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LONG TERM DISABILITY PLAN Regulations EFFECTIVE JANUARY 1, 2005

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SECTION A
DEFINITIONS

Except as otherwise indicated, the words and phrases used in this document have the following meanings:

A.1 Actively at Work, Active Work

An Employee is Actively at Work if actually working at his or her usual place of employment, or any other location as required by the Employer. The Employee must be physically and mentally fit to perform the essential duties of his or her normal occupation, or other work that the Employer may temporarily assign. Such an Employee is considered to be Actively at Work on weekends, vacations and statutory holidays.

A.2 Actuary

A Fellow of the Canadian Institute of Actuaries.

A.3 Adjudicator

An independent third-party adjudicator, selected by the Administrator and responsible to adjudicate claims under this Plan.

The Administrator reserves the right to terminate the arrangement with the Adjudicator at any time, and to select a different Adjudicator as it sees fit.

A.4 Administrator

Administrator is a person or Corporation responsible to administer this Plan on behalf of Participating Employers.

The Pension Office Corporation of the Anglican Church of Canada is the Administrator.

A.5 Benefit(s)

Amounts payable under this Plan or a Previous Plan.

A.6 Central Advisory Group

The Central Advisory Group is appointed by the Pension Committee to advise the Pension Committee, the Trustees and the Executive Director on matters relating to the Pension Plan, the Long Term Disability Plan and the Other Plans.

A.7 Church

The Anglican Church of Canada.

A.8 Coverage, Covered

Protection under this Plan.

A.9 Disabled

A state of incapacity due to Disability.

A.10 Disability

Injury or Illness that prevents the Employee from performing the usual and customary duties of his or her occupation.

A.11 Effective Date

The Effective Date of this Plan, which is January 1, 2005.

A.12 Eligible Employee

A person employed by a Participating Employer who is below the age of 65 and who is either:

- (a) member of the General Synod Pension Plan or the Lay Retirement Plan of The Anglican Church of Canada; or
- (b) eligible to be a member of the General Synod Pension Plan of The Anglican Church of Canada, but has been exempted from membership in accordance with the provisions of that plan, provided that Coverage commences within 30 days following the person becoming eligible for Coverage.

Notwithstanding the foregoing, any person (other than a person who is already an Eligible Employee) who is employed by a Participating Employer pursuant to a contract of employment or appointment for a fixed term shall not be an Eligible Employee.

A.13 Elimination Period

The Elimination Period means the period, as specified in the Benefit Schedule, of continuous Total Disability which must be completed by an Employee before benefits commence under this Plan.

A.14 Employee

An Eligible Employee who is Covered under the Plan.

A.15 Employer

A Participating Employer who employs an Employee.

A.16 Fund

The fund maintained in accordance with Section F of the Plan.

A.17 Illness

Bodily injury, disease, Mental Illness or sickness, or a medical condition resulting from pregnancy.

A.18 Initial Assessment Period

The period during which an Employee undertaking a Rehabilitation Program is assessed for the physical and mental capability to undertake the duties of his or her former or a new occupation. The duration of the Initial Assessment Period will be determined by the Administrator before the Employee begins a Rehabilitation Program and may be extended or shortened at the discretion of the Administrator.

A.19 Injury

An accidental injury which causes Total Disability within 90 days after the date the injury is sustained.

A.20 Insured Plan

A long term disability plan arranged through a licenced insurance company, the purpose of which is to provide disability Benefits beyond the maximum period for which Benefits are payable under this Plan.

A.21 Leave of Absence, Approved Leave of Absence

An arrangement registered with the Administrator whereby a Participating Employer and Employee agree that the Employee will be absent from Active Work for a specific period of time which is not a casual absence or vacation, and where it is anticipated that the Employee will return to Active Work with the Participating Employer on a specified date when the Leave of Absence ends. The following are the types of Leave of Absence and the maximum period of time for which Coverage may be maintained during such Leave of Absence:

- (a) pregnancy & parental leave: 12 months
- (b) study leave: 12 months
- (c) lay-off: 6 months
- (d) family medical emergency 8 weeks

A.22 Medical Consultant

A Medical Consultant is any duly licensed Physician or Psychologist retained by the Adjudicator to provide medical advice in connection with the administration of the Plan, including, but not restricted to, communicating directly with any Physician involved in the treatment of an Employee.

A.23 Mental Illness

An Illness where the Employee is receiving continuous treatment from a Physician who is certified to practice as a Psychiatrist, or from a registered Psychologist.

A.24 No-evidence Limit

The amount of Benefit for which an Employee has Coverage which is not subject to the provision of medical evidence of good health, in accordance with the Benefit Schedule.

A.25 Partial Disability

An Employee who has been Totally Disabled throughout the Elimination Period and is unable to return to the duties of his or her usual occupation, although able to undertake other paid employment, will be considered Partially Disabled as long as such employment results in remuneration that is more than 40% but not more than 80% of his or her pre-disability Salary, pursuant to section C.4.3.

A.26 Participating Employer

The General Synod of the Church and all dioceses, parishes and organizations affiliated with the Church which participate in the Plan.

A.27 Pension Committee

The Pension Committee of the Church.

A.28 Pension Office

The Pension Office is The Pension Office Corporation of the Anglican Church of Canada.

A.29 Physician

A Doctor of Medicine (M.D.), duly licensed to practise medicine, or any other practitioner licensed by the College of Physicians and Surgeons of one of the Provinces of Canada or the equivalent licensing body of the country where the Employee is living, and who is practising within the scope of his or her license.

A.30 Plan

This New Long Term Disability Plan effective January 1, 2005.

A.31 Plan Anniversary

January 1, 2006 and January 1st of each subsequent year.

A.32 Plan Benefit(s)

See "Benefit(s)".

A.33 Plan Year

The period from the Effective Date to December 31, 2005 and any subsequent period of 12 months beginning on a Plan anniversary.

A.34 Premium Payment

Any payment made by an Employer for provision of Coverage to Employees under this Plan.

A.35 Previous Plan

The Long-Term Disability Plan administered by the Pension Office on a self-insured basis, effective January 1, 1994 as amended effective January 1, 2005, and a prior long term disability plan administered by the North American Life Assurance Company (now Manulife) under contract number NG 01003662.

A.36 Psychologist

A practitioner, duly licensed to practice psychology by a provincial or territorial governing body of psychology, or the equivalent licensing body of the country where the Employee is living, and who is practising within the scope of his or her license

A.37 Rehabilitation Program

A Rehabilitation Program is any training program or work-related activity that:

- (a) is intended to help an Employee to return to the duties of his or her own occupation or any other paid employment; and
- (b) is recommended or approved by the Administrator.

A.38 Salary

- (a) subject to the following paragraph (b), Salary means an Employee's monthly earnings for pension purposes as defined by the provisions of The General Synod Pension Plan or Lay Retirement Plan, on the date Disability begin; and
- (b) for purposes of this Plan, Salary does not include any increase in compensation attributable to an Employee's temporary assignment for a period not exceeding 12 months to a position other than the Employee's normal occupation.

A.39 Total Disability or Totally Disabled

An Employee is considered Totally Disabled if:

he or she is unable to perform, as a result of Illness or Injury, the usual and customary duties of his/her own occupation, or any suitable work made available by the Employer, and is not working at any other job (except as may apply under a Rehabilitation Program), during the 18 month period following the Elimination Period.

The Employee must be under the regular care of a Physician during the period of Total Disability. Treatment must be considered appropriate by the Medical Consultant for the nature and severity of the disabling condition or conditions, which may require participation by a Physician who is a recognized specialist in the ongoing care and treatment of one or more of the disabling conditions, and must be prescribed by and performed by a certified specialist for the condition involved.

From time to time, the Employee may be required by the Adjudicator to undergo an independent medical examination by a Physician designated by the Adjudicator to provide proof of continuing Disability.

The Adjudicator shall determine, pursuant to the procedure described in Section E

of this Plan, whether or not an Employee is Totally Disabled. The Adjudicator's decision shall be final and binding.

The foregoing definition of Total Disability shall be applicable only for the period during which Benefits are payable under this Plan. For greater certainty, the definition of Total Disability in the Insured Plan shall be different from the foregoing definition.

A.40 Transitional/Modified Work

Transitional or Modified Work is that which accommodates the medical limitations of the Employee and is designed to allow the Employee to return to regular duties through a program of work hardening or conditioning.

A.41 Trustees

The Board of Trustees established pursuant to Canon VIII and "Trustee" means a member of the Board of Trustees.

SECTION B

TERMS AND CONDITIONS OF COVERAGE

B.1 Eligibility requirements

B.1.1 An Eligible Employee with coverage under the Previous Plan is automatically Covered under this Plan on the Effective Date provided he or she is Actively at Work on the Effective Date.

B.1.2 An Eligible Employee whose employment begins on or after the Effective Date or who is not Actively at Work on the Effective Date is automatically Covered under this Plan on the day following the date he or she has been Actively at Work for 30 days, subject to section B.2.

B.2 When Coverage begins

For Eligible Employees who were covered by the Previous Plan immediately before the Effective Date, Coverage begins on the Effective Date.

For other Employees, Coverage begins on the later of the date an Employee:

- (a) becomes an Eligible Employee; and
- (b) completes a written application for Coverage on a form provided by the Administrator. If written application is not made within 30 days of the date the Employee became Eligible for Coverage under this Plan or the Previous Plan, the Employee may be required to provide evidence of good health at his or her own expense before Coverage begins.

If an Eligible Employee is not Actively at Work because of Injury or Illness on the day Coverage would normally begin, Coverage will begin on the first subsequent day that he or she is Actively at Work.

B.3 Continuation of Coverage while on Approved Leave of Absence

Coverage shall continue from the first day of an Approved Leave of Absence.

B.4 Reinstatement of Coverage

If an Employee's Coverage is suspended due to temporary layoff that is not an Approved Leave of Absence, Coverage will automatically be reinstated on the date of return to Active Work for a Participating Employer, provided the return to Active Work is within six months after the date the temporary layoff begins.

If the Employee returns to Active Work more than six months after the temporary layoff begins, Coverage will recommence on the day following the date he or she has been Actively at Work for 30 days.

B.5 Termination of Coverage

Coverage automatically ends on the day when this Plan terminates, or when an Employer fails to make a required Premium Payment in respect of an Employee, or an Employee:

- (a) leaves the employment of a Participating Employer,
- (b) ceases to qualify for Coverage,
- (c) retires or reaches age 65 less the Elimination Period, whichever is the earlier.

B.6 Increases and decreases in Coverage

If an Employee's Coverage increases or decreases because of a change of Salary, the increase or decrease will take effect on the date of the change in Salary, provided the Employee is not absent from work because of Disability. If the Employee is absent because of Disability, the change in Coverage will take effect when the Employee returns to Active Work.

If an increase in Coverage together with existing Coverage exceeds the No-evidence Limit, the Employee must provide medical evidence of good health satisfactory to the Adjudicator for the portion of the increased Coverage that exceeds the No-evidence Limit.

B.7 Premium waiver

If an Employee is Disabled and receiving Benefits, Premium Payments are waived from the first of the month following the effective date of LTD Benefit.

B.8 Employee's Responsibility during Total Disability

During any period of Total Disability, the Employee must make every effort to:

- (a) recover from the Disability, including participating in any appropriate treatment, Rehabilitation Program or Transitional/Modified Work made available by the Employer, which is approved by the Adjudicator in consultation with the Medical Consultant and the treating Physician(s).
- (b) obtain training considered necessary by the Adjudicator in order to qualify for another occupation, if it becomes apparent that the Employee will not be able to return to his or her own occupation within the first 18 months for which benefits are payable.
- (c) obtain benefits that may be available from other sources as identified in C.3 Coordination of Benefits.

The Employee's failure to comply with these responsibilities shall result in the discontinuation of Benefits.

SECTION C

AMOUNT AND PAYMENT OF BENEFITS

C.1 Amount of Benefits Payable

The Plan will pay the amount of Benefit shown in the Benefit Schedule to an Employee who becomes Totally Disabled while Covered under this Plan. The Benefit is taxable, and applicable taxes will be withheld.

C.2 Payment of Benefits

C.2.1 Benefits become payable when an Employee's proof of claim is accepted by the Adjudicator pursuant to Section E.

C.2.2 Benefits are paid monthly, at the end of the month for which they are due.

Payments due for any period of less than one month will be calculated at a daily rate of one-thirtieth of the monthly rate.

C.2.3 If the Employee dies, any unpaid Benefits to which he or she was entitled before death will be paid to his or her estate.

If this Plan ends while an Employee is receiving Benefits, payment of Benefits will continue until one of the events described in paragraph C.4.2 occurs, subject to the provisions of paragraph F.3.

C.3 Coordination of Benefits

C.3.1 An Employee's Benefits shall be reduced by such of the following benefits as may be applicable:

- (i) any benefit for which the Employee is eligible under the Canada or Quebec Pension Plans by reason of the Employee's Disability, but excluding therefrom any dependents benefits or cost-of-living increases made under those plans after Benefits begin;
- (ii) benefits for which the Employee is eligible under any Workers' Compensation or similar law because of the disability;
- (iii) 60% of the value (as determined by the Administrator) of housing or 60% of any housing allowance provided by the Employer within the period of Disability;
- (iv) amounts paid by any employer as salary continuance or severance pay; and

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- (v) **benefits for which the Employee is eligible under any other government plan or law or any other government agency as a result of the disability, but excluding therefrom any dependents benefits or cost-of-living increases made under those plans or law after benefits begin, and also excluding benefits payable under C.3.2 A (d) below; and**

(v)(vi) any amount determined by the Administrator to be deductible under the “85% limitation rule” described below

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- (vii) **earnings paid by any employer**

C.3.2 85% Limitation Rule

The intention of the rule is that an Employee shall not receive a total gross income during Disability greater than 85% of the gross income received from employment before Disability. To achieve this, the Administrator shall determine the amounts set out as A and B below.

A. Gross income during disability

The gross income during disability shall be determined as the sum of:

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- (a) the net benefit determined under C.3.1 above after deduction of items (i), (ii), (iii) (iv) **and (v)** but not item (v)(vi);

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- (b) the amounts determined under C.3.1(i), (ii), (iii)(iv) and (v);

- (c) any disability or retirement benefits payable under any group or association policy providing group insurance or retirement benefits but not including any individual policy;

- (d) where permitted by law, any disability or loss-of-time benefits payable under any no-fault provision in any government plan of automobile insurance, payable as a result of the Disability;

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- (e) payments provided under any other government plan or law or any other government agency as a result of the Disability; **excluding any amounts considered in C.3.1(v) above; and**

- (f) any unreduced pension paid under the General Synod Pension Plan.

B. Gross income prior to disability

The gross income prior to disability shall be defined as the sum of:

- (g) the annual Salary of the Employee;
- (h) any benefits which were received by the Employee in categories (b) to (g) inclusive in the 12 month period before the Employee became Disabled; and
- (i) any income from the Employer, not included in Salary, which ceased when the Employee became Disabled.

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In the event that the amount determined as A exceeds 85% of the amount determined as B, the difference shall be the amount used for C.3.1(v)(vi) above.

The Employee shall be required to provide the Administrator with any information reasonably required by the Administrator to make this determination. Failure to provide any such information shall result in termination of Benefits.

C.4 Duration of Benefits

C.4.1 Commencement of Benefits

Benefits begin on the first day after completion of the Elimination Period, provided the Employee has been Totally Disabled throughout that period.

If the Employee becomes Totally Disabled during a Leave of Absence, the Elimination Period begins on the first day of Disability. Benefits begin on the later of:

- (a) the specified date when the Leave of Absence would have ended, or
- (b) the first day after completion of the Elimination Period.

C.4.2 Termination of Benefits

If an Employee is Totally Disabled, Benefits continue until the earliest of the following events occur:

- (a) the Employee is no longer Totally Disabled;
- (b) the Employee retires, has received benefits for a total of 18 months in respect of a Disability or reaches age 65, whichever is earlier. If an Employee is under age 65 and remains Totally Disabled after 18 months of benefits have been paid under this Plan, the Employee will commence to receive disability benefits from the Insured Plan, subject to the terms thereof;

- (c) the Adjudicator requests in writing but does not receive proof that the Employee is Disabled;
- (d) the Employee fails to take a physical examination or mental evaluation requested by the Adjudicator without reasonable cause;
- (e) the Employee is no longer receiving medical care or treatment satisfactory to the Adjudicator;
- (f) the Employee, without reasonable cause, refuses to undertake any Rehabilitation Program suggested by the Adjudicator;
- (g) the Employee refuses to participate in Transitional/Modified Work deemed appropriate, when approved by the Adjudicator and the Medical Consultant;
- (h) the Employee ceases to reside in Canada or is away from Canada for more than 6 consecutive months for any reason, unless the Administrator agrees in writing, in advance, that benefit payment will continue during such absence;
- (i) the Employee fails to sign or comply with a repayment agreement as requested by the Administrator pursuant to section E.4;
- (j) the Employee dies; and
- (k) the date on which Benefit payments cease according to the provisions of paragraph F.3.

C.4.3 Partial Disability

An Employee who has been Totally Disabled throughout the Elimination Period and is unable to return to the duties of his or her usual occupation although able to undertake other paid employment, will continue to receive Benefits and be considered Partially Disabled if:

- (a) other paid employment is undertaken under the supervision of a qualified Physician, and
- (b) the arrangement is acceptable to the Administrator.

To be regarded as Partially Disabled, the Employee's earnings from such other paid employment must be more than 40% but less than 80% of his or her pre-disability Salary, based on his or her regular pre-disability work week but not exceeding a forty hour work week.

The Employee's Benefit will be reduced by:

- (a) 50% of gross earnings from the other paid employment, and
- (b) any amounts received from the sources listed in paragraph C.3, and
- (c) the amount by which Benefits, plus 100% of gross earnings from the other paid employment, plus any amounts paid from the sources listed in paragraph C.3, exceeds 85% of his or her pre-disability gross income.

If a Disabled Employee returns to a different occupation with the same Participating Employer, an additional Benefit equal to 50% of his or her Salary will be paid for the first three months, allowing the Participating Employer to reduce the Employee's Salary by 50% during that period.

Benefits will continue until the earliest of:

- (a) the date the Employee is able to return to the duties of his or her normal occupation, or
- (b) the date on which one of the events described in paragraph C.4.2 occurs.

C.5 Recurrent Disability

C.5.1 If an Employee receiving Benefits returns to work and then becomes Totally Disabled within six months due to the same or a related cause as the previous Disability, Benefits will recommence on the day the Total Disability recurs. The amount of Benefit will be based on the same Salary as the Employee's last claim under this Plan.

C.5.2 If a Disabled Employee returns to work during the Elimination Period and becomes Disabled again due to the same or a related cause as the previous Disability, subsequent periods of Disability will be considered a continuation of the first period of Disability, provided the Employee has not been Actively at Work for more than a total of 15 days during the Elimination Period.

C.6 Exclusions

No Benefits will be paid in the event the Disability:

- (a) is intentionally self-inflicted while the Employee is sane or insane;
- (b) results directly or indirectly from insurrection, war, service in the armed forces of any country or participation in a riot;
- (c) results while committing or attempting to commit a criminal offence under the Criminal Code (Canada);

- (d) occurs while the Employee is legally imprisoned;
- (e) occurs while the Employee is on temporary layoff of any kind, except as provided in paragraph B.3;
- (f) is due to cosmetic surgery or treatment, unless this surgery or treatment is for Injury and begins within 90 days of the accident giving rise to the Injury.

SECTION D REHABILITATION PROVISIONS

D.1 Rehabilitation Program

A Rehabilitation Program is any training program or work-related activity:

- (a) intended to help an Employee to return to the duties of his or her own occupation or any other paid employment, and
- (b) recommended by the Adjudicator and approved by the Administrator.

When deciding if a Rehabilitation Program is appropriate, the Adjudicator will assess such factors as the expected duration of Disability and the type of activity required to help an Employee back to work at the earliest possible time. The Adjudicator shall appoint rehabilitation consultants, as necessary, and the Administrator shall communicate decisions with respect to rehabilitation consultants to the Employee.

A Rehabilitation Program will be authorized only if it is reasonable to expect that the Employee will be able to support himself or herself in a commensurate occupation after being in such a program, without consideration to the availability of such employment.

An Employee who, without reasonable cause as determined by the Adjudicator, refuses to participate in a Rehabilitation Program recommended by the Adjudicator and approved by the Administrator, shall cease to receive Benefits.

D.2 Payment of Benefits

An Employee will continue to receive Benefits for the duration of any Rehabilitation Program undertaken that has the approval of the Administrator. If the Employee leaves the Rehabilitation Program without the permission of the Adjudicator, payment of Benefits will stop immediately.

D.2.1 If entering a Rehabilitation Program involves employment at the Employee's former occupation or at a new occupation, Benefits will continue for the Initial Assessment Period.

Benefits will cease after the Initial Assessment Period ends, and if the Employee is considered capable of performing the usual and customary duties of his or her former occupation.

If, after the Initial Assessment Period, the Employee is not considered capable of performing the usual and customary duties of the former occupation, or Total Disability occurs by a recurrence of the same or a

new Disability, Benefits shall be reinstated in full without a new Elimination Period.

D.2.2 If entering a Rehabilitation Program involves training rather than employment, payment of Benefits is extended to the later of:

- (a) the end of the Rehabilitation Program, or
- (b) the end of a period of post-training employment, the length of which will be determined by the Adjudicator.

The Administrator will inform the Employee in writing of the terms under which payment for the cost of the program will be made. This will include the type of expense which will be covered and when they may be incurred.

Expenses will not be provided to the extent coverage for such expenses is required, or is available at no cost, to the Employee under a law or governmental program that provides rehabilitation.

D.3 Determination of the amount of benefit while participating in an approved Rehabilitation program

The amount of Benefit will be determined in accordance with subsections C.1 and C.3, except that,

- (a) the “85% limitation rule” and all references to 85% of gross income received from employment before disability shall be read as the “100% limitation rule” and 100% of gross income received from employment before disability, and
- (b) subsection C.3.2A(f) shall be read to include amounts received from rehabilitative employment

D.4 Repayment of expenses

Any reasonable expenses associated with a Rehabilitation Program will be paid by the Fund. Such expenses must be pre-authorized by the Administrator.

The amount of these expenses will not exceed three times the Employee's gross monthly Benefit or any higher amount which may be authorized by the Administrator.

SECTION E

CLAIMS PROVISIONS

E.1 Proof of claim

The Employee must promptly provide written evidence sufficient to verify any facts that are relevant to his or her Coverage or claim for Benefits. The evidence must be acceptable to the Adjudicator, and received by the Adjudicator on forms approved for this purpose within 90 days from the date Illness or Injury began. The Adjudicator shall communicate its decision whether or not the claim for Benefits is valid under the Plan to the Administrator, which in turn shall calculate the Benefit and notify the Employee of same. The Adjudicator shall also determine when a follow-up is necessary and shall either contact the Employee directly or through the Administrator to obtain or clarify information.

Benefits will only be paid for periods for which the Adjudicator has received satisfactory proof that the Employee is entitled to Benefits.

An Employee living outside Canada may be required by the Adjudicator to return to Canada at his or her expense before the claim is approved and subsequently at least once each year, for medical, psychiatric, psychological, educational and/or vocational evaluations by examiners selected by the Adjudicator, or for a Rehabilitation Program.

If this Plan terminates for any reason, and any claim for Benefits is not submitted to the Administrator within 60 days after the date of termination, Benefits will not be payable.

E.2 Right to receive and release information

The Adjudicator and the Administrator both have the right to request, obtain and release information and records from or to any party if such information is required in order to adjudicate and administer a claim for Benefits. The Adjudicator and Administrator will comply with all relevant legislation protecting personal information. Any person claiming Benefits must provide the Administrator or Adjudicator with all information necessary to administer the claim. All such information will be held in strict confidence by the Administrator and Adjudicator.

E.3 Right to examine

The Adjudicator has the right to require an Employee who is claiming Benefits to undergo a physical examination or mental evaluation when and as often as may be reasonable. The cost of such an examination or evaluation will be paid by the Fund.

E.4 Third party liability

When an Employee has a cause of action against a third party for income lost as a result of his or her Disability, a repayment agreement provided by the Administrator must be completed.

The Employee must also repay the Plan any overpayment resulting from the third-party liability. "Overpayment" refers to any payment included under C.3 in excess of the actual loss of income for any given week. Net legal fees and disbursements related to the wage loss portion of the claim against the third party are deducted. The repayment agreement must set out the calculation of the Employee's over-compensation in detail. This amount must then be paid directly to the Administrator by the Employee.

An Employee who does not obtain the written consent of the Administrator before entering into a compromised settlement of any claim with a third party will be considered to have recovered his or her full loss.

Following notification to the Administrator of the judgement or settlement, no further Benefits will be paid until the Plan has been repaid the amount stated in the repayment agreement.

If the third party awards the Employee a lump sum for loss of future earnings, the Administrator will calculate how much this represents in terms of monthly income and reduce the Employee's monthly Benefits accordingly. The repayment agreement will show details of this calculation.

If a monthly benefit is to be paid for loss of future earnings, Benefits will be reduced by this income.

E.5 Facility of payment

Whenever payments which should have been made under this Plan have been made under any other plans, the Administrator has the right to pay over amounts owing directly to such other plans. The Plan will then be fully discharged from liability for such payments.

E.6 Right of recovery

The Administrator has the right to recover excess Benefit payments from the Employee. If recovery cannot be made, Administrator may reduce future Benefits until the excess Benefit payments are recovered.

E.7 Limitation of action

No legal action for the recovery of any claim may be brought against the Plan within 90 days or after one year from the expiration of the time in which proof of claim pursuant to this Section E is required.

E.8 Currency

All payments contemplated in this Plan shall be made in Canadian dollars.

E.9 Clerical error

An Employee's rights to Benefits will not be prejudiced by any clerical error.

E.10 Assignment

The Employee may not assign Benefits to a third party.

SECTION F

PLAN FUNDING

F.1 Contributions

F.1.1 The Pension Committee on the advice of the Actuary, will establish the rate of contributions (expressed as a percentage of Salary) required to be paid in that Plan Year by Employers in respect of Covered Employees. In preparing contribution advice to the Pension Committee, the Actuary will, in accordance with accepted actuarial practice, take into account the Plan's expected benefit payments and expenses, the assets of the Fund, and the Plan's liabilities for future Benefit payments.

F.1.2 Each Participating Employer will calculate the required contributions with respect to its Employees and remit them to the Administrator for deposit into the Fund, within 30 days following the end of the month for which the contributions are due, together with any additional information the Administrator may require for the administration of the Plan.

F.2 Reserves

Within 90 days of each Plan Anniversary, or at such other intervals as determined by the Pension Committee, the Actuary will, in accordance with accepted actuarial practice, review the Administrator's annual claims report and provide to the Administrator an estimate of the amount to be reserved for payment of unreported claims, and for future Benefit payments with respect to reported claims.

F.3 Solvency and reduction of Benefits

F.3.1 Should the Administrator determine at any time, on the advice of the Actuary, that the assets of the Fund, together with expected future contributions, are not sufficient to finance Plan Benefits, the Plan will be considered insolvent and the Administrator will so notify the Pension Committee within 30 days after making such a determination.

F.3.2 On receiving the notification referred to in paragraph F.3.1, the Pension Committee will, to the extent it considers necessary to restore the solvency of the Plan, amend the Plan by reducing the amount and/or duration of Benefits or terminating Benefits with respect to claims arising both before and after the effective date of such amendment in such equitable manner as it considers appropriate.

SECTION G

FUND MANAGEMENT

G.1 Establishment of the Fund

The Trustees will hold in trust in the Fund all contributions made to the Plan, together with all investment earnings and capital appreciation of the Fund.

G.2 Appointment of a custodian

The Trustees will enter into an agreement with a custodian for the safe-keeping and administration of the assets of the Fund in excess of amounts required to meet Benefits and Plan expenses.

G.3 Investment of the Fund

G.3.1 The Trustees will arrange for the assets of the Fund to be invested in investments that would be acceptable for a pension fund in accordance with the Ontario Pension Benefits Act and its Regulations, and in compliance with any instruction of the Pension Committee. In so doing, the Trustees will not be restricted to investments that would otherwise be permitted for monies held in trust.

G.3.2 The Trustees may delegate their responsibilities with respect to the investment of the Fund to a bank, trust company and/or investment counsel firm, and such organization will be required to invest the assets of the Fund in accordance with paragraph G.3.1.

G.4 Payments from the Fund

The Administrator will authorize the payment from the Fund of the following amounts:

- (a) Benefits payable under the Plan;
- (b) administrative expenses and fees incurred in the operation of the Plan and Fund including but not limited to costs incurred by the Pension Committee, the Administrator, the Adjudicator and the Trustees in the operation and administration of the Plan, custodial fees, fees related to medical examinations and advice, legal fees, actuarial and consulting fees and rehabilitation expenses;
- (c) any taxes payable by the Fund under any law of Canada or of a province of Canada.

G.5 Benefits payable only from the Fund

G.5.1 The Fund will be the only source for the payment of Benefits.

G.5.2 In no event will any Employee or any Participating Employer be entitled to any recompense or damages from the Church, a Participating Employer, the Adjudicator, the Administrator, the Trustees, the Pension Committee, the Central Advisory Group, or any member, director, officer, employee or agent thereof, in respect of the operation of the Plan or on account of the inability of the Fund to provide Benefits.

G.5.3 Neither the Pension Committee, the Adjudicator, the Administrator, the Trustees, nor any director, officer, member, employee or agent thereof, shall be liable for any negligence or honest error of judgement, nor be personally liable for any liability or debt of the Plan or the Fund contracted or incurred, nor for the non-fulfillment of any contract, nor for any other liability arising in connection with the administration of the Plan and the administration and the investment of the Fund; provided, however, that nothing herein shall exempt the Pension Committee, the Adjudicator, the Administrator, the Trustees, the Central Advisory Group, or any member, director, officer, employee or agent thereof, from any liability, obligation or debt arising out of acts or omissions done or suffered in bad faith or through willful misconduct. Neither the Pension Committee, the Adjudicator, the Administrator, the Trustees, the Central Advisory Group nor any member, director, officer, employee or agent thereof, shall be liable for any action taken upon reliance on any instrument, certificate or paper believed by them to be genuine and to be signed or presented by the proper person or persons and shall be under no duty to make investigations nor inquiry as to any statement contained in any such document but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. Liability insurance may be obtained for the persons referred to in this section G.5.3 and the premiums for such insurance paid out of the Fund.

Members of the Pension Committee, the Trustees, the Central Advisory Group and their respective heirs and executors, the Adjudicator, the Administrator and any director, officer, employee or agent thereof (the "Indemnified Parties") are hereby indemnified and held harmless by the Fund from any and all claims, liabilities, damages, costs and expenses of any kind, including reasonable legal and expert's fees and expenses (but excluding consequential losses) arising out of the performance of their obligations under the Plan, except that no Indemnified Party shall be eligible for such indemnity in respect of any liability, obligation or debt arising out of acts or omissions done or suffered in bad faith by such Indemnified Party or through willful misconduct of such Indemnified Party. The indemnification set out in the foregoing sentence shall survive the termination of the Plan and/or the Fund.

SECTION H

GENERAL PROVISIONS

H.1 Eligibility of Church-related employers

An Employer eligible to become a Participating Employer may become a Participating Employer by completing a written agreement with the Administrator whereby the Employer agrees that:

- (a) the Administrator acts as the agent of all the Participating Employers in the Plan;
- (b) the Employer will supply to the Administrator completed applications for Coverage for all Eligible Employees within 30 days of the date of the agreement; and
- (c) it will pay to the Administrator all Premium Payments in respect of its Employees when due.

H.2 Plan administration

H.2.1 The Administrator will maintain any records necessary to make Benefit determinations for the proper administration of the Plan.

H.2.2 The Administrator will decide all matters regarding administration, operation and interpretation of the Plan, except that the Adjudicator shall decide whether to accept claims for Benefits pursuant to Section E. The decision of the Administrator or Adjudicator, as the case may be, shall be final and binding upon all parties.

H.2.3 The Administrator will provide each Participating Employer with a copy of the Plan and any Plan amendments.

H.3 Amendment or termination of the Plan

H.3.1 This document, including Sections A, B, C, D, E, F, G and H and the Benefit Schedule, constitutes the entire Plan and will not be changed except by an amendment approved by the Pension Committee.

H.3.2 The Pension Committee hopes and expects to continue the Plan indefinitely but reserves the right to amend or terminate the Plan, either in whole or in part, at any time, without the approval or consent of the Participating Employers or the Employees.

H.3.3 If the Plan terminates, none of the assets of the Plan will revert to the Participating Employers until provision has been made for all Benefits due

before or after the date of termination.

H.4 Applicable law

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario, except as may be required for compliance with any law of any province of Canada in which any Employee is employed.

H.5 Conformity to legislation

If this Plan does not conform to applicable laws in accordance with paragraph H.4, it is considered automatically amended to comply with the minimum requirements of that law.

BENEFIT SCHEDULE

Monthly Benefit	60% of Salary
Maximum monthly Benefit	\$10,000
Elimination Period	119 days of uninterrupted Total Disability
Maximum Benefit Period	18 months, or if earlier, age 65
No-evidence Limit	\$10,000 (monthly)
Tax Status	Benefit payments are taxable as income

ADOPTION OF PLAN

This Plan is adopted by the Pension Committee of The Anglican Church of Canada as of January 1, 2005.

Chairperson, Pension Committee

date