

**The Retirement Plan**  
**For the Unionized Employees**  
**of Sun Media Corporation**

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# Introduction

Retirement is an important event in everyone's life. It represents the beginning of a stimulating new phase in our lives when we have the time available to do the things so often postponed during our working years.

You will need considerable financial resources to take full advantage of your retirement years. That's why the Company wants to help you reach your retirement income goals.

We are pleased to offer you a pension plan, which combined with government plans and your personal savings, should provide you with an adequate income when you retire.

This booklet describes the main provisions of The Retirement Plan for the Unionized Employees of Sun Media Corporation. This Plan is known as the Sun Media Unionized Pension Plan.

If you have any questions about the Sun Media Unionized Pension Plan, do not hesitate to contact the Human Resources Department.

# Membership in the plan

## Eligibility

If you work ...	You become eligible to enrol in the Pension Plan ...
<b>Full time</b>	On the first day of the month following completion of one year of Service. However, if you are an employee of <b>The London Free Press Editorial Unit</b> , you must become a Member of this Plan upon the first day of the month following attainment of age thirty-five and the completion of one year of Service.
<b>Part time</b>	On the first day of the year following the year in which you <ul style="list-style-type: none"><li>• Have earned at least 35% of the year's maximum pensionable earnings (YMPE ) under the Canada Pension Plan, or</li><li>• Have worked at least 700 hours.</li></ul>

## Enrolment

When you become eligible, you **must complete an enrolment form**, to indicate whether you wish to begin to participate or postpone your membership. If you choose to start your membership, you also name the beneficiaries for any survivor benefits and authorize payroll deductions.

If you decide to postpone your membership, you may begin to participate in the Pension Plan at any time thereafter by completing an enrolment form.



### What happens if I don't complete an enrolment form?

If, due to circumstances beyond your control, you do not complete an enrolment form, you are deemed to have postponed your membership, provided you have not reached your mandatory membership date if you are a full-time Employee represented by The London Free Press Editorial Unit.

# Contributions

You share with the Company the cost of your retirement benefits under the Sun Media Unionized Pension Plan.

Your contributions to the Plan, made through payroll deductions, are calculated as follows:

- 3.5% of your earnings up to the year's maximum pensionable earnings (YMPE) under the Canada Pension Plan
- **Plus**
- 5% of your earnings in excess of the YMPE

*Earnings* mean your basic salary, excluding overtime, bonuses and other benefits.

The Company pays into the pension fund, any additional amount required to finance the benefits provided under the Plan.



## **How much interest do my contributions earn?**

The contributions made to the Pension Plan earn interest based on the rate of return of five-year personal fixed term chartered bank deposits as published each month by the Bank of Canada.



## **Am I entitled to a minimum contribution from the Company?**

On retirement, termination of employment or death, the value of your pension accumulated to that date will be determined. If the sum of your contributions plus interest exceeds half the value of your pension, the excess (called excess contributions) will be paid in a lump sum or may be transferred to a prescribed retirement savings vehicle or another registered pension plan.

# Pension calculation

Your annual pension payable from the Sun Media Unionized Pension Plan is calculated based on the following formula:

## For your years of membership prior to January 1, 1998

1% of your best average earnings, up to the average YMPE
<b>Plus</b>
1.5% of your best average earnings in excess of the average YMPE
<b>Multiplied by</b>
Your years of membership prior to January 1, 1998

## For your years of membership from January 1, 1998

1.25% of your best average earnings, up to the average YMPE
<b>Plus</b>
1.75% of your best average earnings in excess of the average YMPE
<b>Multiplied by</b>
Your years of membership from January 1, 1998

Your *best average earnings* are the average annual earnings for any five years of highest pay during your membership. The *average YMPE* is the average of the year's maximum pensionable earnings in those same years.

If you participated in the former Standard Life Plan (Employees of The London Free Press only), the pension accumulated under that plan is equal to 40% of your contributions for each year of plan membership from August 1, 1964 to December 31, 1985. Over the years, upgrades were made to this pension.

# Maximum pension

The maximum that can be paid under the Sun Media Unionized Pension Plan is regulated by income tax rules. This means that the amount of the pension payable upon termination of employment, retirement or death could be limited to comply with those rules.

# Indexing of pensions being paid

After retirement, pensions in course of payment are increased annually by 50% of the Consumer Price Index to a maximum increase of 8% per year.

## Benefits at retirement

When you retire, you will receive a monthly pension payable for life from the Sun Media Unionized Pension Plan.

### Normal retirement

Your normal retirement date is the first day of the month following your 65th birthday.

If you retire on that date, you will receive your pension calculated according to the formula described under the *Pension calculation* section and the pension from the Standard Life Plan, if applicable.

### Early retirement

You may retire at any time after reaching age 55. You will start receiving a pension the first day of the month following your retirement.

Your pension will be calculated the same way as for normal retirement, based on your earnings up to your early retirement date. However, the pension will be reduced by 5% per year between your early retirement date and your 65th birthday to take into account the fact that it will be paid over a longer period.

### Postponed retirement

It is possible to delay collecting a pension until the end of the year you attain the age limit as provided by the Income Tax Act and other applicable legislation governing the Pension Plan and approved by the Employer. You may continue to contribute and accumulate your pension after age 65. You can have your pension payments start anytime until the end of the year of that age limit.

# Forms of pension payment

## Normal form

If you **do not have a spouse** when you retire, your pension is payable for as long as you live with a 60-month guarantee. This means that if you die before receiving 60 monthly payments, your beneficiary or estate will continue to receive the monthly payments for the remainder of the 60 months.

If **you have a spouse** when you retire, your pension will be payable for as long as you live with a guarantee that 60% of your monthly pension will continue to be paid to your surviving spouse for his/her remaining lifetime. To provide such pension to your surviving spouse, your own pension will be reduced on an actuarially equivalent basis.

Your *spouse* is the person who:

- Is married to you and has not been living separate and apart from you; or
- Has been living with you
  - in a conjugal relationship continuously for at least one year, or
  - in a conjugal relationship of some permanence if you are jointly the natural or adoptive parents of at least one child.

## Optional forms

If you wish, you may choose another form of pension. However, if you have a spouse when you retire and wish to choose a form of pension that will provide your spouse with less than 60% of your own pension, you and your spouse must waive in writing the 60% spousal pension before you can choose another form of pension.

For details on optional forms of pension, please contact the Human Resources Department.

# Benefits if you leave the Company

If you leave the Company before having completed two years of Plan membership, you will receive a refund of your contributions with interest. If you have completed two years of Plan membership, you will be entitled to your pension accumulated at the time of termination of employment. This pension will be payable at age 65.

Upon request and prior to age 55, you may transfer the value of this pension, provided that the amount transferred is locked-in (i.e., can only provide retirement income). The transfer can be made:

- To a locked-in retirement account (LIRA) or a locked-in RRSP;
- To your new employer's pension plan, provided that the plan accepts such transfers;
- To an insurance company for the purchase of an annuity;
- To any other legally acceptable investment vehicle.

## Survivor benefits

### Death before retirement

If you die before having completed two years of Plan membership, your spouse, or your beneficiary or estate if you have no spouse, will receive your contributions with interest.

If you die after having completed two years of Plan membership, your spouse, or your beneficiary or estate if you have no spouse, will receive the value of your pension.

### Death during retirement

In the event of your death during retirement, the benefits payable will depend on the form of pension payment selected at retirement.

# **What happens during a maternity leave**

During a maternity leave, you continue to accumulate pension benefits as long as you are still contributing to the Plan. You must make special arrangements to have contributions paid to the Pension Plan.

# **What happens in the event of disability**

If you receive benefits under the company's long term disability income program, you are not required to contribute to the pension plan but you continue to accumulate your pension, based on your earnings at the beginning of your disability increased annually in line with the average industrial wage index.

# **Other information of interest**

## **Plan registration and administration**

The Pension Plan is registered in Ontario. It is administered by the Company.

The Plan year runs from January 1 to December 31.

*This booklet summarizes the main provisions of The Retirement Plan for the Unionized Employees of Sun Media Corporation. It is designed to help you understand the benefits to which you are entitled. Although no effort has been spared to provide you with accurate information, final interpretation is governed by the official Plan documents.*

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