Contributions During a Leave of Absence from work (unpaid)

RRTAP provisions allow you to make contributions to the Plan during a temporary leave of absence from work. As we mentioned in the August 2008 communiqué, for any leave that starts on September 1, 2008 or after, a member must inform the employer within 30 days from the date the leave begins if he or she wants to contribute to the Plan or not during the leave.

This communiqué addresses leaves of absence that started BEFORE September 1, 2008. It is likely that you have not yet informed your employer of your decision to contribute to the Plan, or not, during your leave of absence.

As stated in the Plan Rules, you can contribute to the Plan for a leave that started before September 1, 2008. However, you must make these contributions in 2009. After 2009, you will no longer be allowed to make contributions for that period of leave. You have until April 30, 2009 to inform your employer whether you wish to contribute to the Plan or not during your leave. Your decision will be irrevocable and if you decide to contribute, you must do so for the entire period arranged with your employer. Your period of leave will then count as credited service under the Plan.

If you decide to not contribute to the Plan for your leave, you should be aware that you will not be credited with any service for your period of unpaid leave. Also, when you return to work, your regular contributions will once again be deducted from your paycheque.
Contributions for Leave that started BEFORE September 1, 2008

MEMBERS WHO DECIDE TO NOT CONTRIBUTE DURING THEIR LEAVE

If you decide to not contribute to the Plan during your leave that started before September 1, 2008, you must fill out the Contributions to the Plan during Unpaid Leaves of Absence form, available from your employer, and return it to your employer by April 30, 2009.

MEMBERS WHO DECIDE TO CONTRIBUTE DURING THEIR LEAVE

You can choose to pay contributions into the Defined Contribution component for periods of unpaid leave of absence that started before September 1, 2008. To do so, you must complete the Contributions to the Plan during Unpaid Leaves of Absence form, which can be obtained from your employer, and return it to your employer no later than April 30, 2009.

When you decide to contribute during unpaid leave, your employer must:

1. Confirm the amount of the contributions you wish to make during 2009 for your period of leave. The eligible earnings used to calculate your employee contributions is the amount you would have earned if you had been actively at work and depends on your type of schedule just before you took your leave:
   - Regular schedule: your usual work schedule.
   - Irregular schedule: the average of the last 12 weeks worked before your leave started. Note that employee contributions are based on the contribution rate in effect during your leave of absence. Since these rates have changed over time, they are shown in a table at the end of this communiqué.

2. Agree with you on the method of payment (cheque or other) and the frequency of contribution payments. You do not have to pay the contributions for leaves prior to 2009 in a single payment. Instead, you must determine, with your employer, the payment frequency that works for you. All of your contributions for such periods of leave must be made in 2009; after that, you will no longer be allowed to do so. If you are paying by cheque, make the cheque payable to the employer.
EMPLOYER CONTRIBUTIONS

If you contribute, the employer also contributes his share. However, other unpaid leaves of absence, which cover leaves without pay, study leave and sabbatical leave, are an exception. The employer does not make any contributions for those leaves. This means that you must pay both the employee and the employer share of the contributions.

Note that employer contributions for leave taken prior to April 2007 will be deposited in the Defined Contribution component and employer contributions for leave taken after March 2007 will be deposited in the Defined Benefit component, which will increase the pension you will receive from the Plan.

CONTRIBUTION RATE

In the past several years, the contribution rates for both members and the employer have changed. The following table shows the different contribution rates.

<table>
<thead>
<tr>
<th>Leave Period</th>
<th>Members</th>
<th>Employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to April 2007</td>
<td>4.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>April to December 2007</td>
<td>4.3%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Year 2008</td>
<td>4.3%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Year 2009</td>
<td>5.0%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

If you have any questions

If you would like more information, we will be happy to answer your questions between 8:30 a.m. and 5:30 p.m. at 1 866 874-4069 or by email at rtap@aon.ca.

Aon Consulting
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