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## FAQs - Multi-Employer Pension Plans (MEPPs)

### Q1. Under what conditions can membership in a MEPP be terminated?

**A1.** Termination of membership in a MEPP may occur:

- if contributions by or on behalf of the member cease for a period of time as specified under the plan terms;
- voluntarily by the member if he or she meets the conditions under section 38 of the Pension Benefits Act;
- if a participating employer withdraws from the MEPP, and depending on the type of plan and its terms; or
- if, in certain circumstances, a trade union ceases to represent its members. -10/14

### Q2. Our plan terms specify that membership in the MEPP is terminated if no contributions are paid or are required to be paid on behalf of the member for five consecutive years (non-contribution period). Can a member request to have his membership terminated before the end of this non-contribution period?

**A2.** Yes. Section 38 of the Pension Benefits Act provides that, at a minimum, a member has a right to request termination of membership in the MEPP at any time after the period in which no contributions are paid or are required to be paid on his or her behalf for 24 consecutive months. The member does not have to wait until the end of the non-contribution period as set out under the terms of this MEPP. -10/14

### Q3. Can membership in a MEPP be terminated under the plan terms?

**A3.** Yes. The MEPP must set out the conditions for membership in the pension plan and the benefits and rights that are to accrue upon termination of membership, retirement or death, in accordance with sections 10(1)2 and 10(1)(3) of the Pension Benefits Act.

If a member has satisfied the condition(s) for termination of membership under the plan terms, his or her membership will be terminated on the date as specified in the plan document. The member's pension

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benefits will be determined as of that termination date.

The plan administrator must provide the member with a termination statement that sets out benefits, rights and obligations of the member within 30 days following the member’s cessation of membership in the MEPP. -10/14

#### Q4. When can a member elect to terminate his or her plan membership in a MEPP?

**A4.** Section 38 of the Pension Benefits Act allows a member of a MEPP to terminate his or her plan membership under the following circumstances:

- No contributions are paid or are required to be paid by or on behalf of the member for 24 consecutive months or less, if a shorter period of time is specified in the MEPP (section 38(1)).
- The MEPP member is represented by a trade union which, in accordance with section 62 of the Labour Relations Act, 1995, ceases to represent the member, and the member joins a different pension plan (section 38(5)).

However, the member may not elect to terminate membership in the MEPP under these provisions in cases where the member becomes a member of another pension plan and there is a reciprocal transfer agreement between the two plans. -10/14

#### Q5. In cases where no contributions are paid or required to be paid by or on behalf of a member for 24 consecutive months or less (or a shorter period of time as specified in the MEPP) and the member elects to terminate his or her membership in the MEPP, when does the termination become effective?

**A5.** If the member elects to terminate his or her membership in the MEPP in accordance with section 38 of the Pension Benefits Act (PBA), the member must deliver a written notice of his or her decision to the plan administrator.

If the election is made under section 38(1), section 38(1.1) of the PBA clarifies that the membership is terminated on the later of:

- a) the end of the 24 consecutive months when no contributions are paid or required to be paid to the pension fund by or on behalf of the member, or less if a shorter period of time is specified in the MEPP (non-contribution period); or
- b) the date of delivery to the plan administrator of written notice of the member’s election to terminate membership in the MEPP.

Section 38(1.1) prevents retroactive application of a membership termination date. If a member elects to terminate membership in the MEPP, the terms of the MEPP cannot specify that the effective date of termination will automatically occur at the end of the non-contribution period.

The plan administrator must provide the member with a termination statement that sets out the benefits,

rights and obligations of the member within 30 days of the termination of membership. -10/14

**Q6. In cases where a trade union no longer represents a member of the MEPP, and the member elects to terminate his or her membership in the MEPP to join a different plan, when does the termination become effective?**

**A6.** If the member elects to terminate his or her membership in the MEPP in accordance with section 38 of the Pension Benefits Act (PBA), the member must deliver a written notice of his or her decision to the plan administrator.

If the election is made under section 38(5) of the PBA, the termination will be effective once the written notice is received by the plan administrator or at such later date as may be specified in the written notice.

The plan administrator must provide the member with a termination statement that sets out the benefits, rights and obligations of the member within 30 days of the termination of membership. -10/14