

## Details of a Scheme of Distribution of the Experience Gain with the Survivor Benefit Adjusted to 60% of the Retirement Benefit

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The following calculations are based on a commencement date of January 1, 1987. However, the Sub-committee has recommended that the scheme start one year later, to allow union and management to negotiate indexation for employees retiring after that date.

### *The First Year of the Scheme — 1987*

- **For each pensioner over age 65 who retired before January 1, 1986 calculate “the basic pension”**

The basic pension is the CN retirement pension paid in 1986 according to the 1935/1959 Plan rules, including all ad hocs granted and paid before January 1, 1987, to which is added any OAS allowance deductions made in 1986.

- **For each survivor who is over age 60, or whose spouse was receiving the supplement below, calculate “the basic adjusted pension”**

The basic adjusted pension is the sum of:

- (i) the CN survivor pension paid in 1986, including all ad hocs granted and paid before January 1, 1987 (for survivors whose spouses died in 1986, assume the spouse died prior to January 1, 1986)

AND

- (ii) an adjustment equal to 20% of the amount in (i) made to implement the 60% survivor benefit.

- **To the basic pension and the basic adjusted pension add**