

# **AIR CANADA**

## **DEFINED BENEFIT BUYBACK POLICY AND DEFINED CONTRIBUTION PAYBACK RULES DURING PERIODS OF ABSENCE**

**Originally Effective January 1, 2005  
Updated to March 2016**

## **DISCLOSURE**

This document has been revised in March 2016 and applies to employees returning from leave since October 2012. The previous version was prepared in December 2009 by the Pension Department in Montreal in collaboration with Mercer to document the defined benefit buyback policies in effect for the programs that were then available. The initial version as at January 1, 2005 dated August 18, 2005 was prepared in conjunction with the Vancouver Pension Office and the Winnipeg Pension Office. For further information on defined benefit buyback programs which are no longer offered, please consult previous versions of this policy.

This document is for internal use only and should not be distributed to the members.

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## Defined Benefit Provisions

### Section 1.1 – General Rules

Revised March 2016

This policy is applicable to employees returning from leave since October 2012. Refer to previous versions of the policy for employees who returned before that date or for factors applicable in previous periods.

The parameters for each buyback program are as follows:

- Applicable groups
- Eligibility
- Application period, processes and forms
- Cost
- Salary rate
- Payment options
- Interest on deficiencies
- Method of reduction of the pension if outstanding deficiency at departure
- Sources (i.e. plan text, collective agreements, etc.)

To the extent possible, the buyback rules for defined benefit provisions are established in general terms, as defined in this section. However, program specific details and exceptions exist. Please refer to the program specific section for further details.

#### a) Applicable Groups

Applicable groups are determined by plan and employee group (i.e. bargaining unit). Current buyback programs described in Section 1.2 apply in respect of Air Canada-type service only. It also applies to the DB Component of the Hybrid Plan wherever applicable.

Plan	Bargaining unit/employee group
Air Canada Pension Plan – TMOS, Clerical and Finance Employees	IAMAW
Air Canada CUPE Represented Employees Pension Plan	CUPE
Air Canada Pension Plan – Crew Schedulers and CSS Agents	Unifor
Air Canada Pension Plan – Dispatchers	CALDA
Pension Plan for Air Canada Pilots formerly employed by Canadian Airlines International Ltd.	ACPA (including Flight Management)
Air Canada Pension Plan – Pilots	ACPA (including Flight Management)
Air Canada Pension Plan – Management & ATS Employees	Management & Clerical Employees

The above plans' structure is effective since January 1, 2014. It assumes that an agreement will be reached with CUPE to finalize the merge of the portion of the Main plan for flight attendants with the CAIL CUPE plan and that OSFI will approve the transfer of assets.

**b) Eligibility**

- Employees must return to work to be eligible to buyback service, unless:
  - The buyback is in respect of periods of absence described under 1.2.b or 1.2.d , as the company is legally obliged to offer members the opportunity to have such portion of such leaves recognized as allowable service; or
  - Exceptions may be granted by the company on an individual basis if extenuating circumstances apply.
- Employees cannot buyback the period on leave if they participated to another registered pension plan during such leave.
- Please refer to the program specific section for further details on eligibility for each buyback.

**c) Application Period, Processes and Forms**

- All buybacks must be initiated within 90 days from return to duty.
- This application process is effective since October 1, 2012 and applies to employees returning to duty since that date. The 90 day application period was implemented on January 1, 2015. Before January 1, 2015, different application periods could apply depending on the type of leave, therefore the plan administrator may accept applications provided after 90 days during the transition period.
- An employee who participates in a hybrid plan can decide to buyback a period of absence only for the DB component of the plan. The employee does not have to payback contributions for the period in the DC component of the plan.
- The process is as follows:
  - Upon return to work, members interested in buying back service can obtain an estimate of the cost of buyback by using the buyback Calculator in HR Connex Pension. Members can print copies of the estimates.
  - Once the decision is made to buyback the service, members must apply by calling HR Connex Pension at 1-855-855-0785, Option #2.
    - The application can only be made upon return to duty.
  - Members then verbally confirm their election to buyback service and then the Buyback Authorization Form is sent for signature and confirmation of payment method. If the member chose to pay by cheque or by RRSP transfer, the cheque (including the cheque from the RRSP issuer) must have been received before the deadline indicated on the Form and payroll deductions will start if payment is not received by that date.
  - HR Connex Pension then prepares and submits the proper documentation with CRA. Members are sent a copy of the PSPA certification form with the approval/denial status once received from CRA. If the PSPA is denied, the members may elect to withdraw funds from their RRSP. If they do so, another PSPA certification will be sent to CRA.

**d) Cost**

- The program specific section determines the cost of each buyback by one of the two following methods:
  - 1-time employee contributions;
  - No cost to Company (schedule based on age and/or service).
- The employee contribution rate is as set out in the plan rules in effect on the application date.
- Caps on employee contributions should be as defined in the plan rules in effect on the application date as well and used to determine the cost for the whole period of service.
- In determining the cost, partial months are treated as full months if the full month is being credited due to the buyback.
- For leaves of absence described in 1.2.a, 1.2.b, 1.2.c and 1.2.d, the cost is determined using the total number of days of a leave, as opposed to credited months of leave.
- For schedules based on age and/or service, costs are presented for integer age and/or service only. Linear interpolation will be used based on the age in years and months at the date of application unless specified otherwise. Completed years of service will be used.
- For part-time employees,
  - full qualifying service is granted;
  - allowable service credited due to the buyback assumes time credited at half-time in every calendar year;
  - partial months of allowable service are treated as full months, for every calendar year;
  - for example: if a part time employee buybacks a leave of 6 months elapsed time, 3 months in 2013 and 3 months in 2014, the allowable service bought back is 2 months in 2013 and 2 months in 2014. This comes from 3 months \* 50% = 1.5 month, rounded up gives 2 months for 2013 and the same would apply for 2014; and
  - In determining the costs for the total number of days of a leave, both service and salary are deemed to be at half-time for the period not worked.

**e) Salary Rate**

- For Pilots and CUPE, the salary rate is based on the individual's average monthly compensation over the 3 or 12 month period whichever is higher immediately prior to the date of authorized leave (or immediately prior to the date of application, where noted). The earnings in the month of leave should be used unless the leave started on the 1st of the month. Notional earnings are not included. Overtime, if pensionable, offset by negative overtime, is included. Months with no earnings, or negative earnings only, are disregarded. For example, if in the last twelve months, there were no earnings for 2 months, we would take the next 2 months of earnings so that we determine the average over 12 months.
- For all other groups, the salary rate is based on the individual's monthly compensation rate applicable immediately prior to the date of authorized leave (or at the date of application where noted).

- Caps on salary rates should be as defined in the pension plan text effective on the application date and used to determine the cost for the whole period of service.
- The YMPE is that immediately prior to the date of authorized leave (or immediately prior to the date of application, where noted).
- This method should also be used to calculate revised PA in cases that there are no earnings during the year of the revised PA.

**f) Payment Options**

- To pay a deficiency, the member may:
  - make contributions by payroll deductions at any rate, between 2% and 20%, but such rates must be in full percentages.
    - The payroll deduction shall apply to the same salary base as used for the required current service contributions. For example, if the member has made an election to exclude overtime from his or her pensionable earnings, the deficiency contributions will also be made on a salary excluding overtime.
  - pay by cheque or money order;
  - pay by direct transfer from an RRSP;
- Combinations of the above are also permitted;
- At any time, members may change payment options to another valid option. The outstanding deficiency can be paid by cheque or money order, or the payroll deduction rate changed (still respecting the 2% minimum, 20% maximum and in full percentages).
- If no PSPA is necessary, payroll deductions at the elected rate (unless completely paid by lump sum) will begin with the first pay period following the mailing of the Buyback Authorization Form to the member.
- If a PSPA is necessary, payroll deductions begin with the first pay period following the receipt of the approval from CRA in all cases.
- Payment options are sometimes restricted by ITA rules.
- A buyback cannot be cancelled after the first payment has been made.
- Payroll deductions continue until the deficiency and any applicable accrued interest are paid in full. Contributions will stop when no deficiency remains.
  - Any overpayment must be refunded or the cheque returned.
- When a member who reaches 35 years of service has outstanding deficiencies, the payroll deduction for the outstanding deficiencies continues even if the current service ones stop.

**g) Interest on Deficiencies**

- Interest on contributions made to pay off a deficiency shall be credited at the same rate as for required contributions, from the first of the month after the contribution is made, up to the end of the month of payment or transfer in the event of termination, death or retirement;
- The same interest rate applies on outstanding deficiencies and begins accumulating the first of the month following the commencement of payroll deductions.

**h) Method of Reduction of the Pension if Outstanding Deficiency at Departure**

- In case of termination of employment, retirement or death with an outstanding deficiency, there is an option for the member/beneficiary to pay the outstanding deficiency if the buyback is in respect of periods of absence described under 1.2.b or 1.2.d, as the company is legally obliged to offer members the opportunity to have such portion of such leaves recognized as allowable service. For the other buybacks, the benefits are reduced.
- The method of reduction if an outstanding deficiency exists at departure is described below. There is no adjustment to qualifying service i.e. the full buyback period is included in determining qualifying service.
- For each buyback where there exists an outstanding deficiency, the portion of the bought back service attributable to the outstanding deficiency is to be excluded from the allowable service.
- Each buyback is treated independently.

*Example:* A member bought back 5 years of allowable service. The member's past service contributions paid, with interest at the date of termination of employment, in respect of this buyback is \$10,000. There is an outstanding deficiency with interest of \$2,500. The bought back service included in allowable service is 4 years (= 5 years \* \$10,000 / (\$10,000 + \$2,500)). One year is excluded from allowable service. All five years are included in qualifying service.

**i) Income Tax Act Rules**

- All buybacks are subject to the maximum permitted under the ITA rules.
- In no event shall the total buyback period in respect of periods of leave after December 31, 1990 exceed the sum of:
  - Five years; or
  - Eight years, provided that not more than 5 of those years are credited in respect of absences that are not within the 12 month period which commences at the time of the birth or adoption of a child of a member.
- PSPAs or revised PAs must be issued where required.
  - Whether the pension adjustment takes the form of a PSPA or a revised PA is determined under the ITA rules.



- In general:
  - When the buyback application is received in respect of a period of leave after April 30 of the year immediately following the year the member returns to duty, a PSPA is issued;
  - When service in respect of a period of leave is recognized before May 1 of the year immediately following the year the member returns to duty (but after the annual PAs are issued), a revised PA is issued;
  - When service in respect of a period of leave is recognized prior to the annual PA being issued, it is reflected in the annual PA.
- Where the member already has allowable service in the year, the same annualized earnings previously used to determine the PA will be used to determine the PSPA (or revised PA).

**j) Other Issues**

- A buyback cannot be cancelled after the first payment has been made.
- The full period of eligible service must be bought back. However, for special situations, the member can specify a buyback period of less than the full period of eligible service on his or her application form. Special situations could include ITA restrictions or buying back only the service necessary to reach early retirement eligibility, 35 years of allowable service or any other situation approved by the Company.
- Breaks in service such as layoff and leave of absence due to personal reasons will not be eligible for buyback unless specified otherwise.
- Total Allowable/Qualifying services including buyback cannot exceed 35 years (exception for CAIL Pilots – see plan text for more details).
- The earnings used in the calculation of the contribution deficiencies for the period that the employee is buying back is not combined with their actual earnings therefore they are not included in their best 36 (or 60 for the pilots) months of earnings determined upon retirement, termination or death.

**a) LOA without Pay Due to Layoff/Special or Voluntary Leaves/Strikes**

<p><b>Applicable group(s):</b></p> <ul style="list-style-type: none"> <li>▪ All groups.</li> </ul>
<p><b>Eligibility:</b></p> <ul style="list-style-type: none"> <li>▪ Special leaves commencing August 8, 2008 or later: See Appendix I of Section 1.2a) for details on the groups, type of leave, period of leave and the maximum period that can be reinstated.</li> </ul>
<p><b>Application period and process:</b></p> <ul style="list-style-type: none"> <li>▪ General rules</li> </ul>
<p><b>Cost:</b></p> <ul style="list-style-type: none"> <li>▪ Employee contribution: schedule based on age <ul style="list-style-type: none"> <li>– Combined employer and employee current service cost based on the going-concern assumptions used in the last filed actuarial valuation.</li> <li>– See Appendix A for rates (rates may also be determined with the exact formula by the Plan Administrator – the tables would then represent an estimate).</li> </ul> </li> </ul>
<p><b>Salary rate:</b> general rule, commencement of the authorized leave. If a buyback opportunity is available at a later date (i.e. a window or other special program) another more current date may be applicable.</p>
<p><b>Payment options:</b> general rule.</p>
<p><b>Interest on deficiencies:</b> general rule.</p>
<p><b>Method of reduction of the pension if outstanding deficiency at departure:</b> general rule.</p>
<p><b>Sources (i.e. plan text, collective agreements, etc.):</b></p> <ul style="list-style-type: none"> <li>▪ Collective agreements.</li> </ul>
<p><b>Notes:</b></p>

**Defined Benefit Provisions**  
**Section 1.2 – Current Buyback Programs**

Revised March 2016

**Appendix I to Section 1.2a)**

**I. Schedule: Special leaves commencing August 8, 2008 or later**

Type	Employee Group	Period of leave	Length of Leave	Comments
1 Special	CUPE	Nov. 1/08 to TBD	Min. 3 months Max 36 months	As per Keller Decision. Applicable of LOU 23.
2 Special	CUPE	Nov. 09 block and Jan. 10/10 to Mar 31/10	Max. 4 months	Per e-mail of Sept. 30/09
3 Special	CUPE	Aug 2013 block month	One month	
4 Special	Unifor	Nov. 1/08 to Oct. 31/09	Min. 3 months Max. 12 months	MOU of Aug 29/08
5 Special	Unifor	Nov. 1/09 to May 31/10 depending on location	Max. 7 months	MOU-HQ 2009.03
6 Special	IAMAW	Start Aug. 8/08	6 or 12 months only	Per employee communication revised July 2008
7 Special	IAMAW-TMOS	Nov. 1/13 to April 30/14	Max. 6 months	Applicable only to YVR
8 Special	IAMAW	May 1 to Oct 31/14	Max. 6 months	
9 Special	Pilots	Nov. 1/08 to Oct. 31/13	Max. 60 months eligible	Ref: LOU 68 Application period closes Sept 30/08
10 Special	PILOTS	Sep1/14 to Oct 31/17	One year to 3years and 2 months	LOA Article 8 No BB eligible

**b) LOA Due to Maternity, Childcare, Parental, Adoption or Compassionate Care Leaves**

<p><b>Applicable group(s):</b></p> <ul style="list-style-type: none"><li>▪ All groups.</li></ul>
<p><b>Eligibility:</b></p> <p>Air Canada will allow the buyback of the period required by legislation only. For information purposes, the minimum legal requirements applicable at the end of 2014 are as follows:</p> <ul style="list-style-type: none"><li>▪ Maternity, Childcare, Parental or Adoption leaves.<ul style="list-style-type: none"><li>○ The above leaves are eligible for buyback. A maximum of 35 weeks<sup>1</sup> can be bought back for each childcare, adoption or parental leave, plus the 17 weeks maternity leave, for a total of 52 weeks.</li><li>○ In addition, CUPE members may be eligible to buyback the period prior to childbirth for which suitable alternate employment was required but not available.</li></ul></li><li>▪ Compassionate Care leave: The Employment Insurance (“EI”) period consists of a 6 week payment period plus a 2 week waiting period (which can be waived by Service Canada under certain circumstances). A maximum of 8 weeks can be bought back.</li></ul>
<p><b>Application period and process:</b></p> <ul style="list-style-type: none"><li>▪ General rule.</li></ul>

<sup>1</sup> 37 weeks for birth father and adoptive parents. If medically required, may be allowed up to 104 weeks.

**b) LOA Due to Maternity, Childcare, Parental, Adoption or Compassionate Care Leaves (cont'd)**

<p><b>Cost:</b></p> <ul style="list-style-type: none"> <li>▪ Employee contribution if required as per eligibility rules above: 1 time the contributions.</li> <li>▪ For pilots, the RPP contribution limit of 1.5 times MPUs applies. Employee contributions between 1.5 and 3 times the MPUs are to be made to the RCA, with an equivalent company matching. No contributions are required in excess of 3 times the MPUs. The MPU used is that immediately prior to the date of authorized leave. The MPU is prorated by the months bought back. Notwithstanding the preceding, in calendar years where employee contributions that would otherwise be payable to the RCA are be paid to the RPP, the employee contributions up to 3 times the MPUs are remitted in the RPP and no employee contributions are made in the RCA, resulting in no company contribution in the RCA.</li> </ul>
<p><b>Salary rate:</b> general rule, based on the date of commencement of authorized leave.</p>
<p><b>Payment options:</b> general rule.</p>
<p><b>Interest on deficiencies:</b> general rule.</p>
<p><b>Method of reduction of the pension if outstanding deficiency at departure:</b> general rule.</p>
<p><b>Sources (i.e. plan text, collective agreements, etc.):</b></p> <ul style="list-style-type: none"> <li>▪ Employment standards.</li> </ul>
<p><b>Notes:</b></p>

**c) Recovery of Service Lost Due to Injury on Duty or Personal Illness or Injury**

<p><b>Applicable group(s):</b></p> <ul style="list-style-type: none"> <li>▪ All groups.</li> </ul>
<p><b>Eligibility:</b></p> <ul style="list-style-type: none"> <li>▪ Periods where a member was on IMMS status (Inability to meet medical standards).</li> </ul>
<p><b>Application period and process:</b></p> <ul style="list-style-type: none"> <li>▪ General rule</li> </ul>
<p><b>Cost:</b></p> <ul style="list-style-type: none"> <li>▪ Employee contribution: 1-time the contributions. For pilots, MPUs treated the same as maternity leave.</li> </ul>
<p><b>Salary rate:</b> general rule, based on the date of commencement of authorized leave.</p>
<p><b>Payment options:</b> general rule</p>
<p><b>Interest on deficiencies:</b> general rule</p>
<p><b>Method of reduction of the pension if outstanding deficiency at departure:</b> general rule.</p>
<p><b>Sources (i.e. plan text, collective agreements, etc.):</b></p> <ul style="list-style-type: none"> <li>▪</li> </ul>
<p><b>Notes:</b></p>

**d) LOA Due to Disappearance/Death of a Child, Child Hospitalization and Care or Support of a Critically-Ill Child**

**Applicable group(s):**

- All groups.

**Eligibility:**

Air Canada will allow the buyback of the period required by legislation only. For information purposes, the minimum legal requirements applicable at the end of 2014 are as follows:

- Disappearance/Death of a Child:
  - Have six (6) consecutive months of continuous employment;
  - Be the parent of a child who is deceased, or missing as a result of a probable *Criminal Code* offence that occurred in Canada on or after January 1, 2013; and
  - Have not been charged with committing a probable *Criminal Code* offence that led to the death or disappearance of the child.
  - The leave will end on the earliest of the following:
    - in the case of a death or probable death, 104 weeks after the death occurred and in the case of a disappearance 52 weeks after the disappearance occurred;
    - the date employee returns to work;
    - 14 days after the week the child is found alive;
    - the employee is charged with a *Criminal Code* offence that lead to the death or disappearance of the child; or
    - the circumstances are such that it is no longer probable that the death or the disappearance was the result of a crime.
  - The aggregate amount of leave that may be taken in respect of the same death or disappearance of a child or, the same children who die or disappear as a result of the same event, must not exceed 104 weeks in the case of death or 52 weeks in the case of a disappearance.
- Child Hospitalization and Care or Support of a Critically-Ill Child:
  - Have six (6) consecutive months of continuous employment;
  - Be the parent of a critically ill child
  - Have a medical certificate issued by a medical specialist that
    - states that the child is a critically ill child and requires the care or support of one or more of their parents; and
    - sets out the period during which the child requires care or support.
  - The leave will end on the last day of the week in which either of the following occurs:
    - the child dies, or
    - the expiry of the 52 weeks following the first day of the week the leave commenced.
  - If more than one child is critically ill as a result of the same event, the leave will end when the last of the children dies or the expiry of 52 weeks following the first day of the week the leave commenced.

**d) LOA Due to Disappearance/Death of a Child, Child Hospitalization and Care or Support of a Critically-Ill Child (cont'd)**

<p><b>Application period and process:</b></p> <ul style="list-style-type: none"> <li>▪ General rule</li> </ul>
<p><b>Cost:</b></p> <ul style="list-style-type: none"> <li>▪ Employee contribution: 1-time the contributions.</li> <li>▪ For pilots, the RPP contribution limit of 1.5 times MPUs applies. Employee contributions between 1.5 and 3 times the MPUs are to be made to the RCA, with an equivalent company matching. No contributions are required in excess of 3 times the MPUs. The MPU used is that immediately prior to the date of authorized leave. The MPU is prorated by the months bought back. Notwithstanding the preceding, in calendar years where employee contributions that would otherwise be payable to the RCA are be paid to the RPP, the employee contributions up to 3 times the MPUs are remitted in the RPP and no employee contributions are made in the RCA, resulting in no company contribution in the RCA.</li> </ul>
<p><b>Salary rate:</b> general rule, based on the date of commencement of authorized leave.</p>
<p><b>Payment options:</b> general rule.</p>
<p><b>Interest on deficiencies:</b> general rule.</p>
<p><b>Method of reduction of the pension if outstanding deficiency at departure:</b> general rule.</p>
<p><b>Sources (i.e. plan text, collective agreements, etc.):</b></p> <ul style="list-style-type: none"> <li>▪ Employment standards.</li> </ul>
<p><b>Notes:</b></p>



**e) Breastfeeding Leave**

<b>Applicable group(s):</b> <ul style="list-style-type: none"><li>▪ CUPE.</li></ul>
<b>Eligibility:</b> <ul style="list-style-type: none"><li>▪ General rule.</li></ul>
<b>Application period and process:</b> <ul style="list-style-type: none"><li>▪ General rule for the application period.</li><li>▪ For all leaves that happen on or after November 17, 2015. The buyback covers the period prior to that date as long as the member was still on that leave on November 17, 2015.</li></ul>
<b>Cost:</b> <ul style="list-style-type: none"><li>▪ <b>Defined benefit provisions</b> No cost to Company.</li><li>▪ <b>Defined contribution provisions</b> Employees are allowed to payback both the EE and ER portions.</li></ul>
<b>Salary rate:</b> general rule.
<b>Payment options:</b> general rule.
<b>Treatment of outstanding deficiency at departure:</b> general rule.
<b>Sources (i.e. plan text, collective agreements, etc.):</b> <ul style="list-style-type: none"><li>▪ CUPE Collective agreement.</li></ul>
<b>Notes:</b>

## Defined Contribution Provisions

### Section 2.1 – General Rules

Revised March 2016

The parameters for each period of absence eligible for contribution pay back are as follows:

- Applicable groups
- Eligibility
- Application period, processes and forms
- Cost
- Salary rate
- Payment options
- Treatment of outstanding deficiency at departure
- Interest on deficiencies
- Sources (i.e. plan text, collective agreements, etc.)

To the extent possible, the rules for contribution pay back during periods of absence for defined contribution provisions are established in general terms, as defined in this section. However, specific details and exceptions exist depending on the type of absence. Please refer to the specific section for further details.

#### a) Applicable Groups

Applicable groups are determined by plan and employee group (i.e. bargaining unit).

Plan	Bargaining unit/employee group
Air Canada CUPE Represented Employees Pension Plan	CUPE
Air Canada Pension Plan – Crew Schedulers and CSS Agents	Unifor
Air Canada Pension Plan – Dispatchers	CALDA
Air Canada Defined Contribution Pension Plan for Pilots	ACPA (including Flight Management)
Air Canada Defined Contribution Pension Plan	Management and Clerical Employees

For clarity purposes, for CUPE and Unifor, we refer as “DC Component of the Hybrid Plan”, and for CALDA, Pilots, Management and Clerical Employees, we refer as “DC Plan”.

The above plan structure assumes that an agreement will be reached with CUPE to finalize the merge of the portion of the Main plan for flight attendants with the CAIL CUPE plan and that OSFI will approve the transfer of assets.

#### b) Eligibility

- Employees must return to work to be eligible, unless:

- The contribution payback is in respect of periods of absence described under 2.2.b, 2.2.c or 2.2.d , as the company is legally obliged to offer members the opportunity to participate during such leaves; or
- Other exceptions may be granted by the company on an individual basis if extenuating circumstances apply.
- Employees cannot payback the period on leave if they participated to another pension plan during such leave.
- Please refer to the specific section for further details on eligibility for each period of absence.

**c) Application Period, Processes and Forms**

- All applications must be duly completed and submitted within 90 days from return to duty:
- The 90 day application period was implemented on January 1, 2015. Before January 1, 2015 different application periods could apply depending on the type of leave, therefore the plan administrator may accept applications provided after 90 days during the transition period.
- After the transition period, in order to comply with requirement of the Income Tax Act, in no circumstances will an application be accepted after April 30 of the year following the year of return to work.
- An employee who participates in a hybrid plan can decide to payback contributions for a period of absence only for the DC component of the plan. The employee does not have to buyback the period in the DB component of the plan.
- The process is as follows:

Upon return to work, members interested in paying back their contributions for a period of absence must complete and send the form ACF850E (members in the DC Plan) or ACF850F (members in the Hybrid Plan), which are available on HR Connex and Manulife’s website.

Members will receive an Election Form which confirms the final cost, the date of leave and asks for the chosen method of payment. If members chose to pay by payroll deduction, the first deduction will be done on the paycheque following receipt of the completed form until the full payment is done. If members chose to pay by cheque, the cheque must have been received on the date indicated on the Form and will be deposited upon receipt. If such cheque is not enclosed with the completed Election Form, a tracer will be sent.

**d) Cost**

- The contribution rates are as set out in the plan rules based on the rate selected by the employee prior to the leave.
- Caps on contributions should be as defined in the plan rules in effect on the application date as well and used to determine the cost for the whole period of service, subject to caps on contributions defined in the ITA.
- For leaves of absence described in 2.2.a, 2.2.b, 2.2.c and 2.2.d, the cost is determined:

- for complete months on leave, the member will pay the selected rate of contributions on the Notional Earnings. Air Canada will match the member's contributions at the appropriate percentage depending on the number of years of continuous service as if the member had continued in active service for that period and,
- For partial months on leave for the pilots, the pilot will pay the selected rate of contributions on the difference between the Notional Earnings and the earnings. If the difference is \$0 or less (i.e. the earnings are higher than the Notional earnings), then no payback is allowed for that partial block month. Air Canada will match the pilot's contributions at the appropriate percentage depending on the number of years of continuous service as if the pilot had continued in active service for that period minus the contributions already paid for the partial block months.
- For partial months for other groups, the information will be added for the next revision.

**e) Salary Rate**

- For Pilots and CUPE, based on the individual's average monthly compensation over the 3 or 12 month period whichever is higher immediately prior to the date of commencement of authorized leave. The earnings in the month of leave should be used unless the leave started on the 1<sup>st</sup> of the month. Notional earnings are not included. Overtime, if pensionable, offset by negative overtime, is included. Months with no earnings, or negative earnings only, are disregarded. For example, if in the last twelve months, there were no earnings for 2 months, we would take the next 2 months of earnings so that we determine the average over 12 months.
- Other than Pilots and CUPE, salary rate is based on the individual's monthly compensation rate applicable immediately prior to the date of commencement of authorized leave.
- Caps on salary rates should be as defined in the pension plan text effective on the date prior to the leave and used to determine the cost for the whole period of service.

**f) Payment Options**

- To pay a deficiency, the member may
  - make contributions by payroll deductions (minimum of 2%) or flat amounts (minimum of \$50).
    - The payroll deduction shall apply to the same salary base as used for the required current service contributions. For example, if the member has made an election to exclude overtime from his or her pensionable earnings, the deficiency contributions will also be made on a salary excluding overtime.
  - pay by one cheque or one money order;
- Combinations of the above are **not** permitted.
- Members cannot change the method of payment once elected.
- Payroll deductions at the elected rate (unless completely paid by lump sum) will begin with the first pay period following the receipt of the Election Form duly completed received by the member.
- Payment options are sometimes restricted by ITA rules.

## Defined Contribution Provisions

### Section 2.1 – General Rules

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- Cannot be cancelled after the first payment has been made.
- Payroll deductions continue until the deficiency is paid in full. Contributions will stop when no deficiency remains.
  - Any overpayment must be refunded or the cheque returned.
- When a member reaches 35 years of continuous service (DC Plans) or 35 years of allowable service (DC Component of the Hybrid Plan) and has outstanding deficiencies, the past service contributions continue even if the current ones stop.
- When required, employer matching contributions are remitted to the employee DC Account at the same time as employee's deficiency payment.

#### **g) Treatment of outstanding deficiency at departure**

- In case of termination of employment, retirement or death with an outstanding deficiency, there is an option for the member/beneficiary to pay the outstanding deficiency if the buyback is in respect of periods of absence described under 2.2.b, 2.2.c or 2.2.d, as the company is legally obliged to offer members the opportunity to have such portion of such leaves recognized as allowable service. For the other buybacks, the benefits are reduced.
- Each period of absence is treated independently.

#### **h) Interest on Deficiencies**

- No interest is added on any deficiencies.

#### **i) Income Tax Act Rules**

- All periods of absence eligible for payback are subject to the maximum period permitted under the ITA rules.
- In no event shall the total period in respect of periods of leave after December 31, 1990 shall exceed the sum of:
  - Five years; or
  - Eight years, provided that not more than 5 of those years are in respect of absences that are not within the 12 month period which commences at the time of the birth or adoption of a child of a member.
- Revised PAs must be issued where required.
  - In general:
    - When service in respect of a period of leave is recognized before April 30 of the year immediately following the year the member returns to duty, but after the annual PAs are issued, a revised PA is issued;

- When service in respect of a period of leave is recognized prior to the annual PA being issued it is reflected in the annual PA.

**j) Other Issues**

- Except for special situations, the full period of eligible service must be covered by the payback of contributions unless the member specifies a period of less than the full period of eligible service on his or her application form. Special situations could include ITA restrictions or 35 years of continuous service (DC Plans) or 35 years of allowable service (DC Component of the Hybrid Plan).
- Breaks in service such as layoff and leave of absence due to personal reasons will not be eligible unless specified otherwise.

## Defined Contribution Provisions

### Section 2.2 – Current Rules for Contribution Pay Back During Periods of Absence

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#### a) LOA without Pay Due to Layoff/Special or Voluntary Leaves/Strikes

<b>Applicable group(s):</b> <ul style="list-style-type: none"><li>▪ All groups.</li></ul>
<b>Eligibility:</b> <ul style="list-style-type: none"><li>▪ See Appendix I of Section 1.2a) for details on the groups, type of leave, period of leave, and maximum period.</li></ul>
<b>Application period and process:</b> <ul style="list-style-type: none"><li>▪ General rule</li></ul>
<b>Cost:</b> <ul style="list-style-type: none"><li>▪ Employee contribution: schedule as set out in plan rules based on the rate selected by the employee prior to the leave.</li><li>▪ Employer contribution: Employer percentage rate matching is based on plan rules in effect during the leave.</li></ul>
<b>Salary rate:</b> general rule. If an opportunity for application is available at a later date (i.e. a window or other special program) another more current date may be applicable.
<b>Payment options:</b> general rule.
<b>Treatment of outstanding deficiency at departure:</b> general rule.
<b>Sources (i.e. plan text, collective agreements, etc.):</b> <ul style="list-style-type: none"><li>▪ Collective agreements.</li></ul>
<b>Notes:</b>

**b) LOA Due to Maternity, Childcare, Parental, Adoption or Compassionate Care Leaves**

<p><b>Applicable group(s):</b></p> <ul style="list-style-type: none"><li>▪ All groups.</li></ul>
<p><b>Eligibility:</b></p> <p>Air Canada will allow the payback of the period required by legislation only. For information purposes, the minimum legal requirements applicable at the end of 2014 are as follows:</p> <ul style="list-style-type: none"><li>– The EI period and the childcare leave are eligible periods.<ul style="list-style-type: none"><li>○ A maximum of 35 weeks can be recognized for each childcare, parental or adoption leave, plus the 17 weeks maternity leave, for a total of 52 weeks.</li><li>○ In addition, CUPE members may be eligible for the period prior to childbirth for which suitable alternate employment was required but not available.</li></ul></li><li>– Compassionate Care leave: The EI period consists of a 6 week payment period plus a 2 week waiting period (which can be waived by Service Canada under certain circumstances).</li></ul>
<p><b>Application period and process:</b></p> <ul style="list-style-type: none"><li>▪ General rule</li></ul>



## Defined Contribution Provisions

### Section 2.2 – Current Rules for Contribution Pay Back During Periods of Absence

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#### b) LOA Due to Maternity, Childcare, Parental, Adoption or Compassionate Care Leaves (cont'd)

<b>Cost:</b> <ul style="list-style-type: none"><li>▪ Employee contribution: schedule as set out in plan rules based on the rate selected by the employee prior to the leave.</li><li>▪ Employer contribution: employer match is based on plan rules in effect during the leave.</li></ul>
<b>Salary rate:</b> general rule.
<b>Payment options:</b> general rule.
<b>Treatment of outstanding deficiency at departure:</b> general rule.
<b>Sources (i.e. plan text, collective agreements, etc.):</b> <ul style="list-style-type: none"><li>▪ Employment standards and plan text.</li></ul>
<b>Notes:</b>

## Defined Contribution Provisions

### Section 2.2 – Current Rules for Contribution Pay Back During Periods of Absence

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#### c) Payback of Contributions for Periods of illness and work-related illness and injury leave (WCB & CSST)

<b>Applicable group(s):</b> <ul style="list-style-type: none"><li>▪ All groups.</li></ul>
<b>Eligibility:</b> <p>Periods of disability for which any legislation requires participation to be maintained subject to the continuation of employee contributions. For information purposes, the minimum legal requirements applicable at the end of 2014 are as follows:</p> <ul style="list-style-type: none"><li>– Sick-leave (illness or injury other than work-related illness and injury leave)<ul style="list-style-type: none"><li>○ 17 weeks minus the period of short term disability approved by the Company. See Notes below for the duration of the Short Term Disability (STD) Leaves for all groups.</li></ul></li><li>– Work-related illness and injury leave<ul style="list-style-type: none"><li>○ During the entire period of absence.</li></ul></li></ul>
<b>Application period and process:</b> <ul style="list-style-type: none"><li>▪ General rule<ul style="list-style-type: none"><li>– If there is no return to duty, can apply upon termination.</li></ul></li></ul>
<b>Cost:</b> <ul style="list-style-type: none"><li>▪ Employee contribution: general rule.</li><li>▪ Employer contribution: employer match is based on plan rules in effect during the leave. For Clerical, CALDA, Management and Pilots, during the leave, the employer contributes 3% without employee contributions required. If the employee decides to payback contributions for the period, the employer will match the employee contributions in excess of 3%. For some groups, the match is higher than 100%. For the rest, general rule applies.</li></ul>
<b>Salary rate:</b> general rule.
<b>Payment options:</b> general rule.
<b>Treatment of outstanding deficiency at departure:</b> general rule.
<b>Sources (i.e. plan text, collective agreements, etc.):</b> <ul style="list-style-type: none"><li>▪ Plan text, Employment standards and DC Pilots' Agreement – Leaves of absence.</li></ul>
<b>Notes:</b> <ul style="list-style-type: none"><li>▪ Unifor, CUPE, Clerical and CALDA Employees: STD Leave is 14 days.</li><li>▪ Pilots: STD Leave is 30 days.</li><li>▪ Management bands D and E: STD Leave is 90 days.</li><li>▪ Management band C: STD Leave is 180 days.</li><li>▪ Management bands A and B: STD Leave is 365 days.</li></ul>

**d) LOA Due to Disappearance/Death of a Child, Child Hospitalization and Care or Support of a Critically-Ill Child**

**Applicable group(s):**

- All groups.

**Eligibility:**

Air Canada will allow the payback of the period required by legislation only. For information purposes, the minimum legal requirements applicable at the end of 2014 are as follows:

- Disappearance/Death of a Child:
  - Have six (6) consecutive months of continuous employment;
  - Be the parent of a child who is deceased, or missing as a result of a probable *Criminal Code* offence that occurred in Canada on or after January 1, 2013; and
  - Have not been charged with committing a probable *Criminal Code* offence that led to the death or disappearance of the child.
  - The leave will end on the earliest of the following:
    - in the case of a death or probable death, 104 weeks after the death occurred and in the case of a disappearance 52 weeks after the disappearance occurred;
    - the date employee returns to work;
    - 14 days after the week the child is found alive;
    - the employee is charged with a *Criminal Code* offence that lead to the death or disappearance of the child; or
    - the circumstances are such that it is no longer probable that the death or the disappearance was the result of a crime.
  - The aggregate amount of leave that may be taken in respect of the same death or disappearance of a child or, the same children who die or disappear as a result of the same event, must not exceed 104 weeks in the case of death or 52 weeks in the case of a disappearance.
- Child Hospitalization and Care or Support of a Critically-Ill Child:
  - Have six (6) consecutive months of continuous employment;
  - Be the parent of a critically ill child.
  - Have a medical certificate issued by a medical specialist that.
    - states that the child is a critically ill child and requires the care or support of one or more of their parents; and
    - sets out the period during which the child requires care or support.
  - The leave will end on the last day of the week in which either of the following occurs:
    - the child dies, or
    - the expiry of the 52 weeks following the first day of the week the leave commenced.
  - If more than one child is critically ill as a result of the same event, the leave will end when the last of the children dies or the expiry of 52 weeks following the first day of the week the leave commenced.
  - The aggregate amount of leave that may be taken in respect to the same child or the same children who are critically ill as a result of the same event must not exceed 37 weeks.

**Defined Contribution Provisions**

**Section 2.2 – Current Rules for Contribution Pay Back During Periods of Absence**

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**d) LOA Due to Disappearance/Death of a Child, Child Hospitalization and Care or Support of a Critically-Ill Child (cont'd)**

<b>Application period and process:</b> <ul style="list-style-type: none"><li>▪ General rule.</li></ul>
<b>Cost:</b> <ul style="list-style-type: none"><li>▪ Employee contribution: schedule as set out in plan rules based on the rate selected by the employee prior to the leave</li><li>▪ Employer contribution: employer match is based on plan rules in effect during the leave.</li></ul>
<b>Salary rate:</b> general rule.
<b>Payment options:</b> general rule.
<b>Treatment of outstanding deficiency at departure:</b> general rule.
<b>Sources (i.e. plan text, collective agreements, etc.):</b> <ul style="list-style-type: none"><li>▪ Employment standards.</li></ul>
<b>Notes:</b>

## Defined Contribution Provisions

### Section 2.2 – Current Rules for Contribution Pay Back During Periods of Absence

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#### e) Breastfeeding Leave

<b>Applicable group(s):</b> <ul style="list-style-type: none"><li>▪ CUPE.</li></ul>
<b>Eligibility:</b> <ul style="list-style-type: none"><li>▪ General rule.</li></ul>
<b>Application period and process:</b> <ul style="list-style-type: none"><li>▪ General rule for the application period.</li><li>▪ For all leaves that happen on or after November 17, 2015. The buyback covers the period prior to that date as long as the member was still on that leave on November 17, 2015.</li></ul>
<b>Cost:</b> <ul style="list-style-type: none"><li>▪ <b>Defined benefit provisions</b> No cost to Company.</li><li>▪ <b>Defined contribution provisions</b> Employees are allowed to payback both the EE and ER portions.</li></ul>
<b>Salary rate:</b> general rule.
<b>Payment options:</b> general rule.
<b>Treatment of outstanding deficiency at departure:</b> general rule.
<b>Sources (i.e. plan text, collective agreements, etc.):</b> <ul style="list-style-type: none"><li>▪ CUPE Collective agreement.</li></ul>
<b>Notes:</b>

**a) Union Representative**

<b>Applicable group(s):</b>
<ul style="list-style-type: none"> <li>▪ IMAAW, Unifor and CUPE</li> </ul>
<b>Eligibility and other conditions:</b>
<ul style="list-style-type: none"> <li>▪ Different rules apply for each group.</li> </ul>
<b>Sources:</b>
<b>Notes:</b>

**b) Public Office**

<b>Applicable group(s):</b>
<ul style="list-style-type: none"> <li>▪ All groups.</li> </ul>
<b>Eligibility:</b>
<ul style="list-style-type: none"> <li>▪ Election to a public office.</li> </ul>
<b>Application period and process:</b>
<ul style="list-style-type: none"> <li>▪ Ongoing basis. Application must be made before leave commences.</li> </ul>
<b>Cost:</b>
<ul style="list-style-type: none"> <li>▪ <b>Defined benefits provisions:</b> Employee contribution: schedule based on age, as used for Special Leaves (see Appendix A).</li> <li>▪ <b>Defined contribution provisions:</b> Employees cannot payback their contributions for this leave.</li> </ul>
<b>Salary rate:</b>
<ul style="list-style-type: none"> <li>▪ Average compensation used to calculate the cost will be deemed compensation for the period of leave.</li> </ul>
<b>Payment options:</b>
<ul style="list-style-type: none"> <li>▪ Not considered as a buyback.</li> <li>▪ No break in contributions. The contributions are continuing to be made during the leave as if the employee was still active.</li> </ul>
<b>Interest on deficiency:</b> Not applicable.
<b>Method of reduction of the pension if / treatment of outstanding deficiency at departure:</b> Not applicable.
<b>Sources:</b>
<b>Notes:</b>

**c) Work Sharing Program**

<b>Applicable group(s):</b> <ul style="list-style-type: none"><li>▪ CUPE, Unifor</li></ul>
<b>Eligibility:</b> <ul style="list-style-type: none"><li>▪ CUPE: Elected to participate in a mini-block program. Employees work about 60% of a full load. Program introduced in 2001 with subsequent modifications.</li><li>▪ Unifor: Reduced Work Week that happens from time to time. Employees work 80% of a full load.</li><li>▪ <b>Defined benefit provisions</b><p>Employee has the option of topping-up pension so to receive full credit for qualifying and allowable service in the pension plan or not topping-up, in which case full qualifying service is credited but allowable service will reflect the program scheduled (60% for CUPE and 80% for Unifor).</p></li><li>▪ <b>Defined contribution provisions</b><p>Employees are not allowed to top-up their contributions and will contribute on the reduced salary only.</p></li></ul>
<b>Application period and process:</b> <ul style="list-style-type: none"><li>▪ Ongoing basis. Employee must decide whether to top-up or not prior to commencing reduced schedule.</li><li>▪ Forms part of work sharing application.</li></ul>

**c) Work Sharing Program (cont'd)****Cost:**

- Without top-up: usual employee contribution based on actual earnings.
- With top-up

**Defined benefit provisions:**

Employee contribution as if receiving full salary plus the employer portion for the period not working. Employer portion determined using age-based tables for special leaves, grouped in 5-year age bands. See Appendix B for current tables.

Example - CUPE employee in the DB Plan earnings \$40,000, age 32 and on the program for one year. Reduced salary of \$24,000 (60% of \$40,000).

	At work full-time	Reduced Work Week	
		Without top-up	With top-up
Actual earnings	\$40,000	\$24,000	\$24,000
Service accumulation			
Qualifying	Full	Full	Full
Allowable	Full	60%	Full
Employee contributions			
Employer portion	n/a	n/a	$\$24,000 \times 2.71\%^{(1)} = \$650$
Employee portion	$\$40,000 \times 4.5\% = \$1,800$	$\$32,000 \times 4.5\% = \$1,080$	$\$24,000 \times 7.5\%^{(2)} = \$1,800$
Total	\$1,800	\$1,080	\$2,450

<sup>(1)</sup> 2.71% = (8.6% cost for special, age 32 – 4.5%) x 40%/60%

<sup>(2)</sup> 7.5% = 4.5%/60%

**Defined contribution provisions:**

Usual employee contribution based on actual earnings.

**Salary rate:**

- Based on the individual's salary of record.

**Payment options:**

- Considered as a buyback and counts toward the 5-year limit
- No break in contributions.

**Interest on deficiency:** Not applicable.

**Method of reduction of the pension if outstanding deficiency at departure:** Not applicable.

**Sources:** CUPE Lou 25, CUPE Keller Decision of Sept. 2008; CAW MOU of Aug. 29/08

**Notes:**



**d) Reduced Workweek for Management**

<p><b>Applicable group(s):</b></p> <ul style="list-style-type: none"> <li>▪ Management and Clerical Employees</li> </ul>
<p><b>Eligibility:</b></p> <ul style="list-style-type: none"> <li>▪ Upon approval from their manager and HR. Employee can decide to work less hours in their workweek.</li> <li>▪ A letter of agreement is signed by the manager. A copy is provided to Pensions.</li> </ul>
<p><b>Application period and process:</b></p> <ul style="list-style-type: none"> <li>▪ Ongoing Basis.</li> </ul>
<p><b>Cost:</b></p> <ul style="list-style-type: none"> <li>▪ Employee pays contributions on the reduced salary.</li> </ul>
<p><b>Salary rate:</b></p> <ul style="list-style-type: none"> <li>▪ No deemed earnings.</li> </ul>
<p><b>Payment Option:</b></p> <ul style="list-style-type: none"> <li>▪ Not considered as a buyback.</li> </ul>
<p><b>Interest on Deficiency:</b> N/A</p>
<p><b>Method of Reduction:</b> N/A</p>
<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>▪ Company policy.</li> </ul>
<p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• <b>Defined benefit provisions:</b> Employee continues to receive full Qualifying service while the Allowable service is reduced to reflect the reduced workweek.</li> <li>• <b>Defined contribution provisions:</b> Employees pay contributions on the reduced salary and the Company match accordingly.</li> </ul>

**e) Deferred Salary Plan (DSP)**

- Deferred salary plan
  - Program, subject to tax rules, that allows members to defer a portion of their compensation to finance future leave of absence
  - For example, member works on a full-time basis for deferral period of 4 years and receives 80% of full-time compensation. Remaining 20% portion is deferred. Immediately thereafter, in year five, member takes a leave of absence and has the choice to receive a lump sum of deferred compensation (this lump sum is not pensionable and no accrual of service in year five) or to receive deferred compensation in monthly instalments (1 year at 80%) and member will accrue full service under defined benefit provisions and continue to contribute under defined contribution provisions.

A number of buyback programs which previously existed are now closed. The following section contains some brief notes on programs no longer offered. For further details, please consult previous version of this policy.

There are no special administrative procedures remaining. Specifically:

Payment options:

- The selected payment option continues to apply.
- If the member changes payment options, the new option must follow the general rule.

Interest on deficiencies: General rule applies.

Method of reduction of the pension if outstanding deficiency at departure:

- General rule applies.
  - Exception: P19 service – see Military buybacks in Section 2.

Type of Buyback	Comments
AC Reciprocal Transfer Agreements	<ul style="list-style-type: none"> <li>▪ AC plans</li> <li>▪ CN terminated 30.04.1992</li> <li>▪ Government of Canada on 18.08.1988</li> </ul>
CAIL Pilots – Company Approved Leave of Absence/Layoff/Military (ongoing)	<ul style="list-style-type: none"> <li>▪ Ongoing contributions at two times level</li> <li>▪ No break in contributions or service</li> <li>▪ Closed at Transition Date</li> </ul>
CAIL LOA due to Maternity/Child Care	<ul style="list-style-type: none"> <li>▪ Similar to AC</li> <li>▪ Closed at Transition Date</li> </ul>
CAIL Military other than Pilots	<ul style="list-style-type: none"> <li>▪ Believe never used</li> <li>▪ Closed at Transition Date</li> </ul>
CAIL CAW Base Closures	<ul style="list-style-type: none"> <li>▪ Ongoing contributions at one times level</li> <li>▪ Closed at expiry of CAIL CAW Collective Agreement</li> </ul>
CAIL Mitigation Program	<ul style="list-style-type: none"> <li>▪ One or two times employee contributions, depending on group</li> <li>▪ Closed around Transition Date</li> </ul>
Reinstatement of Previous Service	<ul style="list-style-type: none"> <li>▪ cost equal amount received upon termination, plus interest</li> <li>▪ Not applicable to former CAIL plans</li> </ul>

Type of Buyback	Comments
Military	▪ Refer to the Buyback Policy Updated to December 2009 for details
Connector Airline	▪ Refer to the Buyback Policy Updated to December 2009 for details
CAIL Pilots Purchased Service (“Adams Award”)	▪ Refer to the Buyback Policy Updated to December 2009 for details
CAIL CUPE 0.375%	▪ Refer to the Buyback Policy Updated to December 2009 for details
(Opt Out) Retroactive Enrolment	▪ Refer to the Buyback Policy Updated to December 2009 for details

**Appendix A – Defined Benefit Provisions  
Buyback Cost Tables**

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**I. Pilots**

**Schedule in effect based on January 1, 2014 valuation assumptions**

		Unreduced at 60							Unreduced from 61				
		Year of Application / Return from Leave							Year of Application / Return from Leave				
		2014							2014				
YOB							YOB						
1992	21	\$5,723	22	\$6,063	23	\$6,423	1992						
1991	22	\$6,063	23	\$6,423	24	\$6,805	1991						
1990	23	\$6,423	24	\$6,805	25	\$7,208	1990						
1989	24	\$6,805	25	\$7,208	26	\$7,636	1989						
1988	25	\$7,208	26	\$7,636	27	\$8,089	1988						
1987	26	\$7,636	27	\$8,089	28	\$8,569	1987						
1986	27	\$8,089	28	\$8,569	29	\$9,077	1986						
1985	28	\$8,569	29	\$9,077	30	\$9,616	1985						
1984	29	\$9,077	30	\$9,616	31	\$10,186	1984						
1983	30	\$9,616	31	\$10,186	32	\$10,791	1983						
1982	31	\$10,186	32	\$10,791	33	\$11,431	1982						
1981	32	\$10,791	33	\$11,431	34	\$12,109	1981						
1980	33	\$11,431	34	\$12,109	35	\$12,827	1980						
1979	34	\$12,109	35	\$12,827	36	\$13,587	1979						
1978	35	\$12,827	36	\$13,587	37	\$14,393	1978						
1977	36	\$13,587	37	\$14,393	38	\$15,246	1977						
1976	37	\$14,393	38	\$15,246	39	\$16,150	1976	37	\$13,550	38	\$14,353	39	\$15,204
1975	38	\$15,246	39	\$16,150	40	\$17,108	1975	38	\$14,353	39	\$15,204	40	\$16,105
1974	39	\$16,150	40	\$17,108	41	\$18,122	1974	39	\$15,204	40	\$16,105	41	\$17,059
1973	40	\$17,108	41	\$18,122	42	\$19,196	1973	40	\$16,105	41	\$17,059	42	\$18,070
1972	41	\$18,122	42	\$19,196	43	\$20,334	1972	41	\$17,059	42	\$18,070	43	\$19,140
1971	42	\$19,196	43	\$20,334	44	\$21,539	1971	42	\$18,070	43	\$19,140	44	\$20,274
1970	43	\$20,334	44	\$21,539	45	\$22,816	1970	43	\$19,140	44	\$20,274	45	\$21,475
1969	44	\$21,252	45	\$22,512	46	\$23,846	1969	44	\$20,274	45	\$21,475	46	\$22,747
1968	45	\$22,113	46	\$23,423	47	\$24,811	1968	45	\$21,192	46	\$22,447	47	\$23,777
1967	46	\$22,951	47	\$24,311	48	\$25,751	1967	46	\$22,052	47	\$23,359	48	\$24,742
1966	47	\$23,778	48	\$25,187	49	\$26,679	1966	47	\$22,891	48	\$24,247	49	\$25,683
1965	48	\$24,606	49	\$26,063	50	\$27,606	1965	48	\$23,721	49	\$25,126	50	\$26,613
1964	49	\$25,374	50	\$26,877	51	\$28,468	1964	49	\$24,465	50	\$25,914	51	\$27,448
1963	50	\$26,158	51	\$27,706	52	\$29,346	1963	50	\$25,220	51	\$26,713	52	\$28,293
1962	51	\$26,965	52	\$28,560	53	\$30,250	1962	51	\$25,998	52	\$27,536	53	\$29,164
1961	52	\$27,796	53	\$29,440	54	\$31,181	1961	52	\$26,799	53	\$28,384	54	\$30,062
1960	53	\$28,652	54	\$30,346	55	\$32,139	1960	53	\$27,624	54	\$29,257	55	\$30,985
1959	54	\$29,534	55	\$31,279	56	\$33,125	1959	54	\$28,474	55	\$30,156	56	\$31,936
1958	55	\$30,441	56	\$32,239	57	\$34,141	1958	55	\$29,348	56	\$31,081	57	\$32,915
1957	56	\$31,376	57	\$33,228	58	\$35,187	1957	56	\$30,249	57	\$32,034	58	\$33,923
1956	57	\$32,338	58	\$34,245	59	\$36,262	1956	57	\$31,177	58	\$33,015	59	\$34,959
1955	58	\$33,328	59	\$35,291	60	\$37,368	1955	58	\$32,131	59	\$34,023	60	\$36,025
1954	59	\$34,347	60	\$36,368	61	\$38,503	1954	59	\$33,113	60	\$35,061	61	\$37,121
1953	60	\$35,391	61	\$37,471	62	\$39,671	1953	60	\$34,122	61	\$36,128	62	\$38,251
1952	61	\$36,459	62	\$38,604	63	\$41,874	1952	61	\$35,157	62	\$37,225	63	\$39,423
1951	62	\$37,551	63	\$39,721	64	\$44,109	1951	62	\$36,225	63	\$38,342	64	\$40,636
1950	63	\$38,678	64	\$40,898	65	\$46,484	1950	63	\$37,326	64	\$39,503	65	\$41,891
1949	64	\$39,839	65	\$42,719	66	\$48,909	1949	64	\$38,459	65	\$40,716	66	\$43,191

**Appendix A – Defined Benefit Provisions  
Buyback Cost Tables**

Revised March 2016

		Unreduced from 62						Unreduced from 63					
		Year of Application / Return from Leave						Year of Application / Return from Leave					
		2014						2014					
YOB						YOB							
1992						1992							
1991						1991							
1990						1990							
1989						1989							
1988						1988							
1987						1987							
1986						1986							
1985						1985							
1984						1984							
1983						1983							
1982						1982							
1981						1981							
1980						1980							
1979						1979							
1978						1978							
1977						1977							
1976						1976							
1975	38	\$13,556	39	\$14,359	40	\$15,209	1975						
1974	39	\$14,359	40	\$15,209	41	\$16,110	1974	39	\$13,625	40	\$14,432	41	\$15,286
1973	40	\$15,209	41	\$16,110	42	\$17,064	1973	40	\$14,432	41	\$15,286	42	\$16,191
1972	41	\$16,110	42	\$17,064	43	\$18,075	1972	41	\$15,286	42	\$16,191	43	\$17,149
1971	42	\$17,064	43	\$18,075	44	\$19,145	1971	42	\$16,191	43	\$17,149	44	\$18,164
1970	43	\$18,075	44	\$19,145	45	\$20,279	1970	43	\$17,149	44	\$18,164	45	\$19,239
1969	44	\$19,145	45	\$20,279	46	\$21,480	1969	44	\$18,164	45	\$19,239	46	\$20,378
1968	45	\$20,279	46	\$21,480	47	\$22,751	1968	45	\$19,239	46	\$20,378	47	\$21,584
1967	46	\$21,200	47	\$22,454	48	\$23,784	1967	46	\$20,378	47	\$21,584	48	\$22,861
1966	47	\$22,064	48	\$23,371	49	\$24,754	1966	47	\$21,307	48	\$22,568	49	\$23,903
1965	48	\$22,909	49	\$24,265	50	\$25,701	1965	48	\$22,183	49	\$23,495	50	\$24,885
1964	49	\$23,632	50	\$25,031	51	\$26,512	1964	49	\$22,888	50	\$24,242	51	\$25,677
1963	50	\$24,361	51	\$25,802	52	\$27,328	1963	50	\$23,594	51	\$24,989	52	\$26,467
1962	51	\$25,111	52	\$26,597	53	\$28,169	1962	51	\$24,321	52	\$25,759	53	\$27,281
1961	52	\$25,885	53	\$27,415	54	\$29,035	1961	52	\$25,069	53	\$26,551	54	\$28,119
1960	53	\$26,681	54	\$28,258	55	\$29,927	1960	53	\$25,840	54	\$27,367	55	\$28,983
1959	54	\$27,502	55	\$29,126	56	\$30,845	1959	54	\$26,634	55	\$28,207	56	\$29,872
1958	55	\$28,346	56	\$30,019	57	\$31,790	1958	55	\$27,452	56	\$29,072	57	\$30,787
1957	56	\$29,216	57	\$30,940	58	\$32,763	1957	56	\$28,294	57	\$29,963	58	\$31,729
1956	57	\$30,112	58	\$31,886	59	\$33,764	1956	57	\$29,161	58	\$30,880	59	\$32,698
1955	58	\$31,033	59	\$32,861	60	\$34,793	1955	58	\$30,053	59	\$31,823	60	\$33,695
1954	59	\$31,981	60	\$33,862	61	\$35,852	1954	59	\$30,971	60	\$32,793	61	\$34,720
1953	60	\$32,956	61	\$34,893	62	\$36,941	1953	60	\$31,915	61	\$33,791	62	\$35,774
1952	61	\$33,959	62	\$35,952	63	\$36,144	1952	61	\$32,886	62	\$34,816	63	\$36,857
1951	62	\$35,495	63	\$35,177	64	\$36,501	1951	62	\$33,885	63	\$35,870	64	\$36,501
1950	63	\$34,484	64	\$35,524	65	\$37,174	1950	63	\$35,409	64	\$35,524	65	\$37,174
1949	64	\$34,819	65	\$36,179	66		1949	64	\$34,819	65	\$36,179	66	

**Appendix A – Defined Benefit Provisions  
Buyback Cost Tables**

Revised March 2016

		Unreduced from 64							Unreduced from 65				
		Year of Application / Return from Leave							Year of Application / Return from Leave				
		2014							2014				
YOB							YOB						
1992							1992						
1991							1991						
1990							1990						
1989							1989						
1988							1988						
1987							1987						
1986							1986						
1985							1985						
1984							1984						
1983							1983						
1982							1982						
1981							1981						
1980							1980						
1979							1979						
1978							1978						
1977							1977						
1976							1976						
1975							1975						
1974							1974						
1973	40	\$13,786	41	\$14,601	42	\$15,465	1973						
1972	41	\$14,601	42	\$15,465	43	\$16,381	1972	41	\$14,080	42	\$14,912	43	\$15,795
1971	42	\$15,465	43	\$16,381	44	\$17,350	1971	42	\$14,912	43	\$15,795	44	\$16,729
1970	43	\$16,381	44	\$17,350	45	\$18,376	1970	43	\$15,795	44	\$16,729	45	\$17,718
1969	44	\$17,350	45	\$18,376	46	\$19,464	1969	44	\$16,729	45	\$17,718	46	\$18,767
1968	45	\$18,376	46	\$19,464	47	\$20,615	1968	45	\$17,718	46	\$18,767	47	\$19,876
1967	46	\$19,464	47	\$20,615	48	\$21,834	1967	46	\$18,767	47	\$19,876	48	\$21,052
1966	47	\$20,615	48	\$21,834	49	\$23,126	1966	47	\$19,876	48	\$21,052	49	\$22,296
1965	48	\$21,562	49	\$22,837	50	\$24,187	1965	48	\$21,052	49	\$22,296	50	\$23,614
1964	49	\$22,255	50	\$23,571	51	\$24,965	1964	49	\$21,758	50	\$23,045	51	\$24,407
1963	50	\$22,940	51	\$24,297	52	\$25,733	1963	50	\$22,428	51	\$23,754	52	\$25,158
1962	51	\$23,646	52	\$25,044	53	\$26,524	1962	51	\$23,118	52	\$24,484	53	\$25,931
1961	52	\$24,374	53	\$25,814	54	\$27,339	1961	52	\$23,829	53	\$25,237	54	\$26,727
1960	53	\$25,123	54	\$26,607	55	\$28,178	1960	53	\$24,561	54	\$26,012	55	\$27,548
1959	54	\$25,895	55	\$27,424	56	\$29,042	1959	54	\$25,316	55	\$26,810	56	\$28,392
1958	55	\$26,690	56	\$28,265	57	\$29,932	1958	55	\$26,093	56	\$27,632	57	\$29,262
1957	56	\$27,509	57	\$29,131	58	\$30,847	1957	56	\$26,893	57	\$28,479	58	\$30,157
1956	57	\$28,351	58	\$30,022	59	\$31,790	1956	57	\$27,716	58	\$29,349	59	\$31,078
1955	58	\$29,218	59	\$30,939	60	\$32,759	1955	58	\$28,564	59	\$30,246	60	\$32,025
1954	59	\$30,111	60	\$31,882	61	\$33,755	1954	59	\$29,436	60	\$31,168	61	\$32,999
1953	60	\$31,029	61	\$32,852	62	\$34,780	1953	60	\$30,333	61	\$32,116	62	\$34,000
1952	61	\$31,972	62	\$33,849	63	\$35,832	1952	61	\$31,256	62	\$33,090	63	\$35,030
1951	62	\$32,943	63	\$34,873	64	\$36,915	1951	62	\$32,205	63	\$34,092	64	\$36,088
1950	63	\$33,940	64	\$35,927	65	\$37,174	1950	63	\$33,180	64	\$35,122	65	\$37,174
1949	64	\$35,457	65	\$36,179	66		1949	64	\$34,182	65	\$36,179	66	





**Appendix B – Defined Benefit Provisions  
Other Leaves Cost Tables**

Revised March 2016

<b>WORK SHARE PROGRAM</b>				
<b>COST AS A % OF PENSIONABLE EARNINGS TO COVER EMPLOYER PORTION</b>				
<b>Unifor work share rate: 80%</b>				
<b>Age</b>	<b>Unifor DB</b>	<b>Unifor Hybrid</b>	<b>Unifor Hybrid</b>	<b>Unifor Hybrid</b>
		With less than 5 yrs	With 5 to 15 yrs	Over 15 yrs
less than 20	0.20%	0.05%	0.00%	0.00%
20 - 24	0.28%	0.13%	0.00%	0.00%
25 - 29	0.40%	0.25%	0.13%	0.00%
30 - 34	0.59%	0.35%	0.23%	0.10%
35 - 39	1.01%	0.48%	0.35%	0.23%
40 - 44	1.60%	0.63%	0.51%	0.38%
45 - 49	2.34%	0.85%	0.73%	0.60%
50 - 54	3.23%	1.10%	0.98%	0.85%
55 - 59	3.80%	1.28%	1.15%	1.03%
60 - 64	4.05%	1.36%	1.24%	1.11%
65 and more	4.13%	1.39%	1.26%	1.14%
<b>CUPE work share rate: 60%</b>				
<b>Age</b>	<b>CUPE DB</b>	<b>CUPE Hybrid</b>	<b>CUPE Hybrid</b>	<b>CUPE Hybrid</b>
		With less than 5 yrs	With 5 to 15 yrs	Over 15 yrs
less than 20	1.00%	0.33%	0.00%	0.00%
20 - 24	1.20%	0.53%	0.20%	0.00%
25 - 29	1.77%	0.87%	0.53%	0.20%
30 - 34	2.71%	1.20%	0.87%	0.53%
35 - 39	4.07%	1.59%	1.25%	0.92%
40 - 44	5.57%	2.11%	1.77%	1.44%
45 - 49	7.01%	2.57%	2.24%	1.91%
50 - 54	8.87%	3.56%	3.23%	2.89%
55 - 59	10.41%	4.49%	4.15%	3.82%
60 - 64	11.20%	4.83%	4.49%	4.16%
65 and more	11.60%	5.00%	4.67%	4.33%
Costs above are based on the January 1, 2015 actuarial valuation.				