IT'S YOUR PENSION

A member's guide to the High Commission of Canada in the United Kingdom Locally Engaged Staff Pension Scheme

How to contact us

Barnett Waddingham are the Scheme's administrators. The quickest way to get answers to your questions is to access information by logging into your account at https://account.claritybw.co.uk/, where you can also send a secure message and upload documents.

Call Us	Email Us	Mail Us
0333 1111 222	HCC@Barnett-Waddingham.co.uk	High Commission of Canada in the United Kingdom Locally Engaged Staff Pension Scheme Pension Administration Barnett Waddingham LLP 3 Devon Way Birmingham B31 2TS

Scheme Website	Wiki Page
https://www.highcommissionofcanada-pensions.co.uk/	http://wiki/index.php?title=LDN_HR:_CHC_LES_Pension_Scheme

If you have any further questions about the High Commission of Canada in the United Kingdom Locally Engaged Staff Pension Scheme you should contact the HR Section at:
Canada House,
Trafalgar Square,
London SW1Y 5BJ

This booklet is a summary description of the High Commission of Canada in the United Kingdom Locally Engaged Staff Pension Scheme (the "Scheme"). The Scheme's Consolidated Trust Deed and Rules (updated 18 January 2024) contains numerous provisions not addressed in this booklet which may also apply to you and affect the information in this booklet as it applies to you. Please contact us if you have any specific questions.

The information in this booklet is current as of the date of publication and does not reflect any amendments to the Scheme after that date.

In the event of any conflict between this booklet and the Trust Deed and Rules, the Trust Deed and Rules will govern.

Throughout this booklet, some mathematical examples have been rounded to the nearest pound.

Table of Contents

IT’S YOUR PENSION: TAKE TIME TO READ ABOUT IT

Scheme Structure

The assets of the Scheme are held independently of the Government of Canada in a trust structure for the purpose of providing your promised benefits. The Scheme is subject to UK laws and regulations governing trust-based pension schemes.

The Scheme is a defined benefit pension scheme, which means you can expect a predictable monthly income for life. Together with government benefits and your personal savings, your benefits in the Scheme can grow into an important financial asset and pay a key role in your financial security in retirement.

THE DEFINED BENEFIT ADVANTAGE

The advantage of a defined benefit (DB) scheme is that the benefits provided are calculated according to a defined formula, and the risk of outliving your retirement savings or experiencing poor investment returns in an economic downturn is carried by the sponsoring employers.

This is the key difference between a defined benefit scheme and a defined contribution (DC) scheme, such as a personal pension or trust-based money purchase scheme. In a DC scheme, all the risk is on you as an individual to save enough and to ensure your investments are protected against a market downturn. If you haven't saved enough, you might have to work longer than expected.

One goal of a defined benefit scheme is to protect members against these risks.

JOINT GOVERNANCE

The Scheme is looked after by a Board of Trustees who have a legal duty to ensure that each member receives the right benefits at the right time, and to work with the Government of Canada to make sure that the Scheme has enough assets to do so.

The Board of Trustees govern the Scheme in line with the Trust Deed and Rules which, among other things, sets out the benefits that members can receive. The Rules of the Scheme are agreed in conjunction with the Government of Canada and can only be changed by agreement of both parties.

The Board includes trustees nominated by both Scheme members and the Government of Canada. It also employs a professional trustee and external specialists to manage the day-to-day operations of the Scheme.

CHANGES TO THE SCHEME

This booklet summarizes the current Scheme provisions. Regulations set out what changes require member consent and/or notification.

The Trustees will provide notice of any Scheme amendments that directly impact your benefits.

PENSION SCHEME BASICS

Your Pension Scheme Benefit

YOUR RIGHT TO A PENSION

You become entitled to a benefit from the Scheme upon enrolment, however, there are rules on when your pension payments can start. See page 19 for information on normal retirement and page 23 for information on normal and early retirement options.

THE BASIC FEATURES OF YOUR PENSION BENEFIT

Under the current Scheme terms

The pension you build up in the Scheme:

- is based on
    - average annual salary rates for the three consecutive years in the last ten years of service that produce the highest average, and
    - accrued pensionable service
- is designed to provide a fixed or "defined" monthly amount of income for your remaining lifetime, calculated in accordance with the Scheme formula
- normally starts at age 65, but there is flexibility to start taking your benefits earlier or later
- provides benefits on your death to your eligible dependants

Who Pays for What?

Both you and your employer contribute to the Scheme. These contributions are invested and your pension is paid from the combined fund of member contributions, employer contributions and investment returns. If the combined fund is not sufficient to meet all Scheme benefits, the employers are required to pay extra contributions.

EMPLOYER CONTRIBUTIONS

The Government of Canada and participating employers make pension contributions for all members of the Scheme. The rate of the employer's contributions can vary from time to time, but it cannot be less than the rate contributed by members of the Scheme.

MEMBER CONTRIBUTIONS

Your contributions to the Scheme are based on your pensionable salary (see page 35 for a full definition). You currently pay six (6) % of your pensionable salary, with contributions deducted from your monthly salary.

You will continue to pay contributions while you are an active Member of the Scheme, including during any periods of paid leave of absence, until you have accrued the maximum 35 years of pensionable service.

> Contributions from all members and employers are paid into a fund which is held by the Trustees separately from the assets of the Government of Canada and participating employers. The Trustees invest the fund and use it to pay members' benefits.

TAX EFFICIENT RETIREMENT SAVINGS

Participating in a defined benefit plan like the Scheme can be a tax-efficient form of saving. Under the Income Tax Act 2007, you are eligible for certain tax advantages because of your participation in the Scheme, as summarized below:

- You contribute a percentage of your salary in each month to help pay for your future pension.
- Your employer deducts these contributions from your monthly gross income, which reduces your taxable income at source. As a result, over the course of the year, the income on which you pay taxes has been reduced by the amount of your pension contributions. This will be reflected in your annual tax slip.
- The employer also contributes to the Scheme. These contributions are not a taxable benefit; you do not count them as income.
- Once you retire and begin collecting your pension, your pension will be taxable as income and taxed at source under UK PAYE regulations.

> Note that all payments from the Scheme are payable in accordance with UK tax regulations at the time of payment and in most cases taxed at source.

WHY PENSIONABLE SALARIES MATTER

While you are working, you pay pension contributions on your regular and recurring earnings in each month, with some exclusions such as overtime pay and acting pay. When your pensionable service ends, these same earnings are used to calculate your pension benefit by reference to your Final Pensionable Salary (see page 35 for a full definition).

Can I assign my right to pension benefits?

No. You must not assign your future pension benefits, for example to obtain cash payments, or as security for loans. If you did this, under the Trust Deed and Rules, there could be no legal claim on the Scheme in respect of your benefits. Your benefits would cease to be payable and would come under the control of the Trustees for payment at their discretion.

JOINING THE HCC UK PENSION SCHEME

Membership in the Scheme

Eligibility for membership varies depending on an employee's individual circumstances. If you are unsure whether you are eligible to participate in the Scheme, please contact the HR Section directly – we are happy to help you.

OPTIONAL MEMBERSHIP

You are eligible to join the Scheme if you are

- If you were hired before 1 January 2022 on a permanent basis in the UK, you are eligible to join the Scheme.
- If you are a term employee hired in the UK before 1 January 2022, you will become eligible to join the Scheme after one (1) year of continuous service with your employer or earlier if appointed to a permanent position.

If membership is an option for you and you decide to join, please speak to Human Resources and complete the "Member Application/Refusal Form". If you decide to join, you will be required to provide certified copies of your birth certificate and (if applicable) your marriage certificate.

Service with the High Commission of Canada in the UK prior to becoming a member will not count towards your pensionable service. There is no option to purchase your previous service.

> If you entered a contract of employment on or after 1 January 2022 you are eligible to join the CHC UK Defined Contribution Plan, which is administered by NOW Pensions.

WHO IS NOT ELIGIBLE TO JOIN THE SCHEME

You are not eligible to join the Scheme if you are

- If you are employed under a contract of employment entered on or after 1 January 2022.
- You are a Canadian citizen who is subject to the Canadian Income Tax Act.

ONCE YOU ENROL

Enrolment in the Scheme generally takes effect in your employer's next available pay period after your application form is received.

Once you become a member you will remain in the Scheme while you remain employed, even if your income decreases or your work status changes to or from full-time status.

Once you join the Scheme you are encouraged to create an account on Barnett Waddingham's member portal (https://account.claritybw.co.uk/). The portal provides secure access to your Scheme dashboard, which includes several digital self-serve options to quickly and easily update your contact and beneficiary information, generate pension estimates and more. It's easy to create an account. All you need is your registration key from your invitation letter – request this from Barnett Waddingham.

Once you become a member, you can end your membership in the Scheme if you provide the Trustees with at least one month's written notice of your intention to leave.

How your pension grows

BUILDING PENSIONABLE SERVICE

Pensionable Service is the total period during which you contribute to the Scheme or have contributions made on your behalf. The more years of service you have in the Scheme, the larger your pension benefit will be. The amount of pension service you build up, or "accrue", in the Scheme depends on whether you work full time or part time. If you work full time, you accrue a full year of pension service in the Scheme for each calendar year of employment.

The maximum amount of full-time equivalent Pensionable Service you can build up in the Scheme is 35 years. Any additional service credits (such as from a transfer-in) do not count towards this maximum.

REJOINING THE PENSION SCHEME

If you opt out and remain entitled to a deferred pension (because no contribution refund or transfer has taken place) but then rejoin, only the final period of your Pensionable Service will be linked to your Final Pensionable Salary, unless special terms are agreed between your employer and the Trustees.

Any Pensionable Service accrued under the Scheme before opting out for which a contribution refund or transfer value has been paid will not count as Pensionable Service if you rejoin the Scheme.

Transfers to the Scheme

TRANSFERS FROM OTHER REGISTERED PENSION SCHEMES

Transfers-in may be permitted at the Trustees' discretion on the terms set by the Trustees. Transfers-in must normally be worth at least £1,000 and the Trustees may set other limits or requirements.

If you wish to transfer in accrued assets from a previous pension scheme, please contact the Scheme's administrator.

Part-time Employees

Part-time employees in a permanent position are eligible to join the Scheme, subject to the criteria on page 10. This section explains how benefits for part-time employees differ from those for full-time employees. It should be read along with the rest of this booklet.

PENSIONABLE SERVICE

If you work part time, you accrue service in the Scheme based on the percentage of time you work, compared to full-time employment. For example, if you work 50% of full time for one calendar year, you accrue 50% of one full-time year – or six months – of pension service in the Scheme.

PENSION CONTRIBUTIONS

Your pension contributions are based on your part-time pensionable salary (as explained to the right).

You pay six (6) % of part-time pensionable salary, with contributions deducted from your monthly salary.

Your employer pays the relevant rate of contributions based on part-time pensionable salary.

PENSIONABLE SALARY FOR PART-TIME EMPLOYEES

Part-time Pensionable Salary is calculated as:

Your actual, part-time basic salary at 1 July each year less a **proportion** of the **full-time deduction**

- The **proportion** for part-time employees is calculated as:

  Contractual part-time hours per week / Full-time standard hours per week.

- The **full-time deduction** is 75% of the UK Basic State Pension for a single person as of 1 July each year.

If your part-time hours change, your Pensionable Salary will be recalculated to reflect your new working hours.

Example Calculation:

- Contracted part-time hours: 15 per week
- Full-time standard hours: 37.5 hours per week
- Part-time basic salary at 1 July: £20,000 per annum
- UK Basic State Pension: £8,122.40 per annum (2023/24 tax year)

£20,000 – [(15 / 37.5) x (75% x £8,122.40)] = **£17,563.28 pensionable salary.**

Member contributions would be 6% of £17,563.28 = **£1,053.80 for the year.**

Annual Allowance

HMRC imposes no restrictions on how much money can be paid into a pension scheme by members and employers. However, tax relief is granted only on your contributions up to a maximum contribution to all your pension arrangements.

The Annual Allowance (AA) is the maximum annual amount of pension savings an individual can make in all UK registered pension schemes and receive tax relief. This includes pension savings that you make, plus any made on your behalf by your employer. There is no limit on the amount you can save in a pension scheme, but the AA limits the amount that can get tax relief each year.

If your pension saving (across all of your pension arrangements) is more than the AA in a year, you will pay a tax charge on the amount over the AA. This tax charge is called an Annual Allowance Charge and is based on an individual's marginal rate of income tax.

For a "defined benefit" scheme, such as the Scheme, the AA is the maximum annual amount of increase in the value of the member's benefits before a tax charge arises. It is currently £60,000 for the 2023/2024 tax year.

It is important to emphasize that retirement and pension savings are a personal matter and it is your responsibility to ensure you understand the possible impact of HMRC's limits on your savings, and to make decisions or take actions appropriate to your circumstances, seeking professional advice where necessary.

Pension Saving Statement

These are legally prescribed statements, prepared for members whose pension savings exceed the Annual Allowance.

All members have a statutory right to request one annually and the Scheme administrator provides a Pensions Savings Statement to each active member that exceeds the Annual Allowance in that year based on benefits in the Scheme alone.

Pension Input Period (PIP)

This is a 12-month period over which an individual's pension savings are measured for Annual Allowance purposes. The PIP for all purposes is now aligned with the UK tax year, i.e. ending on 5 April each year.

Members should seek their own financial advice if considering substantial increases to their existing pensions savings.

PLANNING FOR LIFE EVENTS

Taking a Leave of Absence

If you are absent from work but in receipt of full pay, your membership of the Scheme is unaffected.

Leave without pay can only be counted as Pensionable Service **up to a maximum of six months.** However, you must repay your pension contributions upon return to employment.

If you choose not to pay contributions for the period of your absence, the period will not be counted as Pensionable Service

Does parental leave (maternity, paternity, adoption) count towards length of service in calculating my pension?

Parental absence in accordance with statutory provisions will normally count as Pensionable Service.

During your parental leave your contributions would be based on the pay you actually receive. Your benefits, however, would continue to be based on your full rate of pay immediately before your absence.

After the end of a period of paid parental leave, any further period of absence would be treated as leave without pay (see previous section).

Separation and Divorce

If you get divorced or your civil partnership is dissolved then it may be possible for you and your ex-spouse or ex-civil partner to share your pension rights under a Pension Sharing Order. Please bear in mind that these orders do not have to be made and are not always the way that lawyers would recommend that assets are split.

If there is a Pension Sharing Order in place then your rights under the Scheme would be reduced and rights of a corresponding value would exist for your ex-spouse or ex-civil partner. Your ex-spouse or ex-civil partner would then normally transfer the pension rights acquired to another suitable pension arrangement. There would be no link made with your benefits in the future.

This is a complicated area and the Scheme administrator can give you more detailed information if and when required.

Leaving Employment Before Retirement

LESS THAN TWO YEARS OF QUALIFYING SERVICE

RETURN OF CONTRIBUTIONS

If you terminate employment with less than three (3) months of qualifying service, a return of contributions is your only entitlement under the Scheme. Note that income tax at the current rate will be deducted before payment.

Alternatively, if you have more than three (3) months but less than twenty-four (24) months of qualifying service, you can choose to transfer your benefits out to another pension scheme. To exercise this option, you must request it within the first three (3) months from leaving employment.

TWO OR MORE YEARS OF QUALIFYING SERVICE

DEFERRED PENSION

If you have more than twenty-four (24) months' qualifying service when you leave employment, you become a deferred member. As a deferred member, you will be entitled to receive a pension when you reach age 60.

This pension will be calculated based on the pension you had accrued up to on the date you left the employment of the Government of Canada or Participating Employer, adjusted for inflation up to retirement.

The value of your Additional Voluntary Contributions (AVC) account (if any) will also be payable. See pages 31-33 for information about AVCs

Members who end their membership in the scheme before retirement have some choices regarding their pension, depending on their age.

Your deferred pension - other than any Guaranteed Minimum Pension (GMP) - increases annually in line with the cost of living (described in the Inflation Protection section on page 26) up to a maximum of 5% each year.

How your GMP increases in deferment depends on when you leave employment and is advised at that time. For more details, contact the Scheme administrator.

On leaving active membership you will receive a deferred pension letter as proof of your deferred status. The letter indicates that you are entitled to a pension, normally payable at age 65 but there is flexibility to start taking your benefits earlier or later. See further details on page 23 about early and late retirement.

If you opt out of the Scheme but remain employed by the Government of Canada or a Participating Employer, you'll have the same options as if you had left employment. Refer to the details outlined above. Conditions for opting out and rejoining are explained on page 11.

Part-time Employees Terminating Employment

The provisions for part-time employees are the same as those for a full-time employee except that the reference to two years of qualifying service should be replaced by two years of actual membership of the Scheme.

TRANSFER TO YOUR NEW EMPLOYER'S SCHEME

You may request that the Trustees pay the actuarial value (or transfer value) of your benefits to an approved registered pension arrangement of your new employer. This transfer value must be calculated and paid in accordance with certain statutory methods and principles.

TRANSFER TO A PRIVATE PENSION ARRANGEMENT

You may request a transfer value, as described above, to be paid to a registered private pension arrangement. You should be aware that the Trustees cannot give you advice on your choice of pension provider or your choice of policy.

Further details of these options, including any charges that would be made, can be obtained from the Scheme administrator.

DEATH IN DEFERMENT

If you die after leaving service but before your pension begins, a cash sum equal to your contributions will be payable. The value of your Additional Voluntary Contributions (AVC) account, if any, will also be payable.

In addition, a pension equal to 50% of your deferred pension, including any increases for the cost of living, will be paid to your Qualifying Partner. There would be no pension payable to any Qualifying Dependants or Qualifying Children in this circumstance.

If you die after your deferred pension begins, the benefits payable are described in the Death of a Member or Retiree section on pages 28-30.

APPROACHING RETIREMENT

When can you retire?

The normal retirement age under the Scheme is 65. However, you can take your pension from age 60 without any reduction for early payment. Your employer's consent is needed if you are still in service and wish to retire before age 60.

HOW IS YOUR PENSION CALCULATED?

When you retire, your annual pension will be calculated as follows:

For members who have accrued pensionable service on or after 1 July 1988 only

$$\frac{\text{Final Pensionable Salary} \times \text{Pensionable Service}}{50}$$

For members who have accrued pensionable service before 1 July 1988, your pension is calculated in two parts

$$\frac{\text{Final Pensionable Salary with deduction} \times \text{Pensionable Service from 1 July 1988}}{50}$$

PLUS

$$\frac{\text{Final Pensionable Salary without deduction} \times \text{Pensionable Service before 1 July 1988}}{50}$$

Pension Options

TAX-FREE CASH LUMP SUM OPTION

When you retire from the Scheme you may choose to exchange part of your pension for a one-time tax-free cash lump sum known as a Pension Commencement Lump Sum (PCLS).

You can exchange up to 25% of the total value of your pension benefits for a cash lump sum (subject to legislative limits). If your pension includes Guaranteed Minimum Pension (GMP), your lump sum may be restricted to ensure your remaining pension is at least as large as your GMP due at GMP Age.

The amount by which your pension will be reduced in exchange for the cash sum depends on your age at retirement and is calculated on terms determined by the Trustees on the advice of the Scheme Actuary.

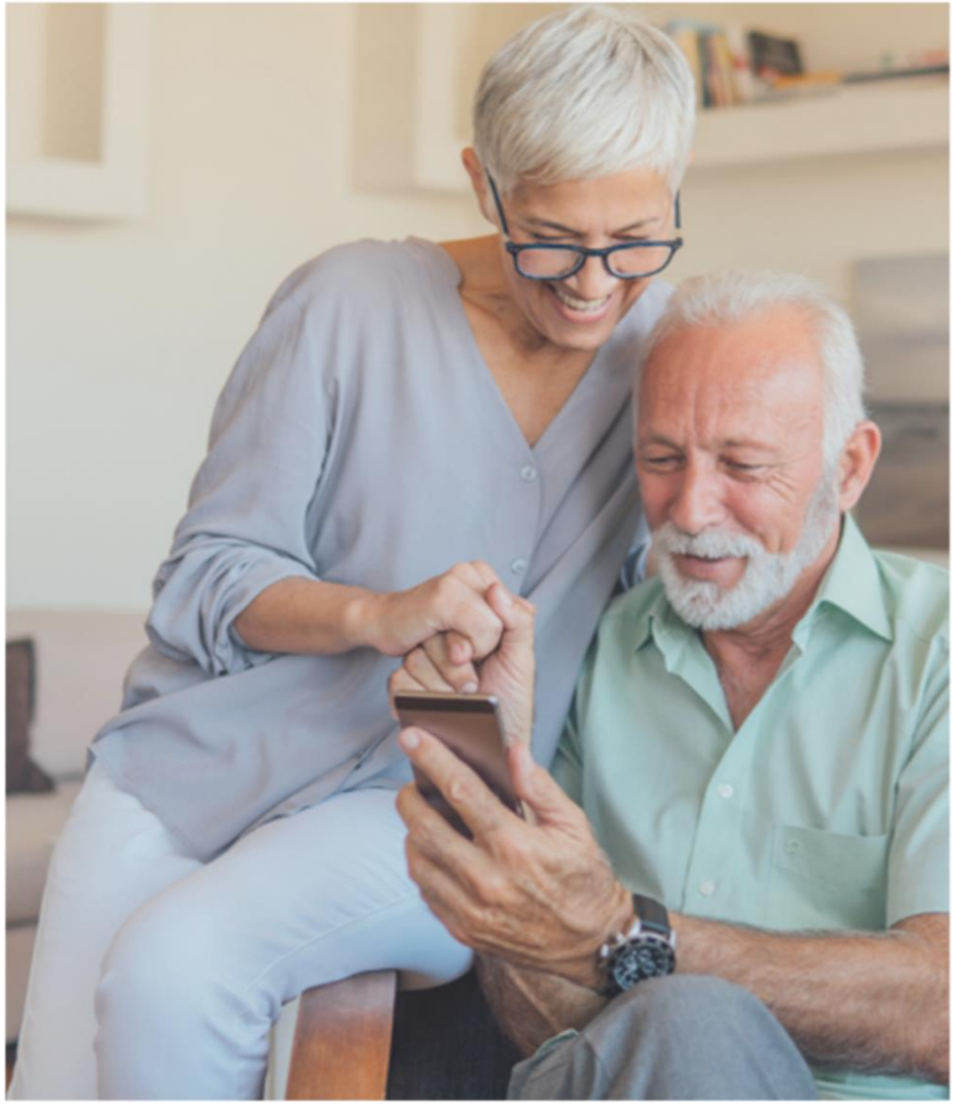
Choosing this option will not affect any dependents' benefits that may become payable. These benefits will be calculated on your pension before it was reduced in exchange for a cash lump sum.

ADDITIONAL DEPENDANT'S PENSION OPTION

You have the option to provide additional pension for a Qualifying Partner or Qualifying Dependant after your death. To do this, you must give the Trustees at least one year's notice before your retirement date.

By giving up part of your pension, you can increase the dependant's pension that will commence either after your death (or five years after your retirement if you die within five years).

The terms of this exchange will be determined by the Trustees. This additional dependant's pension would be on top of any standard dependant's pension payable, subject to Scheme limits (see the Death of a Member or Retiree' section on pages 26-28).



Part-time Employees

CALCULATING YOUR PENSION

When calculating your pension, the period you worked part-time is pro-rated to reflect your contractual hours of work compared to the standard full-time hours.

Part-time employees' retirement benefits will be calculated in the same way as those of full-time employees (see page 19), except that:

1. Part-time Pensionable Service will be converted to full-time equivalent Pensionable Service.
2. Part-time Pensionable Salary will be converted to a full-time equivalent pensionable salary.

Example Calculation:

- Actual service: 20 years
- Contracted part-time hours: 15 per week
- Full-time standard hours: 37.5 hours per week
- Part-time pensionable salary: £15,000 per annum

Full-time equivalent pensionable service = (15 / 37.5) x 20 = 8 years

Full-time equivalent Pensionable Salary = (37.5 / 15) x £15,000 = £37,500 pa

Final Pensionable Salary calculated using full-time equivalent Pensionable Salaries

CHANGING TO/FROM PART-TIME OR FULL-TIME

Your employment status, and any changes to that status, can impact your pension. Here is what you need to know:

Your retirement benefits will be calculated as for a full-time employee except that your Pensionable Service will be the sum of two elements:

1. Your period of part-time service, for which the full-time equivalent Pensionable Service will count.
2. Your period of full-time service, for which your actual Pensionable Service will count.

Could anything happen to the Scheme which would prevent my pension being paid?

The Trustees' understanding is that the Government of Canada intends to continue the Scheme indefinitely. However, were that to change, and the Scheme was to be discontinued, the assets of the Scheme would be used to provide benefits in accordance with the Trust Deed and Rules and overriding UK pensions law.

In the event of the assets of the Scheme proving insufficient, the Government of Canada and the other Participating Employers would be responsible under UK pensions law for meeting any shortfall.

What happens if a dispute should arise?

Any query regarding your own benefit entitlements under the Scheme should in the first instance be raised with the Scheme administrator, who will normally be able to resolve it. However, in the unlikely event of you being dissatisfied with the response you receive, the Scheme has a formal procedure in place for resolving disputes. You may request a copy of the full formal disputes procedure from the Scheme administrator.

If you are dissatisfied with the outcome of the internal dispute procedures, The Money and Pensions Service (MaPS) and the Pensions Ombudsman are available to investigate complaints (see page 38).

How is personal information about me held?

Under the UK Data Protection Act 2018 and the UK General Data Protection Regulations (UK GDPR), trustees and the Scheme Actuary of occupational pension schemes are "data controllers" and, as such, are responsible for the information collected from and about members, and how it is used. A Privacy Notice is available from the Scheme administrators on request, which contains further details around personal data, how it is used and who has access to it.

Data controllers must comply with certain “data protection principles” which require, among other things, that your personal data be fairly and lawfully processed, kept securely and confidentially, and remains accurate and relevant. It is an offence to store or process personal data unless registered with the Information Commissioner's Office, whose job is to ensure compliance with the UK GDPR. The Trustees have registered with the Information Commissioner's Office.

Do I have to pay tax on benefits I get from the Scheme?

Your pension is considered taxable income, so you may need to pay tax on it depending on your personal allowance and any other income you receive. When you retire, you may choose to exchange part of your pension for a once and for all cash sum known as a Pension Commencement Lump Sum (PCLS). The PCLS is currently payable tax-free.

For residents outside of the UK, you may still have to pay UK tax on your pension and PCLS. Further information is available on the GOV.UK website.

You can receive tax relief on pension savings up to a limit each tax year known as the Annual Allowance. See the section on the Annual Allowance on page 13.

Can I stop working before age 60 and receive a pension?

Yes, subject to certain conditions you may retire at any time after the UK Normal Minimum Pension Age.

You will receive an immediate pension, calculated as for normal retirement. However, if you retire before age 60, your pension will be reduced because it is being paid earlier and will be paid over a longer period of time. The reduction applied is determined by the Trustees on the Scheme Actuary's advice. You also have the option to exchange part of your pension for a cash tax-free lump sum, as for normal retirement.

If you joined the Scheme before April 1997, your pension includes a Guaranteed Minimum Pension (GMP). This is the minimum pension the Scheme must provide because of you being "contracted out" of the State Second Pension (S2P) before 6 April 1997.

When you reach GMP Age (65 for men and 60 for women) your Scheme pension cannot be less than your GMP. Therefore, there may be additional restrictions on when your pension can start to ensure it meets this requirement.

If your retirement is initiated by your employer (but not for misconduct), and you have been a member of the Scheme for over 10 years and are older than the UK Normal Minimum Pension Age, the Trustees may waive the reduction for early payment.

What happens if I retire after age 65?

If you continue working after age 65 and you have not completed 35 years of Pensionable Service then you have two options:

1. **Continue Contributing**: Keep paying contributions and accruing Pensionable Service as described on page 11, up to a maximum of 35 years service.

2. **Stop Contributing:** Give the Trustees one month's written notice that you want to leave Scheme, while continuing to work for your employer. If you chose this option:
    - You will stop paying pension contributions.
    - Your pension payments will be postponed until you cease to be employed.
    - During any period of postponement, your pension will be increased to reflect that it is being paid later than usual.

If you have already completed 35 years of Pensionable Service, your pension will continue to grow in line with the higher of increases in the cost of living or your Final Pensionable Salary until you leave service with your employer.

Questions and Answers

How will my pension be paid?

Your pension will be paid at the beginning of each month for the rest of your life. Payments will be made directly into your bank or building society account by the Scheme administrator on behalf of the Trustees. You will receive pension pay slips from the Scheme administrator detailing the payment and any tax deductions or adjustments.

Will I still get a UK State Pension?

Yes. You will also normally receive a UK State Pension which is payable at State Pension Age, provided you are eligible (see page 27)

AFTER RETIREMENT

Inflation protection

Every 1 July your pension (or the pension of your survivor) is increased to reflect changes in the cost of living.

The first increase after your retirement is pro-rated for the length of time you received a pension in the previous year. The cost of living increase is measured by the change in the Consumer Price Index, currently measured over the 12-month period ending in the March prior to the 1 July increase.

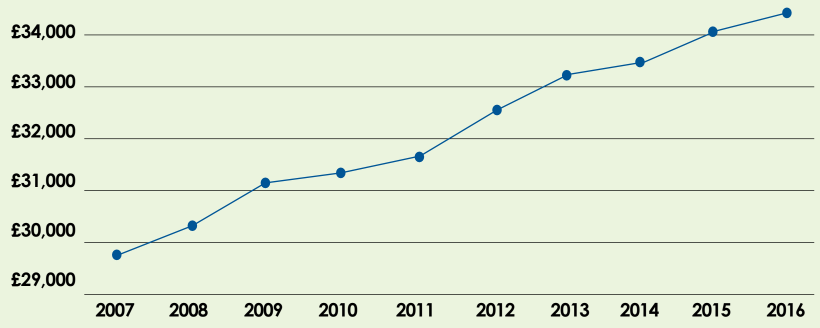
Any **Guaranteed Minimum Pension (GMP) built up before 5 April 1988** and **all of your non-GMP pension** will increase with the rise in the cost of living.

Any **GMP built up between 5 April 1988 and 6 April 1997** will increase in line with the Retail Prices Index (RPI), capped at 3%.

Historical Measures of Cost of Living

- Before 23 June 1994, the Scheme measured the cost of living using the Consumer Prices Index (CPI) as published by the United Nations.
- From 23 June 1994 to 1 July 2022, the Scheme used the Retail Prices Index (RPI) to measure the cost of living.
- Since 1 July 2022, the Scheme has reverted to using CPI to measure the cost of living.

EXAMPLE: HOW A PENSION GROWS WITH INFLATION PROTECTION



This chart shows how the inflation protection feature of the Scheme works. The graph plots the growth of a pension (that started at £29,800) over the 10-year period from 2007 to 2016.

AFTER RETIREMENT

UK State Pensions

STATE PENSION

For individuals born before 6 April 1953 (women) or 6 April 1951 (men), the UK State Pension comprises two components: the Basic State Pension (BSP) and the Additional State Pension (ASP).

- **Basic State Pension (BSP):** The BSP is determined by your National Insurance record rather than your earnings. To qualify for the full BSP, you need 30 years of contributions or credits. If you have fewer than 30 years, your BSP will be reduced proportionally based on your contributions or credits.
- **Additional State Pension (ASP):** The ASP, formerly known as the State Second Pension (S2P) since April 2002 (and as the State Earnings Related Pension Scheme (SERPS) between April 1975 and April 2002, and as the Graduated Retirement Pension (GRP) prior to April 1975), is earnings-based.

For individuals born after these dates, a new State Pension was introduced. To receive the full amount, a minimum of 35 years' National Insurance contributions is required, with adjustments made for periods of contracted-out employment.

Full details of the UK State Pension arrangements are beyond the scope of this booklet, and you can get all the information you need online at https://www.gov.uk/browse/working/state-pension.

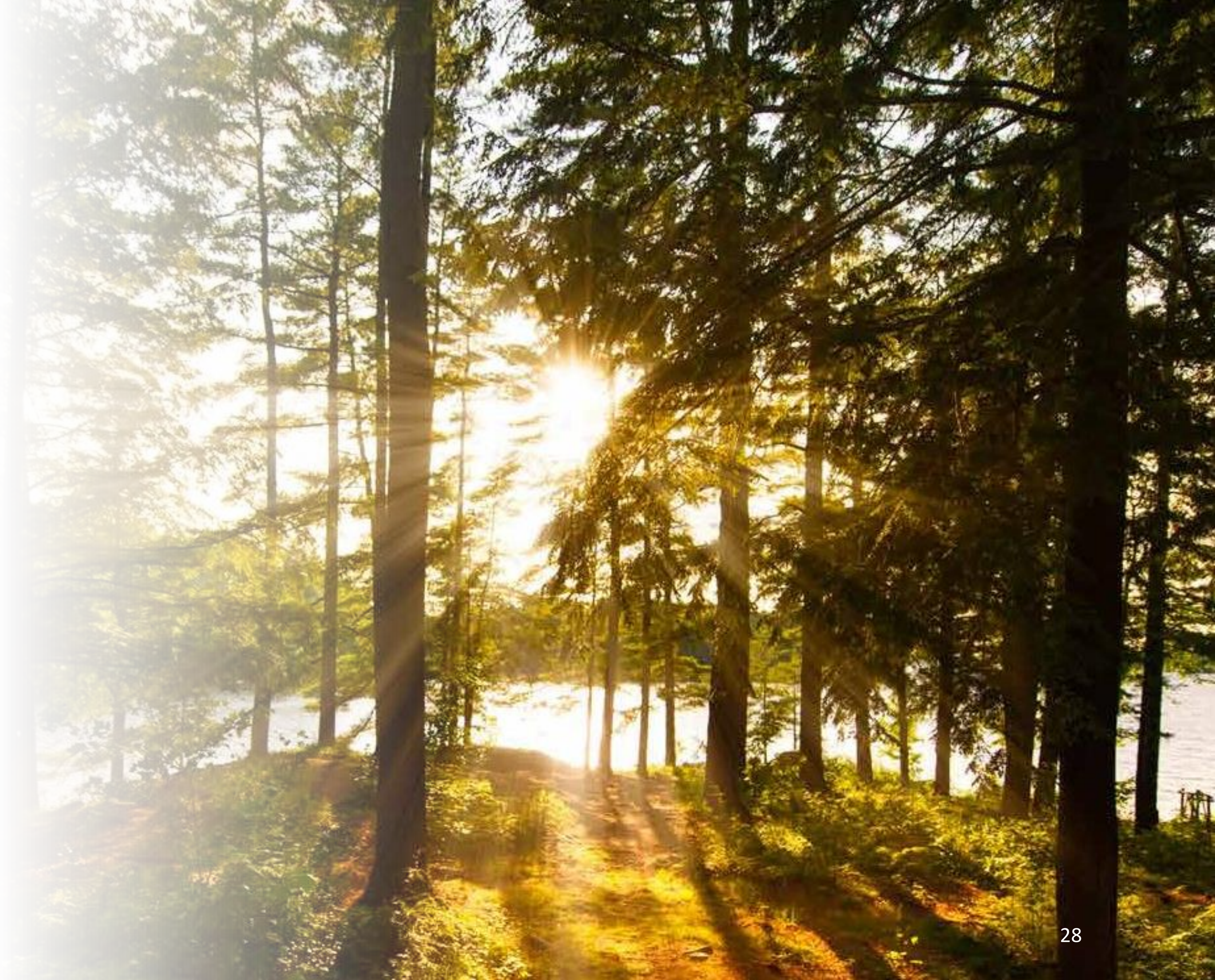
CONTRACTING OUT

The Scheme was contracted out of the Additional State Pension until contracting-out ended on 6 April 2016, when the UK Government's state pension reforms were introduced. This means that the Additional State Pension (S2P/SERPS) is replaced by the benefits you receive through the Scheme or there will be adjustments to your new State Pension.

YOUR CONTRIBUTIONS

As a member of a contracted-out pension scheme, you may have benefited from paying lower National Insurance Contributions (NICs) until 6 April 2016, when contracting out ended with the introduction of the UK Government's state pension reforms. It is likely that your NICs increased after this date.

DEATH OF A MEMBER OR RETIREE



WHAT HAPPENS TO YOUR PENSION WHEN YOU DIE

DEATH IN SERVICE BEFORE RETIREMENT

Lump sum: Equal to your member contributions paid to the Scheme (excluding any contributions paid to the life insurance portion of the Scheme before 1 July 1988).

The value of your AVC account, if any, will also be payable.

Pension to Qualifying Partner or Qualifying Dependant: 50% of the pension you would have received if you stayed in pensionable service until 65.

Pension to Qualifying Children: An allowance will be paid to each of your Qualifying Children. The total amount paid will depend on level of dependant pension payable and the number of children, as follows:

Number of Qualifying Children	Percentage of qualifying dependant's pension in aggregate	Percentage of qualifying dependant's pension payable to each child
1 child	25%	25%
2 children	50%	25%
3 children	75%	25%
4 or more children	100%	100% / number of children

DEATH AFTER LEAVING SERVICE & BEFORE RETIREMENT

See the section on Death in Deferment on page 17.

DEATH AFTER RETIREMENT

Either

Lump sum if no Qualifying Partner or Qualifying Dependant: If you die within the first five years of retirement, a cash sum equal in value to the unpaid balance of sixty monthly pension payments will be payable.

Or

Pension to Qualifying Partner or Dependant: 50% of your pension at the date of death, ignoring any pension exchanged for a cash lump sum at retirement. If you die within the first five years of retirement, the pension will continue at the same rate for the remainder of the five years, after which time it will change to the 50% rate above.

Pension to Qualifying Children: Calculated in the same way as for death in service before retirement.

Eligibility for dependent benefits will be determined at the time of your death.

See the Commonly Used Pension Terms to understand the definitions for Qualifying Partner, Qualifying Dependant and Qualifying Children.

Lump sum benefits can be payable to your dependants, relatives, personal representative, estate or a charitable organization. See the Expression of Wish section below for more details.

IF NO ELIGIBLE SURVIVORS OR BENEFICIARIES

When a member does not have any eligible survivor(s) – i.e. there is no Qualifying Partner, Qualifying Dependant or Qualifying Children – or other beneficiaries designated by the member, any lump sum funds that are payable from the Scheme may be paid to the member's estate.

WHEN DEATH OCCURS

If you die while employed, your dependant or representative should contact your employer who will contact the Scheme administrator.

If you die after leaving employment, your dependant or representative should contact the Scheme administrator directly.

An information package will be sent to your eligible dependent(s) or the executor of your estate. This personalized package provides details of any dependent benefits.

REMARRIAGE OF SURVIVING SPOUSE

If your surviving spouse remarries after your death, they will continue to receive a survivor pension for their lifetime. However, if your surviving spouse remarries, their new spouse is not eligible for survivor pension benefits.

EXPRESSION OF WISH

You may nominate beneficiaries to receive lump sum benefits when you die, if any are due. These are valuable benefits currently paid free of inheritance tax, but only if paid by the Scheme at the Trustees' discretion.

It is important to complete an Expression of Wish form – so the Trustees know who to consider if paying benefits in the event of your death. Keep this form updated, as it informs the Trustees of your preferences, although they are not bound by it.

You can update your nominated beneficiaries by completing the Expression of Wishes form online through Barnett Waddingham's member portal.

Members should always keep their Expression of Wishes form updated as it informs Trustees of your preferences.

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

THE SCHEME'S AVC ARRANGEMENT

The Scheme offers you the option of paying Additional Voluntary Contributions (AVCs), which allows you to increase your retirement savings and reach your retirement goals.

Paying AVCs can provide benefits in addition to those described in this booklet and can be a tax-efficient way to boost your retirement savings since contributions receive full tax relief (up to a maximum limit).

Details of the AVC arrangements, including the investment options, are available from the HR Section.

MAKING AVC CONTRIBUTIONS

AVCs can be paid on a monthly or occasional basis, giving the Trustees two months notice of any changes. Your employer will deduct payments from your salary and direct them to the AVC arrangement.

You decide how much to contribute, up to certain limits, and you will receive tax relief provided the total amount of your pension savings is within the Annual Allowance (see page 13).

The amount of tax relief is based on your marginal rate of income tax, because the deductions to salary are made before tax.

For more details, please contact the HR Section or Scheme administrator.

MAKING AVC WITHDRAWALS

When you retire, you can use your AVCs to provide additional benefits and have some flexibility in how these benefits are paid.

Under the Scheme rules, the options available are:

- **Tax-free cash lump sum** – in conjunction with your main Scheme defined benefits, where these are taken at the same time.
- **Taxable cash lump sum** – single payment at the discretion of the Trustees. Multiple payments are not available.
- **Purchase a lifetime annuity** (a secure, regular income for life)
- **Transfer to an alternative registered pension arrangement** (e.g., offering flexi-access drawdown or multiple cash lump sums)
- **a combination of the above options.**

There is an overall limit on benefits that can be received from the Scheme, which can affect members that attain (or are close to) the maximum 35 years of service and choose to pay AVCs.

You should consider whether you may be affected by this when choosing to pay AVCs.

Details of the AVC arrangements can be found on the Mission intranet site or by contacting the HR Section.

ARE AVCS WORTH IT?

AVCs can be beneficial depending on your circumstances, the pension provision you already have, and the makeup of the AVC arrangement.

ADVANTAGES OF AVC PENSIONS

- Help secure additional benefits for a better retirement.
- Potentially a lower cost option than an entirely separate personal pension.
- Flexibility to adjust contribution amounts.
- Pension tax relief on qualifying contributions.

IS THERE AN ALTERNATIVE TO AVCS?

There are other pension options like personal pensions and self-invested personal savings.

Seeking financial advice is strongly encouraged before making decisions about AVCs or alternatives.

COMMONLY USED PENSION TERMS

Actuarial Valuation – A comparison by the Scheme Actuary between the value of the Scheme assets and the value of the Scheme liabilities, which is primarily used to determine the amount of contributions to the Scheme required from the Canadian Government and participating employers.

Accrued pension/benefit – the amount of annual or monthly pension earned by a member based on Pensionable Service and Final Pensionable Salary up to a given date.

Deferred pension – the accrued pension determined at the time of termination of employment, which can be payable at age 60 with no reduction (although 65 is the normal retirement age).

Final Pensionable Salary - The final salary upon which your benefits are based. It is the highest annual average of three consecutive Pensionable Salaries in the last ten years of service. For members with Pensionable Service before and after 1 July 1988, the calculation will be made in two parts. See the definition of Pensionable Salary below for details.

Guaranteed Minimum Pension (GMP) - The minimum pension that the Scheme is obliged to provide because of you being "contracted out" of the State Second Pension (S2P) before 6 April 1997. The GMP is paid by the Scheme instead of the United Kingdom Government.

Guaranteed Minimum Pension Age - The age at which you become entitled to your GMP, which is age 65 for males and 60 for females (despite changes in the State Pension Age).

HMRC - His Majesty's Revenue and Customs in the UK.

Normal Retirement Date - The first day of the month on or after your 65th birthday.

Normal Minimum Pension Age - The earliest age you are permitted to draw pension benefits under UK law. This is currently age 55 but is due to increase to age 57 with effect from 6 April 2028 (and could increase further in the future).

Participating Employer - Any employer participating in this Scheme and whose locally engaged employees in the UK are eligible to join the Scheme. The Participating Employers are the Canadian Broadcasting Corporation, Destination Canada and (formerly) the National Film Board.

Pensionable Salary - The salary upon which your benefits and contributions are based. For Pensionable Service from 1 July 1988, this is your basic salary each year, less a deduction of 75% of the UK State Basic Pension for a single person, as determined on 1 July each year. For Pensionable Service before 1 July 1988, this is your basic salary as determined on 1 October each year (with no deduction).

Pension Sharing Order – where the spouse or civil partner of a member, because of a separation or divorce, is entitled under the terms of an agreement or court order to claim a share of the pension value earned by the member during the period of marriage or civil partnership.

Qualifying Partner – is a spouse or civil partner of a member at the date of the member's death.

Qualifying Dependant – any other person who is considered financially dependent on a member or living with the member as if they were their spouse at the date of the member's death.

Qualifying Children – a child of the member who is under the age of 18, or has reached age 18 and is in full time educational or vocational training and has not reached age 25.

Relative - Relative" in relation to a deceased Member refers to any living individual who is: (a) a surviving spouse; (b) a former spouse; (c) a natural, illegitimate, adopted child, or step-children; (d) a child who was being treated as part of the Member's family at the date of the Member's death; (e) a natural or adoptive parent or step-parent; (f) a sibling (whether of whole or half-blood); or (g) a grandparent.

Additionally, "Relative" includes any child conceived but not yet born at the date of the Member's death.

Scheme Actuary - The actuary appointed by the Trustees to advise them on all of the actuarial aspects of operating the Scheme and, in particular, Actuarial Valuations.

State Pension Age - The earliest age at which you can claim your UK State Pension. Your State Pension Age is determined by your gender and date of birth, and you can check this online: https://www.gov.uk/state-pension-age.

Trust Deed and Rules - The legal documents which, as amended from time-to-time, govern the operation of the Scheme. The Scheme is currently governed by a Trust Deed and Rules dated 18 January 2024.

HOW WE STAY IN TOUCH

OUR PUBLICATIONS

The Trustees prepare a member newsletter each year, that covers topical information as well as required statutory information.

OUR WEBSITE

https://www.highcommissionofcanada-pensions.co.uk/

See this for additional information, online resources and secure access to your personal pension information.

Pension Regulation and Services

THE PENSIONS REGULATOR

An independent body set up under the Pensions Act 2004 to regulate occupational pension schemes from 6 April 2005. Its role is to protect members of occupational pension schemes, to promote good administration of schemes, and to reduce the risk of situations arising that may give rise to a claim on the Pension Protection Fund. The Pensions Regulator may intervene in the running of schemes where trustees, managers, employers or professional advisers have failed in their duties.

Customer Support
The Pensions Regulator
Telecom House
125-135 Preston Road
Brighton
BN1 6AF
Tel: 0345 600 0707
Email: customersupport@tpr.gov.uk
www.thepensionsregulator.gov.uk

THE PENSIONS OMBUDSMAN

The Pensions Ombudsman investigates and determines complaints of injustice caused by maladministration and disputes of fact or law with pension scheme trustees, managers or employers. The Ombudsman will expect members to have used a scheme's internal dispute resolution procedure before contacting them.

10 South Colonnade
Canary Wharf
E14 4PU
Tel: 0800 917 4487

Email: enquiries@pensions-ombudsman.org.uk
www.pensions-ombudsman.org.uk

THE PENSION TRACING SERVICE

The Pension Tracing Service helps members who have lost contact with previous employers to trace their benefits. The Pension Tracing Service can be contacted at:

The Pension Service
Post Handling Site A
Wolverhampton
WV98 1AF
Tel: 0800 731 0193
www.gov.uk/find-pension-contact-details

THE MONEY AND PENSIONS SERVICE

This is an independent voluntary organisation with local advisers who are expert in pension matters. It was established to provide free guidance and advice to scheme members and their dependents who have problems concerning their pension rights, particularly where a member may already be using their scheme's internal disputes resolution procedure (see page 25 of this booklet). You can contact MaPS at:

Money and Pensions Service
Bedford Borough Hall
138 Cauldwell Street
Bedford
MK42 9AP
maps.org.uk/en/about-us/contact-us