



Policy No. 12500-G

Policyholder HER MAJESTY THE QUEEN IN RIGHT OF CANADA
REPRESENTED BY THE PRESIDENT OF THE
TREASURY BOARD

The group policy issued by Sun Life Assurance Company of Canada (*Sun Life*), a member of the Sun Life Financial group of companies, is amended as follows from the Amendment Effective Date.

Amendment No. 1 Effective July 1, 2010

The attached policy replaces the previous policy in its entirety.

A handwritten signature in black ink, appearing to be "Andrew", followed by a period.

Chief Executive Officer

A handwritten signature in black ink, appearing to be "Dana Easthope", written in a cursive style.

Secretary

This amendment is accepted by the Policyholder and the amended pages form part of the policy.



POLICYHOLDER HER MAJESTY THE QUEEN IN RIGHT OF CANADA
REPRESENTED BY THE PRESIDENT OF THE
TREASURY BOARD

POLICY NUMBER 12500-G.

EFFECTIVE DATE April 30, 1997

POLICY ANNIVERSARIES January 1st, 1998 and the same day of each subsequent year.

PREMIUM DUE DATES The Effective Date and thereafter the 1st day of each month.

CURRENCY Canadian Dollars, lawful money of Canada.

PLACE OF PAYMENT Benefits and premiums are payable at any office in Canada of
Sun Life Assurance Company of Canada.

PLACE OF ISSUE Province of Ontario.

This policy is issued by Sun Life Assurance Company of Canada (*Sun Life*), a member of the Sun Life Financial group of companies, on the basis of the application of the Policyholder and in consideration of the payment of premiums as herein provided.

The provisions printed and written by Sun Life on this and the following pages form part of the policy.

A handwritten signature in black ink, appearing to be "Andrew", written over a horizontal line.

Chief Executive Officer

A handwritten signature in black ink, appearing to be "Dana Easthope", written over a horizontal line.

Secretary

**GROUP DISABILITY
INSURANCE PLAN**

2. Table Of Contents

1. Policy Specifications	1-1
2. Table Of Contents	2-1
3. Index	3-1
4. Definitions	4-1
5. Commencement Of Insurance.....	5-1
6. Terminations	6-1
7. Premiums	7-1
8. Claims	8-1
9. Long Term Disability Insurance Benefit Provision	9-1
10. General Provisions.....	10-1

3. Index

Actively At Work.....	4-1
Actively At Work Requirement.....	5-2
Amount Of Monthly Benefit.....	9-1
Assignments.....	9-11
Benefit after policy termination.....	9-7
Changes In Monthly Benefit.....	9-5
Clerical Or Mechanical Errors.....	10-1
Commensurate Occupation.....	4-1
Definitions.....	10-1
Doctor.....	4-1
Effect On Calculation Of Benefits.....	9-9
Effect On Elimination Period.....	9-10
Elimination period.....	9-5
Employee.....	4-1
Employer.....	4-2
Employment.....	4-2
Estimates Of Other Income.....	9-4
Examinations And Assessments.....	8-2
Exclusions.....	9-8
Expenses Associated With Rehabilitative Programs.....	9-10
Full-Time.....	4-2
Gender.....	10-1
Hospital.....	4-2
Illness.....	4-2
Inception Date.....	4-2
Indexation.....	9-5
Individual Terminations.....	6-1
Insurance Data.....	10-1
Insured Earnings.....	4-3

Legal Actions	8-1
Limitations	9-7
Maximum Benefit Period.....	9-6
Mitigation	9-10
Modifications	10-1
Notice And Proof Of Claim	8-1
Other Income	9-1
Participating Employer	4-3
Part-Time	4-3
Payment Of Benefits	8-2
Payment Of Monthly Benefit.....	9-5
Plan	4-3
Premium Adjustments.....	7-1
Premium Calculation	7-1
Premium Payments	7-1
Proof Of Age.....	8-2
Qualifying Period.....	4-4
Reasonable And Customary Treatment Program	4-4
Receiving and Releasing Necessary Information	10-1
Rehabilitation.....	9-9
Rehabilitative Program	9-9
Reinstatement Of Insurance.....	5-2
Representative For An Employee Bargaining Agent.....	9-4
Residual Benefit.....	9-10
Seasonal Employee	4-4
Subrogation	8-2
Successive Periods Of Total Disability	9-6
Termination Of Employment	6-1
Termination Of Policy	6-1
Total Disability	4-4
Totally Disabled.....	4-5
Waiver Of Premium.....	9-7

4. Definitions

Actively At Work

An Employee is actively at work on any day during which he/she performs all of the usual and customary duties of his/her occupation on behalf of the Employer or a Participating Employer for the scheduled number of hours of the day.

An Employee is deemed Actively At Work on a scheduled non-working day if he/she was Actively At Work on his/her last scheduled working day.

Commensurate Occupation

An occupation for which the current salary or current rate of pay is not less than 66 2/3% of the then current salary for the Employee's own regular occupation.

Doctor

A physician or surgeon licensed to practice medicine, other than a person who practices dentistry, veterinary medicine, osteopathy, chiropractics, podiatry, naturopathy or drugless healing.

A Doctor who is also an Employee is not considered a Doctor in connection with his/her own medical condition.

Employee

A person working on a Full-Time or Part-Time basis, who holds an office or position in (i) the Public Service as listed in Part I of Schedule I of the Public Service Staff Relations Act, or (ii) with a Participating Employer, and who:

1. is employed in a continuing position during pleasure or for a term of more than 6 month's duration, or
2. has been continuously employed for a period of at least 6 months, or
3. is a Seasonal Employee who has completed the required Qualifying Period or been reinstated under the Commencement Of Insurance section.

Employee includes, where the context of the policy requires, a former Employee who is eligible for benefits under this policy.

Employee **excludes** anyone:

1. who has attained the age of 64 years and 9 months,

2. who is engaged outside of Canada to work at a usual place of Employment outside Canada, or
3. to whom the Public Service Management Insurance Directives apply, other than a represented Employee who has relinquished all group life and health benefits available to the Employee under the Public Service Management Insurance Directives.

Employer

The Policyholder.

Employment

Employment as an Employee or a Seasonal Employee by the Employer or a Participating Employer.

Full-Time

Assigned hours of work equal to the normally scheduled daily, weekly, or monthly hours of work established for a Full-Time Employee in the relevant occupational group.

Hospital

An institution which charges its patients for room and board, provided such charges qualify, in whole or in part, for payment under a plan toward which contributions are made by the Government of Canada pursuant to the Canada Health Act, or under the Public Service Health Care Plan and includes a tuberculosis or mental hospital recognized as such by the appropriate provincial or other government authority.

Illness

Bodily injury, disease, mental infirmity, or sickness.

Inception Date

For Full-Time Employees:

November 1, 1970 for the Employer and for those Participating Employers who were given prior Treasury Board approval for inclusion under the Plan effective that date.

For any other Participating Employer, the effective date declared in the Treasury Board authorization of its inclusion under the Plan.

For Part-Time Employees:

September 1, 1982 for the Employer and for those Participating Employers who were given prior Treasury Board approval for inclusion under the Plan effective that date.

For any other Participating Employer, the effective date declared in the Treasury Board authorization of its inclusion under the Plan.

Insured Earnings

For Full-Time Employees:

The Employee's current annual salary, at the relevant date, as defined in Part II of the Public Service Superannuation Act, adjusted to the next higher multiple of \$250, if not already such a multiple.

For Part-Time Employees:

The annual salary of a Full-Time Employee in the same occupational group and level, at the relevant date, multiplied by the fraction obtained when the Employee's assigned hours of work are divided by the normally scheduled Full-Time hours of work for the Employee's occupational group, adjusted to the next higher multiple of \$250, if not already such a multiple.

For all Employees:

For the purposes of this policy, changes in an Employee's Insured Earnings will take effect on:

1. the effective date of an increase, if authorized before such effective date
2. the first day of the month following the effective date of a decrease, if authorized before such effective date.
3. the first day of the month following the month in which an increase or a decrease was authorized, if such increase or decrease was authorized retroactively.

Participating Employer

Any organization or agency:

1. which forms part of the Public Service as defined in the Public Service Superannuation Act, or
2. which has Employees who are subject to that Act,

where such organization has requested, and the Treasury Board approved, its inclusion under the Plan.

Part-Time

Assigned hours of work which exceed one-third of the normally scheduled daily, weekly, or monthly hours of work established for a Full-Time Employee in the same occupational group.

Plan

The Group Disability Insurance Plan for Employees, as represented by this policy.

Qualifying Period

For Seasonal Employees, a continuous period of 6 months of Employment that took place:

1. during the person's working seasons, or
2. during Employment other than as a Seasonal Employee, or
3. partly during the person's working season and partly during Employment otherwise than as a Seasonal Employee.

For the purposes of this definition, a period of Employment is deemed to be continuous if, during two consecutive working seasons, the interruption does not exceed a period of 6 weeks.

Reasonable And Customary Treatment Program

A course of medical care, which is:

1. performed or prescribed by a Doctor,
2. of the nature and frequency usually required for the condition involved, and
3. required in the opinion of Sun Life.

Seasonal Employee

A person who:

1. is appointed as a Seasonal Employee, as defined in the Public Service Terms and Conditions of Employment Regulations, or
2. is appointed to perform duties for a period of less than 12 months in each successive year of Employment,

but does not include a person who is appointed as a teacher at a school established under

1. the Indian Act, or
2. an ordinance of the Northwest Territories.

Total Disability

The condition of being Totally Disabled.

Totally Disabled

An Employee is Totally Disabled if he/she is in a continuous state of incapacity due to Illness which

1. while it continues during the Elimination Period and the following 24 months, prevents the Employee from performing each and every duty of his/her regular occupation or Employment.

Loss or suspension of a license, due to Illness unrelated to alcoholism or drug addiction, which such Employee requires to carry out his/her regular occupation, will be considered Total Disability during the Elimination Period and the following 24 months, but only while such license continues to be withheld for the same reason.

2. while it continues thereafter, prevents the Employee from engaging in any Commensurate Occupation for which he/she is or becomes reasonably qualified by education, training or experience.

In no event, however, will an Employee be considered Totally Disabled if during any period he/she does not take part or co-operate in a Reasonable And Customary Treatment Program.

5. Commencement Of Insurance

Employees Employed Before Inception Date

Insurance for an Employee who was employed before the Inception Date applicable to his/her Employer or Participating Employer commences, unless the Employee is on a leave of absence, on whichever of the following dates is applicable.

1. the Inception Date of his/her Employer or Participating Employer, if the Employee's written request for insurance is received by his/her personnel office on or before that date,
2. the first day of the month coincident with or next following the date the Employee's written request for insurance is received by such personnel office, if it is received within two months after such Inception Date, or
3. the first day of the month coincident with or next following the date the Employee's written request for insurance is received by his/her personnel office, provided evidence of the Employee's insurability at the date of such request has been (or is subsequently) approved by Sun Life, if such written request for insurance is received later than two months after such Inception Date.

If an Employee's written request for insurance is received by his/her personnel office during a leave of absence, such Employee's insurance will commence on the first day of the month coincident with or next following the date the Employee is again Actively At Work, provided evidence of insurability, if necessary, at such date has been (or is subsequently) approved by Sun Life.

Employees Employed On Or After Inception Date

Insurance for an Employee employed on or after the Inception Date applicable to his/her Employer or Participating Employer commences

1. if the Employee is not a Seasonal Employee:
 - A. on the date on which a person appointed for a term of six months or less completes six months of continuous Employment, or
 - B. for any other person on the day on which that person becomes an Employee
2. if a Seasonal Employee, on the day such person becomes an Employee.

Reinstatement Of Insurance

For other than Seasonal Employees:

An Employee who ceases to be insured because of Termination Of Employment and who becomes employed by the Employer or a Participating Employer on a continuous Full-Time or Part-Time basis for a term of six months or less within three months after such termination, will become insured on the date Employment recommences.

For Seasonal Employees:

Any Seasonal Employee whose insurance has been terminated under this policy due to the cessation of his/her working season, will become insured on the day the Seasonal Employee is again Actively At Work during his/her next working season.

Actively At Work Requirement

In any event, if any Employee is not Actively At Work on the date his/her insurance would otherwise commence, such insurance commences only when the Employee is Actively At Work.

6. Terminations

Individual Terminations

All Employee insurance ends on the earliest of:

1. the date of Termination Of Employment,
2. the date of termination of this policy,
3. the date of termination of a Seasonal Employee's working season,
4. the date an Employee, who is not Totally Disabled, attains age 64 years and 9 months, and
5. the date the Employee commences unpaid Surplus Status.

Termination Of Employment

Termination Of Employment occurs on the earlier of the date a person ceases to qualify as an Employee and the date he/she ceases to be Actively At Work.

However, Employment is deemed to continue:

1. for any period the Employee is absent from work on any paid leave,
2. for any period the Employee is granted leave without pay for any reason,
3. for any period the Employee is suspended from duty or pending an appeal under a grievance procedure, or
4. for any period the Employee is participating in a legal strike.

Termination Of Policy

The policy terminates at the end of the grace period allowed for premium payments if its premium remains unpaid.

If the Policyholder gives Sun Life written notice that this policy is to be terminated, it terminates on the later of:

1. the date specified in the notice, and
2. the date Sun Life receives the notice.

By giving 180 days prior written notice, Sun Life may terminate the policy on:

1. any Policy Anniversary, or
2. any Premium Due Date, if less than 100% of the eligible Employees are insured.

7. Premiums

Premium Calculation

The premium due is the sum of the monthly premiums for all insured Employees at the Premium Due Date based on monthly rates recommended by Sun Life and established by the Policyholder following agreement between the Policyholder and Sun Life.

Sun Life may from time to time recommend to the Policyholder a change in the premium rate for any policy year to reflect recent experience under this policy.

Premium Payments

Each premium is to be paid on or before its Premium Due Date by the Policyholder.

A grace period of 60 days is allowed to pay each premium. Premiums are payable while this policy remains in force.

Sun Life is not required to ascertain:

1. that any amounts referred to as contributions by Employees are, in fact, contributed by Employees, or
2. that all or any amounts contributed by Employees are applied to the payment of premiums.

Premium Adjustments

If a change in policy terms is effective on a date other than a Premium Due Date, a proportionate premium charge or refund will be made where applicable from the date of such change.

Other premium charges for insurance which increases or commences on a date other than a Premium Due Date are made effective from the Premium Due Date following the date of such increase or commencement.

Other premium refunds for insurance which decreases or terminates on a date other than a Premium Due Date are made effective from the premium Due Date following the date of such decrease or termination.

8. Claims

Notice And Proof Of Claim

Sun Life must be given,

1. written notice of claim by mail or delivery to any office in Canada of Sun Life by the earliest of the following dates:
 - A. 6 months from the commencement of Total Disability,
 - B. 30 days before the end of the Elimination Period, and
 - C. within 30 days from the termination of this benefit provision;
2. written proof of claim, at the Employee's expense, 90 days after the end of the Elimination Period; and
3. such continuing written proof of claim, at the Employee's expense, including, but not limited to, attending Doctor's statements, questionnaires, reports and copies of clinical notes and test results from the Employee's Doctors as Sun Life may require from time to time,

failing which no benefits or further benefits will be payable to the Employee in respect of such Total Disability.

Failure to provide such notice or proof of claim will not invalidate or reduce a claim if it was not reasonably possible to provide the notice or proof within the required time periods and the notice and proof are given as soon as reasonably possible. Every reasonable effort should be made to submit the notice and proof of claim within one year of the required time periods.

Legal Actions

Except where or when applicable legislation permits the use of a different limitation period, every action or proceeding against an insurer for the recovery of insurance money payable under this policy is absolutely barred unless commenced within the time set out in the Insurance Act or the time set out in such other legislation as may apply to a claim, action or proceeding for insurance money.

Where or when applicable legislation permits the use of a different limitation period, no legal action or proceeding may be brought against Sun Life:

1. regarding any claims for which no payment has been made by Sun Life, more than one year after the end of the time period in which the initial submission of proof of claim is required by the terms of the policy, or
2. regarding claims for disability benefits that have been paid by Sun Life for some period of time, more than one year after the last date for which disability benefits have been paid.

Payment Of Benefits

Benefits payable during the lifetime of the Employee are payable to the Employee.

Benefits remaining unpaid or becoming payable after the Employee's death are payable to the Employee's estate. Employees, or an Employee's personal representative, to whom benefits have been paid must provide Sun Life with a valid discharge.

If the Employee does not have the capacity to give a valid discharge for benefit payments, then payment up to \$10,000 may be made to:

1. a relative by blood or connection by marriage of the Employee,
2. any person appearing to Sun Life to be equitably entitled to such benefits by reason of having incurred expenses for the maintenance, medical attendance or burial of the Employee, or to have a claim against the estate of the Employee in relation thereto,

and such payment discharges Sun Life to the extent of the amount paid.

Examinations And Assessments

Sun Life may require, at its own expense, an Employee to undergo such medical, psychological, rehabilitational and vocational examinations and assessments, from time to time, as are arranged by Sun Life, failing which payment of benefits or further benefits will be suspended.

The Employee's obligation and Sun Life's right in this regard shall continue as long as the Employee claims benefits or further benefits regardless of whether such benefits have been paid and regardless of the commencement of litigation or arbitration.

Proof Of Age

Sun Life may request proof of age of an Employee. Benefits payable may be suspended until the requested proof is given.

If the age of an Employee has been misstated, benefits and premiums will be adjusted based on the true age.

Subrogation

In order to determine whether the cause or circumstances giving rise or contributing to any claim under this policy would also give rise to a cause of action against a person, partnership, corporation or other entity (the "Third Party"), Sun Life may require any Employee to provide a written statement as to the cause or circumstances giving rise or contributing to any such claim. Sun Life may suspend payment of benefits or further benefits to an Employee who refuses to provide such a statement.

Where benefits under this policy have been paid or may be payable to an Employee and the Employee has a right of action against a Third Party for recovery of loss of income which otherwise would have been earned by the Employee during the whole or any part of the period that benefits are paid, or may be payable, to the Employee under this policy,

1. any amount recovered by the Employee from the Third Party (including general damages, damages for loss of income, interest and legal costs, whether recovered through settlement or trial), less the Employee's legal costs expended for such recovery, shall be deemed to be the Employee's Net Recovery from the Third Party;
2. the Employee shall pay to Sun Life an amount equal to 75% of his/her Net Recovery from the Third Party (to a maximum of the amounts paid to the Employee under this policy), such percentage of his/her Net Recovery to be held in trust by the Employee for Sun Life until payment is made to Sun Life;
3. in the event that any benefits not paid to the Employee under this policy are subsequently determined to have been payable, Sun Life shall be entitled to set off against its liability for such benefits the amount the Employee would have been obliged to pay pursuant to subparagraph 2. hereof if such benefits had been paid to the Employee before the Employee obtained his/her recovery from the Third Party; and
4. the Employee shall provide Sun Life, free of charge:
 - A. prompt notice of the commencement of any legal proceedings against a Third Party;
 - B. such reports as Sun Life may reasonably require from time to time concerning the status of legal proceedings and/or settlement negotiations with the Third Party;
 - C. copies of such documents in the Employee's possession or control that relate to his/her right of action against the Third Party as Sun Life may reasonably require from time to time; and
 - D. prompt notice of the conclusion of any settlement or judicial disposition of his/her right of action against the Third Party.

Sun Life may require the Employee to sign an acknowledgment that he/she is bound by this provision. Sun Life may withhold or discontinue benefits upon any refusal by the Employee to honour any terms of this provision.

9. Long Term Disability Insurance Benefit Provision

Amount Of Monthly Benefit

Subject to the sub-section entitled Rehabilitation, the Monthly Benefit shall be:

1. 70% of Insured Earnings, as at the date of completion of the Elimination Period, divided by 12, less
2. all Other Income earned in or attributable to a particular month.

All amounts referred to under Other Income are to the gross amounts before any deductions.

If an Employee's Total Disability is deemed by the Department of National Revenue to be due to a condition which commenced prior to January 1, 1974, then such Employee's Monthly Benefit will be 60% of Insured Earnings, as at the completion of the Elimination Period, divided by 12 and the result reduced by 85% of any Other Income, which is subject to income tax and by 100% of any Other Income, which is not subject to income tax. However, if the benefits payable under this provision are deemed to form part of the Employee's gross income for the purposes of the Income Tax Act, then such Employee's Monthly Benefit will be calculated as described in the first sentence of this sub section.

Other Income

Other Income means:

1. Compensation or profit, except as otherwise provided in the sub-section entitled Rehabilitation, from any occupation or business enterprise in which the Employee is actively engaged while Monthly Benefits are payable.
2. Any indemnity for loss of income provided for the same or a subsequent disability (except in case of a representative for an Employee Bargaining Agent, as provided below) under any other group insurance plan or under any policy issued to the Employee as a result of his/her membership in an association of any kind.
3. Any amount of income provided for the Employee for the same or subsequent disability under a contract of motor vehicle insurance which provides mandatory disability income benefits.
4. Any amount of income provided for the Employee by reason of the same or a subsequent disability under the legislation of any government or emanation thereof, including but not limited to the Canada or Québec Pension Plan, but excluding:
 - A. any amount of war disability benefit provided under the Pension Act to the extent of
 - a) the amount payable to the Employee on the date he/she completed the Elimination Period, plus any subsequent increase in such amount arising under the Pension Act, because of an adjustment related to the Consumer Price Index for Canada, plus
 - b) any increase provided by subsequent amendments to the Pension Act,

- B. the amount of any increases paid under the Canada or Québec Pension Plan arising as a result of the escalation provisions of those plans related to changes to the Consumer Price Index for Canada, and
- C. any amounts received pursuant to statutory Employment Insurance programs which the Employee is obliged to repay upon receipt of benefits from Sun Life.
5. Any amount of income provided for the Employee by reason of the same or a subsequent disability under the Government Employees Compensation Act or under any provincial Workers' Compensation Act.
6. Any amount of income provided for the Employee by means of an immediate annuity, annual allowance or deferred annuity payable in respect of the Employee's own service under the Public Service Superannuation Act or under the Special Retirement Arrangements Act, including any elective service, but excluding the amount of any increases in such income paid as a result of the escalation provisions of those Acts related to changes in the Consumer Price Index for Canada.

This amount will be deducted in the following manner:

Circumstances of Termination	Public Service Superannuation Act (PSSA) pension benefit	Deduction from the Disability Insurance Plan Monthly Benefit
I. For an Employee whose employment is terminated and who has less than 2 years of service.	1) Return of Contributions	1) This lump sum pension benefit is not deducted.
II. For an Employee whose application for disability retirement under the PSSA is approved.	1) Immediate Annuity or 2) Lump Sum Payment	1) The full monthly amount is immediately deducted. 2) A monthly amount equivalent to the immediate annuity is immediately deducted until the total amount of the Lump Sum has been deducted.

<p>III. For an Employee whose application for disability retirement under the PSSA is not approved.</p>	<p>1) Deferred Annuity at age 60 or</p> <p>2) Annual Allowance from age 50 onwards or</p> <p>3) Actuarial Transfer Value or</p> <p>4) Return of Contributions</p>	<p>1) The monthly amount is deducted when the Employee reaches age 60.</p> <p>2) The monthly amount is deducted when it becomes payable.</p> <p>3) & 4) A monthly amount equivalent to the Deferred Annuity is deducted when the Employee reaches age 60 and until the total of the Actuarial Transfer Value or the Return of Contributions has been deducted.</p>
<p>IV. For an Employee who does not apply for a disability retirement under the PSSA.</p>	<p>1) Immediate Annuity on Account of Age or</p> <p>2) Deferred Annuity at age 60 or</p> <p>3) Annual Allowance from age 50 onwards or</p> <p>4) Actuarial Transfer Value or</p> <p>5) Return of Contributions</p>	<p>1) The full monthly amount is immediately deducted.</p> <p>2), 3), 4) & 5) A monthly amount equivalent to the immediate annuity is immediately deducted and until the total of the Actuarial Transfer Value or the Return of Contributions has been deducted. If the Employee proves his application for disability retirement under the PSSA has been declined, the amount is deducted as in III above.</p>

Estimates Of Other Income

Sun Life reserves the right to reduce the Monthly Benefit of an Employee according to its estimate of the amount to which the Employee would be entitled:

1. if the Employee's application for retirement on the grounds of disability under the Public Service Superannuation Act, were made and approved;
2. if the Employee's application for benefits under the Government Employees Compensation Act or under any provincial Workers' Compensation Act, were made and approved;
3. if the Employee's application for benefits under the Canada or Québec Pension Plan were made and approved.

However, any such reduction will cease and the amount of reduction already made will be reimbursed, if proof is submitted to Sun Life that after final determination (including all levels of appeal), the Employee's application for such income has been disallowed. If the Employee's application for such income is approved for an amount other than that previously estimated by Sun Life, the Employee's Monthly Benefit will be retroactively adjusted to the Monthly Benefit payable on the basis of the amount approved.

An Employee may also defer such reduction in respect of his/her Canada or Québec Pension Plan benefits if the Employee agrees in writing (by signing a form provided for this purpose by Sun Life),

1. to make application for benefits under the Canada or Québec Pension Plan,
2. to reimburse Sun Life any benefits under this policy which would otherwise have been reduced, should the claim for Canada or Québec Pension Plan benefits be approved, and
3. to execute a direction authorizing Canada or Québec Pension Plan (as available) to pay to Sun Life the amount of all benefits accrued from the time of application to the time of approval.

In the event that one or more lump sum payments are made in lieu of instalments of other periodic income, the amount of the Employee's Monthly Benefit will be calculated on the basis of the instalments which would otherwise have been paid.

Representative For An Employee Bargaining Agent

Where an Employee is granted leave of absence to act as a representative for an Employee Bargaining Agent and where the Bargaining Agent has a group disability plan covering the additional remuneration by the Agent to the Employee, any benefits arising from such additional remuneration under such group disability plan will not be deducted from benefits under this policy.

Changes In Monthly Benefit

Subject to the Indexation sub-section below, an Employee's Monthly Benefit will not be increased after the date of completion of the Elimination Period, unless the increase is due to an increase in the Insured Earnings authorized retroactive to a date which is before the completion of the Elimination Period.

Payment Of Monthly Benefit

Upon receipt of Notice and Proof of Claim that:

1. an Employee became Totally Disabled while insured and is under a Reasonable and Customary Treatment Program, and
2. Total Disability continued beyond the Elimination period,

the Monthly Benefit will be paid while the Employee continues to be Totally Disabled, subject to the terms and provisions of this policy.

One-thirtieth of the Monthly Benefit is payable for each day Total Disability continues for a period less than a full month.

Benefits are payable monthly in arrears, commencing on the completion of (but not payable in respect of) the Elimination period.

Indexation

While benefits are payable, the Monthly Benefit will be increased on January 1st of each year to reflect any increase which is provided by the escalation provisions of the Public Service Superannuation Act. In no event, will any increase exceed 3%.

Elimination period

For an Employee other than a seasonal Employee:

The Elimination Period begins with the first full day of Total Disability and ends on the later of the days on which:

1. the Employee has completed
 - A. periods of Total Disability due to the same cause, which when accumulated within a period of 12 consecutive months, prevent the Employee from being Actively At Work for 13 weeks, or
 - B. an uninterrupted period of Total Disability of 13 weeks, and
2. the Employee's accumulated sick leave credits and other paid leave granted (other than vacation leave) are completely exhausted.

For a Seasonal Employee:

The Elimination Period begins with the first full day of Total Disability and ends on the latest of the days on which:

1. the Seasonal Employee has completed
 - A. periods of Total Disability due to the same cause, which when accumulated within a period of 12 consecutive months, prevent the Employee from being Actively At Work for 13 weeks, or
 - B. an uninterrupted period of Total Disability of 13 weeks, and
2. the date on which the Seasonal Employee's accumulated sick leave credits and other paid leave granted (other than vacation leave) are completely exhausted, and
3. the date on which earnings deferred from the Seasonal Employee's working season cease, as may be decided by the Employer or Participating Employer in accordance with rules which apply equally to all Seasonal Employees within the same classification.

Maximum Benefit Period

Payment is made until the earlier of:

1. the Employee's 65th birthday, and
2. the date the Employee is no longer Totally Disabled, or in case of death, the last day of the month coincident with or next following the date the Employee dies.

Successive Periods Of Total Disability

While the policy is in force, an Elimination Period will not be applied if an Employee, in the interval between successive periods of Total Disability, is Actively At Work for a period of less than:

1. 1 month, if the subsequent Total Disability is due to an entirely unrelated cause or Illness, or
2. 6 consecutive months, if the subsequent Total Disability is due to another Illness resulting from the same cause, or
3. 12 consecutive months, if the subsequent Total Disability is due to the same Illness.

Newly acquired sick leave credits must be exhausted before an Employee, to whom this sub-section applies, becomes eligible for benefits.

Where this sub-section applies:

1. the Monthly Benefit, except as provided below, is the same as that paid for the final month of the initial period of Total Disability, and

2. the initial Elimination period and the period for which benefits were paid under the prior claim shall be considered to form part of the Employee's new claim for the purpose of determining whether the Employee is Totally Disabled and for the purpose of determining the application of sub-paragraph 2 of the sub-section entitled Mitigation of this benefit provision.

If during the interval between the successive periods of Total Disability:

1. the Employee is Actively At Work for a period of at least 13 weeks, and
2. premium payments for the Employee's insurance reflect an increase in the Employee's Insured Earnings,

then the Monthly Benefit will be increased to reflect such higher Insured Earnings, when the sum of the existing Monthly Benefit paid during the period equal to the Elimination Period, which has been waived, is exceeded by the accumulated value of the increase in the Monthly Benefit resulting from the higher Insured Earnings.

Waiver Of Premium

Premiums for this benefit are waived, (a) for an Employee, while he/she is in receipt of a Monthly Benefit, or (b) for an Employee who was on sick leave without pay during an Elimination Period, which was subsequently completed.

Benefit after policy termination

If this policy terminates after an Employee becomes Totally Disabled, then, during the uninterrupted continuance of such Total Disability, the Employee is entitled to the benefit provided as though this provision had not terminated, subject to all other terms and conditions of this policy.

Limitations

Payment is not made for

1. a Total Disability due to or resulting directly or indirectly from an Illness which existed on or before the commencement date of the Employee's insurance unless
 - A. the Employee has been insured under this provision for a continuous period of not less than 13 weeks during which he/she:
 - a) has not received medical care, treatment, prescription medicines or diagnostic procedures for such Illness from a Doctor or from appropriately qualified personnel acting under the direction of a Doctor, and
 - b) has been continuously Actively At Work (for the purposes of this clause, Sun Life will disregard absences of a total of not more than 2 days during the same 13 week period), or

- B. the Total Disability commenced after the Employee has been insured under this policy for a period of at least 12 months.

For an Employee who has been laid off and is reappointed under the Work Force Adjustment Directive (WFAD) or a similar policy of a Participating Employer within one year of the date of the lay-off, this Limitation will not apply to Total Disability which commences after such Employee has been insured under this policy for a period of 12 months, including any insured period before the lay-off.

Any period of time that a represented Employee, who relinquished all group life and health insurance benefits available to him/her under the Public Service Management Insurance Directives, was insured continuously under the group long term disability policy provided under such Directives prior to commencing coverage under this policy shall be counted in determining both the 13 week and 12 month periods referred to above.

If an Employee, whose insurance terminated because of Termination Of Employment, becomes insured again under this policy, in accordance with the terms of the Commencement Of Insurance Section, then such Employee is subject to this Limitation as if his/her insurance commenced for the first time on the most recent commencement date.

Any period of time that an Employee, who becomes employed in the Public Service pursuant to a Federal Labour Market Development Agreement, was insured continuously under a provincial or territorial long term disability policy, prior to commencing coverage under this policy, shall be counted in determining both the 13 week and 12 month periods above.

2. a Total Disability due to abuse of drugs or alcohol unless.
- A. the Employee is participating to the satisfaction of Sun Life, in a Reasonable And Customary Treatment Program or in a treatment program for drug or alcohol abuse recommended or approved by Sun Life, and such participation began not later than 13 weeks from the commencement of the period of Total Disability, or
- B. there is also an organic disease present which would cause Total Disability even if the use of drugs or alcohol ceased.

Exclusions

A benefit is not paid for a Total Disability which is due to or results from

1. participation in any riot, civil commotion or insurrection.
2. intentionally self-inflicted injuries or attempted suicide (while sane or insane).
3. commission or attempted commission of a criminal offence by the Employee.
4. the hostile action of any armed forces.

Exclusion No. 4 will be waived for an Employee, other than one on active duty (including for training purposes) in the armed forces of any country, while on an assignment outside Canada, or while on a travel status, as determined by the Employer or a Participating Employer. Any benefit which may become payable because of a Total Disability due to an incident, which occurred outside Canada, will be subject to such Employee's entitlement to receive compensation under the Government Employees Compensation Act, R.S.C. 1985, Chapter G-5.

Rehabilitation

Rehabilitative Program

A Rehabilitative Program is a program:

1. of part-time or full-time work for compensation or profit while an Employee is unable, because of Illness, to be Actively At Work at his/her own regular occupation, or
2. of non-remunerative vocational training or work for the purpose of enabling the Employee to return to his/her own regular occupation or to become reasonably qualified for a Commensurate Occupation; and

is approved in writing by Sun Life, in advance, as a Rehabilitative Program.

Effect On Calculation Of Benefits

Any compensation or profit from a Rehabilitative Program shall be deemed not to constitute Other Income. However, the Monthly Benefit for an Employee participating in a Rehabilitative Program shall be subject to reduction so that the total of the Employee's Monthly Benefit, compensation or profit from his/her Rehabilitative Program and any Other Income for any particular month does not exceed 100% of the current monthly rate of remuneration for the occupation or the position held by the Employee as at the date he/she completed the Elimination Period.

An Employee's participation in a Rehabilitative Program shall be deemed to have concluded upon the earliest of:

1. the first 24 months following the Employee's completion of the Elimination Period,
2. the end of the Maximum Benefit Period, and
3. notice in writing from Sun Life that it no longer approves of the program as a Rehabilitation Program.

Residual Benefit

If an Employee engages in any occupation for compensation or profit after participating in a Rehabilitative Program, and while the Employee remains Totally Disabled, then, for the 18 months following the conclusion of the Employee's participation in a Rehabilitative Program, or the end of the Maximum Benefit Period, whichever is earlier, he/she shall receive a monthly payment (in lieu of and not in addition to the Monthly Benefit) equal to 30% of his/her Insured Earnings, as at the date such Employee completed the Elimination Period ("Residual Benefit"). However the Employee's monthly Residual Benefit shall be subject to reduction so that the total of the Employee's monthly Residual Benefit, compensation from such occupation and any Other Income for any particular month does not exceed 100% of his/her monthly Insured Earnings as at the date he/she completed the Elimination Period.

Expenses Associated With Rehabilitative Programs

Where Sun Life expressly agrees in writing, in advance, it will pay an Employee's expenses associated with a Rehabilitative Program, other than expenses normally associated with employment. Sun Life's obligation hereunder shall at all times be limited to a maximum of three times the Employee's Monthly Benefit applicable at the commencement of the Rehabilitative Program. Such expenses shall not be paid for any period after notice in writing that Sun Life's approval of the program as a Rehabilitative Program, or for the payment of such expenses, has been withdrawn. Such expenses also shall be subject to payment in accordance with the subsection entitled Subrogation in this policy.

Effect On Elimination Period

The commencement of a Rehabilitative Program during the course of an Employee's Elimination Period shall be deemed not to interrupt the running of the Elimination Period.

Mitigation

During any period of Total Disability, an Employee shall make reasonable efforts:

1. to facilitate his/her recovery, including participation in any Reasonable And Customary Treatment Program or Rehabilitative Program or acceptance of any reasonable offer of modified duties by the Employer or any Participating Employer;
2. to retrain to qualify for a Commensurate Occupation, upon it becoming reasonably apparent that the Employee will not be able to return to his/her regular occupation within the first 24 months that benefits are paid, or may be payable, under this policy;
3. to return to his/her regular occupation during the first 24 months that benefits are paid, or may be payable, under this policy, or to obtain work in a Commensurate Occupation after the conclusion of the first 24 months that benefits are paid, or may be payable; and
4. to obtain Other Income.

In the event of breach of this provision, Sun Life may withhold or discontinue benefits.

Assignments

The benefits payable under this policy are not assignable and may not be given as security.

10. General Provisions

Gender

The use of "he", "his" and "him" refers to both the masculine and feminine genders.

Definitions

Certain capitalized words are defined throughout the text or under the Definitions section of this policy.

Insurance Data

The Policyholder is to provide Sun Life with information required for the calculation of premiums and to ensure that policy terms are fulfilled. Sun Life may inspect pertinent records of the Employer or any Participating Employer.

Clerical Or Mechanical Errors

If a clerical or mechanical error by the Employer or Participating Employer or by Sun Life results in a person being incorrectly classified under the policy, then such person will be classified according to the true facts.

Modifications

The terms and/or benefits of this policy may be changed if mutually agreed to by the Policyholder and Sun Life. Any such change will be identified by a line in the right margin, pending subsequent reissue of the policy as amended and consolidated.

Receiving and Releasing Necessary Information

Sun Life will comply with all relevant federal and provincial legislation protecting personal information. Any person claiming benefits under this contract must give Sun Life all necessary information and authorization needed for underwriting, administration and paying claims.