



**Member Booklet for The Staff Pension Plan for Employees of  
Hertz Canada Limited and its Affiliates**

**Policy Number: 33220**



**All Employees**

**British Columbia**

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## Introduction

The Staff Pension Plan for Employees of Hertz Canada Limited and its Affiliates (the “Plan”), sponsored by Hertz Canada Limited (your “Plan Sponsor”) has been established with Manulife. The purpose of the Plan is to offer you an opportunity to help save towards your retirement. Participation in the Plan does not guarantee you any specific level of retirement income. Your Plan Sponsor encourages you to seek independent financial advice concerning your total retirement savings strategies.

The Plan was established August 31, 1985. Manulife began administering the Plan on January 1, 1988.

If you were a Member of the prior plan, your assets have been transferred to your Member account under this Plan.

### How the Plan works:

- The Plan is a defined contribution registered pension plan
- You and your Plan Sponsor contribute to the Plan on a regular basis
- A Member account is set up in your name under the Plan. All contributions are kept in your Member account
- All contributions made by you are tax deductible and any investment earnings grow tax-free
- You choose how contributions made by you and on your behalf are invested from the choices available under the Plan
- The amount available for your retirement depends on the total contributions made and the investment returns they earn
- You will receive regular statements and have access to information and tools to help you manage your Member account
- This booklet provides information about what happens when you terminate your employment, die or retire

This booklet is a summary of the Plan. If after reading this summary you have questions, more information is available through the sources listed on the next page, or you may ask your Plan Sponsor to view the Plan provisions in full (plan text).

The assets within your Member account are held under a group annuity insurance contract between Manulife and your Plan Sponsor. Any action or proceeding that may arise against Manulife by you for the recovery of any, or all of your assets within your Member account payable to you, is absolutely barred unless it is commenced within the time period set out in the *Insurance Act* of your jurisdiction, or other applicable laws. In accordance with the *Insurance Act* Manulife must upon your request provide you with a copy of your enrolment form, and in a reasonable time frame, provide access to, or a copy of, the group annuity insurance contract issued by Manulife to your Plan Sponsor if requested by you.

If any inconsistencies exist between this booklet and the plan text, the information in the plan text will prevail.

Your Plan Sponsor reserves the right to amend or terminate the Plan. Any amendments to the Plan cannot reduce the benefits you have earned.

**Your personal information:**

Your Plan Sponsor and Manulife require personal information to administer your Member account. By enrolling in the Plan, you will have authorized access to this information. Details are available on the back of your enrolment form and in the Manulife privacy policy.

## What tools and resources are available to help me manage my Member account?

You will have access to the following tools and resources to help you manage your Member account:

- The secure Member Internet site @ [www.manulife.ca/GRO](http://www.manulife.ca/GRO) ,
- The Interactive Voice Response (IVR) @ 1-888-727-7766, operational 24 hours a day, seven days a week,
- Client Service Representatives are also available at the same number to answer your questions from 8AM to 8PM ET, Monday to Friday or by email at [gromail@manulife.com](mailto:gromail@manulife.com),
- Member investment and retirement newsletters, and
- Member statements.

Through the secure Member Internet site you will be provided with an electronic Member statement on a semi-annual basis. In addition, you will be provided with a summary Member statement mailed to the address on file at Manulife. You may elect to have all of your Member statements provided electronically by making such an election on the secure Member Internet site. Reviewing your Member statement will help you track your savings.

All of your Member account information is always available on the secure Member Internet site at no additional cost to you.

You may request an interim paper Member statement at any time through the Interactive Voice Response (IVR) or Client Service Representative at any time. A fee will apply, please refer to the ***“What fees may apply to me?”*** section of this booklet.

### Contact Information

For assistance or additional information, please contact your Plan Administrator at:

Hertz Canada Limited  
10330-25Th Street NE  
Calgary AB T3N 0A1  
Phone number: (403) 221-1965

## **When can I join the Plan?**

### **Eligibility Requirements**

If you are a full-time employee, you are eligible to join the Plan after 12 months of service, except for employees opting out of joining the Plan for religious reasons and/or conditions pursuant to a Collective Bargaining Contract.

If you are a part-time employee, you are eligible to join the Plan following the completion of 24 month(s) of continuous employment with your Plan Sponsor and have earned at least 35% of the YMPE, in each of the 2 consecutive calendar years immediately prior to joining the Plan.

Except for employees opting out of joining the plan for religious reasons and/or conditions pursuant to a Collective Bargaining Contract.

### **Enrolment**

To become a Member of the Plan, you must complete and sign an enrolment form. Once Manulife receives the completed and signed enrolment form, contributions can begin to the Plan.

### **What are my rights and responsibilities under the Plan?**

- Understanding how the Plan works
- If permitted under the Plan, deciding how much you will contribute
- Reviewing the investment choices available to you, making decisions on the investment(s) you will invest in, and how much you will allocate to each investment(s)
- Determining whether you need to make investment changes
- Deciding whether or not to get investment advice from a professional
- Continually assessing whether your retirement needs and goals will be achieved
- Taking advantage of the information and tools available to you
- Keeping Manulife and your Plan Sponsor up to date on your address and personal information changes
- Ensuring your beneficiary is aware of the Plan and knows where your estate related documents are kept
- Reviewing the options available to you if you terminate membership in the Plan, and providing Manulife and your Plan Sponsor with the documents required to have the applicable transaction completed

### **What are my Plan Sponsor's rights and responsibilities under the Plan?**

- Determining the purpose and design of the Plan and the investments that will be made available to Members
- Ensuring the Plan is established and administered in accordance with the applicable legislation and documents that govern the Plan
- Oversight, management and administration of the Plan and its assets
- Ensuring the assets of the Plan are invested in accordance with the applicable legislation and documents that govern the Plan
- Ensuring that any decisions and how they were made about the establishment, management, and administration of the Plan is properly documented
- Introducing the Plan to the eligible employees
- Ensuring each eligible Member is enrolled in the Plan
- Deducting and remitting contributions on behalf of each Member in accordance with the applicable legislation and the documents that govern the Plan

- Maintaining records or copies of records that relate the Plan and the Members
- Providing Members with the tools to help Members make decisions
- Providing Members with investment information and ongoing communications
- The overall governance of the Plan
- Fulfilling their fiduciary responsibilities
- Determining when the Plan should be amended or terminated

## How can I get help selecting investment options?

You can choose from a number of professionally managed investment options selected by your Plan Sponsor to be available under the Plan.

Details about the investment options available under the Plan are included in your enrolment kit and are available on the secure Member Internet site. On this site you can take advantage of tools like the Investment Strategy Worksheet and STEPs.

If you do not select an investment option, all contributions will be deposited into the Plan default fund as selected by your Plan Sponsor and identified on the secure Member Internet site, until you make a decision.

You can change your investment options or complete an inter-fund transfer at any time by accessing the tools as outlined in the **“What tools are available to me to help me manage my Member account?”** section of this booklet. A fee may apply to you to complete an inter-fund transfer, refer to the **“What fees may apply to me?”** section of this booklet.



## How much will be contributed to my Member account?

### Required Member Contributions

Each year, you are required to contribute by payroll deduction in accordance with the following scale:

| <u>Years of Continuous Employment</u> | <u>% of Earnings</u> |
|---------------------------------------|----------------------|
| 0 to 5 Year(s)                        | 1 - 4%               |
| 5 or more Year(s)                     | 1 - 5%               |

### Plan Sponsor Contributions

Each year your Plan Sponsor is required to contribute a 100% match of your required Member contributions to the Plan on your behalf.

### Voluntary Member Contributions

You may not make Member voluntary contributions to the Plan at any time.

You may not transfer any amounts in to the Plan at any time.

### Earnings

Your earnings include base salary, commissions, and vacation pay.

### Contribution Limits and Tax

Contributions made to the Plan or any other registered plan by you or on your behalf may not exceed the overall tax assisted retirement savings maximum allowed under the *Income Tax Act* (Canada). In general, this amount will be a maximum of 18% of your employment income for the year, subject to a maximum dollar limit.

Contributions made to the Plan in the current year will reduce your registered retirement savings plan (RRSP) contribution room in the next year. Canada Revenue Agency (CRA) will inform you of your available RRSP contribution room each year on your Notice of Assessment.

Your Plan Sponsor will report a Pension Adjustment yearly on your T4 tax slip reflecting the contributions made to your Member account.

## What happens if I terminate employment prior to my normal retirement age?

You will receive a detailed option statement outlining the current value of your Member account and the options that may be available to you.

Vested means you are entitled to the value of the contributions. Locked-in means the value of the contributions that must be used for a pension benefit at retirement.

For the purpose of this section reference to vested Member account will include any required Member contributions you have made to the Plan.

### Vesting

You are always entitled to the contributions that you have made to the Plan.

Your Plan Sponsor contributions made to the Plan on your behalf will be vested.

### Locking-In

Your vested Member account will be locked-in.

### What can I do with the vested value of my Member account that is locked-in?

If you terminate employment you may have the following options available to you for the vested and locked-in value of your Member account:

1. Transfer on a locked-in basis to the Manulife Financial Personal Plan (RRSP),
2. Transfer on a locked-in basis to another registered plan at a financial institution of your choice, if that plan allows for such transfer,
3. Purchase a deferred annuity with a financial carrier licensed in Canada to provide annuities that commences payment no later than the end of the calendar year in which you reach age 71, or such other age in accordance with the *Income Tax Act*,
4. If you are at least age 50, you may purchase an immediate annuity with a financial carrier licensed in Canada to provide annuities that commences payment no later than the end of the calendar year in which you reach age 71, or such other age in accordance with the *Income Tax Act*, or you may transfer on a locked-in basis to a life income fund, or
5. Leave the vested and locked-in value in your Member account under the Plan (**not applicable to a death benefit payable to the spouse**).

If you have a spouse, your spouse must complete a written waiver in a form, manner and time frame in accordance with the applicable legislation if you elect to transfer the vested and locked-in value of your Member account to a life income fund.

If you are within 10 years of your pension eligibility date (explained below under “*When can I retire?*”), you may choose the options available at retirement.

### **What can I do with the value of my Member account that is not locked-in?**

If you terminate employment you may have the following options available to you for the value of your Member account that is not locked-in:

1. Transfer to the Manulife Personal Plan (RRSP),
2. Transfer to another registered plan at a financial institution of your choice, if that plan allows such transfer,
3. Purchase an immediate or deferred annuity with a financial carrier licensed in Canada to provide annuities that commences payment no later than the end of the calendar year in which you reach age 71, or such other age in accordance with the *Income Tax Act*,
4. Receive a lump sum cash payment, subject to withholding tax, or
5. Leave the value of your Member account that is not locked-in under the Plan (***not applicable to a death benefit payable to the spouse***).

Direct transfers allow the amounts being transferred to continue to be tax sheltered. All amounts subject to locking-in will continue to be locked-in.

If you choose to receive a lump sum cash payment, you may choose to transfer that amount to a registered retirement savings plan in accordance with the *Income Tax Act*, and if that plan allows for such transfer.

If you do not elect an option(s) the value of your Member account will remain in the Plan, however a benefit must be paid when you reach the maximum retirement age in accordance with the *Income Tax Act*.

## What happens when I retire?

You will receive a detailed option statement outlining the current value of your Member account and the options that may be available to you.

Vested means you are entitled to the value of the contributions. Locked-in means the value of the contributions that must be used for a pension benefit at retirement.

For the purpose of this section reference to vested Member account will include any required Member contributions you have made to the Plan.

### Vesting

You are always entitled to the contributions that you have made to the Plan.

Your Plan Sponsor contributions made to the Plan on your behalf will be vested.

### Locking-In

Your vested Member account will be locked-in.

Any voluntary Member contributions you make to the Plan are not locked-in.

### When can I retire?

Your normal retirement age is 65. At your normal retirement age you can begin receiving a pension benefit(s).

You may choose to retire and begin receiving a pension benefit(s) up to ten (10) years preceding your normal retirement age. Your employment with your Plan Sponsor must cease prior to electing early retirement.

On or after you have reached your normal retirement age, your Plan Sponsor contributions made to the Plan on your behalf will be vested and locked-in. Any Member required contributions you have made to the Plan will be locked-in and must be used for a pension benefit(s).

You can defer your retirement until December 31<sup>st</sup> of the year in which you reach age 71 or such other age in accordance with the applicable legislation.

### What are my retirement income choices?

If you have a spouse, provincial pension legislation requires that your retirement income be payable for your lifetime and the lifetime of your spouse. A waiver, signed by your spouse, is required prior to pension commencement if you elect an alternative form of pension payment.

#### 1. Annuity Income Option

An annuity is a contract to receive a series of payments. Monthly payments are the most commonly selected option. However, payments may also be made quarterly, semi-annually or annually. The annuity income options are:

##### a) Life Annuity

A life annuity is an equal periodic amount paid to you for your entire lifetime. You may select a guaranteed period. If you die before the guaranteed period expires, the value of the remaining guaranteed payments would be paid in a lump sum to your beneficiary. If your spouse is the beneficiary, he or she may elect to

continue receiving the annuity payments for the balance of the guaranteed period.

**b) Joint Life Annuity**

A joint and survivor life annuity is an equal periodic amount paid to you for the lifetime of you and your spouse. There are a number of choices you can make to add a guaranteed period. You may have all or portion(s) of income continue if one of you dies. The payments continuing cannot be less than the amount defined by provincial legislation.

**2. Transfer Option**

You may choose to transfer the vested and locked-in value of your Member account to the Manulife Financial Personal Plan (RRSP), or another registered plan, if the plan allows for such transfer. Direct transfers allow the amount being transferred to continue to be tax sheltered. All amounts subject to locking-in will continue to be locked-in.

**3. Life Income Fund Option**

You may choose to transfer the vested and locked-in value of your Member account to the Manulife Financial Group Life Income Fund (LIF) or transfer to another life income fund with another financial carrier. A life income fund provides a series of payments for a specified period of time, subject to legislated minimum and maximum amounts. Within the minimum and maximums payable, you are able to adjust how much income you receive, how often you will receive it and how it will be invested. If you have a spouse, your spouse must complete a written waiver in a form, time frame and manner as prescribed by the applicable legislation if you elect to transfer the locked-in value of your Member account to a life income fund.

When you are nearing retirement, or thinking about retiring early, contact Manulife to receive detailed descriptions of these options.

If you do not elect an option(s) the value of your Member account will remain in the Plan, however a benefit must be paid when you reach the maximum retirement age in accordance with the *Income Tax Act*.

## **What happens if I die before I terminate employment or retire?**

If you die before you terminate employment or retire, your spouse, or, otherwise your beneficiary, will be entitled to the value of your Member account. Manulife will pay a death benefit to your spouse or to your designated beneficiary. More information regarding the amounts and options available will be provided to your spouse or beneficiary, as applicable, upon their request.

If the death benefit is payable to your spouse, the value of your Member account representing the contributions you made to the Plan, excluding any voluntary Member contributions (if applicable under the Plan), and your Plan Sponsor contributions made to the Plan on your behalf will be locked-in. Your spouse may choose a benefit option(s) as outlined under ***“What can I do with the value of my Member account that is locked-in?”*** and ***“What can I do with the value of my Member account that is not locked-in?”*** for any not locked-in portions of your Member account including voluntary Member contributions (if applicable under the Plan) you made to the Plan.

If you do not have a spouse, the death benefit payable will be paid to your beneficiary or to your estate if you have not designated a beneficiary. The value of your Member account will be paid as lump sum cash payment, subject to withholding tax.

If your spouse does not elect an option, or your beneficiary does not provide direction for payment, the value of your Member account will remain in the Plan, however a benefit must be paid at the time you would have reached the maximum retirement age in accordance with the *Income Tax Act*.

### **Who is your beneficiary?**

If you do not have a spouse, or your spouse has waived their entitlement to the death benefit, you may name a beneficiary to receive any death benefit payable from the Plan. Your beneficiary may be changed at any time, subject to any legal restrictions. If you do not name a beneficiary, any death benefit will be payable to your estate.

## What fees may apply to me?

Fees that may apply to you:

- **Replacement Tax Forms/Receipts** – A charge of \$10 per request will apply to paper receipts. This fee will be deducted from your Member account. You may request a replacement tax form/receipt free of charge on the secure Member Internet site.
- **Inter-Fund Transfer Fee (where the Plan allows – see the “How can I get help selecting investment options?” section of this booklet)** – There is no fee for your first four (4) requests in any calendar year if your request is made in writing. A fifth (5<sup>th</sup>) written request will incur a \$25 fee and will be deducted from your Member account. An additional fee will apply for each successive request in a calendar year. Inter-fund transfer requests made through the secure Member Internet site or the Interactive Voice Response (IVR) are free.
- **Interim Financial Statement Fee** – A charge of \$5 per requested interim financial statement will apply for each request and will be deducted from your Member account.
- **In Service Withdrawal/Transfer Fee (where the Plan allows – see the “Questions? And Answers” section of this booklet)** – Each calendar year your first in service withdrawal or transfer to another carrier is free. Any subsequent in service withdrawals or transfers will incur a charge of \$25 per request. This fee will be deducted from your withdrawal or transfer amount.
- **Investment Management Fees (IMFs)** - You pay the IMFs that apply to Market Based Funds available under the Plan. You may contact your Plan Sponsor or access the secure Member Internet site to request this information.
- **Frequent Trading Policy Fee** – Subject to materiality, a 2% fee may be charged to your Member account if you initiate an inter-fund transfer into a Market Based Fund(s) followed by another inter-fund transfer out of that same Market Based Fund(s) within a 15 calendar day period. This fee will apply to your applicable trade value and will be credited back to the affected Market Based Fund(s). This fee only applies to Market Based Funds and does not apply to any of your Guaranteed Fund maturity transactions to Market Based Fund(s) or any automated asset re-balancing transactions under your Member account. This fee will in no way benefit Manulife.

## Questions? and Answers

### Under the Plan, who qualifies as a spouse?

A spouse means, in relation to another person,

- a) a person who at the relevant time was married to the that other person, and who, if living separate and apart from that other person at the relevant time, did not live separate and apart from that other person for longer than the 2 year period immediately preceding the relevant time
- b) if paragraph a) does not apply, a person who was living and cohabiting with that other person in a marriage-like relationship, including a marriage-like relationship between two persons of the same gender, and who had been living and cohabiting in that relationship for a period of at least 2 years immediately preceding the relevant time

If you would like further information on the definition of spouse, contact a client services representative by phone at 1-888-727-7766 or by email at [gromail@manulife.com](mailto:gromail@manulife.com)

### What happens to my benefits if my marriage ends?

As a result of a breakdown of your marriage, a benefit will be paid to your spouse subject to the applicable legislation and the *Family Relations Act* (British Columbia) by way of an agreement or court order. Your spouse will not receive a benefit greater than 50% of the vested and locked-in value of your Member account. The remaining value of your Member account will not be adjusted or replaced as a result of any payment or transfer made on behalf of your spouse.

### Are my assets protected from creditors if I declare personal bankruptcy?

Your assets are invested in a defined contribution registered pension plan and would be protected if you declared personal bankruptcy.

### What happens if I'm taking a leave from work?

Talk to your Plan Sponsor. Different rules may apply to different types of leaves.

### Can I withdraw cash or transfer assets while employed?

Yes, there may be certain situations where you may be able to access the assets in your Member account. For example, if you face shortened life expectancy.

### Are there situations where the locked-in value of my Member account can be unlocked when I terminate membership in the Plan?

Yes, there may be certain situations where the vested and locked-in value of your Member account may be unlocked. For example, small pension amounts, if you are age 65 or older, become a non-resident of Canada, or if you face shortened life expectancy. You may choose a benefit option under ***“What can I do with the value of my Member account that is not locked-in?”*** section of this booklet.