

# Retirement Income Plan

AVRO AIRCRAFT LIMITED

## SUMMARY OF THE PLAN

The Avro retirement income plan came into effect on June 1, 1953.

It is for full-time salaried employees, after certain eligibility requirements have been met.

It applies to service with Avro Aircraft Limited, and service prior to January 1, 1955, with the parent company, A. V. Roe Canada Ltd.

It offers you a basic retirement income equal to approximately  $1\frac{1}{2}\%$  of your average annual salary multiplied by the number of years of participation. (See Table 1—Page 6).

Toward this you contribute approximately 5% of your earnings until retirement and the Company contributes approximately the same amount. (See Table 1—Page 6).

You may provide for a higher Retirement Income by making larger monthly contributions. (See Table 2—Page 7).

Entry into the Plan is voluntary.

Contributions are deductible for income tax purposes.

Normal retirement age for men is 65: for women 60.  
(See Page 9.)

If employment with Avro Aircraft Limited is terminated, your contributions to the Plan are refunded to you in full. If you choose to take a deferred Retirement Income, you will also be entitled to all or a portion of the Company's contribution, according to vesting provisions. (See Company Contributions—Page 8).

# ELIGIBILITY

## Who Can Join

The Plan is open to all salaried employees:

1. upon completion of two years continuous service.
2. provided that they meet the following age requirements at their entry date;
  - (a) Men must have reached their 20th birthday but not their 55th,
  - (b) Women must have reached their 29th birthday but not their 50th.

**Entry Dates** are June 1 and December 1 in each year.

**Salaried employees** means full-time employees, legally domiciled in Canada, who are paid on a weekly or longer basis through the Staff or Salary Payrolls.

## When and How You Can Join

Salaried employees may join at the entry date immediately following completion of eligibility requirements.

When you become eligible, you will be advised and will be required to sign an application form which will be available in the Employee Services Department of Industrial Relations Division.

Where possible a birth certificate or other satisfactory proof of age should accompany the application, but, if this is not possible, such proof must be furnished within four months of your enrollment.

Entry into the Plan is entirely voluntary but once you join, you must remain a member as long as you are a salaried employee.



## RETIREMENT BENEFITS

At Normal Retirement Date, your annual Retirement Income will be equal to approximately  $1\frac{1}{2}\%$  of the total earnings on which you have contributed during your years of membership.

**Example:** If you retire after 30 years of membership, you will have an annual income for life of  $30 \times 1\frac{1}{2}\%$  or 45% of the average yearly earnings, approximately, on which you contributed over that period. If such average earnings were \$4,266, your Retirement Income would be \$1,920 a year.

(See Table—Page 6).

The Retirement Income is payable as long as you live. But even if you die soon after retirement, payments are guaranteed for five years (60 monthly payments) and any balance unpaid will be paid to your estate.

If you prefer another form of Retirement Income, any one of the following can be arranged at any time **before** payments commence:

1. A Joint Life and Last Survivor plan without any guaranteed period.

## RETIREMENT BENEFITS

2. A straight Life Income with higher monthly payments which cease at death.
3. The guaranteed period extended up to 120 months, with lower monthly payments.

**Note:** Any Retirement Income of less than \$10.00 a month may, at the discretion of the Insurance Company, be commuted and paid as one lump sum.

**If You Die:** If you die before retirement, your total contributions, in full, will be paid to your beneficiaries.

You may provide that the amount payable on your death be paid to your beneficiary (1) as a lump sum, (2) as a life annuity with or without a guaranteed period, or (3) if a spouse or dependant in instalments over a period not in excess of 10 years.

## THE COST

### **What Does It Cost You?**

Your contribution will be approximately 5% of your basic salary. For the exact amount, which will be deducted from your pay, see Table 1 on the following page.

### **What Happens When Salaries Are Revised?**

Your contributions will not change until the following June 1, when they will be adjusted to your salary on that date in accordance with the table.

### **Can Higher Retirement Income Be Arranged?**

You may provide for higher Retirement Income by making additional payments, but only as shown in Table 2 on the following page. Additional payments may be arranged when you join or on any subsequent June 1.

The Company does not contribute to any higher Retirement Income you may personally provide for yourself.

# TABLES OF COI

## TABLE 1

Salary Range (annual)		Unit of Annual Retirement Income	Your Normal Contribution	
(1)		(2)	(3)	(4)
	over	Up to and		
	\$	including	\$	weekly
		\$		monthly
A .....	.....	1150	17	1.02
B .....	1150	1300	19	1.14
C .....	1300	1450	21	1.26
D .....	1450	1600	23	1.38
E .....	1600	1800	26	1.56
F .....	1800	2000	29	1.74
G .....	2000	2250	33	1.98
H .....	2250	2500	37	2.22
I .....	2500	2800	41	2.46
J .....	2800	3100	46	2.76
K .....	3100	3500	51	3.06
L .....	3500	3900	57	3.42
M .....	3900	4400	64	3.84
N .....	4400	4900	72	4.32
O .....	4900	5500	81	4.86
P .....	5500	6100	91	5.46
Q .....	6100	6800	102	6.12
R .....	6800	7600	114	6.84
S .....	7600	8500	127	7.62
T .....	8500	9500	141	8.46
U .....	9500	10700	157	9.42



# CONTRIBUTIONS

## TABLE 2

Number of Years To Normal Retirement From Entry Into Plan	Your Maximum Additional Contribution
45	Nil
40	20% of your normal contribution
35	50% " " " "
30	80% " " " "
25	120% " " " "
20 or less	200% " " " "

## HOW TO USE THESE TABLES

Using Table 1, here are the steps to take to determine the Retirement Income to which you will be entitled on normal retirement:

1. Take your present basic rate of pay and figure out your annual salary. Suppose you are getting \$60.00 a week; that puts you in Range K.
2. Read across Range K and under Column 3 you will find the amount of Retirement Income you will be entitled to for each year of contribution. Under Range K, with 30 years to go, you will be entitled to 30 times \$51.00 or \$1,530.00—your Retirement Income at your normal retirement.
3. What does this cost you? In Column 4 weekly and monthly contributions are listed. In the case of Range K, a \$1,530.00 annual Retirement Income will cost \$3.06 a week or \$13.26 a month.
4. If you desire to increase your Retirement Income you may do so subject to the maximum additional contributions listed in Table 2. Take, for example, a man with 30 years to go to normal retirement when he enters the Plan. From the second column, his maximum additional contribution is 80% of his normal contribution. For example, if he was contributing \$3.06 a week as in Range K, the maximum additional contribution he can make is \$2.45, making a total contribution of \$5.51.
5. From this contribution of \$5.51 per week you would receive a Retirement Income of \$2,058.63.

Example—Normal Pension —  $30 \times 51 = \$1,530.00$   
 Additional  $\$2.45 \times 52 \times 100 \div 24.10 = 528.63$

Total Pension \$2,058.63

## COMPANY CONTRIBUTIONS

The substantial Retirement Income provided by this Plan is possible only because Avro Aircraft Limited makes a substantial contribution on your behalf. The Company's contribution averages out to Retirement to about the same as your own contribution.

These Company payments are made as you make yours, thus creating a fully-funded Plan. This means that Retirement Income values provided for are actually there and fully guaranteed by the insurance company at all times.

In addition, a member whose employment terminates, is entitled to all or a portion of the Company's contribution in the form of a paid up deferred annuity, according to the following schedule:

- 5% for each year of your service with the Company until the 10th year.
- 10% for each year of your service with the Company thereafter until the 15th year.

This means that at the end of your 10th year of service with the Company — not just membership in the Plan — you will have a 50% interest in the Company's contributions to date and at the end of 15 years or at Retirement full title to all contributions made by the Company on your behalf.

However, since the primary purpose of this Plan is to provide Retirement Income, these vested rights, in the event of termination of employment, may be realized only as **deferred Retirement Income**.

## RETIREMENT DATES

Normal retirement age is 65 for men and 60 for women.

Normal retirement date is the first of the month following your 65th birthday, (60th for women).

However, subject to the following conditions, you may retire before or after normal retirement date.

### **Early Retirement**

With the consent of the Company, you may retire within ten years of your normal retirement date, if at that time you have completed ten years of continuous service. The Retirement Income you will receive will be calculated actuarially on the basis of your contributions and all of the Company's contributions on your behalf and your age at the time.

### **Deferred Retirement**

At the request of the Company and with your consent, your retirement may be postponed. In this case, neither you nor the Company will make any further contributions. Of course, when you do retire, your Retirement Income will be higher.

## TRANSFERS

If you are transferred to an hourly-paid position, you will no longer be a member of the Plan and your contributions and the Company's will cease.

You will have the same rights as an employee who leaves. But alternatively you may elect to treat your membership as suspended. In this case your continuing service will be included to determine your vested rights (See Company Contributions—Page 8), and, if you are again transferred to the salary payrolls, you will automatically be reinstated in the Plan on the first day of the following month.

## IF YOU LEAVE

If you leave the Company before retirement, you may elect to receive at your option either:

- (a) paid up annuities, to commence on your normal retirement date, which have been purchased by your contributions and by a portion of the Company contributions, depending on length of service (See Company Contributions—Page 8).
- (b) a cash refund in full of your total contributions.

Unless application for option (b) is made within 60 days after termination, you must take option (a).

Full particulars of these options will be furnished to you if you leave the Company before retirement.

## LEAVE OF ABSENCE

If you are granted leave of absence, during which time you are paid, your contributions and the Company's on your behalf will continue.

If you are granted leave of absence, and are not paid, for a period of six months or more your contributions and those of the Company will cease and your membership in the Plan will be suspended until you return.

If you are granted leave of absence, and are not paid, for a period less than six months you may, with the consent of the Company, have your back contributions deducted from your salary upon your return to work. However, such authorized absences will be included in calculating your vested rights.

## DISABILITY

If, in the opinion of the Employer, you are totally and permanently disabled prior to your Normal Retirement Date you may retire any time with a reduced retirement income which will be calculated by actuarial methods in accordance with the normal practice of the Insurer.



## INFORMATION

Nothing in the Plan confers any right upon a Member to be retained in the employment of the Company nor any right to any particular salary or remuneration.

It is the present intention of the Company to maintain and continue the Plan for the benefit of present and future salaried employees. Nevertheless as is customary the Company reserves the right to change or discontinue the Plan at any time, and the Company shall only be liable for contributions up to the date of any such discontinuance or change.

Retirement Income is not assignable nor may any loans be made against it.

A member whose employment is terminated prior to his retirement and who is re-employed by the Company has the status of a new employee and no recognition will be given to service prior to re-employment.

### **IMPORTANT NOTE**

**This Booklet is not a contract. Its sole purpose is to describe in general terms the provisions and conditions of this Retirement Income Plan. For further information consult the Employee Services Department, Industrial Relations Division.**

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*The Avro Retirement Income Plan is underwritten by  
the Norwich Life Insurance Society.*