

# CMHC Pension Plan Overview

CMHC is proud to provide employees with a competitive and sustainable total compensation package. The CMHC Pension Plan is a Defined Benefit (DB) plan that offers a secure approach to plan for your retirement.

<b>Approach to retirement savings</b>	<ul style="list-style-type: none"> <li>• Both you and CMHC contribute to the Plan and your contributions are fully tax deductible.</li> <li>• You choose between two pension benefit options – the option you choose will affect how much you contribute to the Plan and how much you receive from the Plan when you leave or retire from CMHC.</li> <li>• Your retirement income from the Plan is calculated using a specific formula that takes into account your earnings history, pension benefit option, age, credited service, and benefit service.</li> <li>• Each year you have an opportunity to change your pension benefit option for the next year.</li> </ul>							
<b>Employee contributions*</b> Effective January 1, 2022 (payroll deduction)	<table border="1"> <thead> <tr> <th data-bbox="431 1003 959 1056">OPTION A</th> <th data-bbox="959 1003 1508 1056">OPTION B</th> </tr> <tr> <th data-bbox="431 1056 959 1100">Higher contributions</th> <th data-bbox="959 1056 1508 1100">Lower contributions</th> </tr> </thead> <tbody> <tr> <td data-bbox="431 1100 959 1184">9.9% of salary up to YMPE and 13.4% above YMPE</td> <td data-bbox="959 1100 1508 1184">6.7% of salary up to YMPE and 10.0% above YMPE</td> </tr> </tbody> </table>	OPTION A	OPTION B	Higher contributions	Lower contributions	9.9% of salary up to YMPE and 13.4% above YMPE	6.7% of salary up to YMPE and 10.0% above YMPE	
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<b>CMHC contributions</b>	CMHC contributes in accordance with legal requirements, so that the Plan is sufficiently funded to provide the benefits promised							
<b>Lifetime pension at normal retirement (age 65)</b>	<table border="1"> <thead> <tr> <th data-bbox="431 1268 959 1320">Higher pension benefit</th> <th data-bbox="959 1268 1508 1320">Lower pension benefit</th> </tr> </thead> <tbody> <tr> <td data-bbox="431 1320 959 1593">               1.5% of your Average Annual Salary (AAS) up to average YMPE and                2% of AAS above average YMPE  <b>X</b>                Years of service                (Bridge benefit also provided upon early retirement)             </td> <td data-bbox="959 1320 1508 1593">               1% of your Average Annual Salary (AAS) up to average YMPE and                1.5% of AAS above average YMPE  <b>X</b>                Years of service                (Bridge benefit also provided upon early retirement)             </td> </tr> </tbody> </table>	Higher pension benefit	Lower pension benefit	1.5% of your Average Annual Salary (AAS) up to average YMPE and 2% of AAS above average YMPE <b>X</b> Years of service (Bridge benefit also provided upon early retirement)	1% of your Average Annual Salary (AAS) up to average YMPE and 1.5% of AAS above average YMPE <b>X</b> Years of service (Bridge benefit also provided upon early retirement)			
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\* Employee contribution rates for each option will be periodically updated to maintain a 50/50 cost sharing of the Plan's current service cost between employees and CMHC.

\*\* The cash allowance percentage may be periodically updated.

<b>Eligibility</b>	<ul style="list-style-type: none"> <li>Regular full-time and part-time employees are required to join the plan upon hire.</li> <li>Contract employees can join the plan after 24 months of continuous employment.</li> </ul>
<b>Retirement age</b>	<ul style="list-style-type: none"> <li>You can retire and begin receiving an unreduced pension at age 65 (the normal retirement age).</li> <li>You may retire as early as age 55; however, your pension will be permanently reduced by 2.5% for each year that you retire before age 65.</li> <li>You must begin your pension no later than at the end of the year in which you attain age 71.</li> </ul>
<b>Retirement income</b>	<ul style="list-style-type: none"> <li>Your income at retirement will depend on which option you choose to participate in – Option A or Option B. You will be able to see your accrued retirement income on your annual pension statement, or use the Pension Estimate Calculator (on the CMHC Pay and Benefits Portal) to estimate your pension under different scenarios and retirement dates.</li> </ul>
<b>Investments</b>	<ul style="list-style-type: none"> <li>All contributions from Plan members and CMHC, and the investment income this money earns, are held in a pension fund trust, which is managed by professional investment managers.</li> <li>Investment returns have no direct impact on the pension you earn.</li> </ul>
<b>Indexation</b>	<ul style="list-style-type: none"> <li>Indexation to pension payments will be applied on a conditional basis and will depend on the Plan's financial position and investment performance.</li> </ul>
<b>Leaving CMHC</b>	<p>Your pension options are:</p> <ul style="list-style-type: none"> <li>Receive a deferred lifetime pension from CMHC equal to your accrued pension, which you can start any time after age 55, subject to a reduction in accordance with the Pension Plan Rules.</li> <li>Transfer the lump-sum value of your pension (also known as the commuted value) to another retirement vehicle in accordance with applicable federal and provincial legislation, or</li> <li>If you join the Government of Canada, transfer the lump-sum value of your pension to the Public Service Superannuation Act (PSSA), through a pension transfer agreement.</li> </ul>
<b>Pension Transfer Agreement</b>	<ul style="list-style-type: none"> <li>CMHC has a pension transfer agreement with the Government of Canada (Public Service Superannuation Act (PSSA)).</li> <li>You may be eligible to transfer your accumulated service from the Government of Canada (Public Service Superannuation Act (PSSA)) directly into CMHC's Plan.</li> </ul>
<b>What your spouse or beneficiary receives in the event of your death</b>	<p>Before retirement:</p> <ul style="list-style-type: none"> <li>Your spouse or beneficiary will receive the value of your deferred pension calculated as if you had ended employment on the day of your death.</li> </ul> <p>During retirement:</p> <ul style="list-style-type: none"> <li>The normal form of pension is a lifetime pension payable to you with a fixed guaranteed minimum payment period of 15 years. If you die before the 15-year period ends, the commuted value of the remaining balance will be paid to your designated beneficiary in a lump sum payment.</li> </ul> <p>If you have a spouse at retirement, you must choose a form of pension that provides your spouse with a benefit of at least 60% of your pension—unless your spouse chooses to waive their right to survivor benefits. To provide flexibility, other forms of pension are available.</p>

## More information

If you have questions about the CMHC Pension Plan, call the CMHC Pay and Benefits Centre at 1-800-465-9932 and follow the instructions to contact Aon.