MEDICUS
PENSION PLAN

MEMBER GUIDE

A summary of key plan features

January 2024
This guide may be updated from time to time.
The current version is available on the member portal.

ESTABLISHED BY

What's inside

Introduction

This is an important guide that outlines the main features of Medicus.

Welcome to the Medicus Pension Plan!

Medicus is a multi-employer pension plan designed *specifically* for incorporated physicians in Canada – to provide peace of mind and predictable *lifetime* retirement income.

Setting the stage

In the Medicus Pension Plan (the "plan" or "Medicus"), there are two key roles:

1. Participating employer
2. Member

If you are a physician joining through your professional corporation, you will have roles as BOTH a *participating employer* AND a *member*. Your corporation becomes a *participating employer* in Medicus, and you are an employee of the corporation. As an employee, you can become a *member*.

If you are a physician joining through another employer, then your employer will be the *participating employer* in Medicus, and you become a *member*.

TIP: *Participating employers* have certain responsibilities to fulfill throughout the year related to contributions and other reporting. These are outlined in the *Participating Employer Handbook* on the member portal.

About Medicus

The Medicus Pension Plan was established as a multi-employer pension plan, effective January 1, 2022, and offers you a unique opportunity to have:

- The financial peace of mind that comes with predictable lifetime retirement income.
- Additional financial protection for your family, including pre-retirement death benefits, payment guarantee periods, and continuation of lifetime pensions to an eligible spouse.
- Specialized institutional investment management, typically not available to individuals, through the pooling of member assets. This is overseen by an Administrative Board and allows unique investment opportunities, risk sharing and a long-term investment horizon – so you don't need to make investment decisions along the way.

Participation in Medicus will provide you with an important source of income when you retire, together with your government benefits and other savings.

KEY TERMS

There are terms used throughout this guide that you should know, such as:

Member

Participating employer

Capped pensionable earnings

Spouse

Pensioner

And others…

>See Key Terms at the back for a complete list of terms and definitions.

Plan governance: Acting in your interests

Medicus has a robust governance structure in place, with clear accountabilities for all stakeholders, who work together to ensure the long-term success of the plan and help protect the interests of all *members*.

Part of our commitment is to provide information, tools, and support for *members*, such as this guide, an annual personal pension statement, and access to the member portal and the Administration Centre. These have all been created to help you understand how Medicus fits within the context of your overall retirement savings and income.

Governance structure

- **Plan Sponsor Committee:** Scotiabank is the *Plan Sponsor* and has created a *Plan Sponsor Committee* that is responsible for the sustainability of the plan, and for overseeing its design, funding policy and governance framework. The *Plan Sponsor Committee* is made up of senior executives from Scotiabank and its affiliates including MD Financial Management, who bring deep corporate governance, operations, investment and other knowledge to their roles.
- **Administrative Board:** This is the fiduciary oversight body for Medicus that administers the plan and its trust fund in the best interest of the *members* and other beneficiaries. The *Administrative Board* is made up of 50% *member* representatives and 50% *sponsor* representatives and may include physicians and other individuals who bring relevant expertise by virtue of their profession or training.
- **Leadership Team:** This team brings together a mix of industry expertise and education to provide leadership and guidance to the *Plan Sponsor Committee* and the *Administrative Board*. The team includes highly experienced professionals in actuarial, legal, communication, and other pension and operations roles. They are responsible for establishing the strategic direction of the plan and have a strong commitment to ensuring excellence in governance, risk management and *member* experience as the plan grows for the future.

The Medicus Pension Plan is a multi-employer pension plan that is registered with the Financial Services Regulatory Authority (FSRA) of Ontario, in accordance with the *Pension Benefits Act* (Ontario). It is also registered with the Canada Revenue Agency (CRA), in accordance with the *Income Tax Act* (Canada). This plan is not eligible for the Ontario Pension Benefits Guarantee Fund.

The Medicus Pension Plan's registration number is #1406180.

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1 | Key features of the plan

1 Key features of the plan

Medicus is a multi-employer pension plan that has been created to enable physicians in Canada to become *members* of an industry pension plan through their professional corporation, or their *participating employer*'s corporation.

Providing financial peace of mind

Medicus is different from other plans (such as individual pension plans (IPPs) or registered retirement savings plans (RRSPs)) because it provides you and your family with an amount of predictable income that continues for your lifetime.

You don't need to worry about making investment decisions along the way, and it can help provide financial peace of mind as one part of your overall retirement income stream.

Who is eligible

Medicus is open to physicians licensed to practise medicine in Canada, who are in an eligible jurisdiction, and are:

- Incorporated physicians; or
- Physicians employed by certain other entities, (such as other incorporated physicians or clinics).

NOTE: Non-physicians, such as spouses and other staff employed by a *participating employer*, are **not eligible** to participate.

> Get details

How contributions work

It's the *participating employer's* responsibility to make all contributions to the plan. In other words, no *member* contributions are permitted.

- **If you've joined through your professional corporation**, your corporation is the *participating employer* that will contribute to the plan for you and any other eligible employees you may have.
- **If you are a physician joining through another employer**, such as a clinic or another eligible organization that is not your own professional corporation, that organization is *the participating employer* that will make contributions for you.

Participating employers make **contributions equal to 18%** of the *capped pensionable earnings* paid to its enrolled employees (*members*). For 2024, this cap is $180,500, which means the maximum contribution a *participating employer* can make, per eligible employee, in 2024 is $32,490.

> Get details

Benefit formula

Pension benefits accumulate over time and are equal to 2% of *capped pensionable earnings* in each year, for each year of service in the plan.

> Get details

Vesting

Vesting is immediate when you become a plan *member*. In other words, if you leave Medicus, you are entitled to benefits payable under the terms of the plan.

Retirement

Normal retirement (age 65)
You are eligible to receive the pension you have earned based on your plan service to your actual retirement date.

Early retirement (from age 55 up to age 65)
If you choose to retire early, you'll receive a lower pension benefit amount to reflect the longer payout period. The reduced amount is based on actuarial calculations.

Postponed retirement (after age 65 up to age 71)
You may continue to work and earn pension benefits beyond your *normal retirement date*. You must begin receiving your pension by December 1 of the calendar year you turn age 71.

> Get details

Leave of absence

Depending on your circumstances, you may be able to continue earning benefits in the plan if you are on a leave of absence. > Get details

Leaving Medicus before retirement

If your active membership in the plan ends before age 55, you are entitled to pension benefits and may choose to:

- receive a *deferred pension* starting on the first day of any month within 10 years of normal retirement; or
- have a lump sum *commuted value* transferred to a permitted retirement savings arrangement.

> Get details

Protecting your family

If you die *before* you retire: Your *spouse* or beneficiary(ies) will be entitled to receive a benefit based on the benefits you had earned in the plan to the date of your death. > Get details

If you die *after* you retire: The normal form of pension is a 10-year payment guarantee, then the benefit payable to your spouse or beneficiary(ies), if any, will depend on the form of pension that you elect when you retire. > Get details

Maximum benefits

The annual lifetime pension payable will not exceed the maximum amount allowed by the *Income Tax Act* (Canada) for registered pension plans.

Benefit adjustments

As a multi-employer pension plan, the financial health of Medicus must be evaluated at least once every three years by the plan's actuary. The actuary compares the plan assets to the liabilities (i.e., the present value of future benefit payments).

In the event of a surplus (i.e., plan assets exceed plan liabilities), the surplus may be used to increase benefits, such as providing inflation protection.

In the event of a deficit (i.e., plan liabilities exceed plan assets), benefits may be reduced to ensure the long-term sustainability of the plan.

NOTE: Any increases or reductions in benefits must comply with applicable pension legislation.

2 Participation

Eligibility and enrolment

Medicus is open to physicians licensed to practise medicine in Canada who are in an eligible jurisdiction, and are:

- Incorporated physicians; or
- Physicians employed by certain other entities (such as other incorporated physicians or clinics).

In both cases, participation in Medicus is subject to a Participation Agreement between the *participating employer*, the *Plan Sponsor Committee*, and the *Administrative Board*.

To be eligible to join the plan, your professional corporation or other employer must first be accepted as a *participating employer* in the plan.

NOTE: If you are a physician practicing through a professional corporation that is a *participating employer* you are considered an employee of the corporation for the purposes of the plan.

Eligible jurisdictions
For a list of currently eligible provinces and territories, please check the Eligibility page on medicuspensionplan.com.

- **If you're a physician joining through your professional corporation**, you must be incorporated in an eligible province.
- **If you're a physician joining through another employer**, your primary place of employment must be in an eligible province.

Full-time employees
If you are a full-time employee, you are eligible to join the plan either on the first day of the month following, or coincident with, your date of hire, or on the date your *participating employer* joined the plan, whichever is later.

You may become a *member* on the first day of the month after your completed enrolment form has been submitted.

Part-time employees
If you participate in Medicus through another employer that is not your professional corporation, and are employed on a part-time basis, you may become a *member* as of the date established by your *participating employer*.

NOTE: Membership eligibility requirements for part-time employees vary across provinces. You may want to contact the Administration Centre for details of the applicable part-time eligibility requirements in your province.

3 | How your pension benefit is calculated

3 How your pension benefit is calculated

The formula

Medicus pension benefits are calculated based on a formula and are accrued based on starting your pension on your *normal retirement date* at age 65.

For each year that you participate in the plan,
you earn a pension benefit equal to 2%
of the capped pensionable earnings
that you received from your participating employer in that year.

An example of how your pension may grow

This example shows how the annual pension accrual is calculated over a 25-year period for a *member* who joined Medicus on January 1, 2024.

It's based on *capped pensionable earnings* and shows the total pension accrued by the end of each year to be paid annually in retirement starting at age 65 (assuming that the maximum pension accrual limit and *capped pensionable earnings* increases by 3% per year).

Year	Capped pensionable earnings	Employer contribution amount 18% of capped pensionable earnings	Member pension earned in each year 2% of capped pensionable earnings	Total pension accrued at the end of the year Paid annually in retirement	Number of years in the plan
2024	$180,500	$32,490	$3,610	$3,610	1 year
2025	$185,900	$33,462	$3,718	$7,328	
2026	$191,500	$34,470	$3,830	$11,158	
2027	$197,250	$35,505	$3,945	$15,103	
2028	$203,150	$36,567	$4,063	$19,166	5 years
...	...		...		
2033	$235,500	$42,390	$4,710	$41,385	10 years
...	...		...		
2043	$316,500	$56,970	$6,330	$97,001	20 years
2044	$326,000	$58,680	$6,520	$103,521	
2045	$335,800	$60,444	$6,716	$110,237	
2046	$345,850	$62,253	$6,917	$117,154	
2047	$356,250	$64,125	$7,125	$124,279	
2048	$366,950	$66,051	$7,339	$131,618	25 years

NOTES: These figures are for illustrative purposes only. Actual experience may be different from this example if earnings and actual annual limits are different than projected, or if benefit adjustments (downward or upward) are made during your time in the plan. Any pension or other amounts payable from the plan cannot exceed the maximums permitted under the *Income Tax Act* (Canada).

4 | Contributions

4 Contributions

While you are an active *member* of Medicus, your *participating employer* makes contributions to the plan, and you accrue pension benefits. As a *member*, you are not allowed to make contributions.

Employer contributions are calculated at a fixed rate of 18% of the *capped pensionable earnings* that you receive from your employer.

TIP: Your *capped pensionable earnings* include income such as salary and bonus, but **do not** include dividend payments.

The earnings cap is expected to increase each year at the rate of increase in the *Average Industrial Wage*.

For example…
During the 2024 year, if you accrue pension benefits and your *capped pensionable earnings* from your *participating employer* are $180,500, your employer will contribute 18% of $180,500 (or $32,490).

$180,500
CAPPED PENSIONABLE EARNINGS FOR 2024

×

18%
CONTRIBUTIONS MADE BY EMPLOYER

=

$32,490
CONTRIBUTED FOR YOU IN 2024

Your money is in good hands, and you don't need to worry about making investment decisions. Contributions from your *participating employer* go into the Medicus trust fund. Assets are pooled and invested for the long term by our professional investment managers, with oversight by the *Administrative Board*.

When it comes time to retire, what you receive in pension benefits is a predictable amount, paid monthly for the rest of your life.

The amount is based on a set formula that is equal to 2% of the *capped pensionable earnings* that you received from your *participating employer* in each year.

NOTE: Refer to *How your pension is calculated* for more details on how this works.

TIP: Try the Pension Benefit Estimator on the website to see what your pension income might look like.

TIP: Review Benefit Return Examples
for participating for 10 years in the plan and 20 years in the plan.

5 | Retirement

5 Retirement

Keep in mind that in retirement, any pension benefit paid from Medicus will be one part of your overall retirement income.

Other sources of income may include any benefit you, or your spouse, may receive from the Canada Pension Plan, Old Age Security, your personal Registered Retirement Savings Plan (RRSP)/Registered Retirement Income Fund (RRIF), and any other pension plan in which you participate or have participated previously.

NOTE: When you retire, Medicus must be able to deposit your monthly pension benefit into a Canadian bank account. A Canadian bank account is also necessary in the event that your spouse or beneficiary(ies) becomes eligible for your pension benefits.

Your normal retirement date – at age 65

Normal retirement is the point at which you are entitled to receive your full pension.

The *normal retirement date* under the plan is the first day of the month coinciding with, or the next month following, your 65th birthday.

Retiring *before* your normal retirement date – as early as age 55

You may retire from the plan with a reduced pension on the first day of any month within 10 years of your *normal retirement date*. This generally means any time after your 55th birthday.

If you decide to start your pension before your *normal retirement date*, your pension will be reduced to reflect the fact that, since your pension starts earlier, you are expected to collect it for more years.

Early retirement pensions are actuarially reduced so that the expected total benefit you receive from the plan over time is the same, whether you start early or wait to start at age 65. The amount of the reduction depends on the actuarial assumptions in effect at the time of early retirement.

Retiring *after* your normal retirement date – as late as age 71

You must start collecting your pension benefit by December 1st of the year that you reach age 71.

If you keep working past your *normal retirement date,* you may continue to accrue pension benefits provided that contributions continue to be made on your behalf. However, contributions and service cannot be credited on or after December 1st of the calendar year in which you reach age 71.

Your pension options

At retirement, you will have a one-time opportunity to choose a pension option.

Any option you choose will pay you a predictable income for the rest of your life, and the choices are designed so you can pick the one that works best for you – they're all expected to pay out the same value over time.

The options you can choose from depend on whether you have an eligible *spouse* when you retire.

***NOTE:* Once you start your pension, you cannot change the pension option that you elect.**

The amount of your pension will depend on a number of factors, including:

- the pension option you choose,
- the amount of pension you have earned,
- your age at retirement,
- your marital status at your retirement date, and
- your *spouse's* age, if applicable, at your retirement.

Member Lifetime **pension options**

Member Lifetime pension options are paid to you for as long as you live and include a minimum 10-year payment guarantee period.

These options can be chosen if you don't have a *spouse*, are living separate and apart from your *spouse* at retirement, or if your *spouse* chooses to sign a waiver and gives up the right to a survivor pension.

1. Member Lifetime – Guaranteed 10 Years (normal form)

10

- A pension paid for as long as you live.
- If you die within the first 10 years (120 months) of starting your pension, your designated beneficiaries will continue to receive pension payments until the end of the 10-year guaranteed period.
- If you die after the 10-year guarantee period, your pension will cease upon your death, and no death benefit will be payable.

2. Member Lifetime – Guaranteed 15 Years (optional)

15

- A pension paid for as long as you live.
- If you die within the first 15 years (180 months) of starting your pension, your designated beneficiaries will continue to receive pension payments until the end of the 15-year guaranteed period.
- If you die after the 15-year guarantee period, your pension will cease upon your death, and no death benefit will be payable.
- Selecting this option means that the pension paid to you each month will be adjusted to be lower (typically by about 1%-2%*); however, the expected value of the total pension benefit to be paid to you and your beneficiary(ies) over time will be the actuarial equivalent of the value of your pension payable under the *Member Lifetime – Guaranteed 10 Years* pension.

If you have a *spouse* when you retire, pension legislation generally requires you to choose a pension that continues to pay for as long as either of you is alive, and in the event of your death, your *spouse* must receive a lifetime survivor pension of not less than 60% of your pension.

- This requirement can be waived if both you and your *spouse* sign a prescribed waiver in accordance with the requirements of applicable pension legislation.
- Both you and your *spouse* should seek independent legal advice before signing the waiver.

TIP: Pension legislation varies by province. Please contact the Administration Centre for details related to your province or territory of employment.

Joint & Survivor Lifetime **pension options**

Joint & Survivor Lifetime pension options are paid to you for as long as you live – and include a pension of *at least* 60% payable to your *spouse* after your death. **These options can be chosen if you have a *spouse* at retirement.**

1. **Joint & 60% Survivor Lifetime – with 10-Year Guarantee** (normal form with a spouse)

60%

- A pension paid for as long as you live, including a 10-year (120 month) payment guarantee.
- To reflect that your pension covers both you and your *spouse* for your lifetimes, the pension amount paid to you each month will be adjusted to the actuarial equivalent of the pension payable under the *Member Lifetime – Guaranteed 10 Years* pension. The reduction is typically about 3%-8%*, depending on your spouse's age and other factors.
- After your death, your *spouse*, if still living, will receive a monthly pension equal to 60% of the monthly pension that you were receiving immediately before your death, for the rest of their lifetime.
- In all cases, if you die before you have received payments for 10 years (120 months), the same amount of monthly pension will continue to be paid to your *spouse*, if still living, or to your designated beneficiary(ies), for the remainder of the guarantee period.

2. **Joint & 100% Survivor Lifetime** (optional)

100%

- A pension paid for as long as you live, with 100% of your pension continuing to your *spouse* after your death, for the rest of their life.
- Selecting this option means that the pension amount paid to you each month will be lower (typically by about 5%-12%*, depending on your *spouse's* age and other factors); however, the expected value of the total pension benefit to be paid to you and your *spouse* over time will be the actuarial equivalent of the value of your pension payable under the *Member Lifetime – Guaranteed 10 Years* pension.

**** NOTE:*** The pension adjustment ranges provided above are estimates based on current actuarial equivalence assumptions of members retiring between ages 55 and 65 with spouses between five years younger and five years older than the member. The current assumptions used are: discount rate of 5.8% per annum, unisex male 85%/female 15%, using CPM 2014 Public Sector mortality table, with 75% adjustment for both males and females; and mortality improvement scale MI-2017.

TIP: To learn more, please **contact the Administration Centre at least three months before you plan to retire.**

They will explain the details of the pension options available to you and will provide you with any necessary election forms. You must complete and submit any forms before you retire.

Adjustments to your accrued pension

Multi-employer pension plans allow for pensions to be adjusted from time to time depending on the financial health of the plan.

The financial health of the plan must be evaluated at least once every three years by the plan's actuary. The actuary compares the plan assets to the liabilities (i.e., the present value of future benefit payments).

In addition, the *Administrative Board* and *Plan Sponsor Committee* regularly monitor the financial health of the plan.

In the event of a plan surplus (i.e., plan assets exceed plan liabilities), the surplus may be used to increase benefits, such as providing inflation protection.

In the event of a plan deficit (i.e., plan liabilities exceed plan assets), benefits may be reduced to ensure the long-term sustainability of the plan.

Any increases or reductions in pensions must comply with applicable pension legislation.

6 | What happens if…

6 What happens if…

You need to take a leave of absence from Medicus

Suspension of active service: If you take a break from practise during your career and/or are not working within Canada for a period of time, then your employer can apply to the Administration Centre to request consent to suspend benefit accruals and *participating employer* contributions during your leave. You can request to restart when you return. Note that the gap in service will be reflected in your plan benefits earned.

If you have joined Medicus through your professional corporation and are on an approved leave of absence, you can continue to earn benefits based on your actual earnings from your *participating employer*, but only if your employer continues to make contributions to the plan.

If you have joined Medicus through another employer, then you may continue to earn benefits under the plan while on an approved leave of absence, as long as your *participating employer* continues to make the applicable contributions. The benefits you earn during your leave will be based on the annualized *capped pensionable earnings* you were receiving from your *participating employer* on the date before your leave began. You can accrue a cumulative total of 60 months (5 years) of service in the plan while on approved leaves. Note that an approved leave of absence includes:

- pregnancy leave;
- parental leave; or
- any other type of leave during which pension accrual is required by the *Ontario Employment Standards Act* or other applicable provincial employment or labour standards act or code.

Please discuss your leave of absence with your employer first and contact the Administration Centre for details on the necessary forms and approvals.

No employer contributions are made to Medicus on your behalf

If there are no employer contributions made to the plan on your behalf for 24 consecutive calendar months, for reasons other than your retirement or your death, you may choose to end your membership in the plan.

The following options are available.

1. **Keep a pension in the plan: Choose a *deferred pension***
   - You may keep your pension benefit in the plan and apply to start receiving a monthly pension on your *normal retirement date* at age 65 that will continue for your lifetime.
   - Alternatively, you may elect to start your pension early, at a reduced amount, on the first day of any month coincident with or following your 55th birthday.
2. **End your membership in the plan: Transfer your benefit out as a lump sum amount**
   If you are under age 55 and elect to end your membership in the plan, then *instead of* receiving a monthly pension payable from the plan when you retire, you can transfer your *commuted value* as a lump sum to one of the following options:
   - A locked-in prescribed retirement savings arrangement, such as a locked-in retirement account (LIRA) or a life income fund (LIF), where locked-in means that you cannot access the funds until you retire.
   - The registered pension plan of another employer, provided that such other plan is willing to accept the transfer.
   - A company licensed to provide annuities in Canada for the purchase of a life annuity that will commence no earlier than age 55.

If your lump sum exceeds the maximum amount that can be transferred on a tax-deferred basis to one of the vehicles outlined above, as determined by the *Income Tax Act* (Canada), you will receive the excess amount as cash, less withholding taxes.

Payment of a lump sum to you from the plan is a settlement of your entitlements under the plan.

Commuted values may be reduced subject to the financial health of the plan and administration fees may be applicable.

NOTE: The date that you may choose to end your membership in the plan, and the transfer options available for a lump sum benefit vary across Canada. Please contact the Administration Centre for details related to your province or territory of employment.

If the amount or value of pension you have earned is small at the time your membership in Medicus ends (according to the criteria set out in the pension legislation of your province of employment), the *Administrative Board* may, in its sole discretion, require that a lump sum cash amount equal to the actuarial present value of your benefits be paid to you from the plan as a settlement of your entitlements under the plan.

You die before retirement

If you die before you receive your benefits or start a monthly pension from the plan, there is a death benefit payable as a lump sum payment. The death benefit is equal to the *commuted value* of the benefits accrued in the plan at your date of death.

- If, at the time of your death, you have a *spouse* with whom you are currently living, your *spouse* will be entitled to receive the lump sum described above.
- If, at the time of your death, you have no *spouse*, or you are living separate and apart from your *spouse*, your designated beneficiary will be entitled to receive the lump sum described above. If no beneficiary has been designated, your estate will be entitled to receive the lump sum.
- Instead of the lump sum payment described above, your *spouse* may elect to receive an immediate or *deferred pension* payable from the plan with a value equal to the actuarial present value of the pension payable from the plan on your date of death.
- Your *spouse* may also waive their entitlement to the benefits described above.

NOTE: The options available for payment of a death benefit vary across Canada. Please contact the Administration Centre for details related to the province or territory where you live.

Your spousal relationship breaks down

Under the *Family Law Act* of Ontario or a similar Act of another province, the value of your pension that was earned during your spousal relationship will generally be included for the purposes of the calculation and division of "net family property." However, you are not necessarily required to divide your pension.

If your spousal relationship has ended, you (or your former *spouse*) may request pension valuation information from the Administration Centre.

If you and your former *spouse* agree to divide your pension, then your pension will be adjusted to reflect the agreed division, which must comply with applicable pension legislation and be provided to the Administration Centre in the prescribed form.

NOTE: The treatment of your pension in the case of a marriage breakdown varies across Canada. You may contact the Administration Centre for details on the rules in the province or territory where you live.

The plan changes or is discontinued

The *Plan Sponsor Committee* has the right to amend the plan, including to provide for contributions and benefit accruals to cease. The *Sponsor* or the *Plan Sponsor Committee* may terminate the plan, at any time, in which case the *Administrative Board* is responsible for administering the termination of the plan, subject to legislative requirements.

7 | Stay connected!

7 Stay connected!

Pension statements

Each year, you will receive a personalized statement showing the amount of pension benefit you have earned in Medicus. This can help you and your trusted advisors keep track of how your pension is growing over time.

- Your annual statements will be available on the secure member portal for you to view and download at any time. Through the portal, you can select to have a paper statement mailed to you instead.

If your membership in Medicus ends, or when you are ready to retire, you will be provided with a statement setting out your pension entitlement and the options available to you.

Have questions or looking for information?

Visit the Medicus Pension Plan website
Get more information and stay informed.
www.medicuspensionplan.com

Log in to the member portal
Access and update your personal information, see your annual personalized pension statement, and more.

Questions
If you have questions about this guide or the plan, please contact the Administration Centre at:

Medicus Pension Plan
1060, boul. Robert-Bourassa
Bureau RC-01
Montréal, QC H3B 4V3

medicuspensionplan@telushealth.com

1 844 380-2735

The Medicus Pension Plan Administration Centre, including the member portal, is managed by TELUS Health, which is Canada's largest administrator of pensions and benefits.

Your rights to a pension benefit

The Medicus Pension Plan trust fund is the sole source for the payment of benefits. Any plan benefits due to you, or your *spouse*, former *spouse*, dependants, beneficiaries, or estate will be due and paid only from the trust fund. All benefits that are payable will be paid based on the terms of the plan.

As a general rule, the contributions to and benefits earned in the plan may not be sold, assigned, charged, anticipated, used as collateral for a loan, given away, or otherwise transferred to a third party. In addition, your creditors may generally not attach or garnish the contributions or benefits.

Any benefits paid to you, or to your *spouse*, dependants, beneficiaries, or estate may be subject to any payments due to your former *spouse* as determined by a Court Order or through a Domestic Contract as defined in the *Family Law Act* of Ontario or a similar Act of another province, if applicable.

8 | Key terms

8 Key terms

Actuarially equivalent means that the total actuarial present value of pension benefits provided under different payment forms is equal.

Administrative Board means the fiduciary oversight body for Medicus that administers the plan and its trust fund in the best interest of the *members* and other beneficiaries.

Average industrial wage rate represents the average wage for workers in Canada calculated by Statistics Canada.

Capped pensionable earnings of a *member* for a calendar year means the lesser of:

- the *member's* earnings from a *participating employer* for the portion of the year during which the *member* earned service in the plan; or
- the earnings cap for the year, prorated for the portion of the year during which the *member* earned service in the plan.

For example, *capped pensionable earnings* for 2024 are $180,500 for a *member* who earns service for the full year.

Commuted value is the lump sum actuarial present value of the pension you would otherwise receive as a monthly payment for your lifetime upon retirement. In some cases, commuted values may be reduced to reflect the funded status of the plan.

Deferred pension is an option that allows you to leave your pension in the plan after you terminate your active membership. No further contributions will be made for you, but you may begin to receive a pension when you reach retirement age, based on the amount of pension you earned in the plan during your active membership. You must start to receive a deferred pension by age 71.

Former member means a *member* who has ended active membership in the plan and who:

- still has an entitlement under the plan, and
- has not started to receive their pension.

Member means an employee of a *participating employer*, other than a *former member* or *pensioner*, who has satisfied the eligibility requirements for membership in the plan and who is entitled to pension benefits under the plan and

- is accruing service in the plan, or
- is on an approved leave of absence of one of the following types:
    - pregnancy leave,
    - parental leave, or
    - any other type of leave during which pension accrual is required by the *Ontario Employment Standards Act* or other applicable provincial employment or labour standards act or code.

Normal retirement date means the first day of the month next following or coincident with the *member's* 65th birthday.

Participating employer means each employer, including a professional corporation, that has one or more employees participating in the plan and is a party to a Participation Agreement with the *Plan Sponsor Committee* and the *Administrative Board*.

Pensionable earnings means the salary and wages, including bonuses, that a *member* received from the *participating employer* in a year. Pensionable earnings **do not** include dividend payments.

Pensioner means a person who is receiving a pension from the plan.

Plan Sponsor Committee means the committee established by the Sponsor which has been granted certain authority with respect to the sponsorship of the plan.

Sponsor means The Bank of Nova Scotia ("Scotiabank").

Spouse is defined as an individual who is:

- married to the *member* or *former member*, or
- not married to the *member* or *former member* but is living with the *member* or *former member* in a conjugal relationship,
  - which has been continuous for a period of not less than three years, or
  - is of some permanence, if they are the parents of a child as set out in section 4 of the *Children's Law Reform Act* (Ontario) as amended or replaced from time to time.

The definition of spouse may be different for you, depending on your province. You may contact the Administration Centre for details of the definition of spouse applicable to you.

9 Your privacy

We are committed to safeguarding your privacy and the confidentiality of your personal information.

To administer the Medicus Pension Plan, the *Administrative Board* must collect certain types of information from you. We use your personal information in a variety of ways, to verify your identity, determine your initial and ongoing eligibility for the plan, manage and administer the plan, communicate with you in respect of the plan and related benefits, and meet the plan's legal, income tax and regulatory obligations.

For more details, please review the Medicus Pension Plan Privacy Statement on our website at *medicuspensionplan.com > About Medicus > Privacy Statement*.

If you have any questions or concerns about privacy, or how Medicus or our service providers handle your personal information, or if you want to make a complaint or exercise any rights with respect to your personal information, please communicate in writing with the *Administrative Board's* Privacy Officer at: privacy@medicuspensionplan.com.

10 Additional information

- **This guide was published in December 2023** and reflects and summarizes the plan provisions in effect as of January 2024. It is intended to help you better understand how your pension works and its importance within your overall retirement planning. The guide is not a legal document and the information provided has been simplified. It is not intended as advice.
- **Every effort has been made** to ensure that this guide reflects the terms and provisions of the Plan text, the Funding Policy, the Sponsor Agreement and the Trust Agreement (the "Plan Documents"), which are subject to change. If there are any discrepancies between this guide and the Plan Documents, the terms of the Plan Documents will apply in all cases.
- **The examples contained in this guide are based on various assumptions** and the current terms of the Plan Documents, which are subject to change.
- **You may review the Plan Documents**, and other prescribed documents associated with the plan, on request from the Medicus Pension Plan Administration Centre.
- **Effective April 27, 2023**, as permitted by law, the Administrative Board elected to exclude the plan and its members from the operation of the "grow-in" provisions of the *Pension Benefits Act* (Ontario).

Scotiabank is the Sponsor of the Medicus Pension Plan, which is a registered pension plan and is registered under the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada). Scotiabank does not make any contributions to the plan.

Employees of the Sponsor or any of its affiliates may be engaged by the Administrative Board to provide investment management, administration and other services relating to the plan and the trust fund maintained in respect of the plan and may be paid fees or other amounts from the trust fund as compensation for such services.

To determine if the Medicus Pension Plan is appropriate for your retirement planning needs and retirement income objectives, please consult with a financial advisor.

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