Plan Highlights

University of Alberta
Academic Supplementary Retirement Plan (ASRP)

Introduction

The ASRP was established in 2009 to provide additional retirement income for 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 ASRP is a non-registered supplementary plan that covers pensionable earnings that are above the UAPP salary cap, up to a negotiated ASRP salary cap.

Unlike the UAPP, which is a defined benefit plan, the ASRP is a defined contribution plan. An annual contribution equal to a percentage of eligible ASRP pensionable earnings (the earnings above the UAPP cap, up to the ASRP 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 ASRP is an unfunded plan, the University has established a special purpose reserve for plan liabilities (earmarked assets for the liabilities growing in the notional accounts). When you leave the University, the balance in your ASRP account is paid out of the general assets of the University of Alberta.

Membership

To participate in the ASRP, you must be a member of the UAPP and a University of Alberta employee appointed to a continuing full or part time position under a Faculty, APO, Librarian or FSO agreement. You become a 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 a member, your pensionable earnings are not above the UAPP salary cap, you will become an inactive member until after a calendar 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. Agreements not covered by the ASRP include Trust/Research Academic Staff, Contract Academic Staff: Teaching, and Sessionals and Other Temporary Staff, and Support Staff agreements.

Notional accounts for inactive and suspended members will not be eligible to receive annual contributions, but will continue to be credited with annual investment returns. Notional account balances are not paid until after a member is no longer employed by the University.

This brochure provides ASRP members with general information about the Plan. Should anything in this brochure conflict with the official plan documents or any applicable legislation, the information in the plan documents or the applicable legislation will prevail.

January 2014
VESTING
You become vested (entitled to an ASRP benefit) after you have served at least two years in an eligible agreement. If you leave the University before you are vested, you will not receive benefits from the ASRP.

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 ASRP beneficiary or to your estate. Your ASRP 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 ASRP 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. The YMPE in 2014 is $52,500. 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 ASRP points. Your ASRP points are equal to your age plus years of continuous service (including any leaves of absence) in an eligible ASRP agreement as at December 31 of each year.

<table>
<thead>
<tr>
<th>ASRP Points</th>
<th>Annual Contribution Rate</th>
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<tbody>
<tr>
<td>less than 55 points</td>
<td>8%</td>
</tr>
<tr>
<td>55 to less than 80 points</td>
<td>12%</td>
</tr>
<tr>
<td>80 points or more</td>
<td>16%</td>
</tr>
</tbody>
</table>

Your eligible ASRP salary is your pensionable earnings in a calendar year. Eligible salary for ASRP 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 ASRP members who are receiving disability benefits is based on their pre-disability salary.

To be a member of the ASRP, eligible staff must have pensionable earnings that exceed the annual UAPP maximum salary in one or more of the following plan years up to the maximum negotiated ASRP limit.

<table>
<thead>
<tr>
<th>Year</th>
<th>UAPP Annual Pensionable Salary Maximum</th>
<th>ASRP Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$136,112</td>
<td>$180,000</td>
</tr>
<tr>
<td>2010</td>
<td>$138,882</td>
<td>$191,998</td>
</tr>
<tr>
<td>2011</td>
<td>$142,101</td>
<td>$195,358</td>
</tr>
<tr>
<td>2012</td>
<td>$147,364</td>
<td>$199,265</td>
</tr>
<tr>
<td>2013</td>
<td>$150,164</td>
<td>$202,553</td>
</tr>
<tr>
<td>2014</td>
<td>$154,250</td>
<td>$205,895</td>
</tr>
</tbody>
</table>

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 are credited each year with the annual return (positive and negative) of the TD Emerald Balanced Fund.

Plan members 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 DEX 91 Day Treasury Bill return. This change can be made at any time by submitting a request form that is available on the HRS website.

For more information
See the ASRP section of the HR website:
www.hrs.ualberta.ca/Benefits/Pension/UAPP/ASRP.aspx

Contact Human Resource Services:
Email: benefits@ualberta.ca
Telephone: 780-492-4555