

## Plan Highlights

### BENEFICIARY DESIGNATION

Your UAPP beneficiary designation is not deemed to be your EDCSRPlan beneficiary, so it is important to complete a separate EDCSRPlan beneficiary designation form.

Since this is a non-registered plan, you can name anyone as your beneficiary to receive the value of your notional account if you die. Your spouse is not automatically deemed to be your beneficiary. If you don't name a beneficiary, the benefit will be paid to your estate.

It is important to keep your beneficiary designation up-to-date. If you ever need to change your beneficiary designation, you must complete a new designation form. These forms are available on the HR website at [www.hrs.ualberta.ca/Benefits/Pension/EDCSRPlan.aspx](http://www.hrs.ualberta.ca/Benefits/Pension/EDCSRPlan.aspx).

### SPONSORSHIP AND ADMINISTRATION

The Board of Governors of the University of Alberta is the sponsor of the EDCSRPlan. Human Resource Services is responsible for the day to day administration of the plan.

## Executive Defined Contribution Supplemental Retirement Plan (EDCSRPlan)

The EDCSRPlan provides additional retirement income for Board designated University of Alberta members of the Universities Academic Pension Plan (UAPP) who have pensionable earnings that exceed the maximum salary covered by the UAPP. Pensionable earnings are earnings for performing regular job duties and include base pay and market supplement. The federal Income Tax Act limits the earnings that can be used to calculate registered pension plan benefits to a maximum amount (the UAPP pensionable salary cap) that increases each year. The EDCSRPlan is a non-registered defined contribution supplementary plan that covers pensionable earnings that are above the UAPP salary cap up to a specified EDCSRPlan salary cap. An annual contribution equal to a percentage of eligible EDCSRPlan pensionable earnings (the earnings above the UAPP cap to the specified EDCSRPlan cap) is credited to a notional account at the end of each year.

Notional accounts exist only on paper and don't contain actual funds. Although the EDCSRPlan is an unfunded plan, the University is required to maintain reserves for plan liabilities (earmarked assets for the liabilities growing in the notional accounts). When you leave the University, the balance in your EDCSRPlan account is paid out of the general assets of the University of Alberta. You are not allowed to make contributions to the notional account.

## Membership

To participate in the EDCSRPlan, you must be a member of the UAPP and a University of Alberta employee in a position designated by the Board of Governors as a member of the EDCSRPlan. You become an active member following any calendar year in which your pensionable earnings exceed the UAPP cap. Membership status is determined in January following the calendar year end.

If in any calendar year after you become an active member, your pensionable earnings are not above the UAPP salary cap, you will become an inactive member until after a calendar year in which your earnings once again exceed the UAPP cap.

If you become ineligible due to a change in appointment, you will be considered a suspended member. Inactive and suspended members are not eligible to receive annual notional contributions. Existing notional accounts for inactive and suspended members continue to be credited with annual investment returns. An active member of the EDCSRPlan cannot participate as an active member in the Academic Supplementary Retirement Plan (ASRP). EDCSRPlan benefits are not paid until after you are no longer employed by the University.

The information in this booklet has been designed to provide EDCSRPlan members with general information about the Plan. Should anything in this booklet conflict with the official plan documents or any applicable legislation, the information in the plan documents or the applicable legislation will prevail.

## VESTING

You become vested (entitled to an EDCSRP benefit) after you have served at least two years in a designated position. Vesting is independent of active member status – you can become vested before or after you are eligible for annual contributions on pensionable earnings above the salary cap. If you leave the University before you are vested, you will not receive benefits from the EDCSRP, even if you have a notional contribution balance.

## BENEFITS

Once you are vested, you will receive your notional account balance when you leave the University. If you die before you leave the University, your benefit is immediately vested and your account value is paid to your named EDCSRP beneficiary or to your estate. Your EDCSRP benefits are taxable in the year they are received, and income tax will be deducted at the time of the payment.

If you are not yet age 55 when you leave the University, you will receive the EDCSRP benefit as a single lump sum payment.

If you are 55 or older, and the total value of your notional account is more than 50% of the YMPE (Yearly Maximum Pensionable Earnings for the Canada Pension Plan) in the year you retire, you can elect to receive either a single lump sum payment or up to five annual instalment payments. Notional balances that are paid in installments will continue to be credited with annual notional investment returns for the period of time that they remain in the account.

## Contributions

Annual contributions are based on EDCSRP points. Your EDCSRP points are equal to your age plus years of continuous service (including any leaves of absence) in an designated EDCSRP position as at December 31 of each year.

EDCSR Points	Annual Contribution Rate Percentage rate applied to pensionable earnings above the UAPP salary cap up to any specified EDCSRP salary cap
less than 55 points	8%
55 to less than 80 points	12%
80 points or more	16%

Your eligible EDCSRP salary is your pensionable earnings in a calendar year. Eligible salary for EDCSRP members who are on a period of sabbatical leave is based on their unreduced salary (as opposed to reduced salary while on leave). Eligible salary for EDCSRP members who are receiving disability benefits is based on their pre-disability salary.

To be a member of the EDCSRP, eligible staff must have pensionable earnings that exceed the annual UAPP maximum salary in the plan year.

The annual UAPP maximum salary is available at [www.uapp.ca](http://www.uapp.ca) or on the Human Resource Services website at [www.hrs.ualberta.ca](http://www.hrs.ualberta.ca).

## Investment Returns

At the end of each calendar year, average annual notional contributions for the year are credited with interest based on the DEX Canadian 91 Day Treasury Bill return. Accrued notional account balances were also credited with interest based on the DEX return.

EDCSR accrued notional account balances will be credited each year with the annual return (positive and negative) of the TD Emerald Balanced Fund. Average annual contributions will continue to be credited with the DEX return.

Plan members will have an irrevocable one-time option to change the basis for the investment returns calculation on their accrued notional account balance from the TD Emerald Balanced Fund to the Canadian DEX 91 Day Treasury Bill return. This change can be made at any time by submitting a request form that is available on the Human Resource Services website.

## For more information

See the EDCSRP section of the Human Resource Services website:  
[www.hrs.ualberta.ca/Benefits/Pension/EDCSR.aspx](http://www.hrs.ualberta.ca/Benefits/Pension/EDCSR.aspx)

Contact Payroll and Benefit Services in Human Resource Services:  
Email: [benefits@ualberta.ca](mailto:benefits@ualberta.ca)  
Telephone: 780-492-4555