>
<tr>
<td>10 – 19 years</td>
<td>8.0%</td>
</tr>
<tr>
<td>20 or more years</td>
<td>8.5%</td>
</tr>
<tr>
<td>Huron University College</td>
<td>7.0%</td>
</tr>
<tr>
<td>Brescia University College Management</td>
<td>5.0%</td>
</tr>
<tr>
<td>Brescia University College Administrative</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
Contributing

WHEN REQUIRED CONTRIBUTIONS END

Your required contributions and Western’s end, at the latest, on December 31 of the year in which you reach age 69. If you are a member of the Professional and Managerial Association, Police Association or IUOE, your contributions and Western’s end on the earlier of this day and the day you reach 95 points (when you are at least age 65 and your age plus service equals 95).

VOLUNTARY CONTRIBUTIONS

You may choose to further grow your retirement income under the Plan by making voluntary contributions, above your required contributions, to the maximum allowed by the Income Tax Act. There are a few ways in which you can make voluntary contributions to the Plan:

• by payroll deduction, which reduces your taxable income right away
• by transferring savings from your personal Registered Retirement Savings Plan (RRSP) or from a previous employer’s pension plan

A voluntary account is established in your name to accept your voluntary contributions. You invest your voluntary contributions from among the investment options under the Plan and benefit from lower investment management fees.

Transfers from spousal RRSPs are not allowed in the Plan. You may transfer locked-in amounts from another registered plan to the Plan. These savings will be administered as required by pension legislation.

The contributions and investment earnings accumulated in your voluntary account may be taken in cash, less income tax (other than locked-in savings) or transferred out of the Plan to an RRSP at any time. An administration fee of $100 will be applied to each transaction.

WHEN VOLUNTARY CONTRIBUTIONS END

As long as you are an active member of the Plan, you may continue to make voluntary contributions to the Plan until December 31 of the year in which you reach age 69.

MAXIMIZING YOUR CONTRIBUTIONS TO THE PLAN

All members are eligible to make voluntary contributions to the Plan, up to the maximum allowed by the Income Tax Act.

There are many reasons to consider maximizing your contributions to the Plan:

• you build your retirement income faster
• you use convenient payroll deductions
• your contributions are tax-deductible and you benefit from the tax savings on your pay right away
• you benefit from lower fees than those applied on funds available at retail outlets (such as banks or investment firms)
• you invest in funds that are closely monitored and tailored to your needs as a Western employee
• you have the flexibility to change the level of your voluntary contributions every month

Contact Human Resources if you are interested in increasing your contributions to the Plan. Start your retirement journey today!
Contributing

TAX IMPLICATIONS

The *Income Tax Act* limits the annual tax-deductible contributions you and your employer can make to all your retirement savings plans. The maximum annual amount is 18% of your earned income, up to an annual dollar limit, which changes from year to year in line with changes to average Canadian wages.

This 18% limit is the total you can save under all tax-sheltered retirement plans, including the Western Plan and your personal RRSPs. Every year while you are a member of the Plan, a Pension Adjustment (PA) is reported on your tax slip. The PA for defined contribution plans – such as Western’s – is the total contributions (your required and voluntary contributions and Western’s contributions) made to the Plan in the calendar year. Your PA reduces the amount you can contribute to an RRSP the following calendar year. The Canada Revenue Agency (CRA) informs you each year of your RRSP contribution limits on your Notice of Assessment.
Contributing

MAXIMIZING YOUR CONTRIBUTIONS TO THE PLAN PAYS OFF

The more you contribute to the Plan now, the more savings you accumulate down the road at retirement. The Plan allows you the additional flexibility to increase your contributions, above your required contributions, by making voluntary contributions to the Plan, up to the maximum allowed by the Income Tax Act.

Meet Scott.

Scott has been contributing 5.5% to the Academic Pension Plan since he joined the Plan.

<table>
<thead>
<tr>
<th>SCOTT’S STATS</th>
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<tr>
<td>Scott’s annual earnings</td>
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<tr>
<td>Scott’s annual contributions (5.5% of his annual earnings)</td>
</tr>
<tr>
<td>Western’s annual contributions (8.5% of Scott’s annual earnings)</td>
</tr>
</tbody>
</table>

The chart below shows what Scott’s retirement income might look like under two scenarios:

- if he makes voluntary contributions, above his required contributions, to the maximum allowed by the Income Tax Act
- if he chooses to contribute only his required contributions during his career at Western

The chart shows Scott’s retirement savings under the two scenarios if he contributes to the Plan for 20, 30 and 40 years. Keep in mind, this example doesn’t take into account future salary increases of Scott’s, which would trigger higher contributions from him and Western, and mean even bigger savings at retirement.

The projections shown are for illustration purposes only, using a net rate of return (that is, after all investment fees) of 5.25%. They do not represent any form of guarantee, including rates of return. Actual accumulated savings at the time of retirement will vary based on contribution levels, actual future earnings, investment choices and actual rates of return.
You decide how to invest your retirement account balance – made up of Western’s contributions, your contributions and any investment earnings, including any gains or losses. The Plan provides you with a wide range of investment options to choose from to suit your investment goals. Each option comes with a different degree of risk and return and may be appropriate for different points in your career. You may allocate the retirement savings in your regular account and voluntary account to any or all of the available funds.

The Plan offers investment options across the three primary asset classes: Cash/Money Market, Fixed Income/Bonds and Equity/Stocks. Each asset class has different properties with respect to risk of loss, chance for growth and how investment return is generated. For example, bonds generally provide most of their investment return through the stream of income received from interest payments. Equities generally provide most of their investment return when the underlying value of the stock increases and can be sold for more than its purchase price.

Before you select your investments, you may want to consider developing an investment strategy. An ideal investment strategy will strike a balance between the kind of long-term returns you want and the amount of short-term risk you are willing to bear. You should consider:

• your tolerance for negative returns
• your investment objectives and when you plan to use the money
• how much time you have to invest until you want to use the money

The annual Investment Performance Review provides a detailed description of each of the funds, the fund’s objectives, strategy, the risks of investing with the fund and the type of investor who might choose to invest in the fund. The Plan’s investment options are also described in detail on the Pension section of the Human Resources website. You may also wish to consider taking the Investment Personality Questionnaire designed to assist you in making investment decisions under the Plan. The questionnaire can be found on the Pension section of the Human Resources website.

GET TO KNOW YOUR INVESTMENT PERSONALITY

The Investment Personality Questionnaire is an easy-to-use tool designed to help you select the right investments for your Western retirement accounts, based on your investment personality.

The questionnaire takes just a few minutes and, once completed, provides you with a proposed investment portfolio with the funds available under the Western Plan.

The questionnaire can be found on the Pension section of the Human Resources website.
Investing Your Retirement Account

WHAT HAPPENS IF YOU DO NOT CHOOSE YOUR INVESTMENT OPTIONS

If you do not make an active choice for your retirement account, your money will be automatically invested in the Balanced Growth Fund. Although this fund may be appropriate for some members at certain ages or who have a particular risk tolerance, it would not be appropriate for all members at all stages of their career. That's why it's important to actively select – and regularly review – your investment options to ensure you’re on the path to a financially secure retirement.

FEES

There are various costs associated with running the Plan: fees for external investment managers, transaction costs, trustee fees, other professional fees and pension staff expenses. You pay only some of these fees: fees for external investment managers, transaction costs and trustee fees are funded by your investments. Returns for each fund are determined after deducting these fees.

An additional flat fee is charged every year:

- if you are a Brescia University College or Huron University College employee
- if you leave Western before retirement and leave your savings in the Plan

You can find more information about fees in the annual Investment Performance Review.
THE DIFFERENCE LOWER FEES CAN MAKE ON YOUR RETIREMENT SAVINGS

In 2012, the total fees for the different funds within the Plan averaged approximately 0.32%. (Fees for the different funds ranged from 0.07% to 1.05% in 2012). Overall, these fees are far below the fees of comparable retirement savings products available from retail organizations (such as funds offered through a bank or insurance company), which average close to 2.0% per year. This difference in fees compounds over your investment career and makes a big difference down the road when you are ready to retire. Over a 30-year period, these lower fees would be expected to provide approximately 30% – 35% more in retirement savings.

Meet Mei.

Mei wants to contribute an additional $2,500 annually towards her retirement. The chart shows what Mei could earn in additional retirement savings by making her additional contributions to the Western Plan – and benefiting from the lower fees in the Plan – rather than investing in a retail organization with annual fees of 2.0%.

The projections shown are for illustration purposes only, using a net rate of return (that is, after all investment fees) of 5.25%. They do not represent any form of guarantee, including rates of return. Actual accumulated savings at the time of retirement will vary based on contribution levels, actual future earnings, investment choices and actual rates of return.
LEARNING ABOUT YOUR INVESTMENTS

No one can predict what your retirement income will look like in the future, but it is important to understand your investment choices and be aware of the risks associated with them. For example, if your investment choices are too conservative, they may limit your chances of reaching your retirement goals and if they are too aggressive, they may expose you to substantial losses when you are ready to draw on your retirement income. As a result, different funds and investment approaches may be appropriate for different points in your journey to retirement.

Western provides you with a variety of ways to learn about investing, setting your retirement income goals and the funds available under the Plan. Go to the Learning About the Plan section for more information.

MONITORING AND CHANGING YOUR INVESTMENTS

Your online personalized pension account at www.uwo.ca/hr/pension/login.html provides you with up-to-date information about your investments. In addition, you receive an annual statement confirming the balances in your regular account and voluntary account at the statement date, your investment choices and your investment returns.

Once a month, you can change your investment directions and arrange transfers between investment funds. All changes are made at the end of the month, since unit values are determined at that date. Requests for changes must be submitted by the 25th of each month for the transaction to be made for the end of that month. You can login to your personal pension account to make the change or go to Forms and Presentations in the Pension section of the Human Resources website and download the Pension Investment Change Form.
You should consider the risks of investing in each fund versus the potential returns, as well as your own risk tolerance, when setting your investment strategy to ensure you invest in the approach that makes the most sense for you and your retirement income goals. Consult the Investment Performance Review for all the details of the funds available, the risks of investing with the fund and the type of investor who might choose to invest in the fund. You may also want to take the Investment Personality Questionnaire to assist you in making investment decisions under the Plan. The questionnaire can be found on the Pension section of the Human Resources website.
» **Work/Life Events and the Plan**

**CHANGE IN MARITAL STATUS**

If your marital status changes, go to the Life changes section of the Human Resources website to download the necessary forms to ensure that your marital status is properly recorded. Your annual pension statement confirms the name of your spouse, if applicable.

If your marriage or common-law relationship ends, you may have to assign a portion of the retirement savings you accumulated during your relationship to your ex-spouse. As of January 1, 2012, a division of your retirement savings under the Plan cannot be processed unless you (or your married spouse) first ask Western to prepare a Statement of Family Law Value. The Statement will provide information about the value of the Plan entitlements earned during your relationship. For more information and for links to the approved FSCO forms, go to the Pension section of the Human Resources website.

**UPDATING YOUR BENEFICIARY**

When your marital status changes, you should review and, if necessary, update your beneficiary under the Plan. You may name a beneficiary to receive the savings accumulated in your accounts at your death; however, if you have an eligible spouse at your death, that person will receive any benefits payable from your regular account. You may be eligible to designate a non-spouse beneficiary for contributions made before January 1, 1987.

See the Death Event section for more details.

**DISABILITY**

For most employee groups, Western contributes your share and Western’s share of required contributions during a period while you are receiving full benefits under the Long Term Disability Plan. Contact Human Resources for more information.

**UNPAID LEAVE OF ABSENCE**

If you go on one of the following types of unpaid leave, you may choose to continue contributing to the Plan:

- you are on loan to another employer and do not participate in the other employer’s pension plan
- you are on unpaid education leave
- you are on unpaid maternity or parental leave
- you are on study leave, career development leave, reservist leave or political candidacy leave

For some types of leave, if you choose to continue contributing, you may be responsible for making both your own and Western’s contributions. If you are planning a leave, you should contact Human Resources for information on your options.
LEAVING WESTERN BEFORE RETIREMENT

When you leave Western before retirement (more than 10 years before your normal retirement date), you have several options for the locked-in retirement savings you have accumulated under the Plan. You may choose to:

- leave your savings in the Plan and continue investing and growing your retirement savings until you are ready to draw on the savings (as early as 10 years before your normal retirement date, but no later than age 71)
- transfer your savings out of the Plan to a Locked-in Retirement Account (LIRA) at a financial institution or to your new employer’s registered pension plan (provided that plan is willing to accept them)
- have Western purchase a deferred lifetime annuity on your behalf

You may also have accumulated retirement savings in your voluntary account that may include non-locked-in savings; for example, if you transferred personal RRSP money into the Plan or made voluntary contributions into the Plan. You have similar choices for your non-locked-in savings when you leave Western; however, the options for your retirement income vehicles are not locked-in and you have the additional option to take the savings in cash, less income tax.

If you are not a regular full-time employee, your membership in the Plan ends six months after your contributions have ended. Some exceptions apply for employees who are part-time faculty members. This is to allow you to resume participation in the Plan if you start working in another position with Western within that period.

When your employment ends, Human Resources will prepare and mail you a statement outlining your options for your retirement savings, as well as the necessary forms to fill out.

LOCKED-IN RETIREMENT SAVINGS

Under the Plan, you have different ways to build your retirement savings:

- you make required contributions and Western contributes if you contribute
- you may choose to make voluntary contributions, up to the limit allowed by the Income Tax Act
- you may transfer savings from your personal RRSPs or savings from your previous employer’s pension plan

What’s locked-in?

Your required contributions to the Plan, Western’s contributions and the investment income earned on these contributions are locked-in. In most cases, savings transferred from a previous employer’s pension plan are also locked-in.

What’s not locked-in?

Your voluntary contributions to the Plan, any savings transferred from a personal RRSP to the Plan and the investment income earned on these contributions are not locked-in.

What does locked-in mean?

Pension legislation requires that savings accumulated in a registered pension plan be “locked-in”: these savings must be used to provide periodic retirement income and, as a result, in most cases cannot be taken in cash.

In certain situations (for example, financial hardship), pension legislation allows special access to locked-in savings. This special access is only allowed if you have transferred your money out of the Plan to another locked-in vehicle (other than another registered pension plan), you meet the specific criteria set out in pension legislation and you obtain approval from FSCO – the agency that regulates Ontario pension plans. For more information about special access to locked-in savings and the forms to apply, consult the Pension unlocking section of FSCO’s website at www.fsco.gov.on.ca.
You can retire and begin to receive retirement income from the Plan as early as 10 years before your normal retirement date. If you are planning on retiring early, you should keep in mind that each year you retire early is one less working year in which you’re able to contribute to the Plan, receive Western’s contributions and potentially earn investment returns. And, each additional year of retirement is one more year that you’ll need to rely on your savings for income.

When you retire, you have several options for the locked-in retirement savings you have accumulated under the Plan. You may choose to:

• have Western purchase an immediate or deferred lifetime annuity on your behalf
• transfer your retirement savings out of the Plan to a Locked-in Retirement Account (LIRA) at a financial institution or to your new employer’s registered pension plan (provided that plan is willing to accept them)
• transfer your savings to the Western RIF to continue to maintain and invest your account in the Plan and begin periodic withdrawals
• continue to maintain and invest your account in the Plan until you are ready to draw on your investments (the end of the year in which you reach age 71, at the latest)

You may also have accumulated retirement savings in your voluntary account that may include non-locked-in savings; for example, if you transferred personal RRSP money into the Plan or made voluntary contributions into the Plan. You have similar choices for your non-locked-in savings when you retire; however, the options for your retirement income vehicles are not locked-in and you have the additional option to take the savings in cash, less income tax.

For detailed information about the retirement income options available to you, consult the Western Retirement Guide available on the Pension section of the Human Resources website.

Human Resources will contact you as you approach age 65 to offer pre-retirement counselling. If you are considering retiring before age 65, contact Human Resources to arrange an appointment.

The Income Tax Act requires that all retirement savings be converted into income by the end of the year in which you reach age 71.

If you have an eligible spouse when you retire, pension law requires your pension include a guarantee that if you die first, your spouse will receive at least 60% of your pension income at retirement (assuming you select an annuity for the payment of your retirement income). Before you can choose a form of pension that provides less than a 60% survivor pension, you and your spouse must waive in writing your spouse’s rights to this pension. You may be eligible to designate a non-spouse beneficiary for contributions made before January 1, 1987. Contact Human Resources for more details.

APPROSSING RETIREMENT?

We recommend you contact Human Resources five years before you plan to retire to schedule an individual session to ensure your investment structure meets your pre-retirement needs and to learn about the choices available to you at retirement.
DEATH

DEATH BEFORE RETIREMENT

If you die before retirement, the accumulated savings in your regular account will be paid to your spouse (as long as you were living together at the date of your death), or, if you have no eligible spouse, to your most recently named beneficiary, or to your estate, if you have not designated a beneficiary or your beneficiary has died.

The accumulated savings in your voluntary account will be paid to your beneficiary, or, if you have no beneficiary or your beneficiary has died, to your estate.

If you have a spouse, that person, by provincial law, must receive the full value of the retirement savings in your regular account, unless your spouse waives his or her rights to this benefit in writing. You may be eligible to designate a non-spouse beneficiary for contributions made before January 1, 1987. Contact Human Resources for more details. A definition of spouse is provided in the Glossary.

A person is not your spouse if you are living separate and apart from that person at the date spousal status must be determined.

Your spouse has the following options for the payment of your retirement savings:

- transfer the savings tax-deferred to an RRSP or to another employer’s pension plan
- purchase an immediate or deferred lifetime annuity from an insurance company
- receive the savings in cash, less income tax
- transfer the savings tax-deferred to a retirement income fund

For beneficiaries other than your spouse, the value of your accounts will be paid as a lump-sum payment, less income tax.

DEATH AFTER RETIREMENT

If you die after retirement, your benefits payable will depend on what option you chose when you retired.
Learning About the Plan

Your retirement savings from the Plan can play an important part in your overall income at retirement. Western offers a wide variety of resources to help you map your journey and reach your financial destination at retirement. Take advantage of these resources and get where you want to go!

<table>
<thead>
<tr>
<th><strong>YOUR SECURE PENSION ACCOUNT</strong></th>
<th>Your secure online pension account at <a href="http://www.uwo.ca/hr/pension/login.html">www.uwo.ca/hr/pension/login.html</a> lets you view your retirement account balances and review and make changes to your investments.</th>
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| **YOUR ANNUAL PERSONALIZED PENSION STATEMENT** | Every year in the spring, Western provides you with a personalized pension statement. This statement is a very useful tool to help you evaluate if you are on track to meeting your retirement income goals. Your statement:  
  - confirms your personal data on file, including, if applicable, your spouse’s name  
  - provides your account balance and your net investment returns for the period  
  - estimates your retirement income from the Plan |
| **THE PENSION SECTION OF THE HUMAN RESOURCES WEBSITE** | The Pension section of the Human Resources website at www.uwo.ca/hr/pension provides a wealth of information on all aspects of the Plan, including Pension News newsletters, monthly investment reports of unit values and fund performance, forms and retirement planning information, investment information and information about the Plan.  
  You can also find the Investment Personality Questionnaire on the site, which is an important tool designed to help you make investment decisions. |
| **GROUP EDUCATION SESSIONS** | These sessions are provided by Human Resources at various locations on campus throughout the year. The different topics for the sessions include planning and pre-retirement education, learning about investing, how to save more efficiently for retirement and learning about the retirement income options available from the Plan. The times and locations of the sessions are announced in the Pension News, Western News, the Western Events Calendar and on the Pension section of the Human Resources website. |
| **THE PENSION AND BENEFITS CONSULTANTS IN HUMAN RESOURCES** | Your Western Pension and Benefits Consultants are always available to answer your questions about the Plan, walk you through how to use your online pension account and point you to other resources to help you on your journey to financial security at retirement.  
  You can also request a projection of your estimated account balances up to your retirement date, as well as the estimated income for any retirement date you wish (10 years before your normal retirement date, but not later than age 71) under various payment options. Of course, these estimates are provided to help you plan for your retirement and are in no way a guarantee of your future income from the Plan.  
  The Pension and Benefits Consultants also offer individual counselling sessions to help you learn about retirement planning and understand the choices available to you including your investment options, contribution level and payout options. All appointments are confidential. Spouses and family members are welcome to attend. Personal appointments may be arranged by contacting Human Resources. |
Planning Your Retirement Journey

Having a successful trip usually means taking some time before you leave to decide where you want to go, and when and how you want to get there. You’ll want to examine how much the trip will cost, whether you can afford it, and, in some cases, pick a new destination if your original destination was too expensive.

You take similar steps when you plan for a financially comfortable retirement:

• **Where do you want to go?** Consider where you want to be and what you want to do during your retirement years. For example, do you see yourself travelling extensively or spending most of your time gardening, reading and relaxing at home? Will you have children still at home or in school? Different lifestyles in retirement carry different price tags. Identifying your needs will help you to set appropriate financial goals.

• **When do you want to take your trip?** At what age would you like to retire? Did you know that if you retire at age 65, with current life expectancies, your retirement could last 20 to 25 years? If you are planning on retiring earlier than age 65, you should keep in mind that each year you retire early is one less working year in which you’re able to contribute to the Plan, receive Western’s contributions and potentially earn investment returns. And, each additional year of retirement is one more year that you’ll need to rely on your savings for income.

• **How much will it cost?** Determine what your retirement will cost based on what your income needs will be during your retirement.

• **Can I afford it?** Estimate how much you will receive from all your retirement income sources and determine if you are on track to meeting your retirement income goals.

• **Do I need to re-evaluate my destination?** If you are not on target to reaching your retirement income goal, you will have to re-adjust your expectations for retirement (for example, at what age you will retire, what you will do in retirement and how much your retirement income will be) or you will have to accumulate more retirement savings before you retire.
When you retire, your retirement income will come from three different sources:

- employer-sponsored plans
- government-sponsored plans
- personal savings

**EMPLOYER-SPONSORED PLANS**

Employer-sponsored pension plans, such as the Western Plan, provide employees with retirement income to supplement their revenue from government plans. Your retirement income from the Plan depends on the savings you have accumulated in your retirement account when you retire. Your contributions, Western’s contributions and the investment income you earn have a direct impact on the income you can generate at retirement.

You may also participate in the Supplemental Pension Arrangement (SPA), which provides a notional account for member’s required contributions and Western’s that exceed the total contributions permitted under the Income Tax Act. If you participate in the SPA, you receive an annual statement providing you with the notional retirement savings. Be sure to take this into account when determining your potential retirement income.

If you participated in another employer’s pension plan, you will want to include any pension benefits payable from it when you consider your overall retirement income.

**GOVERNMENT-SPONSORED PLANS**

Under current legislation, when you retire, you will be entitled to receive benefits from the Canada Pension Plan (CPP) and you may be entitled to pension benefits from the Old Age Security (OAS) program.

**CANADA PENSION PLAN (CPP)**

The CPP is a compulsory public pension plan. It provides workers and their families with basic financial protection in the event of retirement, death or disability.

The amount of your pension from CPP depends on:

- the age at which you retire (CPP can begin as early as age 60)
- the number of years in which you contributed to the plan
- the employment earnings on which you made contributions

To learn more about the pension under the CPP, contact Service Canada.

**OLD AGE SECURITY PROGRAM (OAS)**

The OAS pension is a flat-rate pension you receive once you reach the OAS retirement age, provided you meet certain residency requirements. It is paid monthly until death and is adjusted four times a year to reflect increases in the cost of living.

If your total retirement income is above a certain level, you may have to repay all or part of the OAS benefit you receive.

The OAS pension is taxable income.

For more information on OAS benefits, contact Service Canada.
PERSONAL SAVINGS

Personal savings play an important role in your retirement income, topping up your pension income from employer-sponsored and government-sponsored plans to ensure you have a financially comfortable retirement.

Many people use RRSPs to build these savings. You can make tax-deductible contributions to a personal or spousal RRSP, up to specified limits. You should also consider the advantages and disadvantages of making voluntary contributions to your Western pension plan.

Your RRSP contribution limit is set by the Canada Revenue Agency (CRA). The total you can contribute for the year – your RRSP deduction limit – depends on your earned income and your Pension Adjustment (PA). CRA lets you know your RRSP contribution room on the Notice of Assessment you receive when you file your income tax return. You can carry forward unused contribution room. This may allow you, for example, to contribute a larger amount to your RRSP in a future year.

You can turn your RRSP into income at the same time you retire, if you wish. Or, you can maintain it until the end of the year in which you reach age 71.

Another way to build your retirement income is with a Tax-Free Savings Account (TFSA). With a TFSA, you may make annual contributions up to a specified limit. In 2013, this limit is $5,500. Here are some of the highlights of a TFSA:

- contributions to a TFSA are not tax-deductible
- the income generated in a TFSA is tax-free while in the TFSA and when withdrawn
- you can generally withdraw any amount from a TFSA at any time and for any reason, with no tax consequence
- any unused contribution room is added to your TFSA contribution room for the next year

Most withdrawals made from a TFSA will be added back to the TFSA contribution room at the beginning of the year following the withdrawal.

RRSPs and TFSA are available through financial institutions. In addition to RRSPs and TFSA, you may have other non-registered savings to take into account when estimating your overall retirement income.
Administration of the Plan

The Academic Staff Pension Board and the Administrative Staff Pension Board are standing committees of the Board of Governors of the University. The Pension Boards have the responsibility to administer the respective Plans and report to the Board of Governors annually on the operation of the Plan. The mandate of the Pension Boards is to provide equitable, efficient and effective administration of the Plans including communications with Plan members. The Pension Boards work with internal staff in Human Resources and retains outside consultants for investment advice, design, actuarial advice, as well as legal advice, as required.

The Pension Boards each consist of four elected members of the respective Plans and three appointed representatives of the University. Elected members serve four-year terms. Board members receive no compensation, either financial or time release, for their work.

The Joint Pension Board is a body made up of all members from the Academic Staff Pension Board and the Administrative Staff Pension Board. The Joint Pension Board meets frequently to discuss and set pension policies that concern both the Pension Plan for Academic Staff and the Pension Plan for Administrative Staff.

MISSION STATEMENT

Our Mission is to provide members with the opportunity to accumulate adequate funds for retirement. We seek to provide sufficient choices but not onerous choices. We seek to provide services and options on a cost effective basis to accommodate members who are active in the management of their retirement savings and also for those members who look to the board for guidance. We will provide these services and options while following our principles.

PRINCIPLES OF THE JOINT PENSION BOARD

The Joint Pension Board seeks to:
1. offer members broad and diversified choice of investment and retirement vehicles;
2. maintain fairness among plan members;
3. allow for high liquidity in investments;
4. assist members in making well informed decisions;
5. solicit and be responsive to members’ preferences;
6. use prudence in assessing and reviewing operations;
7. assure cost effective administration
Contact Us

Human Resources is responsible for the day-to-day administration of the Plan and is committed to helping you plan for your retirement journey. Contact Human Resources if you need information about the Plan.

Human Resources Communication Centre
Support Services Building, Room 5100
Western University
London ON N6A 3K7

Phone: 519-661-2194
Fax: 519-661-4104
Email: hrhelp@uwo.ca
Web: www.uwo.ca/hr
ANNuity
A series of payments of a fixed amount for the rest of one’s life.

DEFERRED ANNUITY
An annuity contract that provides for the initiation of payments at some designated date in the future.

DEFINED CONTRIBUTION PLAN
A pension plan where the retirement income is dependent on the amount of accumulated contributions under the plan and where contributions to the plan are defined.

EARNINGS
For full-time members, the amount of regular annual compensation payable to a person; for other than full-time members, the total compensation paid to the person. These are the earnings on which contributions to the regular account are based.

FSCO - FINANCIAL SERVICES COMMISSION OF ONTARIO
A regulatory agency of the Ministry of Finance that regulates pension plans, insurance, loan and trust companies, credit unions, and other financial institutions.

LOCKED-IN
Refers to a provision under pension benefit legislation that requires savings set aside in an employer pension plan be used only for income during the member’s retirement years. Locked-in savings cannot be taken in a lump-sum payment.

LOCKED-IN RETIREMENT ACCOUNT (LIRA)
A LIRA is an investment arrangement for locked-in pension savings. The investments are identical to RRSPs except that the savings may only be withdrawn to purchase an annuity or a Life Income Fund.

NORMAL RETIREMENT DATE
Faculty – Your normal retirement date is the July 1 that coincides with or follows your 65th birthday.
Administrative – Your normal retirement date is the first day of the month following your 65th birthday.

REGISTERED RETIREMENT SAVINGS PLAN (RRSP)
An RRSP is an investment account that is permitted under the Canadian Income Tax Act. Contributions to RRSPs are tax deductible and investment income accumulates tax free. Tax is paid on all cash withdrawals from RRSPs.

REGULAR ACCOUNT
The Western Plan account that holds all required contributions made by the member and their employer on the member’s behalf, plus investment earnings on these contributions in accordance with the terms of the Plan.

REGULAR FULL-TIME EMPLOYEE
An academic (faculty) employee whose appointment is on a full-time basis for a term of one year or more or an administrative staff employee whose employment is for a continuous period of 12 months or more where the termination date cannot be identified and who works the normal workweek hours in excess of 24 hours.

SPOUSE
A person to whom the member is married or the person to whom the member is not married but the member and that person have been living together in a conjugal relationship continuously for three years or in a relationship of some permanence if they are the natural or adoptive parents of a child.

VOLUNTARY ACCOUNT
The Western Plan account that holds accumulated contributions made by a member, above what was required to be contributed to the member’s regular account (including transfers in from RRSPs and other registered plans) as well as the investment earnings on these contributions. Some of the savings in a voluntary account may be locked-in if they have been transferred from a previous employer’s pension plan, including the Western Plan (for a period of previous Western service).

WESTERN RETIREMENT INCOME FUND (WESTERN RIF)
Western offers retired members of the Plan access to the Western Retirement Income Funds (Western RIF) program. The Western RIFs represent one option for converting accumulated retirement savings in your pension plan into retirement income at retirement. The Western RIF program includes access to a Registered Retirement Income Fund (RRIF) for your non-locked-in registered savings and access to a Life Income Fund (LIF) for your locked-in registered savings.
With a RRIF or LIF, you continue to maintain and invest your retirement accounts after retirement and receive monthly income from within the annual ranges allowed under the Plan and pension legislation. With a RRIF or LIF, your monthly income from year to year will vary depending on the investment income earned each year in your retirement accounts, the fees and expenses you pay, and on the prescribed maximum withdrawal rates for the year.

YEAR’S MAXIMUM PENSIONABLE EARNINGS
The amount the government uses to base your contributions to – as well as benefits from – the Canada Pension Plan. The government updates this amount every year.