

transfer to Part 2, which election will be irrevocable. They will be given ample time to make their election.

Under this Part the employee must contribute 5% of his compensation and the Company will pay the balance of the cost. The pension will be a percentage, based on length of allowable service, of the employee's average compensation during the last 5 or 10 years' service whichever is more favourable to the employee. The percentage will be 1% for each year of service up to 20 years. $1\frac{1}{4}\%$ for each year during the next 10 years, and $1\frac{1}{2}\%$ for each year over 30 years' service. Fractions of a year will be computed proportionately. This pension will be payable during the lifetime of the employee. On the decease of the employee one half the pension will be payable during the lifetime of a surviving spouse, or for 10 years from the date of the employee's retirement, whichever period is the longer.

A provision is also made for pensions to disabled employees. These benefits are available to employees who have attained age 50, who have at least 20 years' allowable service, and who are certified by the Company's Chief Medical Officer to be unfitted for further service by reason of permanent physical or mental disability. If an employee with these age and service requirements should die in service the Pension Board may grant a survivor benefit similar in terms to the one referred to in the preceding paragraph.

The normal retirement date is age 65 but a provision is made for early retirement with reduced pensions, the age and service requirements being similar to those referred to under Part 1.

The pension benefits are conditional on the employee having paid 5% of his compensation throughout the period of his service from January 1st, 1935, or from the date he last entered the service if entry was later than January 1st, 1935, until the date of his retirement. An employee whose total contributions prior to date of transfer are less than the required amount will be permitted to make good the arrears during his remaining service by additional contributions, or lump sum payments, but if arrears are not made good the pension will be reduced proportionately.

An employee who transfers from Part 1 to Part 2 and who had contributed under the existing plan in excess of 5% of his compensation, will receive repayment for the amount of the excess.

To Existing Pensioners

The foregoing revisions are applicable to employees in the service at January 1st, 1952, and who had not attained age 65 prior thereto. Effective July 1st, 1952, some revisions to existing pensions will be made so that there will be substantial equality in the treatment of pensioners then living with employees who will retire in the future. The following arrangements therefore have reference to pensioners who had retired before the new rules became effective. A pensioner who contributed during service the full 5% from January 1st, 1935, to the date of his retirement may elect to have his pension computed as provided in Part 2. If he so elects, he must surrender his contract, his present pension will be terminated, and the revised pension will be payable from July 1st, 1952—not from the date of his retirement. There will be no option as to type of pension, the revised pension will be the single type provided for Part 2 pensions. If the pensioner is deceased, the right to elect is terminated; it is not available to a beneficiary. If the pensioner's contributions during service were less than 5% from January 1st, 1935, to the date of his retirement, then, subject to all the conditions mentioned, his pension will