

**THE ROYAL BANK  
OF CANADA**

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**OFFICERS' PENSION FUND**

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**JANUARY 2, 1920**

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ROYAL BANK OF  
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**OFFICERS' PENSION FUND**

RULES ADOPTED JANUARY 1, 1909  
AMENDED JULY 31, 1913, AND JANUARY 2, 1920

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**OBJECT OF FUND.**

- 1** The Pension Fund of the Royal Bank of Canada is established to provide pensions for officers and other employees of the bank, and their widows and children, in accordance with the rules relating to such Fund which may be in force from time to time.

## SOURCE OF FUND.

- 2 The Fund is derived from
- (a) Contributions authorized by the Shareholders of the Bank.
  - (b) Amounts transferred from the Officers' Guarantee Fund.
  - (c) Contributions by the Staff.

and is augmented by the income from investments, and interest on deposits with the bank.

## APPLICATION OF RULES.

- 3 The rules shall apply to and be binding upon all officers and employees admitted to the Fund on January 1, 1909, and at any time thereafter.

## CONTROL OF FUNDS.

- 4 (a) The moneys and investments of the Fund shall be held by two Trustees, to whom the moneys forming and from time to time contributed to the Fund shall be paid over to be dealt with in accordance with the rules governing the Fund.

(b) The Trustees shall be the President and General Manager of the bank or the officers acting in their stead.

(c) The Fund shall not be subject to any claim which is not provided for by the rules.

(d) Subject to any directions given from time to time by or under the authority of the Board of Directors, the Trustees shall have power to invest and keep invested all moneys from time to time in their hands in such investments as they shall think fit, whether the same be or be not such as trustees are by law authorized to make; and they shall have power under the same conditions from time to time to vary investments ; also to deposit and to keep on deposit with the bank any moneys belonging to the Fund on such terms of interest and on such understanding as may be agreed upon with the bank.

ADMISSION TO FUND.

- 5 On January 1, 1909, all officers of the bank who have attained the age of twenty-

one years shall be admitted to the Fund; also any messengers and other employees of that age or over who may be specially designated by the Board of Directors.

- 6 (a) After January 1, 1909, every officer of the bank and any messenger or other employee specially designated by the Board of Directors shall be eligible for admission to the Fund on attaining the age of twenty-one years, provided he shall then pass a medical examination made by a physician appointed by the Board of Directors.

(b) The expense of this medical examination will be borne by the bank.

(c) Any officer who is not admitted to the Fund at the age of twenty-one shall retire from the service of the bank, unless this rule is specially waived by the Board of Directors.

- 7 In admitting to the Fund an officer who has previously served in another bank, the Board of Directors, if they consider it advisable, may fix a time from which he shall

rank as a member of the Fund at a date previous to his entering The Royal Bank of Canada, provided such date shall not be earlier than the date on which he attained the age of twenty-one.

**CONTRIBUTIONS OF STAFF.**

- 8 (a) Every officer and employee admitted to the Fund shall contribute annually a sum equal to 4% of his salary, unless his salary exceeds \$7,000 per annum, in which case he shall not be assessed on the portion of his salary exceeding that amount.
- (b) Allowances of any nature shall not be treated as part of the salary in making these calculations.
- 9 (a) If the salary of an officer or employee admitted to the Fund shall be reduced for any cause, he shall have the right to apply to the payment of contributions thereafter payable by him, without allowance for interest, the payments theretofore made by him in excess of the contributions which he would have made to the Fund



had his salary at no time exceeded the amount of his salary after reduction; but no officer or employee shall be entitled to repayment of such excess contributions, nor have any claim on the Fund in respect to same, other than the right to apply the amount on contributions payable thereafter, as herein provided.

(b) If the salary of a member who has contributed to the Fund for 20 years or more shall for any cause be reduced, his nominal salary may for the purposes of these rules, if he so desires, be taken to be the salary he received before the reduction was made, or such lesser sum as he may elect, and his contributions shall be made on the basis of such nominal salary, and his pension, or in the event of his death that of his widow or surviving lawful children under the age of 21, shall be calculated on the same basis.

#### REPAYMENT OF CONTRIBUTIONS.

- 10 (a) When any officer or employee not entitled to a pension retires from the ser-

vice of the bank, either voluntarily or through dismissal, fifty per cent. of the payments made by him to the Fund shall be returned to him without interest, less any amount for which he may be in default or indebted or liable to the bank.

(b) The question of cause for dismissal shall rest altogether with the bank, and a resolution of the Board of Directors dismissing any officer or employee, or requiring him to resign his appointment, shall be conclusive evidence, both at law and in equity, so far as regards this Fund, that such officer or employee has been rightly dismissed or required to resign his appointment.

- 11** (a) If any officer or employee not having completed ten years of continuous service should die while in the service of the bank, and the Directors should not see fit to grant a pension on account of the shortness of his term of service, or for any other reason, they may direct that all payments made by him to the Fund, less any

amounts for which he may have been in default or indebted or liable to the bank, shall be paid over to his widow or children with interest computed half-yearly at the rate of 5% per annum.

(b) If the officer leaves no widow or children, this payment may be made to his legal representatives.

#### OFFICERS ELIGIBLE FOR PENSIONS.

- 12 Subject to the rules of the Fund, officers and employees admitted to same who have been in the continuous service of the bank for ten years and upwards, shall be eligible for pensions if they retire on or after reaching the age of sixty; or on being incapacitated for further duty by ill-health, provided they have served ten years after reaching the age of twenty-one.

#### RETIREMENT AT SIXTY-FIVE.

- 13 The service of every officer and employee shall, *ipso facto*, terminate on his reaching the age of sixty-five years, but with his concurrence, the Board may retain him in the service beyond that period.

### RETIREMENT THROUGH ILL-HEALTH.

**14** (a) Any officer or employee who may apply for a pension before reaching the age of sixty on the ground of mental or physical incapacity for further duty, shall be required to show to the satisfaction of the Board (whose judgment shall be final) that such incapacity exists.

(b) When a pension is granted to any officer or employee under such circumstances, if the Board of Directors consider at any time thereafter, previous to the completion of his sixtieth year, that his health is so far re-established, as to fit him for duty, he shall again enter into and continue in the service of the bank on such terms and in such capacity as the Board of Directors may direct, in which case he shall resume his regular contributions to the Fund.

(c) In the event of his refusing to re-enter and continue in the service under such circumstances, his pension shall be forfeited.

### RATE OF PENSIONS.

- 15 Pensions shall be granted at the following rate:—

For every full year's } One-fiftieth of annual  
service after the age } salary at date of re-  
of twenty-one. } tirement.

but no pension shall exceed thirty-six fiftieths of the salary of the officer or employee at the time of his retirement. The limit of salary for the purpose of this calculation shall be \$7,000 per annum and the maximum pension shall be \$5,000 per annum.

### WIDOWS.

- 16 (a) The widow of a deceased officer or employee who was receiving a pension at the time of his death, or who had served ten years after the age of twenty-one (subject to exceptions stated in Rule 16 (b) ) shall receive up to the time of her death or re-marriage, half the pension to which her husband was entitled or would have been entitled if he had retired from the service on account of incapacity for further duty.

(b) Pensions shall not be payable to:—

1. The widow of a pensioner who married such pensioner after he became a pensioner.
2. A widow who was more than 15 years younger than her husband.

But the Board of Directors shall have power to grant a pension in any such case, not exceeding the amount to which a widow is entitled under Rule 16 (a).

#### ORPHANS.

- 17** (a) If the wife of an officer has predeceased him, the pension which would have been payable to her shall become payable on his death to his surviving minor son or sons, and surviving minor unmarried daughter or daughters, if any, or to a trustee for such minor child or children, in equal shares, subject to the conditions stated in Rule 17 (c) (d).

(b) The pension paid to a widow shall become payable on her death or re-marriage to the child or children of her deceased

husband specified in Rule 17 (a), subject to the conditions stated in Rule 17 (c) (d).

(c) The maximum amount of pension paid to any one child shall not exceed the sum of \$750 per annum, but the Board of Directors may grant a larger pension if they think advisable, such pension not to exceed the amount to which a widow is entitled under Rule 16 (a).

(d) A pension shall be paid to a son only until he attains the age of twenty-one years and to a daughter only until she attains the age of twenty-one years, or until her marriage, if she marries under that age.

In either case, the pension shall then be transferred to or divided equally among the remaining eligible child or children of the deceased officer.

#### DATES OF PAYMENTS OF PENSIONS.

- 18 Pensions shall be paid quarterly, at the end of March, June, Septemer and December.

### PENSIONS NOT TRANSFERABLE.

- 19 Pensions shall be non-transferable, either by voluntary or involuntary assignment.

### WITHDRAWAL OF PENSIONS.

- 20 (a) If there be any assignment or attempted assignment of a pension, or if by process of law or in any other way it would at any time become payable but for this provision to any person other than the person at that time entitled thereto under the rules, the same shall cease, and the person until then entitled thereto shall not be entitled to any further benefit from the Fund or have any claim upon or for amounts paid in by him.

(b) Any officer or employee receiving a pension shall immediately forfeit same if he enters the service of another banking institution, or if he engages in any other occupation without first obtaining the consent of the Board of Directors.



(c) If any officer, widow or orphan entitled to a pension shall be convicted of any felony or misdemeanor, or guilty of any grave misconduct proved to the satisfaction of the Board of Directors, the pension shall thereupon cease, and the person until then entitled thereto shall not be entitled to any further benefit from the Fund or have any claim upon or for amounts paid to the Fund.

(d) In the cases mentioned in Rule 20 (a) and (c), the Directors shall have power to pay the pensions which such pensioners would otherwise have received to any others whom they consider proper persons to receive same, subject to such conditions as they may deem expedient, or to restore the previous beneficiary to his or her former position as a pensioner if they shall think proper.

**PAYMENT OF LIFE INSURANCE PREMIUMS.**

- 21 When a member is retired on pension before the age of sixty on the ground of incapacity for further duty, and holds limited

term life insurance not fully paid up, the further premiums thereon may from time to time if the Board of Directors approve of such a course, be paid out of the Fund upon such policies which have been properly assigned to the Trustees as security for the repayment with interest of the amounts advanced to pay the premiums; provided that such advances shall be so limited that the advances with interest thereon to the estimated maturity of the insurance according to the average expectancy, shall not in the opinion of the Board exceed the amount which would at such maturity be receivable from the insurers.

#### RECORD OF BIRTH, ETC.

- 22 (a) Every officer shall supply to the bank whenever required, with such verifications and proofs as the Board of Directors may demand, his full name, and the dates of his birth and marriage; the full name and date of birth of his wife, and each of his children; particulars of the marriage of any

daughter under the age of twenty-one, and of the death of his wife, or of any of his children under the age of twenty-one.

(b) All such particulars and proofs shall be supplied to the bank whenever required, by every person entitled to a pension, with regard to himself or herself and every person who might become entitled to his or her pension or to any interest therein.

#### EXAMINATION AND STATEMENT OF FUND.

- 23** The Board of Directors may order from time to time at the expense of the Fund an actuarial examination of the state of the Fund and of all matters connected therewith.
- 24** An account of the Fund shall be made up on January 2nd in each year, and printed for circulation among the contributors.

#### ADMINISTRATION OF FUND.

- 25** (a) The Board of Directors shall have power to amend the rules governing the

Fund at any time, and to make additional rules from time to time.

(b) While it is intended that the administration of the Fund shall be in accordance with the general principles laid down in the rules governing the same in force at any time, it must be distinctly understood that these rules confer no legal or vested rights on any officer or employee, and that no contract, expressed or implied, shall be deemed to arise thereunder, or by reason of any expression used therein, or action taken thereunder, and that every pension will be granted at the discretion of the Board of Directors, and continued only so long as they think proper.