WHAT YOU NEED

/ A PENSION PLAN FOR YOU

Information for new employees about the benefits of HOOPP
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The Healthcare of Ontario Pension Plan (HOOPP) is one of Canada’s largest and most respected defined benefit pension plans. Our only focus is on being the best pension plan provider for the healthcare community. For over 50 years, HOOPP has been helping people who work in Ontario’s healthcare community prepare for their retirement. Our dedicated pension professionals share a single commitment–taking care of the financial future of those who care for us.
WHAT YOU NEED

This booklet will give you an overview of the main features of HOOPP as of August 2010.

Detailed information about the Plan’s provisions and member entitlements can be found in the Healthcare of Ontario Pension Plan Text (the Plan Text), the official Plan document, which is available on hoopp.com. In cases where the information provided in this booklet, by an employer or by any other source differs from that contained in the Plan Text, the Plan Text will govern. Decisions based on the information provided in this booklet are your responsibility.

WHAT THE TERMS MEAN

Some terms that we use throughout this booklet have specific meanings in the context of the Plan. We have put these terms in bold italics the first time they appear in this booklet and provided a Summary of Terms at the back of the booklet. You’ll also find a comprehensive glossary at hoopp.com.
WHO IS HOOPP?

HOOPP is a not-for-profit organization set up for the sole purpose of securing the pension promise for Ontario’s healthcare workers.

HOOPP is governed by a Board of Trustees made up of 16 voting members. The Ontario Hospital Association (OHA) appoints eight of the trustees and four unions appoint two trustees each. The unions are the Ontario Nurses’ Association (ONA), the Canadian Union of Public Employees (CUPE), the Ontario Public Service Employees’ Union (OPSEU), and the Service Employees International Union (SEIU). In addition to the 16 voting members, there can be two non-voting observers representing pensioners on the Board.

All 16 Trustees represent you, whether or not you belong to any of the four unions. The Trustees have a fiduciary responsibility to administer the Plan in the best interests of all HOOPP members – regardless of their union or other affiliation.
THE KEYS TO FINANCIAL SECURITY

Your membership in HOOPP opens the door to a more secure financial future. In order to make the most of HOOPP, you need a good understanding of the many pension benefits the Plan offers—benefits that are a significant part of the total compensation you receive from your employer. Here’s an overview:

EMPLOYER CONTRIBUTIONS
In addition to your own contributions, your employer invests in your future as well, currently contributing $1.26 to the HOOPP Fund for every dollar you contribute.

LIFETIME PENSION
Once you start receiving a pension, you receive it for life, so there’s no risk of outliving your money.

MAKE UP FOR LOST TIME
You may have the opportunity to increase your pension through a buyback. HOOPP allows you to “buy back” eligible periods of time in the past any time before you retire or leave the Plan so that the service HOOPP pension. When you buy past service, you gain additional weeks of contributory service in the Plan, increasing your overall pension at retirement. The more years of contributory service you have, the higher your pension will be. There’s no limit on how much contributory service you can have. And buying back part-time service can make as much sense as buying back full-time service.

Use the HOOPP Buyback Estimator on hoopp.com to get an idea of how much buying back service costs you, and how a buyback increases the value of your pension.

EARLY RETIREMENT PROVISIONS
Working in the healthcare sector is demanding—physically and emotionally. So, it’s understandable that many of our members opt out of the workforce before reaching age 65. In recognition of this fact, HOOPP offers valuable early retirement provisions, including an unreduced pension at age 60 and a bridge benefit that’s payable from your early retirement date to age 65.
INFLATION PROTECTION

HOOPP provides inflation protection—
a valuable benefit designed to limit
inflation’s impact over the long term.
The cost of living adjustment (COLA)
is determined on an annual basis.
HOOPP’s Board of Trustees votes on
how much inflation protection the Plan
will provide. Annual COLA increases
range from zero to 100 per cent of the
previous year’s increase in the consumer
price index (CPI), with a maximum CPI
increase of 10 per cent. HOOPP COLA
increases are applied every April 1.

SURVIVOR BENEFITS

For your surviving qualifying spouse,
a monthly lifetime pension is provided
equal to 60, 80 or 100 per cent of your
pension, depending on the elections you
make at retirement.

If you have no spouse at retirement,
you receive a life pension guaranteed
15 years (G15). Should you die before
receiving 15 years (180 months) of
payments, your pension—not including
any bridge benefits—will be paid to your
non-spouse beneficiary for the balance
of the 180-payment period.

If you live beyond the 15-year period,
you will continue to receive your pension.
However your non-spouse beneficiary
will be entitled to nothing.

DISABILITY BENEFITS

HOOPP offers two disability benefits:
free accrual and disability pension. The
extent of your disability determines
whether or not you are a disabled
member and if you are, what benefits
you qualify for.

CHANGING JOBS

HOOPP is a multi-employer pension
plan, which means it is available at more
than 300 Ontario healthcare employers—
so when you change jobs, you may not
have to change pension plans.

ONLINE ACCESS TO YOUR
PENSION DATA

As a member of HOOPP, you can
also securely access your pension
information online at your convenience.
The HOOPP Connect website allows
members to perform some pension-
related transactions online with fewer
phone calls, less waiting, and less paper
going back and forth. Receive HOOPP
documentselectronically in a secure
mailbox, including your annual state-
ment, and perform pension income
estimates using your data. Once you
become a HOOPP member, go to
hooppconnect.com to register.
WHAT YOU PUT IN

HOOPP, combined with government benefits and any personal savings you may have, has the potential to make your retirement dreams a reality. With HOOPP, the more you earn and the longer you’re in the Plan, the bigger your pension will be.

The amount you contribute to HOOPP is a function of how much you earn and the Plan’s contribution formula. To ensure the Plan is able to fulfill its pension promise, contribution rates for members and employers are adjusted periodically. Rates are set by HOOPP’s Board of Trustees, based on the advice of actuaries who monitor the Plan’s financial status. HOOPP’s contribution rates are set to remain the same until at least the end of 2012.

CONTRIBUTIONS

Your employer will calculate your contributions each pay period and deduct them directly from your pay. You contribute:

- 6.9 per cent of your annualized earnings up to the year’s maximum pensionable earnings (YMPE); and

- 9.2 per cent above the YMPE

In 2010, 2011 and 2012, you’ll contribute $6.90 for every $100 you earn up to the YMPE and $9.20 for every $100 above it. The YMPE, which the government sets every year, is $47,200 in 2010. (See example on opposite page)

The value of that pension is generally far more than the sum of member and employer contributions. Basically, the more you make and the longer you belong to HOOPP, the greater your pension will be.

A couple of points about contributions:

- The contributions you make to HOOPP are yours – and even if you leave the Plan before you are vested, you will always receive at least the contributions you have made, plus interest.

- The employer contributions are paid into the HOOPP Fund on your behalf. All contributions are invested. The majority of every pension dollar you’ll receive comes from investment returns; the rest comes from member and employer contributions.
Here’s how much Sally, who works full time all year and has annualized earnings of $49,300*, will contribute to HOOPP in 2010:

<table>
<thead>
<tr>
<th>Annualized Earnings:</th>
<th>Sally’s Contributions</th>
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<tr>
<td>$ 47,200 x 6.9%</td>
<td>$ 3,256.80</td>
</tr>
<tr>
<td>$ 2,100* x 9.2%</td>
<td>$ 193.20</td>
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<td>$ 49,300</td>
<td>$ 3,450</td>
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Sally contributes $3,450 to HOOPP – and her employer contributes $4,347 on Sally’s behalf.

* Sally’s annualized earnings of $49,300 were $2,100 above the 2010 YMPE of $47,200.
WHAT YOU GET OUT

Enjoying the kind of retirement you want takes careful planning. Your HOOPP pension, combined with income from government pensions and your own personal savings can help give you the retirement lifestyle you dream of.

With HOOPP’s pension formula, and when government pensions are factored in, your basic lifetime pension will equal approximately two per cent of your average annualized earnings for every year you’ve been in the Plan. (Early retirement reductions apply if you start your pension before reaching age 60 or before completing 30 years of eligibility service.)

HOOPP’S PENSION FORMULA

For each year or partial year of contributory service your basic lifetime HOOPP pension will be:

• 1.5 per cent of your average annualized earnings up to the average year’s maximum pensionable earnings (YMPE), plus

• 2.0 per cent of your average annualized earnings above the average YMPE

If you elect early retirement, you’ll also get a bridge benefit, payable until you reach age 65. For each year of contributory service, your bridge benefit will be:

• 0.5 per cent of your average annualized earnings up to the average YMPE

Canada Pension Plan benefits, whether received at age 65 or earlier, will not reduce your bridge benefit or your lifetime HOOPP pension.
THREE WAYS TO ESTIMATE YOUR HOOPP PENSION

1. Pension income projections on HOOPP Connect. This is the quickest way to get a snapshot of your benefits. HOOPP Connect offers an excellent retirement planning tool. Project your future HOOPP pension plus estimated government income (Canada Pension Plan and Old Age Security), using your own pension data. You can perform estimates, save your projections, and compare different scenarios side by side. For example, calculate your pension based on retiring at age 55, age 60 or age 65 and see how the three projections compare – all on one screen.

2. Your HOOPP Annual Statement provides a snapshot of your benefits as of December 31 of the previous year, including an estimate of your future pension.

3. When you are close to retirement a personalized pension estimate from HOOPP will provide you with an estimate of your pension for the retirement date you choose; as this is the most up-to-date estimate, HOOPP recommends that you obtain a personalized estimate before making your retirement decision.
MAKING THE MOST OF HOOPP

HOOPP has special features to help you maximize your pension that might otherwise be reduced as a function of job changes, variable earnings, or unpaid leave.

Depending on your circumstances, there are four different ways you can maximize your pension benefit:

• topping up contributions for a temporary period of reduced earnings
• contributing for an unpaid leave
• transferring benefits from a previous plan
• buying back past service (times you took off work or worked but did not contribute to HOOPP)

KEY SOURCES OF RETIREMENT INCOME

Your HOOPP pension, combined with income from government pensions and your own personal savings, can help give you the retirement lifestyle you dream of. For more information about your government pension income please visit servicecanada.gc.ca

THE THREE-LEGGED STOOL

HOOPP

YOUR SAVINGS

GOVERNMENT PENSIONS
WHEN CAN YOU RETIRE?

The earliest you can retire is age 55, and the normal retirement age for HOOPP members is 65. You must terminate employment at all the HOOPP employers you work for before you can receive your pension.

If you are vested, you qualify to retire as early as age 60 without any reduction in the pension you have earned to date, or as early as age 55, usually with a reduction. The reduction is based on how long you have belonged to the Plan and your age at the time of retirement.

The reductions are designed to offset the fact that you are receiving a pension earlier and, therefore, are likely to collect it longer. Reductions are permanent and apply to any benefits that may be payable to your qualifying spouse or non-spouse beneficiaries after your death. To see the Early Retirement Table, visit hoopp.com.

HOOPP also offers a bridge benefit for early retirees. It is paid from the date of retirement until age 65, when government pensions normally begin.

If you work past age 65, you can continue to contribute to HOOPP and build your pension benefit until November of the year in which you turn 71.

Pensions that start after age 65 will be increased to reflect the fact that you are starting your pension payments later. The adjustment, which applies to the benefits earned up to your 65th birthday, will equal 0.5 per cent of those benefits for each complete month you work between your 65th birthday and the date you retire.
SUMMARY OF TERMS

This section provides simplified explanations of the key terms used in this booklet. Exact definitions of most of the terms are provided in the Healthcare of Ontario Pension Plan Text, the official Plan document which is available on hoopp.com or by contacting HOOPP.

Annualized earnings (AE):
These are earnings you are credited with in a calendar year that count toward your HOOPP pension. If you work less than one full year your annualized earnings will be based on what you would earn if you worked full time for the whole year.

Average annualized earnings:
This is the highest average of your annualized earnings during any consecutive period(s) of five years of eligibility service before your HOOPP benefit is calculated. Benefits are calculated when you retire, terminate, or die.

Average YMPE:
This is the average of the year’s maximum pensionable earnings (YMPE) for the three years before your HOOPP benefit is calculated. Your benefit is calculated when you retire, terminate, or die.

Basic lifetime pension:
This is the monthly lifetime payment you will receive from HOOPP at retirement based on HOOPP’s pension formulas.

Buyback:
HOOPP allows you to “buy back” eligible periods of time in the past, so that the service you purchase can count towards your HOOPP pension. Two types of past service are eligible for purchase:

• HOOPP service:
A period of time you were employed by a HOOPP employer but not enrolled in the Plan, a period when you were on a leave and not making contributions, or a period of former HOOPP service for which you received a benefit.
• **Other service:**
  Service with other pension plans may be eligible for buyback. Examples include service with an employer that has now joined HOOPP, or pension benefits you transferred out of a plan. Contact HOOPP to see if your service with another plan is eligible for buyback.

  **Contribution service:**
  This is the length of time, measured in years and part years, that you have contributed to HOOPP. It includes any past service you buy, service transferred into HOOPP, or service received while disabled.

  **Eligibility service:**
  Eligibility service is credited when you build contributory service and is used to determine reductions applied to your pension if you take early retirement. The more eligibility service you have, the smaller the early retirement reductions will be. Eligibility service is also credited to certain members who are not building contributory service.

**Qualifying spouse:**
Your qualifying spouse is someone who, at the time a determination is needed:

- is legally married to you, but is not separated from you; or
- has been living with you continuously in a conjugal relationship for at least a year; or
- is the parent (natural or adoptive) of your child, and lives with you in a relationship of some permanence.

**YMPE:**
The year’s maximum pensionable earnings (YMPE) is set each year by the federal government, based on the average wage in Canada. The YMPE for 2010 is $47,200. It is also used by the Canada Pension Plan; you make CPP contributions on earnings up to the YMPE.
WE’RE HERE TO HELP

We work hard to communicate clearly, providing the right information at the right time. And we’re constantly looking for ways to serve members even better.

HOOPP ONLINE:
Log on to HOOPP Connect at hooppconnect.com to access your pension data online at your convenience.
HOOPP has an information-packed website that’s always accessible at hoopp.com. Quick links make it easy to get to the most popular pages on the site and there’s a printer-friendly version of every page.

REGULAR COMMUNICATIONS:
Beginning the year after you join HOOPP, you’ll receive a HOOPP Annual Statement in the mail, or online via HOOPP Connect. This personalized statement provides details of the benefits you are entitled to under the Plan, as well as the projected pre-tax pension you can expect to receive from HOOPP if you stay in the Plan until you retire.

HOOPP’s member newsletter, Your Plan at Work, explains how various Plan features affect members. The newsletter is printed and also posted on hoopp.com, and you can sign up to receive it directly by email if you wish.

PRESENTATIONS:
Watch for posters announcing HOOPP presentations and webcasts.
YOUR NOTES:
YOUR NOTES:
INDIVIDUAL CONSULTATIONS

To provide members with fully personalized information, and to enable them to have a dialogue about their situation, they may request a consultation with one of our pension experts by contacting a HOOPP Client Services representative at 416-646-6445 or toll-free in Canada or the U.S. at 1-877-43HOOPP(46677).