



## Canon 34

### Retiring Gratuity and Group Life Insurance

1. The following definitions apply for the purpose of this Canon:
  - (a) “Diocese” shall mean the Incorporated Synod of the Diocese of Huron;
  - (b) “Committee” shall mean the Human Resources Committee of the Diocese;
  - (c) “Fund” shall mean the Retiring Gratuity Fund;
  - (d) “Lay Permanent Employees” shall mean persons who are not clerics of the Anglican Church of Canada or a church which is in full communion with the Anglican Church of Canada and who are not licensed by the Bishop and who are employed (other than on a specific contract basis) by the Diocese to perform clerical or administrative duties for the Diocese;
  - (e) “Member” shall mean a cleric or Lay Permanent Employee who is eligible for a retiring gratuity according to this Canon;
  - (f) “Retirement” shall mean the earlier of:
    - (i) the date of the voluntary permanent cessation of permanent employment by a person, or “early retirement”; and
    - (ii) the date on which such person would be entitled to a normal retirement pension under the Regulations of the General Synod of the Anglican Church of Canada Pension Plan, if such person were a member of such Pension Plan. This is a Member's normal retirement date or NRD.
  - (g) “Salary” shall mean an amount calculated solely by reference to those amounts considered income from employment or office under section 5 (1) of the Income Tax Act (Canada) as amended or replaced from time to time, but excluding any honoraria and/or other amounts payable such as those defined under section 6 (1) of that Act as amended or replaced from time to time;
  - (h) “Service in the Diocese” for a Lay Permanent Employee shall mean a period during which they were paid a Salary by the Diocese. For a cleric it shall mean a period during which they held a licence from the Bishop and their principal salary-paying source was the Diocese and/or a parish/congregation within



the Diocese, and includes a leave of absence approved by the Bishop for a cleric:

- (i) for pension service credit under the Diocese of Huron Pension Plan;
- (ii) for illness;
- (iii) for a temporary exchange with a cleric from outside of the Diocese for a period of less than six months; or
- (iv) for a period of job-protected temporary absence available pursuant to Part XIV of the Employment Standards Act, 2000 (Ontario).

The term also includes a period of up to two years during which a lay person held an appointment from the Bishop as the Lay Pastor in charge of a parish/congregation in the Diocese and their principal Salary-paying source was the Diocese and/or a parish/congregation within the Diocese, provided that such period was immediately followed by the ordination of such lay person as a cleric of the Anglican Church of Canada and such person immediately following ordination held a licence from the Bishop.

Service as a non-stipendiary cleric is ineligible for the Retiring Gratuity regardless of income source.

- (i) "Unit Amount" shall mean the amount payable for each month of service in the Diocese as a cleric or a Lay Permanent Employee up to the date of Retirement.
2. The "Fund" is hereby continued for the purpose of providing Members upon Retirement or on death or as a result of a permanent disability with a lump sum benefit.
  3. The Retiring Gratuity Fund shall be administered on behalf of the Diocese by the Committee as a separate account in its pooled investment funds.
  4. The Fund shall be increased by:
    - (a) an annual contribution from the Diocesan budget of 8.75% of the aggregate of the parish apportionment receipts for all of the Parishes of the Diocese for the year preceding the previous year, provided that the Committee in its discretion may, at the request of Diocesan Council, return any part of this amount to the Diocese as a contribution towards the cost of providing health care benefits for retired clerics, retired Lay Permanent Employees of Synod and their respective dependants;



- (b) all donations or contributions to the Fund;
- (c) all additional amounts authorized by Synod;
- (d) all interest and other income of the Fund;

and the Fund shall be decreased by:

- (a) any benefits paid to those entitled to them; and
- (b) any expenses of management charged to the Fund.

5. If in any year the amount of the Fund should be insufficient to meet the benefits payable from the Fund for that year, the extra amount required shall be paid by the Diocese, and the Committee shall report to the next Synod as to the state of the Fund, with recommendations.
6. Effective January 1, 2022, every Member shall, upon Retirement, be entitled, upon application, to receive a Retiring Gratuity from the Fund equal to the Unit Amount for every completed month of service in the Diocese, up to the date of retirement. The gratuity is awarded only once. Service past Retirement does not make the cleric eligible for any further award.
7. The Unit Amount shall be \$150.00 per month, effective December 2, 2021.
8. Each recipient of a Retiring Gratuity may choose to take it using any payment schedule that is acceptable to the Secretary-Treasurer of the Diocese in consultation with the recipient.

If the recipient dies before the payment schedule is complete, the unpaid balance shall be payable to the beneficiaries named in their Group Life certificate, or if no beneficiaries are so named, to their estate.

9. Each Member entering the active service of the Diocese, as a condition of service in the Diocese, shall be required to purchase group life insurance coverage on their own life in such amounts and from such insurer as may be determined by resolution of Diocesan Council from time to time.
10. Any changes made to this Canon do not apply to Members who retire or are due to retire before the effective date of such changes.. All payments under this Canon shall be made only upon application to the Synod Office and, while the Diocese shall incur no liability in respect of any person who fails to make application for benefits payable hereunder, the Committee shall use its reasonable best efforts to provide information about the changes in this Canon to Members who would be affected.



11. In the event that a Member is awarded a permanent disability pension under the provisions of the Long-Term Disability Plan of the General Synod of the Anglican Church of Canada, they shall be entitled to receive a Retiring Gratuity payable on their NRD. The amount of such benefit, payable under the provisions of this Canon, shall be calculated on the same basis as if such permanently disabled Member had continued to serve in the Diocese until they reached their NRD.
12. In the event of the death of a Member before becoming entitled to a Retiring Gratuity under this Canon, a Retiring Gratuity shall be payable to the beneficiary named in their Group Life certificate, or if no beneficiary is so named, to their estate. For the purpose of calculating the amount of the Retiring Gratuity, the Member shall be deemed to have retired on the date of death.
13. The Committee shall have the power to increase, by resolution of the Committee, the benefits to Members payable pursuant to this Canon. Such resolution shall take effect immediately or as otherwise determined by the Committee but shall be considered at the next non-electoral meeting of Synod following its enactment by the Committee. If Synod fails to ratify the amendment of this Canon in accordance with such resolution of the Committee, the resolution shall lapse with effect from the first day of the calendar quarter next following the Synod's conclusion. In the event of such lapse, no recipient shall be required to repay to the Diocese any extra money received by them as a result of such resolution of the Committee increasing a Retiring Gratuity.
14. The Committee shall from time to time, but at intervals of not more than three years, or any longer period available under the applicable legislation, determine the amount of contribution necessary to cover any deficit in the Fund, by comparing the market value of its assets against the total liability for retiring gratuities to be paid in the future. The latter figure is the sum of the values calculated for each Member as follows: Multiply the Unit Amount times the number of months they have served in the Diocese, up to the valuation date. This is the "accrued" or "past service" benefit. For Members who are still serving, multiply the Unit Amount times the number of months from the valuation date to their NRD. This is their "future service" benefit (will be zero for Members no longer serving). Their "projected" benefit is the sum of these two numbers. The liability value for each is the present value of their projected benefit as of the valuation date, assuming it will be paid on their NRD. The interest rate used to 'discount' the benefit from the NRD back to the valuation date is  $\frac{3}{4}$  of the investment income payout rate declared by the Diocese in the valuation year.