SickKids Employee Pension Plan

Defined Benefit Provisions

SickKids®

THE HOSPITAL FOR SICK CHILDREN EMPLOYEE PENSION PLAN

The Hospital for Sick Children Employee Pension Plan ("The Plan") consists of both defined benefit provisions as well as defined contribution provisions. The Plan is registered with the Financial Services Regulatory Authority of Ontario (FSRA) and the Canada Revenue Agency (**Registration #0258053**). Effective Dec. 29, 2025, the defined benefit plan is closed to all new participants. Active defined benefit plan members have transitioned to HOOPP for future service, with the exception of employees on a leave of absence, who will transition to HOOPP on their return to work, and those members excluded as defined by the pension plan document.

This brochure discusses the defined benefit provisions of the Plan and is applicable to CUPE, OPSEU, and Non-Union Employees who were active members of the plan prior to Dec. 29, 2025. A defined benefit means that you will receive a secure lifetime retirement income based on a formula that takes into account your pensionable earnings and pensionable service.

Physicians and Scientists should refer to The Hospital for Sick Children Employee Pension Plan for Physicians and Scientists *(Defined Contribution Provisions)*. More detailed information about the Plan is available in the official plan text. If there is a discrepancy between the information in this brochure and the official pension plan text, the information found in the plan text will apply.

Definitions

The following are common terms used throughout the document providing further explanation.

Average Year's Maximum Pensionable Earnings	· The average of the YMPE during the years that were used to calculate your Best Average Earnings.
Best Average Earnings	· Annual average of your highest 60 consecutive months of pensionable earnings during your employment with SickKids.
Continuous Service	· The period of uninterrupted service with SickKids since your most recent hire date.
Locked-In	· A legislative requirement that vested benefits under the pension plan must be used to provide a lifetime retirement income and are not available as immediate cash.
Pensionable Earnings	· Basic annual income (i.e., regular hours, vacation, sick, holiday), but not including overtime or shift premiums.
Pensionable Service	· The period of service with SickKids during which you made or were deemed to have made contributions to the pension plan. Pensionable service for active employees will end as of December 28, 2025. Employees on leave may continue to accrue pensionable service; upon return to work will transition to HOOPP.
Spouse	The person who is: · married to the member; or · not married to the member and is living with the member in a conjugal relationship: - continuously for a period of not less than 3 years; or - in a relationship of some permanence, if they are the parents of a child as defined in the Children's Law Reform Act. provided that the person is not living separate and apart from the member as at the date of termination, retirement or death.
Vested	· Effective July 1, 2012 all members are immediately vested. Thus, you are entitled to receive your pension benefit.
Year's Maximum Pensionable Earnings (YMPE)	· The maximum earnings from employment on which Canada Pension Plan (CPP) contributions and benefits are calculated. The YMPE is changed every year according to a formula based on average industrial wage levels.

JOINING THE PENSION PLAN

Eligibility · **No new members will join after December 1, 2025.**	**Full-time or part-time employees with benefits** will join the Plan the first day of the month coincident with or following their date of hire or change of employment status to full-time or part-time with benefits. **Part-time employees without benefits or casual employees** may join the Plan upon achieving the following criteria in each year of two consecutive calendar years: · worked at least 700 hours, or · earned at least 35% of the YMPE You will receive an email from Human Resources when you are eligible to join the Plan. The email will contain an "Employee Pension Plan Enrollment" form, which you will need to complete and return to Human Resources. **Please note that** once you are a member of the Plan you cannot cancel your membership unless you terminate or retire from employment.
Beneficiary Designation	The advantages of assigning a beneficiary under the Plan include: · Having your pension benefits paid as you wish, should you die before your pension payments begin. · Saving your heirs time and/or money by avoiding the delays or probate/estate fees associated with processing your estate. You may change your designation by logging into the Retirement Portal at any time.

PLAN MEMBER CONTRIBUTIONS

This section does not apply to any plan member who has transitioned to HOOPP.

Contributions to the Plan are based on a formula that takes into account your Canada Pension Plan (CPP) contributions. You contribute a lower amount on your earnings up to the YMPE and contribute a higher amount on your earnings above the YMPE. These contributions are tax sheltered.

Your required contributions are:

- 3.9% of your annual earnings up to the YMPE, plus
- 6.0% of your annual earnings above the YMPE.

In no event shall your contributions during any calendar year exceed the maximum allowable required contributions as set out in the Plan. In 2026, the YMPE is $74,600. The YMPE is set by and reviewed annually by the Government of Canada.

Example 1 - Employee with earnings **less than** the YMPE	**Example 2** - Employee with earnings **greater than** the YMPE
Employee earning $55,000 per year = $55,000 x 0.039 = $2,145.00 per year = $82.50 per pay (26 pay periods per year)	Employee earning $90,000 per year = $74,600 x 0.039 + [($90,000 - $74,600) x 0.06] = $2,909.40 + $924.00 = $3,833.40 per year = $147.44 per pay (26 pay periods per year)

Note: In 2026, the maximum contribution limit is $17,695.

RETIRING FROM THE PLAN

Retirement	Your pension is paid monthly and begins the first of the calendar month following or coincident with your retirement date. **Normal Retirement** The normal retirement age under the Plan is 65. However, you are not required to retire at age 65. **Early Retirement** You may start to receive pension payments any time after reaching age 55 with no reduction to your pension if: · you are at least age 55, and · the sum of your age and continuous service is equal to or greater than 82 points. (e.g., age 60 plus 22 years of continuous service is equal to 82 points) If you have reached age 55 and do not have 82 points your pension will be reduced by four-tenths of 1% for each month short of the earlier of: · the date you would have reached 82 points, or · your normal retirement date. **Postponed Retirement** You may choose to retire after age 65. If you decide to continue working after age 65 the Income Tax Act requires that your pension payments begin no later than the end of the calendar year you turn 71.
Income at Retirement	Your pension at retirement will be calculated according to the following formula: · 1.3% of Best Average Earnings up to the Average YMPE, multiplied by your years of Pensionable Service *plus* · 2.0% of Best Average Earnings above the Average YMPE, multiplied by your years of Pensionable Service Your pension may be reduced for early retirement based on the Early Retirement provisions mentioned above. In no event will your required contributions with interest exceed 50% of the accumulated value of the pension. Your pension may be subject to the “Small Pension Payout” rules. See page 7 for details.
Supplemental Employee Retirement Plan (SERP)	· The Income Tax Act sets limits on the maximum amount that can be paid from a registered pension plan. The portion of your pension above the Income Tax Act limit will be paid as a Supplemental Allowance. · You are not required or permitted to make contributions to the SERP. · The SERP is unfunded and payments are made from general Hospital funds.

Retirement Income (Example)

The following retirement income example is provided for illustrative purposes only. Your actual benefit from the Plan will depend on your personal circumstances. To obtain a personalized estimate visit the Retirement Portal.

Sample Employee Information	
Date of Birth:	January 1, 1960
Date of Hire:	December 15, 1999
Date of Enrollment:	January 1, 2000
Date of Retirement:	January 1, 2025
Age at Retirement:	65 years[3]
Pensionable Service at Retirement:	25 years

Year	Pensionable Earnings[1]	YMPE
2024	$85,800.00	$68,500.00
2023	$85,000.00	$66,600.00
2022	$83,800.00	$64,900.00
2021	$82,800.00	$61,600.00
2020	$79,500.00	$58,700.00
Best Average Earnings:	**$83,380.00**	**$64,060.00**

Annual pension income will be calculated as follows:

1.3% of Best Average Earnings up to the Average YMPE, multiplied by your years of Pensionable Service[2]	1.3% x 64,060 x 25 =	$20,819.50
Plus	+	+
2.0% of Best Average Earnings above the Average YMPE, multiplied by your years of Pensionable Service (E.g., Average APE and YMPE above = $83,380 - $64,060 = $19,320)	2.0% x 19,320 X 25 =	$9,660.00
Total annual pension at retirement:		**= $30,479.50**
Total monthly pension at retirement:		**= $2,539.95**

[1] Annualized Pensionable Earnings.

[2] Pensionable service earned before January 1, 1987 is calculated at 1.4% rate.

[3] Retirement income example has no reduction based on age 65 being the normal retirement age.

Disability Retirement

Eligible Members	Disability Retirement Benefit
Members who have completed 10 years of continuous service and attained age 45 who do not meet the requirements to receive benefits under the Hospital's Long Term Disability Plan or under the Workplace Safety and Insurance Act (Ontario). Examples include staff who are: · Casual · Part time <0.5 · CUPE members who have not yet satisfied the waiting period	You may retire at any time on the first day of the month coincident with or next following the date upon which you become totally and permanently disabled which is defined as follows: · disability is certified in writing by a medical Doctor, and; · prevents you from engaging in any employment that you are suited by virtue of your education, training or experience, and; · the disability is expected to continue for your lifetime. Your disability pension is unreduced and is calculated based on the pensionable service earned up to your disability retirement date.

Pension Payment Options

Payment Options at Retirement	Your marital status at the time of retirement may impact the form in which your pension benefit is paid. **Married at Retirement** · Your pension is payable for your lifetime. · Should you die before receiving 60 monthly payments and you are survived by the eligible spouse you were married to at the time of your retirement, he/she will receive 100% of your pension for the balance of the 60 months at which point he/she will receive 60% of the amount for his/her lifetime. · Should you die before receiving 60 monthly payments and the eligible spouse you were married to at the time of your retirement pre-deceases you, your designated beneficiary or estate will receive 100% of your pension for the balance of the 60 months. · Should you die after receiving 60 monthly payments, your eligible spouse will receive 60% of the amount for his/her lifetime. · You have the option of selecting a survivor pension for your eligible spouse equal to 75% or 100% of your pension (note, the 60 month guaranteed period does not apply). To provide this increased benefit, the monthly payments will be less. **Single at Retirement or your eligible spouse waived his/her entitlement to his/her survivor benefit.** · Your monthly pension is payable for your lifetime and is guaranteed to be paid for 60 months. · You may elect to increase the guaranteed period to 120 or 180 months. To provide for this increased guaranteed period, the monthly payments will be less. · If you should die before the end of the selected guaranteed period, the balance of the pension payments will be paid to your designated beneficiary or your estate.
Inflation Protection	Your pension is partially indexed to help keep up with inflation. Here's how it works: · The portion of pension benefits earned for service on and after January 1, 1989 is adjusted annually. The increase is 75% of the rate of increase of the Consumer Price Index (CPI) during the previous calendar year. The maximum CPI is 10%. · An annual increase may also be paid on the portion of the benefits earned for service up to December 31, 1988. The rate of increase is determined by SickKids. · After you retire, each April you will receive a notice explaining your pension income increases for the coming year. · Increases are provided only in respect of benefits that were being paid before January 1st of the calendar year prior to that during which the adjustment is being made. - Example: an employee who retires in August 2023 would receive the first adjustment effective April 2025.

LEAVING THE PENSION PLAN

Termination

The following chart outlines the options payable from the Plan upon your termination.

Age	Option
Under age 55	You will have three options to choose from as follows: A. Transfer the value of your accumulated pension to a retirement savings arrangement such as a locked-in retirement account (LIRA); *or* B. Transfer the value of your accumulated pension to the pension plan of your new employer, if your new employer allows for such a transfer; *or* C. Choose to receive a deferred pension at age 65. If you choose this option, pension payments may begin any time after age 55. However, unless you are entitled to "grow-in benefits" outlined below, your pension will be reduced on an actuarially equivalent basis. This means you will not be entitled to the early retirement provisions outlined in the "Retiring from the Plan" section. In addition to the above, you may also be eligible to receive a refund of excess contributions, provided your required contributions with interest made on and after January 1, 1987 exceed 50% of the accumulated value of the pension earned on and after January 1, 1987. The Plan provides a further guarantee that the accumulated value in respect of your pension earned prior to April 1, 2012 will not be less than twice your contributions made prior to April 2012 with interest.
Age 55 and over	You will have two options to choose from: A. An immediate pension (which may be reduced as outlined under the "Retiring From The Plan" section); *or* B. You can choose to start receiving your pension payments at a later date but no later than the end of the calendar year you turn age 71. In rare circumstances, you may be eligible to receive a lump sum payment which either replaces these two options or is in addition to these two options.

Grow-in Benefits

If you are terminated by SickKids without cause on or after July 1, 2012 and your age plus years of continuous employment equal at least 55, you are entitled to "grow-in" to the early retirement provisions outlined in the "Retiring From The Plan" section as if your employment had continued.

Small Pension Payout

You will receive a single lump sum payment equal to the accumulated value of your pension if;

- your annual pension is less than 4% of the YMPE in the year you terminate, or;
- the accumulated value of your pension is less than 20% of the YMPE in the year of termination

Death Benefits

The following chart outlines the options payable from the Plan upon your death.

Date of Death	Death Benefit
Before Retirement	If you are survived by an eligible spouse, your eligible spouse will have the option of receiving: · A lump sum payment of the accumulated value of your pension; or · An immediate pension or a deferred pension. If you do not have an eligible spouse, your designated beneficiary or your estate will receive a lump sum payment of the accumulated value of your pension. The Plan provides a guarantee that the accumulated value in respect of your pension earned prior to April 1, 2012 will not be less than twice your contributions made prior to April 2012 with interest.
After Retirement	The death benefit owing, if any, will depend on the payment option you choose at retirement. Please refer to the "Payment Options at Retirement" wording on page 6 for further details.

IMPORTANT REFERENCE MATERIAL

Policies:

Retirement From Employment Policy available at:
https://sickkidsca.sharepoint.com/sites/Policies/SickKidsDocuments/corp245/Main%20Document.pdf?web=1

Retirement Portal:

Please visit https://skids.penproplus.com/Login.

CONTACT INFORMATION:

The Hospital for Sick Children
Pension Centre

c/o Aon
P.O. Box 2220
Don Mills Station
Toronto, ON M3C 0M7
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SickKids Human Resources Department

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