

REPEALED by By-law No. 126/2011
DECEMBER 14, 2011

THE CITY OF WINNIPEG

BY-LAW NO. 2/2006

**A By-law of THE CITY OF WINNIPEG to
establish the "Winnipeg Police Pension Plan".**

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

1. The attached Appendixes "A" and "B" are hereby adopted as the Winnipeg Police Pension By-law.
2. By-law No. 6253/93 is hereby repealed.

DONE AND PASSED in Council assembled, this 22nd day of March, 2006.

Appendix A

BY-LAW NO. 2/2006
THE CITY OF WINNIPEG
Being The
WINNIPEG POLICE PENSION PLAN
As Amended to January 1, 2003

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EXPLANATION FOR COUNCIL RE: BY-LAW NO. 2/2006

On December 11, 2002, City Council, the members of the Winnipeg Police Association (Police Component) and the members of the Winnipeg Police Senior Officers' Association agreed to amend the provisions of the Winnipeg Police Pension Plan, as contained in By-law No. 6253/93, to provide for a sharing of actuarial surpluses and the responsibility for funding deficiencies. This agreement was confirmed in a Memorandum of Agreement between the City, the Winnipeg Police Association and the Winnipeg Police Senior Officers' Association dated May 26, 2003.

A further Memorandum of Agreement was entered into by the City, the Winnipeg Police Association and the Winnipeg Police Senior Officers' Association on March 3, 2006, under which the two Police Associations agreed to the wording of this new By-law.

This Winnipeg Police Pension By-law No. 2/2006 incorporates the provisions of the agreements between the City and the two Police Associations and repeals the former Winnipeg Police Pension By-law No. 6253/93, effective January 1, 2003.

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

DEFINITIONS

1. In this By-Law:

"**Actuary**" means the actuary or firm of actuaries appointed by the Board for the purposes of the Plan who is, or in the case of a firm of actuaries at least one of the principals of which is, a Fellow of the Canadian Institute of Actuaries;

"**Board**" means the Winnipeg Police Pension Board constituted pursuant to Section 4;

"**Board Member**" means a member of the Board;

"**City**" means the corporation known as "The City of Winnipeg" constituted under *The City of Winnipeg Charter Act*;

"**Council**" means the Council of The City of Winnipeg;

"**Investment Committee**" means the committee of individuals appointed by the Board to assume the responsibility for the investment of the Pension Fund, and may be the investment committee constituted under the Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002 provided that the number of members of such investment committee appointed by the Member Trustees participating, deciding or voting on any issue shall always be one less than the number of members appointed by the Employer Trustees, where "Member Trustees" and "Employer Trustees" are as defined in Article 1 of that trust agreement;

"**Investment Manager**" means any duly qualified person, firm or corporation as may, from time to time, be appointed by the Board to act in the capacity of advisor or manager regarding the investment and management of all or any portion of the assets of the Pension Fund;

"**Investment Policy**" means the written statement of investment policies and procedures adopted by the Board pursuant to subsection 6(4).

"**Pension Benefits Act**" means *The Pension Benefits Act*, C.C.S.M., c.P32;

"**Pension Fund**" means the Winnipeg Police Pension Fund constituted pursuant to Section 3;

"**Plan**" means the Winnipeg Police Pension Plan as set out in Schedule "A";

THE PENSION PLAN

2. (1) The pension plan established under By-law No. 6253/93 and known as the "Winnipeg Police Pension Plan" is hereby continued and is set forth in Schedule "A" attached to and forming part of this By-law.
- (2) The primary purpose of the Plan is to provide pension and ancillary benefits to City of Winnipeg police officers.

THE PENSION FUND

3. (1) The fund known as the "Winnipeg Police Pension Fund" as established on January 1st, 1979 under By-law No. 2148/78 is hereby continued.
- (2) The Board shall hold the Pension Fund in trust for the City, the members of the Plan and their beneficiaries and shall deal with it in accordance with this By-law.
- (3) With effect from January 1, 2003, the accounts into which the Pension Fund was previously divided shall cease to exist, and the Pension Fund shall instead be divided into:
 - (a) the Main Account, which shall be further subdivided into:
 - (i) the General Component of the Main Account, to which all contributions shall be credited and from which all benefits under the Plan shall be deducted; and
 - (ii) the Contribution Stabilization Reserve, which shall be used each year to fund the excess of the actuarial cost of the benefits expected to be earned under the Plan for service in that year over the contributions required to be made by the members of the Plan and matching contributions by the City in that year;
 - (b) the Plan Members' Account, which shall be available to finance improvements in the benefits payable under the Plan or to reduce the contributions otherwise payable by Plan members; and
 - (c) the City Account, which shall be available to reduce the contributions otherwise payable by the City.

- (4) The initial balances of the accounts and reserve as at January 1, 2003 shall be as follows:
- | | |
|------------------------------------|----------------------|
| Main Account: | |
| General Component of Main Account | \$563,785,707 |
| Contribution Stabilization Reserve | <u>52,210,000</u> |
| | \$615,995,707 |
| Plan Members' Account | 4,357,130 |
| City Account | <u>0</u> |
| | <u>\$620,352,837</u> |
- (5) All investment earnings of the Pension Fund, including realized and unrealized capital gains and losses, shall be allocated to the accounts and reserve in proportion to each account's and reserve's balance.
- (6) All expenses paid out of the Pension Fund shall be deducted from the accounts and reserve as determined by the Board.
- (7) No property or interest in the Fund, nor any benefits payable therefrom, shall be subject to sale, transfer, alienation, assignment, encumbrance or other process except as provided by the Pension Plan and this By-law.
- (8) The Pension Fund shall be invested only as permitted by the Pension Benefits Act.

THE BOARD

4. (1) An administrative board known as "Winnipeg Police Pension Board", herein after referred to as the "Board", which shall be responsible for the administration of the Plan.
- (2) The Board shall consist of seven members appointed as follows:
- (a) two members appointed by the Winnipeg Police Association;
 - (b) one member appointed by the Winnipeg Police Senior Officers' Association;
and
 - (c) four members appointed by the City.
- (3) Upon becoming a Board Member, each Board Member shall immediately become vested with all property, rights, powers and duties of a trustee in relation to the Pension Fund, without the necessity of the execution of any conveyance, assignment or transfer of other documents.

- (4) When a Board Member ceases to be a Board Member, he or she shall be deemed to have conveyed, assigned or transferred to the Pension Fund any or all the rights or property of the Pension Fund and shall, if necessary, convey, assign or transfer to the Pension Fund any or all the rights and property of the Pension Fund as the remaining Board Members may direct.

BOARD OPERATION

5. The Board shall operate as follows:
 - (1) The Board Members shall elect a chairperson and vice-chairperson from amongst their number, and a recording secretary who is not necessarily a Board Member;
 - (2) The Board shall meet no less frequently than four times per year at the call of the chairperson;
 - (3) On the written request of at least four Board Members, a Board meeting shall be called by the chairperson;
 - (4) The Board may establish and amend rules governing the conduct of its meetings;
 - (5) Two Board Members appointed by the City and two Board Members appointed by either the Winnipeg Police Association or the Winnipeg Police Senior Officers' Association shall constitute a quorum at any Board meeting. All questions shall be decided by the affirmative vote of a majority vote of the Board Members present. The chairperson is entitled to cast a vote as a Board Member but in the event of a tie vote the chairperson has an additional or casting vote;
 - (6) In the event that no quorum is present one-half hour after the time appointed for a Board meeting, the meeting shall stand adjourned, subject to the call of the chairperson;
 - (7) Notwithstanding that it may be subsequently discovered or determined that there existed some defect in the appointment, election, removal or qualification of a Board Member, all accounts and proceedings of the Board done and carried out in good faith, at any time while any such defect existed, shall be valid and effective;

- (8) A Board Member who is an employee of the City shall be granted leave of absence with pay and benefits, at the request of the Board. The Board shall, at the request of the City, reimburse the City for the employee's wages and the City's share of the cost of providing his or her benefits during any such leaves of absence. During the period the employee is on such leave of absence, he or she shall not lose any rights or privileges which he or she would have received had he or she not been granted such leave of absence.

DUTIES OF THE BOARD

6. In respect of the Plan, the Board shall:

- (1) operate, administer and interpret the Plan in accordance with this By-law, the Pension Benefits Act, the *Income Tax Act* (Canada) and any other applicable legislation;
- (2) administer the Pension Fund in accordance with this By-law
- (3) keep a complete and accurate set of accounts for the Pension Fund and, where necessary, for each portion of the Pension Fund;
- (4) in consultation with the Investment Committee, adopt a written statement of investment policies and procedures for the Pension Fund and review this statement at least annually;
- (5) establish and review regularly the funding policy for the Plan;
- (6) determine and advise the Investment Committee as frequently as necessary the amounts which are available for investment;
- (7) submit the accounts and financial statements of the Pension Fund at least annually for examination, checking and audit by the auditor appointed by the Board;
- (8) as soon as possible after January 1 in each year, submit a report to Council on the operation of the Plan during the previous year together with audited financial statements for the Pension Fund and each Account within the Pension Fund;
- (9) as soon as possible after January 1 in each year, make available to the Plan members a report on the operation of the Plan during the previous year;

- (10) appoint an Actuary and ensure that an actuarial valuation of the Plan is conducted at such times as the Board may determine, but not less frequently than as prescribed in the Pension Benefits Act; and
- (11) regularly monitor the investment performance of the Pension Fund.

POWERS OF THE BOARD

7. In respect of the Plan, the Board is empowered and authorized to:
- (1) establish accounts for the Pension Fund, in a chartered bank or other financial institution in Canada;
 - (2) in consultation with the Investment Committee, appoint one or more Investment Managers to manage the investments of the Pension Fund or a portion thereof and specify the terms and conditions to apply in each case, or terminate any such appointment;
 - (3) allocate all amounts that may become available for investment or are already invested between the Investment Managers in such proportions as may be determined by the Investment Committee;
 - (4) invest and reinvest such portion of the Pension Fund as is not required for current expenditures in any type of investments that are permitted by applicable federal and provincial laws and regulations and by the Investment Policy (and without being limited to investments permitted by the Trustee Act (Manitoba)), and to take any and all actions with respect to holding, buying, selling or exchanging such investments as the Board, in its sole discretion, may deem appropriate or necessary including, without limitation:
 - (a) exercising any of the powers of an owner with respect to stocks, bonds, debentures, mortgages or other investments and property held in the Pension Fund including, without limitation, any right there may be to vote in connection therewith;
 - (b) giving general or special proxies or powers of attorney with or without powers of substitution;
 - (c) exercising any conversion privileges, subscription rights or other options, (and make any payments incidental thereto);

- (d) consenting to or otherwise participating in corporate reorganizations or other changes affecting shares and other securities;
 - (e) delegating discretionary powers and paying any assessments and other charges in connection therewith;
 - (f) accepting and holding any shares or securities which may be issued as a result of corporate reorganizations or changes affecting corporate shares or securities;
 - (g) renewing, extending or participating in the renewal or extension of any bond, debenture, mortgage or other investment or instrument upon such terms as may be deemed advisable;
 - (h) agreeing to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Pension Fund or the preservation of the value of an investment;
 - (i) waiving any default, whether in the performance of a covenant or condition in any mortgage or in the performance of any guarantee or enforce any rights in respect of any such default, in such manner and to such extent as may be deemed advisable;
 - (j) exercising and enforcing any and all rights of foreclosure;
 - (k) bidding on property in a judicial sale;
 - (l) taking a deed in lieu of foreclosure, with or without paying consideration therefor (and in connection therewith release any person or persons from their covenant or guarantee given in connection with any mortgage);
 - (m) exercising and enforcing any rights or obligations by any action, suit or proceeding at law or in equity; or
 - (n) taking appropriate measures by way of proceedings at law or otherwise for the enforcement or realization of any investment;
- (5) execute all documents of transfer and conveyance that may be necessary or appropriate to carry out the duties and powers herein granted;

- (6) register any investments held in the Pension Fund in;
 - (a) the name of the Board;
 - (b) the name of a financial institution acting as custodian of the Pension Fund for the Board (or the nominee, subcustodian or other person acting directly for such financial institution);
 - (c) the name of a domestic or foreign depository or clearing agency that is authorized to operate a book based system, or its nominee; or
 - (d) bearer form or to bearer form, if the investment is not capable of being registered or registration of it would not be in the best interests of the Plan;
- (7) appoint persons to provide such services as the Board deems necessary in the performance of its powers, duties and responsibilities;
- (8) rent premises, purchase supplies and equipment and employ such personnel as required for the efficient administration of the Plan;
- (9) pay from the Pension Fund all costs and expenses of the Board attributable to the operation and administration of the Pension Fund, including any remuneration paid to the Board Members and the Investment Committee as determined by the Board;
- (10) purchase such insurance or fidelity bonds as the Board deems necessary or proper, the cost of which shall be paid out of the Pension Fund;
- (11) do all acts that the Board may deem necessary or appropriate for the protection of the property of the Pension Fund;
- (12) enter into reciprocal agreements with other authorities responsible for the administration of a pension plan, in accordance with Section 15 of Schedule "A";
- (13) adopt such policies, procedures, rules and regulations as the Board deems necessary for the carrying out of its duties and the efficient operation of the Plan, provided that all such policies, procedures, rules and regulations must be consistent with the terms of this By-law;
- (14) compromise, settle, arbitrate or release claims or demands in favour of or against the Pension Fund or the Board, on such terms and conditions as the Board may deem advisable;

- (15) seek the advice, opinion or direction of a court of competent jurisdiction on any matter pertaining to this By-law, the administration of the Pension Fund or the operation of the Plan;
- (16) approve the actuarial methods and assumptions to be used in the operation of the Plan and in the actuarial valuations of the Program conducted by the Actuary;
- (17) hold in uninvested cash, without any liability for interest thereon, such sums as the Board deems necessary or advisable for the current cash requirements of the Pension Fund;
- (18) appoint a financial institution(s) and/or insurance company(ies) to be a custodian for the Pension Fund, for the purpose of acting as a depository and providing for the safekeeping of all or any portion of the Pension Fund, and to authorize the custodian to:
 - (a) commingle any monies deposited with it in any pooled investment fund administered or managed by any custodian appointed pursuant to this subsection subject to policies adopted by the Board from time to time; and
 - (b) act on the instructions of an Investment Manager for the investment and re-investment of the assets of the Pension Fund;
- (19) delegate any of its administrative powers or duties to any of its agents or employees or to such committees as it may establish, in such manner and subject to such terms and conditions as the Board may deem necessary or appropriate; provided that such agents, employees or committees shall report to the Board in a timely fashion as directed by the Board;
- (20) enter into cost sharing arrangements with the City or the board of trustees of another pension or benefit trust fund to permit the Board to share expenses pertaining to the administration of the Plan;
- (21) commence such legal proceedings as it deems necessary or appropriate in connection with the enforcement of this By-law and the administration of the Pension Fund or the operation of the Plan, as well as defend any legal proceedings which may be brought against the Board or any of the Board Members, and the reasonable expenses the Board or any Board Member incurs doing so shall be paid out of the Pension Fund, except with respect to any proceedings brought against the Board or any Board Member in relation to any matter or thing arising out of the dishonesty, bad faith, wilful misconduct or gross negligence of a Board Member or the Board;

- (22) borrow money on a short term basis from time to time on such terms and conditions as may be necessary and appropriate in the circumstances, provided that such borrowing shall only be for the purposes of:
- (a) the payment of benefits under the Plan; or
 - (b) permitting the orderly disposition of investments of the Pension Fund during the planned conversion of any investments;
- in order to avoid a distress sale of investments of the Pension Fund that would otherwise be necessary to pay such benefits or acquire new investments;
- (23) grant or assume mortgages on real estate investments made by the Board, notwithstanding subsection (22). For the purposes of any quantitative restrictions on real estate investments, whether imposed by law or otherwise, the value of a real estate investment made directly or indirectly by the Board shall equal the value of the property less any mortgage or other charge placed upon it, if the holder of such mortgage or other charge has no recourse against the Board or the Pension Fund for any shortfall or deficiency associated with such mortgage or other charge; and
- (24) do all acts and incur any obligations or liabilities (and discharge such obligations and liabilities out of the Pension Fund) that the Board deems necessary or appropriate to carry out its duties and responsibilities hereunder and to accomplish the general objectives of enabling Plan members and their beneficiaries to obtain benefits under the Plan in the most efficient and economical manner.

INVESTMENT COMMITTEE

8. The Investment Committee shall:
- (1) recommend to the Board the appointment of one or more Investment Managers to manage the investments of the Pension Fund or portion thereof and recommend the terms and conditions to apply in each case;
 - (2) recommend to the Board the termination of the appointment of any Investment Manager;
 - (3) subject to the terms of the Investment Policy, direct the Board to allocate the amounts which may become available for investment or are already invested between the Investment Managers appointed by the Board in such proportions as may be determined by the Investment Committee;

- (4) recommend to the Board the Investment Policy or any changes thereto;
- (5) review regularly the performance of the Pension Fund and of each Investment Manager which is managing a portion thereof.
- (6) monitor compliance with the Investment Policy; and
- (7) report regularly to the Board on its activities, compliance with the Investment Policy and such other matters as the Board directs.

PROHIBITION OF CONFLICT OF INTEREST

- 9. (1) No Board Member and no member of the Investment Committee shall knowingly permit his or her other interests to conflict with his or her powers, duties and responsibilities in respect of the Plan or the Pension Fund.
- (2) The Board may adopt a conflict of interest policy whereby conflicts must be disclosed and addressed in accordance with the procedures specified in such policy.

FIDUCIARY RESPONSIBILITIES

- 10. (1) The Board Members, the members of the Investment Committee and each Investment Manager shall:
 - (a) exercise the care, diligence and skill in the administration of the Plan and the investment of the Pension Fund that a person of ordinary prudence would exercise in dealing with property of another person;
 - (b) use in the administration of the Plan and in the administration of the investment of the Pension Fund all relevant knowledge and skill that he or she possesses or, by reason of each individual's profession, business or calling, ought to possess; and
 - (c) select all investments with consideration given to the overall context of the portfolio of the Pension Fund, without undue risk of loss or impairment and with a reasonable expectation of fair return given the nature of the investments.

- (2) If the Board employs or appoints an agent to carry out any act required to be done in the administration of the Plan and in the administration and investment of the Pension Fund, the Board shall personally select the agent and be satisfied of the agent's suitability to perform the act for which the agent is employed or appointed, and the Board shall carry out such supervision of its agents as is prudent and reasonable. Any agent so appointed or employed is subject to the restrictions in Sections 9 and subsection (1), and is not entitled to any payment from the Pension Fund other than the usual and reasonable fees and expenses for the services provided by the agent in respect of the Plan
- (3) No Board Member is entitled to any benefit from the Plan, other than in the Board Member's capacity as a member of the Plan and any remuneration and reimbursement of expenses related to the administration of the Plan or the investment of the Pension Fund permitted by the common law or provided for in this By-law.

LIMITATION OF LIABILITY

11. (1) The Pension Fund shall indemnify and save harmless each Board Member and Investment Committee member and his or her heirs, executors and administrators against:
 - (a) all claims, liabilities, charges and expenses (including legal expenses on a solicitor and his or her own client basis) whatsoever that the Board Member or Investment Committee member sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her for or in respect of all acts, deeds, matters or things whatsoever lawfully made, done or permitted by the Board, Investment Committee or by any of their members in the exercise of the powers and duties vested in them by this By-law under the law; and
 - (b) all other claims, liabilities, costs, charges and expenses that the Board Member or Investment Committee member may sustain or incur in or in relation to the exercise of his or her powers and duties except such claims, liabilities, costs, charges or expenses that are occasioned by the Board Member's or Investment Committee member's dishonesty, gross negligence, wilful misconduct or bad faith.

- (2) The Board Members or Investment Committee members, individually or collectively, shall not be liable for the making, retention or sale of any investment or reinvestment made by them in accordance with this By-law or in accordance with any other legal duties nor for any loss to or diminution of the Pension Fund, except a loss or diminution that resulted from dishonesty, gross negligence, wilful misconduct or bad faith of the Board Members or Investment Committee members and no individual Board Member or Investment Committee member shall incur any liability for such loss or diminution unless he or she is a party to such dishonesty, gross negligence, wilful misconduct or bad faith.
- (3) The Board Members and Investment Committee members, and any of their respective heirs, executors and administrators, shall not be responsible or liable for:
 - (a) any matter, cause or thing arising due to the invalidity of all or any part of this By-law;
 - (b) any delay occasioned by any restriction or provision in this By-law, the rules and regulations of the Board issued hereunder, any contract procured in the course of the administration of the Plan or the Pension Fund, or by any other proper procedure in such administration; or
 - (c) any contributions required to be paid to the Pension Fund other than the contributions that a Board Member or Investment Committee member may be required or permitted to make under the Plan in the Trustee's or Committee member's capacity as a member of the Plan.
- (4) The Board Members and Investment Committee members shall incur no liability, either collectively or individually, in acting upon any documents, data or information believed by them to be genuine and accurate and to have been made, executed, delivered or assembled by the appropriate parties.
- (5) So long as the Board Members and Investment Committee members exercise reasonable care in the selection and instruction of a professional advisor then, subject to subsection (2) of Section 10, the Board Members and Investment Committee members shall incur no liability, either collectively or individually, in acting and relying upon the opinions or advice of the professional advisor.
- (6) The Board Members and Investment Committee members shall do such things and execute and deliver such documents in order that any and all funds required to be paid out of the Pension Fund by way of indemnity as herein set forth shall be paid as required from time to time.

- (7) No entity appointing a Board Member or Investment Committee member shall be liable for any of the acts or obligations of any Board Member or Investment Committee member solely because such Board Member or Investment Committee member is or was an officer, employee or appointee of any such entity, or such entity had any role in the appointment of such Board Member or Investment Committee member.
- (8) Any reference in this By-law to the indemnification or other protection of a Board Member or Investment Committee member shall, unless the context clearly indicates otherwise, be deemed to also refer to former Board Members and Investment Committee members.
- (9) Without limiting the powers otherwise given to the Board by this By-law, the Board may agree to indemnify out of the Pension Fund any agent or employee it retains or hires on terms no more favourable than those upon which the Board is itself indemnified pursuant to this Section 11.

AMENDMENT, TERMINATION, MERGER OR DIVISION

12. (1) Subject to Section 13, but notwithstanding any other provision of this By-law or the Plan, Council may by By-law from time to time amend, modify, vary or terminate the terms, conditions or provisions of this By-law or the Plan (and any trust arising under this By-law or under the Plan) in such a manner and on such terms as Council may determine appropriate, such determination to be conclusively deemed to be evidenced by the passage of such By-law, and such amendment, modification, variation or termination may be effective retroactive to a date prior to the dates such By-law is passed.
- (2) If a proposed amendment, modification or variation of the terms, conditions or provisions of this By-law or the Plan would materially affect the contributions or benefits payable under the Plan, the Board shall have a report thereon prepared by the Actuary and shall provide such report to Council, and Council shall not adopt such amendment, modification or variation until having received such report.

- (3) Subject to Section 13, but notwithstanding any other provision of this By-law or the Plan, Council may by By-law merge, consolidate or divide all or part of the Plan (and any trust arising thereunder) or Pension Fund with or into any one or more other pension plans, (and any respective trusts arising thereunder), or pension funds, or other arrangements maintained by the City, notwithstanding that the Plan or such one or more other pension plans or other arrangements maintained by the City may at the time of such merger, consolidation or division have an actuarial surplus or an unfunded liability, such merger, consolidation or division to be on such terms and conditions as Council may determine appropriate and which also meets with regulatory requirements, such determination to be conclusively deemed to be evidenced by the passage of such By-law, and such merger, consolidation or division may be effective retroactive to a date prior to the dates such By-law is passed.

NO REDUCTION OF ACCRUED BENEFITS

13. Except as otherwise provided in this By-law, no amendment, modification, variation, termination, merger, consolidation or division pursuant to Section 12 of this By-law shall adversely affect the pension benefit credits (as defined in the Pension Benefits Act) of any Plan member in respect of remuneration and service or membership in the Plan prior to the effective date of the amendment, modification, variation, termination, merger, consolidation or division. In addition, in the event of the termination of the Plan (and any trust arising under the Plan) or Pension Fund, no part of the assets of the Plan (and any trust arising under the Plan) shall revert to the benefit of the City until provision has been made for all pensions and other benefits in respect of service up to the date of such termination to members of the Plan, and for all benefits to former employees, pensioners, and their respective dependents, beneficiaries and estates.

EFFECTIVE DATE

14. By-law No. 6253/93 and all amendments thereto are hereby repealed.
15. This By-law shall be deemed to have been in force on, from and after the 1st day of January, 2003.

DONE AND PASSED in Council assembled, this 22nd day of March, 2006.

SCHEDULE "A"

TO

BY-LAW NO. 2/2006

OF THE

CITY OF WINNIPEG

WINNIPEG POLICE PENSION PLAN

SECTION 1 - DEFINITIONS

In this Plan:

"Accumulated Value" of any contributions to the Plan means the value obtained by accumulating each such contribution to the Plan With Interest as defined for each particular type of contribution.

"Actuarially Calculated" means calculated on the basis of the assumptions adopted by the Board on the recommendation of the Actuary appointed by the Board, using such reasonable assumptions as are acceptable to the Minister of National Revenue and that are in accordance with accepted actuarial practice.

"Actuary" means the actuary or firm of actuaries appointed by the Board for the purposes of the Plan.

"Additional Contributions" means additional contributions made in accordance with subsection (4) of Section 4 or in accordance with the corresponding provisions of a Prior Plan.

"Approved Leave of Absence for Union Business" means a period approved by the Board during which the Member receives remuneration from a union, but does not participate in a pension plan for employees of that union.

"Area Municipality" means an area municipality as defined in subsection 91(2) of *The City of Winnipeg Charter Act*.

"Assumed Earnings" means:

- (a) for a Member who is Disabled, the remuneration that the Member would have received from the City had the Member continued to be employed in the Position Regularly Occupied by the Member immediately prior to the date disability commenced, less the Member's Employment Earnings, if any;
- (b) for a Member who is on Approved Leave of Absence for Union Business, all or a portion of the remuneration received by the Member during such absence; and
- (c) for a Member who is on an Eligible Period of Temporary Absence, the remuneration that the Member would have received from the City had the Member continued to be employed in the Position Regularly Occupied prior to the Eligible Period of Temporary Absence, less the Member's Employment Earnings, if any.

No Assumed Earnings shall be computed in respect of a period that is not a period of Service.

"Best 5-Year Average Canada Pension Plan Earnings" means the amount obtained by dividing the Canada Pension Plan Earnings of a Member in the same period of Service as was used in the calculation of the Member's Best 5-Year Average Earnings by the same Service as was used in the calculations of the Member's Best 5-Year Average Earnings.

"Best 5-Year Average Earnings" means the amount obtained by dividing the Earnings of a Member in the 5 consecutive Taxation Years in which the Member's Yearly Earnings were the highest by the Service completed by the Member in those Taxation Years. If a Member's employment with the City terminates during a Taxation Year, and such Taxation Year is one of the 5 Taxation Years in which the Member's Yearly Earnings were the highest, a proportion of the Earnings and a corresponding proportion of the Service completed during the sixth consecutive Taxation Year in which the Member's Yearly Earnings were the highest shall be used. Such proportion, plus the proportion of the Taxation Year in which the Member's employment with the City terminated that is prior to the date the Member's employment terminated, shall be equal to one. If a Member did not provide Service in at least 5 Taxation Years, the Member's Best 5-Year Average Earnings is the amount obtained by dividing the Member's Earnings by the Service the Member completed.

"Best 5-Year Average Non-Canada Pension Plan Earnings" means the amount by which the Best 5-Year Average Earnings of a Member exceeds the Member's Best 5-Year Average Canada Pension Plan Earnings.

"Board" means the Winnipeg Police Pension Board constituted pursuant to Section 4 of this By-law.

"Canada Pension Plan Earnings" means the lesser of the Member's Earnings for a Taxation Year and the YMPE for that year.

"Child" means a natural, adopted, or a step-child of a Member, provided that the date of adoption or becoming a step-child is at least one year prior to the date on which the Member ceases to be an Employee or evidence of the Member's good health on or after such date of adoption or becoming a step-child is submitted and found to be satisfactory by the Board.

"City" means The City of Winnipeg.

"City Account" means the City Account established within the Pension Fund pursuant to clause (3)(c) of Section 3 of this By-law.

"Common-law Partner" of a Member means a person who, not being married to the Member, cohabited with the Member in a conjugal relationship:

(a) for a period of at least 3 years, if either of them is married, or

(b) for a period of at least 1 year, if neither of them is married,

and, at the time of the relevant event, was cohabiting with the Member or, in the case of the Member's death, was cohabiting with the Member immediately before the Member's death.

"Commuted Value" of a pension benefit means the lump sum, Actuarially Calculated, so as to be equivalent in value to the pension and related ancillary benefits.

"Contributing Member" means a Member who is an Eligible Employee who:

(a) has received Employment Earnings in the current Taxation Year or the immediately preceding Taxation Year, or

(b) is on leave of absence approved by the City,

but excludes any person who is accumulating benefits under another pension plan to which the City is required to contribute as a result of a collective agreement or as a result of any other agreement that affects the conditions of the Member's employment.

"Contribution Stabilization Reserve" means the Contribution Stabilization Reserve established within the Main Account pursuant to subclause (3)(a)(ii) of Section 3 of this By-law.

"Credited Service" means the aggregate of each period of Service including fractional years in respect of which the Member made contributions to the Plan at the rate required under the Plan.

"Defined Benefit Limit" for a calendar year means \$1,722.22, or such other defined benefit limit for the year as specified in Section 8500 of the Regulations under the *Income Tax Act* (Canada).

"Dependent Child" means an unmarried Child of a Member who, in the opinion of the Board, is totally or substantially dependent on that Member for financial support and:

(a) is less than 18 years of age,

(b) is less than 25 years of age, and has been in full-time attendance in an educational institution that is considered acceptable by the Board, since the Child reached 18 years of age,

(c) has been totally disabled since the Child reached 18 years of age, or

(d) has become totally disabled subsequent to age 18 and was qualified as a Dependent Child under clause (b) on the date of becoming totally disabled.

"Disabled" means suffering from a physical or mental condition severe enough that the Member is unable to perform the normal duties of his or her occupation in either a full or partial capacity.

"Earnings" means the total of a Member's Employment Earnings and Assumed Earnings. A Member's Earnings shall be considered as having been earned in equal instalments throughout the Taxation Year.

"Eligible Employee" means an Employee who has fulfilled the eligibility requirements specified in Section 2, or those specified in Section 2 of Schedule "A" of By-law No. 6253/93, applicable to the Employee.

"Eligible Period of Temporary Absence" means a period throughout which a Member does not render services to the City by reason of a leave of absence, or any other circumstances acceptable to the Minister of National Revenue and approved by the City other than a period any part of which is a period during which the Member is Disabled or is on Approved Leave of Absence for Union Business.

"Eligible Spouse" means a Spouse who was the Spouse or Common-law Partner of the Member throughout the period that began at least one year prior to the date the Member ceased to be an Employee and continued until the Member's death. If the Spouse became the Spouse less than one year prior to the date on which the Member ceased to be an Employee and was not the Common-law Partner of the Member immediately prior to marrying the Member, the Spouse shall be deemed to be an Eligible Spouse if evidence of the Member's good health on or after the date of the marriage to the Spouse is submitted and found to be satisfactory by the Board.

"Employee" means a Police Officer employed by the City.

"Employment Earnings" means the remuneration paid to an Employee by the City. Employment Earnings shall include periodic payments from Workers' Compensation while Disabled.

"General Component of the Main Account" means the General Component of the Main Account established pursuant to subclause (3)(a)(i) of Section 3 of this By-law.

"Highest Average Indexed Earnings" means the amount obtained by dividing the Indexed Earnings of a Member in the 3 Taxation Years in which the Member's Indexed Earnings were the highest by the Service completed by the Member in those Taxation Years. If a Member's employment with the City terminates during a Taxation Year, and such Taxation Year is one of the 3 Taxation Years in which the Member's Yearly Earnings were the highest, a proportion of the Earnings and a corresponding proportion of the Service completed during the fourth Taxation Year in which the Member's Indexed Earnings were the highest shall be used. Such proportion, plus the proportion of the Taxation Year in which the Member's employment with the City terminated that is prior to the date the Member's employment terminated, shall be equal to one. If a Member did not provide Service in at least 3 Taxation Years, the Member's Highest Average Indexed Earnings is the amount obtained by dividing the Member's Indexed Earnings by the Service the Member completed.

"Indexed" means increased by the increase in the average wage, as defined by the *Income Tax Act* (Canada), for each year from the later of the applicable Taxation Year and 1986 up to the year of pension benefit commencement.

"Level of COLA Funding" with respect to an actuarial valuation and cost-of-living adjustments to pensions at a particular rate means the present value, Actuarially Calculated at the date of the valuation, of all expected future cost-of-living adjustments at that particular rate to pensions and deferred pensions accrued by Members in respect of Credited Service up to the date of the valuation.

"Medical Doctor" means a physician or a surgeon, licensed to practice under the laws of a province of Canada or of the place where the Member resides and whom the Board recognizes as being qualified to give an expert opinion concerning the physical or mental condition of a Member.

"Member" means either:

- (a) an Employee who joined the Plan while he or she was an Eligible Employee, or
- (b) a former Employee who is entitled to a pension or a deferred pension from the Plan.

"Main Account" means the Main Account established within the Pension Fund pursuant to clause (3)(a) of Section 3 of this By-law.

"Pension Adjustment" means, in respect of a calendar year, the amount determined for the Member under subparagraph 8301(6) of the Regulations under the *Income Tax Act* (Canada).

"Pension Benefits Act" means *The Pension Benefits Act*, C.C.S.M., c. P32.

"Pension Fund" means the Winnipeg Police Pension Fund constituted pursuant to Section 3 of this By-law.

"Plan" means the Winnipeg Police Pension Plan as set out in this Schedule.

"Plan Members' Account" means the Plan Members' Account established within the Pension Fund pursuant to clause (3)(b) of Section 3 of this By-law.

"Police Officer" means a member of the Winnipeg Police Association (Police Component) or of the Winnipeg Police Senior Officers' Association, or the Chief of Police or a Deputy Chief of Police of the Winnipeg Police Service.

"Position Regularly Occupied" means the position occupied by the Member on the permanent establishment list, or if he or she is employed in a temporary or a seasonal position on the seniority list, as maintained by the City. If the Position Regularly Occupied by the Member becomes redundant, for the purpose of determining benefits under this Plan, the Board shall designate the position to be used.

"Prior Plan" means:

- (a) a pension or retirement plan that was established for employees of an Area Municipality or the Metropolitan Planning Commission, or
- (b) the Employee Benefits Program established under By-law No. 1125/75.

"Reciprocating Employer" means a Reciprocating Employer as defined in Schedule "A" of By-law No. 6253/93.

"Registered Plan" means a registered retirement savings plan, registered retirement income fund, life annuity contract, insurance contract or pension plan under which the trustee, issuer or administrator, as applicable, agrees to administer any amounts transferred to the plan, fund or contract, as applicable, in the manner prescribed by the Pension Benefits Act.

"Required Contributions" means contributions made by a Member to this Plan or a Prior Plan, other than Additional Contributions.

"Service" means the aggregate of each period that is:

- (a) a period during which an Employee had continuous employment with the City; Service commences on the date the Employee last became so employed and ceases on his or her retirement, or earlier death or termination of employment with the City;
- (b) a period of employment by:
 - (i) an Area Municipality,
 - (ii) a municipality that became part of an Area Municipality,
 - (iii) the Metropolitan Planning Commission, or
 - (iv) any other district, board, commission or company whose employees became employees of an Area Municipality;

if such period of employment would have constituted a period of continuous employment had such period of employment been employment by the City;

- (c) a period in respect of which a Member has made a contribution in accordance with subsection (5) of Section 4;
- (d) a period of absence from work in respect of which the Employee received all or a portion of his or her Employment Earnings,

- (e) a period of maternity or parental leave that the City recognizes as satisfactory work performed, or
- (f) any other period of absence from work, other than due to lay-off, in respect of which the Employee made Required Contributions.

Any period of absence from work due to lay-off shall not be included as Service. A period of absence from work that is not included as part of Service shall not affect the continuity of the Employee's Service if the Employee returned to work for the City when asked to do so or when the leave of absence expired.

An Employee who works 96% or more of the standard number of hours applicable to the Position Regularly Occupied by the Employee in a Taxation Year shall be considered to have provided one year of Service.

If an Employee works less than 96% of the standard number of hours applicable to the Position Regularly Occupied by the Employee in a Taxation Year, a proportion of a year's Service shall be considered to have been provided by the Employee. The proportion of a year's Service provided shall be the proportion that:

- (g) the number of hours worked by the Employee in the Taxation Year
is of
- (h) 96% of the standard number of hours applicable to the Position Regularly Occupied by the Employee.

"Spouse" means the person who is married to the Member, if there is no Common-law Partner.

"Taxation Year" means all of the pay periods of a Member that end in the same calendar year.

"Totally and Permanently Disabled" means suffering from a physical or mental condition that the Board, on the basis of evidence submitted to it by one or more Medical Doctor(s), considers to be so severe that the Member is unable to engage in any occupation for which he or she is reasonably suited by education, training or experience and that can reasonably be expected to continue for the remainder of his or her lifetime.

"Winnipeg Police Association" means that Association certified under The Labour Relations Act for Manitoba by the Manitoba Labour Board on the 16th day of March, 1972, under Certificate No. MLB-2402.

"Winnipeg Police Senior Officers' Association" means that Association certified under The Labour Relations Act for Manitoba by the Manitoba Labour Relations Board on the 9th day of May, 1972, under Certificate No. MLB-2309.

"With Interest" means:

- (a) in respect of Required Contributions, accumulated at a rate of interest for each calendar year equal to the average of the 5-year personal fixed term chartered bank deposit rates, as published as Bank of Canada CANSIM series V122575, during the immediately preceding calendar year, and
- (b) in respect of all other types of contributions, accumulated at a rate of interest for each calendar year equal to the rate of return on the fixed income investments of the Pension Fund during the immediately preceding calendar year as determined by the Board, less 0.5%,

where interest is compounded annually and accumulates from the last day of the pay period in which that contribution was deducted from Earnings, or was paid by or to an Employee, to the last day of the pay period immediately prior to the date it begins to be paid as part of a pension or other payment.

"Yearly Earnings" means the Earnings received by a Member for the pay periods that are completed in a Taxation Year divided by the Service completed by the Member in that Taxation Year.

"YMPE" means the Year's Maximum Pensionable Earnings, as defined under the *Canada Pension Plan*.

SECTION 2 - ELIGIBILITY

New Employees

- (1) Each Employee who is employed in the Winnipeg Police Service as a Police Officer becomes eligible to join the Plan on the first day of his or her employment by the City.

SECTION 3 - MEMBERSHIP IN THE PLAN

New Employees - Compulsory Membership

- (1) Each Eligible Employee shall, as a condition of employment, become a Member of the Plan on fulfilment of the eligibility requirements of Section 2.

SECTION 4 - CONTRIBUTIONS

Employee Required Contributions

- (1) (a) Subject to clause (c) and subsection (7), each Contributing Member shall contribute, by payroll deduction in each pay period while a Member of the Plan, 8.0% of his or her Employment Earnings. However no further employee contributions shall be deducted from the Member's Employment Earnings in a Taxation Year when the Member's Employment Earnings exceed the amount determined by the Board to correspond to the Defined Benefit Limit for the year.
- (b) Notwithstanding clause (a), a Member shall not contribute in respect of a period of Service if such contribution shall cause the Member's years of Credited Service to exceed 40 years.
- (c) As permitted under clause (3)(b) of Section 3 of this By-law, an amount in the Plan Members' Account may be used to reduce the rate of contribution required under clause (a).

Leave of Absence

- (2) A Contributing Member who has been granted leave of absence may, with the approval of the Board, contribute in respect of his or her Assumed Earnings. Such contributions shall be such percentage, Actuarially Calculated, of such Assumed Earnings as is determined by the Board to be equal to the average cost of benefits accruing under the Plan. The payment of such contributions shall be at regular intervals throughout the period of absence. A Contributing Member may contribute in respect of his or her Assumed Earnings during an Eligible Period of Temporary Absence only if the total of such periods does not exceed the maximum prescribed in Section 8507 of the Regulations under the *Income Tax Act* (Canada).

City's Contributions

- (3) (a) Subject to clauses (c), (d), (e) and (f), the City shall contribute each pay period:
 - (i) an amount equal to the Member's Required Contributions under subsection (1), determined as if there was no reduction in contributions in accordance with clause (1)(c); and

- (ii) the amount, Actuarially Calculated, that is necessary, over and above the aggregate of the Members' Required Contributions made in accordance with subsection (1), the amount, if any, transferred from the Plan Members' Account to reduce Member contributions in accordance with clause (1)(c) and the City contributions made in accordance with subclause (i), to provide the benefits that are expected to be earned under the Plan as a result of Service by Members in that pay period and, for this purpose, the amount necessary to provide future cost-of-living adjustments to pensions and deferred pensions in accordance with Section 8 and subsection (5) of Section 13 shall be deemed to be equal to 2% of the Employment Earnings of all Contributing Members in that pay period.
- (b) In addition, the City shall also make any special payments required under the Pension Benefits Act to liquidate any unfunded liability or solvency deficiency and, for the purpose of determining whether the Plan has an unfunded liability or solvency deficiency at a particular date, the rate of future cost-of-living adjustments to pensions and deferred pensions in accordance with Section 8 and subsection (5) of Section 13 shall be deemed to be that which corresponds to a Level of COLA Funding equal to 25% of the Required Contributions of the Contributing Members, With Interest, at that date.
- (c) If the City has made any special payments in accordance with clause (b) since the date of an actuarial valuation that disclosed that the Plan no longer had an unfunded liability or solvency deficiency, the amount of contributions otherwise required to be made by the City in accordance with this subsection shall be reduced by the amount of the special payments made since the date of that actuarial valuation.
- (d) The balance, if any, in the Contribution Stabilization Reserve shall be used to offset the contributions otherwise required under subclause (a)(ii).
- (e) The City may use any amount in the City Account to reduce the contributions otherwise required under clause (a).
- (f) No contribution shall be made by the City that is not an eligible contribution for the purpose of Section 147.2 of the *Income Tax Act* (Canada).
- (g) A contribution made by the City may be returned to the City to whatever extent necessary to avoid revocation of the registration of the Plan as a registered pension plan under the *Income Tax Act* (Canada).

Employee Additional Contributions

- (4) A Contributing Member may make Additional Contributions to the Plan in any Taxation Year up to the maximum amount allowed as a deduction in computing his or her taxable income under the *Income Tax Act* (Canada) for that Taxation Year in respect of his or her employment during that Taxation Year, provided that such Additional Contributions are made by payroll deduction; such contributions may commence in any pay period and thereafter may be increased, decreased or stopped by the Contributing Member giving notification in writing to the Board.

Such Additional Contributions shall be credited to the Member's individual account and shall not affect the City's contributions in any way.

Contributions for Past Service

- (5) (a) A Contributing Member may elect prior to retirement, by completing the form prescribed by the Board, to make a contribution in respect of a period that is not Credited Service but that is a period of employment with:
- (i) the City,
 - (ii) an Area Municipality,
 - (iii) a municipality that became part of the Area Municipality,
 - (iv) the Metropolitan Planning Commission, or
 - (v) any other district, board, commission or company whose employees became employees of an Area Municipality.
- (b) The amount of the contribution to be made in respect of a period for which application is made in accordance with this subsection shall be Actuarially Calculated so as to be equal to the value of the benefits to which the Member is expected to be entitled as a result of this period becoming Service and Credited Service.
- (c) The contribution determined in accordance with this subsection shall be paid by the Member within 30 days of the date of retirement.
- (d) On payment of a contribution in accordance with this subsection and provided that certification of the Minister of National Revenue for the purpose of subsection 147.1(10) of the *Income Tax Act* (Canada), if applicable, has been received, the period in respect of which the contribution is made shall be added to the Member's Service and Credited Service.

Restriction on Withdrawal of Contributions

- (6) A Member may not withdraw his or her contributions from the Plan while an Employee or if prohibited by the Pension Benefits Act except to the extent necessary to avoid penalty under the *Income Tax Act* (Canada).

Maximum Employee Contributions

- (7) Notwithstanding the foregoing, the aggregate amount of contributions that a Member may make to the Plan in respect of a calendar year shall not exceed the limits specified in paragraph 8503(4)(a) of the Regulations under the *Income Tax Act* (Canada).

SECTION 5 - PENSION FUND**Payments Into the Fund**

- (1) (a) All contributions deducted from Earnings and the contributions that the City makes as a result of such deductions shall be paid into the Pension Fund by the City within four weeks of the date on which the deductions are made. All other contributions shall be paid directly into the Pension Fund within four weeks of the required date.
- (b) All contributions made by each Member shall be accounted for separately, and the separate accounting shall show:
- (i) the contributions made by the Member,
 - (ii) the interest credited on such contributions, and,
 - (iii) the payments made to the Member, or his or her survivor, beneficiary, or estate, as a result of such contributions.

Payments Out of the Fund

- (2) Except as otherwise provided under the Plan, payments shall be made out of the Pension Fund only to pay the benefits provided to Members and their survivors, beneficiaries or estates in accordance with the terms and provisions of the Plan, or to pay expenses relating to the administration of the Plan or the Pension Fund.

Accounts Within the Pension Fund

- (3) (a) The Pension Fund consists of three accounts, namely the Main Account, the Plan Members' Account and the City Account, with the Main Account subdivided into the General Component of the Main Account and the Contribution Stabilization Reserve.

- (b) The General Component of the Main Account shall be credited with:
 - (i) all contributions made to the Plan;
 - (ii) all amounts transferred from the Contribution Stabilization Reserve to offset City contributions in accordance with clause (3)(d) of Section 4;
 - (iii) all amounts transferred from the Plan Members' Account to reduce Member contributions in accordance with clause (1)(c) of Section 4;
 - (iv) all amounts transferred from the City Account to reduce City contributions in accordance with clause (3)(e) of Section 4;
 - (v) all amounts transferred from the Plan Members' Account to finance benefit improvements pursuant to clause (3)(b) of Section 3 of this By-law; and
 - (vi) all amounts transferred from the Contribution Stabilization Reserve or City Account pursuant to subsection (6);and shall be reduced by:
 - (vii) all benefits paid under the Plan; and
 - (viii) all amounts transferred to the Contribution Stabilization Reserve, Plan Members' Account or City Account pursuant to subsection (5).
- (c) The Contribution Stabilization Reserve shall be credited with:
 - (i) all amounts transferred from the General Component of the Main Account to the Contribution Stabilization Reserve pursuant to subsection (5);and shall be reduced by:
 - (ii) all amounts transferred to the General Component of the Main Account to offset City contributions in accordance with clause (3)(d) of Section 4; and
 - (iii) all amounts transferred from the Contribution Stabilization Reserve to the General Component of the Main Account pursuant to subsection (6).
- (d) The Plan Members' Account shall be credited with:
 - (i) all amounts transferred from the General Component of the Main Account to the Plan Members' Account pursuant to subsection (5);

and shall be reduced by:

- (ii) all amounts used to reduce Member contributions in accordance with clause (1)(c) of Section 4; and
- (iii) all amounts used to finance benefit improvements pursuant to clause (3)(b) of Section 3 of this By-law.

(e) The City Account shall be credited with:

- (i) all amounts transferred from the General Component of the Main Account to the City Account pursuant to subsection (5);

and shall be reduced by:

- (ii) all amounts used to reduce City contributions in accordance with clause (3)(e) of Section 4; and
- (iii) all amounts transferred from the City Account to the General Component of the Main Account pursuant to subsection (6).

Actuarial Valuations

- (4) (a) An actuarial valuation of the Plan shall be conducted by the Actuary as of January 1, 2003 and at least every 3 years thereafter, as determined by the Board.
- (b) Each actuarial valuation shall determine the amount of Actuarial Surplus or Funding Deficiency, where:
 - (i) an "Actuarial Surplus" is the excess, if any, of the actuarial value of the assets attributable to the balance of the General Component of the Main Account over the actuarial liabilities of the Plan as of the valuation date: or
 - (ii) a "Funding Deficiency" is the excess, if any, of the actuarial liabilities of the Plan as of the valuation date over the actuarial value of the assets attributable to the balance of the General Component of the Main Account as of the valuation date.
- (c) Each Actuarial Surplus shall be dealt with in accordance with subsection (5) and each Funding Deficiency shall be dealt with in accordance with subsection (6).

Actuarial Surpluses

- (5) If an actuarial valuation discloses an Actuarial Surplus, the Actuarial Surplus shall be allocated in the following order of priority:
- (a) If the City has made special payments since January 1, 2003 in accordance with clause 3(b) of Section 4 and such special payments have not been offset by a reduction in contributions in accordance with clause 3(c) of Section 4, an amount of Actuarial Surplus not exceeding such special payments plus interest at the net Fund rates of return since the special payments were made shall be transferred from the General Component of the Main Account to the City Account. The cumulative amount that may be transferred to the City Account in accordance with this clause shall not exceed 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation.
 - (b) If the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is less than 75% of the percentage change in the Consumer Price Index for Canada and the Contribution Stabilization Reserve is less than its target level, equal amounts of Actuarial Surplus shall be used to increase the Level of COLA Funding within the General Component of the Main Account and to transfer from the General Component of the Main Account to the Contribution Stabilization Reserve an amount not exceeding the lesser of the amount required to increase the Level of COLA Funding to the level required to increase the rate of future cost-of-living adjustments to pensions to 75% of the percentage change in the Consumer Price Index for Canada and the amount required to increase the Contribution Stabilization Reserve to its target level.
 - (c) If the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is equal to or greater than 75% of the percentage change in the Consumer Price Index for Canada and the Contribution Stabilization Reserve is less than its target level, an amount of Actuarial Surplus shall be transferred from the General Component of the Main Account to the Contribution Stabilization Reserve not exceeding the amount required to increase the Contribution Stabilization Reserve to its target level.
 - (d) If the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is less than 75% of the percentage change in the Consumer Price Index for Canada and the Contribution Stabilization Reserve is equal to or greater than its target level, an amount of Actuarial Surplus shall be used to increase the Level of COLA Funding within the General Component of the Main Account to a level not exceeding that required to increase the rate of future cost-of-living adjustments to pensions to 75% of the percentage change in the Consumer Price Index for Canada.

- (e) If the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is equal to or greater than 75% of the percentage change in the Consumer Price Index for Canada and the Contribution Stabilization Reserve is equal to or greater than its target level, equal amounts of Actuarial Surplus shall be transferred from the General Component of the Main Account to the Plan Members' Account and the City Account.

Funding Deficiencies

- (6) If an actuarial valuation discloses a Funding Deficiency, the Funding Deficiency shall be resolved by the following steps in order of priority:
 - (a) If the balance in the City Account at the date of the actuarial valuation is greater than nil and the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is greater than 75% of the percentage change in the Consumer Price Index for Canada, equal amounts, each of which shall not exceed one-half of the Funding Deficiency, shall be transferred from the City Account to the General Component of the Main Account and be used to decrease the Level of COLA Funding within the General Component of the Main Account to a level not less than that which would result in a decrease in the rate of future cost-of-living adjustments to pensions to 75% of the percentage change in the Consumer Price Index for Canada.
 - (b) If the balance of the Contribution Stabilization Reserve at the date of the actuarial valuation is greater than \$48,582,000 (an amount equal to the amount of actuarial surplus at January 1, 2003 allocated to fully fund future cost-of-living adjustments to pensions and deferred pensions at the rate of 75% of expected future percentage changes in the Consumer Price Index for Canada) and either the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is equal to or less than 75% of the percentage change in the Consumer Price Index for Canada or the balance in the City Account at the date of the actuarial valuation is nil, an amount not exceeding the balance of the Funding Deficiency and not exceeding the excess of the Contribution Stabilization Reserve over \$48,582,000 shall be transferred from the Contribution Stabilization Reserve to the General Component of the Main Account.
 - (c) If the balance of the Contribution Stabilization Reserve at the date of the actuarial valuation is not greater than \$48,582,000 and the balance in the City Account at the date of the actuarial valuation is greater than nil, equal amounts, each of which shall not exceed one-half of the balance of the Funding Deficiency, shall be transferred from the City Account to the General Component of the Main Account and be used to decrease the Level of COLA Funding within the General Component of the Main Account to a level not less than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation.

- (d) If the balance of the Contribution Stabilization Reserve at the date of the actuarial valuation is not greater than \$48,582,000 and the balance in the City Account at the date of the actuarial valuation is nil, equal amounts, each of which does not exceed one-half of the balance of the Funding Deficiency, shall be deducted from the Level of COLA Funding within the General Component of the Main Account and transferred from the Contribution Stabilization Reserve to the General Component of the Main Account, provided that the amount so deducted or transferred shall not reduce the Level of COLA Funding to less than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation.
- (e) If the Level of COLA Funding is no greater than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation, an amount not exceeding the balance of the Funding Deficiency shall be transferred from the Contribution Stabilization Reserve to the General Component of the Main Account.
- (f) If the balance of the Contribution Stabilization Reserve and the balance in the City Account at the date of the actuarial valuation are both nil, an amount not exceeding the balance of the Funding Deficiency shall be deducted from the Level of COLA Funding within the General Component of the Main Account, provided that the amount so deducted shall not reduce the Level of COLA Funding to less than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation.
- (g) If the Level of COLA Funding is no greater than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation and the balance of the Contribution Stabilization Reserve is nil, the balance of the Funding Deficiency is an unfunded liability to be liquidated by additional City contributions in accordance with clause (3)(b) of Section 4.

Target Level of Contribution Stabilization Reserve

- (7) For the purpose of this Section, the target level of the Contribution Stabilization Reserve at the date of an actuarial valuation is the excess, Actuarially Calculated at the date of the valuation, of the present value of the benefits, including cost-of-living adjustments to pensions at the relevant rate, that are expected to be earned under the Plan in respect of their future Service by the then present Members over the present value of the contributions expected to be made during their future Service by these Members in accordance with clause (1)(a) of Section 4 and by the City in respect of these Members in accordance with subclause (3)(a)(i) of Section 4.

SECTION 6 - RETIREMENT

Normal Retirement Date

- (1) A Member's normal retirement date is the last day of the pay period in which he or she attains age 60:

Alternative Retirement Date

- (2) A Member may elect to retire on the last day of any pay period in which the Member:
 - (a) is age 55 or older, or
 - (b) has completed at least 25 years of Credited Service.

Early Retirement

- (3) A Member may elect to retire early on the last day of any pay period in which the Member:
 - (a) is age 50 or older, or
 - (b) has completed at least 20 years of Credited Service.

Notice of Retirement

- (4) Each Member electing to retire in accordance with subsections (2) or (3) of this Section shall give the Board at least 30 days notice of his or her intention to retire.

Deemed Retirement at Age 69

- (5) Each Member who is not retired on the last day of the Taxation Year in which he or she attains age 69, shall be deemed to have retired on that day and any reference to a retired Member shall include a Member who is deemed to have retired.

SECTION 7 - RETIREMENT PENSION

Lifetime Pension

- (1) Each Member who retires in accordance with Section 6 shall receive an annual pension for life equal to the aggregate of:
 - (a) for each year of Credited Service prior to January 1, 1966, 2% of his or her Best 5-Year Average Earnings; and

- (b) for each year of Credited Service on and after January 1, 1966
 - (i) 1.4% of his or her Best 5-Year Average Canada Pension Plan Earnings, plus
 - (ii) 2% of his or her Best 5-Year Average Non-Canada Pension Plan Earnings.

Pension Before Age 65

- (2) Notwithstanding subsection (1), the annual pension payable up to and including the last pay period that begins in the month in which he or she attains age 65 to a Member who retires prior to age 65 in accordance with Section 6 shall be 2% of the Member's Best 5-Year Average Earnings for each year of Credited Service, provided that the excess of this pension over the pension determined under subsection (1) of this Section in respect of Credited Service after January 1, 1992 shall not exceed the maximum bridging benefit specified in paragraph 8503(2)(b) of the Regulations under the *Income Tax Act* (Canada).

Maximum Lifetime Pension

- (3) The annual pension determined under subsection (1) shall be limited to the aggregate of:
 - (a) for each year of Credited Service before January 1, 1992 to a maximum of 35 years, the lesser of:
 - (i) the Defined Benefit Limit for the year in which pension payments commence, and
 - (ii) 2% of the Member's Highest Indexed Average Earnings,subject to the provision that for each year of Credited Service before 1990 that was added to the Member's Credited Service as a result of contributions made after June 7, 1990 in accordance with subsection (5) of Section 4 , this limit shall be the lesser of:
 - (iii) 2/3 of the Defined Benefit Limit for the year in which pension payments commence, and
 - (iv) 2% of the Member's Highest Indexed Average Earnings; and
 - (b) for each year of Credited Service after January 1, 1992, the lesser of:
 - (i) the Defined Benefit Limit for the year in which pension payments commence; and

- (ii) 2% of the Member's Highest Indexed Average Earnings;
- minus
- (c) any pension payable from another registered pension plan in respect of the Member's Service before January 1, 1992; and
 - (d) any portion of the pension transferred to a spouse or former spouse on marriage breakup or to a Common-law Partner or former Common-law Partner on breakup of a common-law relationship.

Maximum Pension Before Age 65

- (4) The annual pension payable until the last pay period that begins in the month in which the Member attains age 65 shall be limited to the aggregate of:
 - (a) the Defined Benefit Limit for the year in which pension payments commence times the sum of:
 - (i) the Member's Credited Service before January 1, 1992 to a maximum of 35 years, and
 - (ii) the Member's Credited Service after December 31, 1991;
 - (b) the maximum Old Age Security pension and Canada Pension Plan pension for the year in which pension payments commence, multiplied by the ratio of the Member's Credited Service before January 1, 1992 to his or her total Credited Service; and
 - (c) 25% of the average of the YMPs for the year in which pension payments commence and the two immediately preceding years multiplied by 1/35th of the Member's Credited Service after January 1, 1992 to a maximum of 35 years;
- minus
- (d) any pension payable from another pension plan in respect of the Member's Credited Service before January 1, 1992; and
 - (e) any portion of the pension transferred to a spouse or former spouse on marriage break-up or to a Common-law Partner or former Common-law Partner on breakup of a common-law relationship.

Excess Employee Contributions

- (5) (a) If, when a Member becomes entitled to a pension or deferred pension, the Member's Required Contributions, With Interest, in respect of 1985 and subsequent Taxation Years exceed 50% of the Commuted Value of the pension benefit earned in respect of Credited Service in 1985 and subsequent Taxation Years, the excess shall, at the option of the Member, be either:
- (i) refunded to the Member in a lump sum, or
 - (ii) subject to restrictions under the *Income Tax Act* (Canada), used to increase the Member's pension or deferred pension; the amount of this increase in pension or deferred pension shall be Actuarially Calculated.
- (b) For the purpose of clause (a):
- (i) the Member's Required Contributions shall exclude any contributions made in accordance with subsections (4) or (5) of Section 4, and
 - (ii) the pension benefit shall exclude any pension benefit purchased by such contributions.

Pension for Additional Contributions

- (6) Each Member who becomes entitled to a pension or a deferred pension shall also receive for life, the annual pension that can be provided by the then Accumulated Value of his or her Additional Contributions, if any, unless the Member elects to receive the lump sum payment provided in subsection (3) of Section 17. The amount of this pension shall be Actuarially Calculated. In the case of a Member who becomes entitled to a deferred pension, the additional pension payable in accordance with this subsection shall commence on the date the deferred pension commences.

Early Retirement Reduction

- (7) (a) If the Member is retiring in accordance with subsection (3) of Section 6, the pension otherwise payable in accordance with subsections (1) and (2) shall be reduced for his or her lifetime by an amount equal to the product of:
- (i) 0.1385% for each pay period (3.6% per annum) that the Member retires earlier than the pay period in which he or she otherwise would have been eligible to retire in accordance with subsection (2) of Section 6, and

- (ii) 2% of the Member's Best 5-Year Average Earnings for each year of Credited Service.
- (b) The percentage reduction factor specified in clause (a)(i) shall be reviewed by the Actuary at least every three years and shall be varied by the Board on the recommendation of the Actuary to ensure that retirements in accordance with subsection (3) of Section 6 are cost-neutral to the Plan.

Payment of Pensions

- (8) Each pension shall be paid in bi-weekly instalments with the first instalment due on the last day of the pay period following the pay period in which the Member retires or is granted a disability pension. The last instalment is due on the last day of the pay period in which the Member dies. A corresponding procedure is followed when a pension is being paid to a Spouse, Common-law Partner or Dependent Child

Amount of Bi-Weekly Instalments

- (9) The amount of each bi-weekly instalment shall be one-twenty-sixth of the Member's annual pension.

Small Pensions

- (10) If a Member's annual pension is less than 4% of the YMPE for the year in which the Member retired, died, or terminated employment with the City, or if the Commuted Value of the Member's pension is less than 4% of the YMPE for the year in which the Member retired, died or terminated employment with the City, the Member or, if the Member has died, the Member's Spouse, Common-law Partner, Dependent Child, beneficiary or estate, whichever is applicable, shall receive a lump sum payment equal to the Commuted Value of the pension otherwise payable in lieu of all benefits under the Plan.

SECTION 8 - COST-OF-LIVING ADJUSTMENTS

Eligibility for Adjustments

- (1) Each pension payable to a Member, Spouse, Common-law Partner or Dependent Child shall be adjusted in accordance with this Section in the pay period that includes July 1 of each Taxation Year.

Amount of Adjustments

- (2) (a) Subject to subsection (3), the adjustment to a pension in accordance with this Section shall be calculated as a percentage of the pension payable in respect of the Member equal to 75% of the percentage change in the Consumer Price Index for Canada during the 12-month period that ended on the March 31 immediately preceding the date of the adjustment.
- (b) (i) If the pension in respect of which an adjustment is to be made in accordance with clause (a) has been in payment for less than one year, the adjustment shall be pro-rated based on the proportion of the year from the date on which the pension commenced.
- (ii) For the purpose of this clause, the period during which pension payments were made to a Member shall be taken into account in determining the adjustment to any pension payable after the Member's death to the Member's Spouse, Common-law Partner or Dependent Child.
- (iii) For the purpose of this clause, the payments of a Member's pension that ceased in accordance with Section 14 shall not be taken into account in determining the adjustment to any subsequent pension payable to or in respect of that Member.
- (c) No adjustment shall be made to a pension payable in respect of:
- (i) the Member's Additional Contributions, if any,
- (ii) the Member's excess contributions in accordance with subsection (5) of Section 7, subsection (7) of Section 12 or clause (5)(c) of Section 12, or
- (iii) Old Age Security Integration in accordance with subsection (1) of Section 10.
- (d) If the Consumer Price Index for Canada decreases, each pension shall be adjusted accordingly, but the resulting pension shall not be less than the pension that would have been provided under the Plan had no adjustments been made in accordance with this Section.
- (e) If a pension reduces or a portion of a pension ceases in a pay period, the portion of any adjustment payable in accordance with this Section in respect of the reduction in pension or pension that ceased shall cease in that pay period.

Variation in Percentage Adjustments

- (3) The percentage of the percentage change in the Consumer Price Index for Canada specified in subsection (2) (the "CPI percentage") shall be varied as follows:
- (a) If a portion of an actuarial surplus or funding deficiency disclosed in an actuarial valuation is added to or subtracted from the Level of COLA Funding in accordance with subsections (5) or (6) of Section 5, the CPI percentage shall be varied in proportion to the change in the Level of COLA Funding at the date of the actuarial valuation.
 - (b) If an amount is transferred from the Plan Members' Account to the General Component of the Main Account pursuant to clause (3)(b) of Section 3 of this By-law and allocated by the Board to increase the Level of COLA Funding, as defined in clause (7)(b) of Section 5, the CPI percentage shall be increased in proportion to the increase in the Level of COLA Funding at the effective date of the transfer.

SECTION 9 - NORMAL FORM OF PENSION**Members With Spouse or Common-law Partner**

- (1) (a) The normal form of pension of a Member who has a Spouse or Common-law Partner on the date the pension commences is a pension payable to the Member for the lifetime of the Member and, after the Member's death, a pension to the Spouse or Common-law Partner for the Spouse's or Common-law Partner's remaining lifetime of 66 2/3% of the lifetime pension to which the Member would have been entitled had the Member continued to live.
- (b) If the Spouse or Common-law Partner was not a Spouse or Common-law Partner at the date the Member retired or ceased to be an Employee, whichever occurred first, the amount of the pension shall be Actuarially Calculated and equivalent in value to the pension described in subsection (2).

Members Without Spouse or Common-law Partner

- (2) The normal form of pension of a Member who does not have a Spouse or Common-law Partner on the date the pension commences shall be a pension payable for the lifetime of the Member.

Lump Sum Refund When Pension Payments Cease

- (3) If pension payments cease before the total of the payments made to the Member and his or her Spouse or Common-law Partner is at least equal to the aggregate of:

- (a) the Member's Required Contributions, With Interest, and
- (b) the Accumulated Value of the Member's Additional Contributions, if any,

the unpaid balance of this aggregate amount shall be paid to the beneficiary or estate, whichever is applicable, of the last survivor.

SECTION 10 - OPTIONAL FORMS OF PENSION

Old Age Security Integration (also referred to as Advance Recovery Option)

- (1) (a) If a Member is retiring in accordance with Section 6 prior to age 65, the Member may, prior to the commencement of the pension, elect to have his or her pension integrated with the Old Age Security pension expected to be received by the Member. The effect of such integration shall be to provide the Member with an increased pension from the Plan up to and including the last pay period that begins in the month in which the Member attains age 65. Thereafter, the pension shall be reduced by the amount previously expected to be received as Old Age Security pension. The increase in pension payable until the last pay period that begins in the month in which the Member attains age 65 shall be Actuarially Calculated and equivalent in value to the reduction in pension thereafter.
- (b) Any pension payable in respect of a Spouse or Common-law Partner shall be determined as if the Member had not elected to integrate his or her pension.
- (c) The integration option shall be available to the Spouse or Common-law Partner of a Member and the conditions specified in clause (a) shall apply.

Other Forms of Pension

- (2) (a) In lieu of the normal form of pension, a Member who:
 - (i) does not have a Spouse or Common-law Partner, or
 - (ii) has elected jointly with his or her Spouse or Common-law Partner, in a form approved by the Pension Commission of Manitoba and in accordance with the requirements prescribed under the Pension Benefits Act,

may elect prior to the date the Member's pension commences another form of lifetime pension from the list outlined in subclauses (e)(i), (ii) and (iii) below and that is acceptable to the Board and conforms to the requirements of the *Income Tax Act* (Canada) and any regulations and administrative rules thereunder.

- (b) An optional form of pension elected in accordance with clause (a) shall be Actuarially Calculated and equivalent in value to the pension and other benefits that would otherwise have contingently been payable, determined as if the Member did not have a Spouse or Common-law Partner.
- (c) In lieu of the normal form of pension, a Member who has a Spouse or Common-law Partner may elect prior to the date the Member's pension commences the form of lifetime pension outlined in subclause (e)(iv).
- (d) An optional form of pension elected in accordance with clause (c) shall be Actuarially Calculated and equivalent in value to the pension payable in the normal form.
- (e) The other forms of pension available are summarized as follows:
 - (i) Life and Guaranteed 5 Years

Bi-weekly payments will be made for the lifetime of the Member but if death occurs before the Member has received 5 years of bi-weekly payments, the balance of the 5 years of bi-weekly payments of the lifetime pension to which the Member would have been entitled had the Member continue to live will be made to the Member's beneficiary.
 - (ii) Life and Guaranteed 10 Years

Bi-weekly payments will be made for the lifetime of the Member but if death occurs before the Member has received 10 years of bi-weekly payments, the balance of the 10 years of bi-weekly payments of the lifetime pension to which the Member would have been entitled had the Member continued to live will be made to the Member's beneficiary.
 - (iii) Life and Guaranteed 15 Years

Bi-weekly payments will be made for the lifetime of the Member but if death occurs before the Member has received 15 years of bi-weekly payments, the balance of the 15 years of bi-weekly payments of the lifetime pension to which the Member would have been entitled had the Member continued to live will be made to the Member's beneficiary.

(iv) Joint and 100% Survivor (Only Available to Members with Spouse or Common-law Partner)

Bi-weekly payments will be made for the lifetime of the Member and, if at date of death of the Member the Member's Spouse or Common-law Partner is then surviving, bi-weekly payments of 100% of the lifetime pension to which the Member would have been entitled had the Member continued to live will be made for the Spouse's or Common-law Partner's remaining lifetime.

Election Irrevocable

- (3) No change can be made in the form of pension elected by a Member after the first pension payment has been made.

SECTION 11 - DISABILITY PENSION

Eligibility for a Disability Pension

- (1) A Contributing Member who has completed at least 15 years of Credited Service, has become Totally and Permanently Disabled, and is under the regular and personal care of a Medical Doctor, may apply for a disability pension. If such application is approved by the Board, the disability pension shall commence and the Member shall be deemed to have retired and shall be deemed to have ceased to be an Employee for the purposes of the Plan.

Medical Evidence

- (2) The Board may require each Member who applies for a disability pension to be examined by one or more Medical Doctors appointed by the Board, and the Board shall obtain such other evidence as it may consider necessary to enable it to determine if the Member is Totally and Permanently Disabled. If a Member disagrees with a decision made by the Board, the Member may submit an appeal and the Board shall reconsider its decision. Prior to such reconsideration, the Member shall be given an opportunity to present any additional information that the Member considers to be important in the disposition of the appeal. The decision of the Board shall be final and conclusive.

Initial Amount of Disability Pension

- (3) The disability pension shall be calculated in accordance with the method described in Section 7 and, for the purpose of such calculation, subsection (2) of Section 7 does not apply.

Occupational Disabilities

- (4) A contributing Member who is Totally and Permanently Disabled as a direct result of personal injury by accident or illness arising out of and in the course of employment with the City or as a result of having contracted a disease directly arising out of the Member's occupation while in such employment, and who is receiving Employment Earnings from the City, may not apply for a disability pension.

Administrative Procedures

- (5) The eligibility of a Member for a disability pension, the date on which such pension commences or is subsequently decreased, increased or cancelled, and the amount of any increase or decrease in such pension, shall be determined in accordance with the administrative procedures then in use by the Board. The Board may, from time to time, ask a Member who is receiving a disability pension, to submit further evidence of continuing disability that, at the Board's option, shall be obtained from a Medical Doctor appointed by the Board. After the disability pension has been paid for more than two years such evidence may not be requested more frequently than annually.

Discontinuance of Disability Pension

- (6) (a) The Member's disability pension shall be discontinued if, before age 60:
- (i) the Board finds the Member no longer to be Totally and Permanently Disabled; or
 - (ii) the Member refuses or cannot provide the Board with satisfactory evidence of his or her continuing disability.
- (b) If the Member's disability pension is discontinued; and
- (i) the Member is again employed as a Police Officer, the Member's years of Credited Service prior to the date his or her disability pension commenced shall be added to his or her years of Credited Service after his or her resumption of employment and the Member's previous Service and Earnings shall be reinstated, for the purpose of determining any subsequent benefits to which the Member or his or her survivors are entitled;

- (ii) the Member is not employed as a Police Officer, the Member shall be entitled to a deferred pension based on his or her Credited Service prior to the date the Member's disability pension commenced and commencing on the last day of any pay period following the pay period in which the Member attains age 60.

SECTION 12 - DEATH PRIOR TO RETIREMENT

Lump Sum Refund Benefit

- (1) If a Member dies while an Employee but before completing either 2 years of Service or 2 years of Plan membership and before becoming eligible to retire in accordance with subsection (2) of Section 6, the Member's beneficiary or estate, whichever is applicable, shall receive in a lump sum:
 - (a) the Member's Required Contributions, With Interest, plus
 - (b) the Accumulated Value of the Member's Additional Contributions, if any.

Survivor Pension – Employees With Eligible Spouse or Common-law Partner

- (2) (a) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is survived by an Eligible Spouse or Common-law Partner, then the Eligible Spouse or Common-law Partner shall receive a lifetime pension each pay period equal to:
 - (i) 50% of the pension calculated in accordance with the formula contained in subsections (1) and (3) of Section 7, in respect of the Member's Earnings and the greater of:
 - (A) the Member's Credited Service up to the date of his or her death, and
 - (B) 25 years of assumed Credited Service, but not exceeding the sum of the Member's Credited Service up to the date of his or her death and the period from the date of his or her death to his or her 65th birthday;

plus

- (ii) the pension, Actuarially Calculated, that can be provided by the Accumulated Value at the date of the Member's death of the Member's Additional Contributions, if any.
- (b) If the Member to whom clause (a) applies is also survived by one or more Dependent Children, a pension of:
- (i) 20%, while there is one Dependent Child,
 - (ii) 40%, while there are two Dependent Children, or
 - (iii) 50%, while there are three or more Dependent Children,
- of the pension calculated in accordance with subclause (a)(i) shall be payable and divided equally among the Dependent Children or their respective legal guardian(s).
- (c) If the Eligible Spouse or Common-law Partner dies while there is one or more Dependent Children, the pension shall continue to be paid on the terms and conditions specified in subsection (4).

Survivor Pension – Employees With Spouse

- (3) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is survived by a Spouse who is not an Eligible Spouse, then the Spouse shall receive a lifetime pension Actuarially Calculated and equivalent in value to the lump sum described in subsection (5).

Survivor Pension – Employees Without Spouse or Common-law Partner, With Dependent Children

- (4) (a) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is survived by one or more Dependent Children but not by a Spouse or Common-law Partner, a pension shall be paid to the legal guardian of such Dependent Children, or to the Dependent Children if no guardian is required by law. The amount of this pension shall be equal to the pension calculated in accordance with clause (2)(a).

- (b) If there is more than one Dependent Child, an equal share of the pension shall be paid in respect of each Child.
- (c) The portion of the pension payments made in respect of a Dependent Child shall cease when the Child ceases to be a Dependent Child and subsequent pension payments shall be redistributed to the remaining Dependent Children, if any.

Survivor Benefits – Employees Without Spouse, Common-law Partner or Dependent Children

- (5) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is not survived by an Spouse, Common-law Partner or Dependent Children, the Member's beneficiary or estate, whichever is applicable, shall receive in a lump sum:
 - (a) the Member's Required Contributions in respect of Taxation Years prior to 1985, With Interest, plus
 - (b) the Commuted Value of the pension benefit earned by the Member in respect of Credited Service in 1985 and subsequent Taxation Years, plus
 - (c) the excess, if any, of the Member's Required Contributions in respect of 1985 and subsequent Taxation Years, With Interest, over 50% of the Commuted Value of the pension benefit earned by the Member in respect of Credited Service in 1985 and subsequent Taxation Years, plus
 - (d) the Accumulated Value of the Member's Additional Contributions, if any,
less
 - (e) any payments previously made to or in respect of the Member under the Plan.

Survivor Benefits - Deferred Pensioners

- (6) If a Member to whom a deferred pension has been granted and not subsequently cancelled dies prior to the commencement of the deferred pension and the Member:
 - (a) is not survived by a Spouse or Common-law Partner, the Member's beneficiary or estate, whichever is applicable, shall receive in a lump sum:

- (i) the Member's Required Contributions in respect of Taxation Years prior to 1985, With Interest, provided that a portion of the Member's deferred pension relates to Credited Service in these Taxation Years, plus
 - (ii) the Commuted Value of the deferred pension benefit payable in respect of the Member's Credited Service in 1985 and subsequent Taxation Years, plus
 - (iii) the Commuted Value of any deferred pension benefit payable in respect of the Member's Additional Contributions or the Member's excess contributions in accordance with subsection (5) of Section 7, or
- (b) is survived by a Spouse or Common-law Partner, the Spouse or Common-law Partner shall receive the lifetime pension, Actuarially Calculated, which can be provided by the lump sum amount calculated in accordance with clause (a).

Minimum Survivor's Pension

- (7) (a) If, at the date of death of the Member:
- (i) the Commuted Value of the pension benefit earned by the Member in respect of Credited Service in 1985 and subsequent Taxation Years,

exceeds
 - (ii) the value, Actuarially Calculated, of the benefits payable in accordance with subsections (2) or (4) in respect of the Member's Credited Service in 1985 and subsequent Taxation Years,

an additional pension, Actuarially Calculated and equivalent in value to the excess, shall be payable.
- (b) If, at the date of death of the Member:
- (i) the Member's Required Contributions in respect of 1985 and subsequent Taxation Years, With Interest,

exceeds
 - (ii) 50% of the value, Actuarially Calculated, of the benefits payable in accordance with subsections (2) or (4) in respect of the Member's Credited Service in 1985 and subsequent Taxation Years and any additional pension payable in accordance with clause (a),

a further additional pension, Actuarially Calculated and equivalent in value to the excess, shall be payable.

- (c) If benefits are payable under subsection (2), then the additional pension payable in accordance with this subsection shall be a lifetime pension payable to the Eligible Spouse or Common-law Partner.
- (d) If benefits are payable under subsection (4), then an equal share of the additional pension payable in accordance with this subsection shall be payable to each Dependent Child, or their respective legal guardian, calculated on the basis that it is payable until the Dependent Child attains 25 years of age. If, at the date on which the last Dependent Child ceases to be a Dependent Child, the aggregate of all benefits paid to Dependent Children is less than the sum of the amount in subclause (a)(i) and the excess, if any, under clause (b), the balance shall be paid in equal shares to each surviving Child who was a Dependent Child at the death of the Member.

Maximum Pre-Retirement Dependent Children's Pension

- (8) (a) If, at the date of the death of the Member, the pension payable to two or more Dependent Children is increased in accordance with subsection (7), the increased pension shall not exceed the greater of:
 - (i) the annual amount of lifetime retirement benefits that would have accrued to the Member to age 65 had the Member survived to that age and continued employment and had the Member's rate of pay not increased, or if lower, 150% of the YMPE for the year in which the Member died, and
 - (ii) the annual amount of lifetime retirement benefits accrued to the Member to the date of the Member's death.
- (b) If the pension payable to one Dependent Child is increased in accordance with subsection (7), the increased pension shall not exceed 66 2/3% of the amount determined in clause (a).
- (c) If the sum of:
 - (i) the amount determined in accordance with subclause (7)(a)(i), and
 - (ii) the excess, if any, determined in accordance with clause (7)(b)

exceeds

- (iii) the Commuted Value of the pension determined in accordance with clause (a) or (b) of this subsection in respect of Credited Service in 1985 and subsequent years,

the excess amount shall be payable in a lump sum to be divided equally among the Dependent Children, or their respective legal guardian(s), as the case may be.

Portability

- (9) In lieu of the pension to which a Spouse or Common-law Partner is entitled in accordance with this Section, the Spouse or Common-law Partner may, within 90 days of receiving notification from the Board of the benefits payable as a result of the death of the Member, elect to transfer the Commuted Value of the pension to another Registered Plan.

Lump Sum Refund When Pension Payments Cease

- (10) If the pension payments to a Member's Spouse, Common-law Partner or Dependent Children, if any, cease before the total of these payments, is at least equal to the aggregate of:
 - (a) the Member's Required Contributions, With Interest, and
 - (b) the Accumulated Value of the Member's Additional Contributions, if any,

the unpaid balance of this aggregate amount shall be paid to the beneficiary or estate of the Spouse, Common-law Partner or last Dependent Child, whichever is applicable, when the payments cease because of death, or to the Dependent Child when payments cease because the Child ceases to be Dependent.

SECTION 13 - TERMINATION OF EMPLOYMENT

Less Than 2 Years' Service or Plan Membership

- (1) If, for any reason other than death or retirement, a Member's employment with the City terminates before completing either 2 years of Service or 2 years of Plan membership, and the Member is not eligible to retire in accordance with subsection (2) of Section 6, the Member shall receive in a lump sum:
 - (a) the Member's Required Contributions, With Interest, plus

- (b) the Accumulated Value of the Member's Additional Contributions, if any.

More Than 2 Years' Service or Plan Membership

- (2) If, for any reason, other than death or retirement, a Member's employment with the City terminates after having completed at least 2 years of Service or 2 years of Plan Membership and before becoming eligible to retire in accordance with subsection (2) of Section 6, the Member is entitled to receive a deferred pension commencing on the last day of any pay period following the pay period in which the Member attains age 60. The amount of the deferred pension shall be equal to the greater of:
 - (a) the deferred pension determined in accordance with Section 7 except that, for the purpose of subsection (2) of Section 7, commencement of the deferred pension in accordance with this subsection shall be deemed to be retirement in accordance with Section 6, and
 - (b) the deferred pension, Actuarially Calculated so that, as at the date the Member's employment with the City terminated, the value of the deferred pension is equivalent in value to the lump sum determined in accordance with subsection (1).

Portability

- (3) (a) A terminating Member who is entitled to a deferred pension in accordance with subsection (2) may elect:
 - (i) in lieu of the deferred pension to which the Member is entitled as a result of the Member's Additional Contributions, if any, to receive a lump sum payment equal to the Accumulated Value of these Additional Contributions, and
 - (ii) in lieu of any other deferred pension to which the Member is entitled in accordance with subsection (2), to the extent permitted by the Pension Benefits Act, to receive as a lump sum payment or as a transfer to another Registered Plan an amount equal to the Commuted Value of this deferred pension, provided that the amount of any such transfer shall not exceed the amount permitted under the *Income Tax Act* (Canada) and any regulations and administrative rules thereunder.
- (b) The Commuted Value of the deferred pension, if any, to which a Member is entitled in respect of Credited Service prior to 1985 shall not be less than the Member's Required Contributions in respect of such Credited Service, With Interest.

- (c) If the Member does not make an election under this subsection within 90 days of receiving notification from the Board of the benefits payable, the Member shall be deemed to have elected the deferred pension provided in accordance with subsection (2).

Commutation of Deferred Pension

- (4) A Member to whom a deferred pension has been granted, may, prior to the commencement of the pension and to the extent permitted by the Pension Benefits Act, elect to receive a lump-sum payment or transfer determined according to subsection (3). If such a lump sum payment or transfer is made, neither the Member nor his or her beneficiary shall be entitled to any further benefits from the Plan

Cost-of-Living Adjustments

- (5)
 - (a) Each deferred pension earned in respect of the Credited Service of a Member shall be adjusted in accordance with this subsection in the pay period that includes July 1 of 2003 and each subsequent Taxation Year.
 - (b) The adjustment to a deferred pension in accordance with this subsection shall be calculated using the percentage adjustment determined in accordance with Section 8, except that:
 - (i) the adjustment shall be pro-rated based on the period from the date on which the Member's employment with the City terminated if such period is less than one year,
 - (ii) the adjustment in 2003 shall be one-half of the adjustment calculated for that year using the percentage adjustment determined in accordance with Section 8 and shall be pro-rated based on the period from the date on which the Member's employment with the City terminated if such period is less than six months, and
 - (iii) the resulting deferred pension shall not be less than the deferred pension that would have been provided under the Plan had no adjustments been made in accordance with this subsection.

Application for Commencement of Pension

- (6) It shall be the responsibility of a Member to whom a deferred pension has been granted, or his or her beneficiary if the Member has died, to apply for any benefits for which the Member is eligible.

SECTION 14 - RE-EMPLOYMENT

Re-Employment Before Retirement

- (1) (a) If a Member to whom a deferred pension has been granted and not subsequently cancelled, again becomes an Employee, and provided that any amount refunded to the Member in accordance with subsection (5) of Section 7 is repaid With Interest in accordance with policies adopted by the Board, the deferred pension shall be cancelled and the years of Credited Service on which it is based shall be added to the Member's years of Credited Service after re-employment, for the purpose of determining any pension payable to the Member or his or her survivors.
- (b) If an amount specified in clause (a) is not repaid in accordance with the policies adopted by the Board, the deferred pension shall be cancelled and a lesser number of years of Credited Service, Actuarially Calculated, shall be added to the Member's years of Credited Service after re-employment, for the purpose of determining any pension payable to the Member or his or her survivors.

Re-Employment After Retirement

- (2) (a) If a retired Member who is receiving a pension from the Plan again becomes an Employee prior to the last day of the Taxation Year in which he or she attains age 69 and he or she:
 - (i) is employed in a permanent position and regularly works at least 28 hours a week, or
 - (ii) is employed in a temporary or a seasonal position and regularly works at least 28 hours a week in periods when not laid-off,

the Member's pension shall cease on the last day of the pay period prior to the pay period in which he or she again becomes such an Employee.

- (b) If the Member's pension ceases, the Member's years of Credited Service at his or her date of retirement shall be added to his or her years of Credited Service after re-employment, for the purpose of determining any pension payable to the Member or his or her survivors.
- (c) If the Member again retires, or is deemed to retire, the Member's pension shall be recalculated in accordance with Section 7 and shall commence on the last day of the pay period following the pay period in which the Member again retires or is deemed to have retired.

- (d) Notwithstanding the foregoing, no contributions shall be made and no further benefits shall accrue to a Member in respect of a period during which retirement benefits are paid to the Member under the Plan or any other registered pension plan in which the City participates.

Service and Earnings

- (3) If a deferred pension is cancelled or a pension ceases in accordance with this Section, the Member's previous Service and Earnings shall be reinstated for the purpose of determining any subsequent benefits to which the Member or his or her survivors are entitled.

SECTION 15 - RECIPROCAL ARRANGEMENTS

Reciprocal Agreements

- (1) The Board may enter into reciprocal agreements with any authority responsible for the administration of a pension plan involving employee contributions, for the purpose of preserving some or all of the benefits to which a person who transfers from or to the employment of the City is entitled, provided such person does not receive a refund of the contributions that the person was required to make to the pension plan in which the person participated prior to the date of such transfer and provided the amount transferred is in accordance with the applicable subsections 147.3(1) to (8) of the *Income Tax Act* (Canada), as amended from time to time.

Reciprocating Employers

- (2) (a) This subsection shall apply where a person has not elected to retire, transfer the Commuted Value of his or her pension benefits, or receive a lump-sum refund:
 - (i) from the Plan, if the person ceases to be an Employee and becomes employed with a Reciprocating Employer before January 1, 1996, or
 - (ii) from the pension plan operating in respect of employees of the Reciprocating Employer, if the person ceases to be employed with the Reciprocating Employer and becomes an Employee before January 1, 1996,unless the person indicates in writing to the Board that he or she does not want this subsection to apply.

- (b) Where this subsection applies, the period of pensionable service that applies in calculating the amount of pension under the pension plan operating in respect of employees of the Reciprocating Employer shall be added to the period of Credited Service that applies in determining the person's eligibility for a pension under the Plan. The amount of the pension under the Plan shall be based on the person's Credited Service and shall be determined as at the date the pension is to commence.
- (c) The best average earnings that are used in calculating the amount of pension under the Plan and under the pension plan operating in respect of employees of the Reciprocating Employer shall be based on the person's earnings and service while an Employee and while employed with the Reciprocating Employer.

SECTION 16 - DIVISION OF PENSION BENEFITS ON MARRIAGE BREAKUP

Equal Division

- (1) Where, pursuant to the Pension Benefits Act, the pension benefits of a Member and his or her Spouse or Common-law Partner are to be divided as a result of the termination of their marriage or common-law relationship on or after January 1, 1984, or such earlier date as the Board may decide, the pension benefits earned by the Member during the period of the marriage or common-law relationship shall be divided equally between the Member and the Spouse or Common-law Partner.

Breakup Prior to Commencement of Pension

- (2) If the termination of the marriage or common-law relationship occurs prior to the commencement of pension payments under the Plan and the Member was an Employee at the date of termination of the marriage or common-law relationship:
 - (a) if the Member had not completed at least 2 years of Service or 2 years of Plan membership and had not become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship, the Spouse or Common-law Partner shall receive in a lump sum one-half of the sum of the Member's Required Contributions, With Interest, and the Accumulated Value of the Member's Additional Contributions, if any, in respect of the period of the marriage or common-law relationship,
 - (b) if the Member had completed at least 2 years of Service or 2 years of Plan membership, and had not become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship:

- (i) one-half of the Commuted Value of the pension benefit earned by the Member during the period of the marriage or common-law relationship and determined in accordance with Section 13 as if the Member had terminated employment with the City on the date of termination of the marriage or common-law relationship shall be transferred to another Registered Plan on behalf of the Spouse or Common-law Partner, and
- (ii) one-half of the sum of:
 - (A) the excess contributions, if any, determined in accordance with subsection (5) of Section 7 as if the Member had terminated employment on the date of termination of the marriage or common-law relationship, and
 - (B) the Accumulated Value of the Member's Additional Contributions, if any,in respect of the period of the marriage or common-law relationship, shall be paid to the Spouse or Common-law Partner in a lump sum;
- (c) if the Member had become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship:
 - (i) one-half of the Commuted Value of the pension benefit earned by the Member during the period of the marriage or common-law relationship and determined in accordance with Section 7 as if the Member had retired on the date of termination of the marriage or common-law relationship shall be transferred to another Registered Plan on behalf of the Spouse or Common-law Partner; and
 - (ii) one-half of the sum of:
 - (A) the excess contributions, if any, determined in accordance with subsection (5) of Section 7 as if the Member had retired on the date of termination of the marriage or common-law relationship, and
 - (B) the Accumulated Value of the Member's Additional Contributions, if any,in respect of the period of the marriage or common-law relationship, shall be paid to the Spouse or Common-law Partner in a lump sum;

- (d) for the purpose of any subsequent calculation of the amount of a pension in respect of the Member, but not for the purpose of determining the Member's eligibility to retire, the Member's years of Credited Service in respect of the period of the marriage or common-law relationship shall be reduced by one-half, and
- (e) the portion of the Member's Required Contributions, With Interest, and the Accumulated Value of his or her Additional Contributions, if any, calculated as at the date of division, in respect of the period of the marriage or common-law relationship shall be reduced by one-half.

Breakup After Commencement of Pension

- (3) If the termination of the marriage or common-law relationship occurs after the commencement of pension payments under the Plan:
 - (a) the Spouse or Common-law Partner shall receive from the Plan the lifetime pension, Actuarially Calculated and equivalent in value to one-half of the portion of the pension earned by the Member during the period of the marriage or common-law relationship, that would have been payable in respect of the Member subsequent to the date of division, and
 - (b) the pension payable to the Member subsequent to the division shall be Actuarially Calculated and equivalent in value to the pension that otherwise would have been payable in respect of the Member subsequent to the date of division less the value of the pension payable to the Spouse or Common-law Partner in accordance with clause (a).

Break-Up While Entitled to Deferred Pension

- (4) If the termination of the marriage or common-law relationship occurs while the Member was entitled to a deferred pension:
 - (a) one-half of the Commuted Value of the deferred pension benefit applicable to the period of the marriage or common-law relationship shall be transferred to another Registered Plan on behalf of the Spouse or Common-law Partner, and
 - (b) the portion of the Member's deferred pension applicable to the period of the marriage or common-law relationship shall be reduced by one-half.

Offsetting Pension Benefits

- (5) Where the Spouse or Common-law Partner is a member of a pension plan and both the Member and the Spouse or Common-law Partner agree in writing, the division of pension benefits of the Member in accordance with subsection (1), (2), (3) and (4) may be based on the net difference between the value of the Member's pension benefits and the value of the Spouse's or Common-law Partner's pension benefits earned during the period of the marriage or common-law relationship.

Waiver of Division of Pension Benefits

- (6) The division of pension benefits of a Member in accordance with subsections (1), (2) (3) and (4) of this Section shall not apply where the Member and his or her Spouse or Common-law Partner have agreed not to divide the Commuted Value or pension benefits, providing that the requirements of the Pension Benefits Act have been adhered to.

Definitions

- (7) For the purpose of this Section:
- (a) a common-law relationship is the relationship between a Member and a Common-law Partner, is deemed to have commenced on the date the common-law relationship began as specified on the declaration form prescribed under the Pension Benefits Act and filed with the Board, declaring that the Member is a party to a common-law relationship with a Common-law Partner identified on the declaration form, and is deemed to have terminated on the date specified as the termination date on the declaration form or in a written agreement made and executed or entered into by both parties to the common-law relationship, and
 - (b) a marriage is deemed to have commenced on the date shown on the marriage certificate and is deemed to have terminated on the date on which the Member and the Member's Spouse began living separate and apart.

SECTION 17 - GENERAL PROVISIONS**Proof of Age and Designation of Beneficiary**

- (1) (a) Each Employee must provide proof of age and complete the declaration of beneficiary form upon joining the Plan. Each Spouse, Common-law Partner or Child who becomes entitled to a pension under the Plan must provide proof of age and designate a beneficiary on the form prescribed by the Board.

- (b) A Member may change his or her beneficiary from time to time by completing the form prescribed by the Board. If the beneficiary has died and no further beneficiary has been appointed, any benefits that become payable to the beneficiary on the Member's death shall be paid to the Member's estate.

Limitation on Assignment

- (2) Except as permitted under the Pension Benefits Act, benefits provided under the Plan shall not be assigned, charged, anticipated, given as security or surrendered, and are exempt from execution, seizure or attachment, and, for the purposes of this condition,
 - (a) assignment does not include assignment by the legal representative of the deceased Member on the distribution of that Member's estate;
 - (b) surrender does not include a reduction in benefits to avoid revocation of the registration of the Plan under the *Income Tax Act* (Canada); and
 - (c) any transaction purporting to assign, charge, anticipate or give as security such a benefit is void.

Option of Lump Sum Refund of Additional Contributions

- (3) If a Member who has made Additional Contributions,
 - (a) retires in accordance with Section 6, or
 - (b) receives a disability pension in accordance with Section 11, or
 - (c) dies and a pension is payable in accordance with Section 12, or
 - (d) terminates employment and becomes entitled to a deferred pension in accordance with Section 13,

then, in lieu of the additional pension that otherwise could have been received in respect of such Additional Contributions, the Member or beneficiary, as applicable, may elect to receive a lump sum payment equal to the Accumulated Value of the Member's Additional Contributions. If such a payment is made, no further benefits shall be payable with respect to the Member's Additional Contributions.

Right to Discharge

- (4) Neither this Plan nor anything done pursuant thereto shall affect the City's right to terminate any Employee's employment at any time, and an Employee whose employment is so terminated shall be entitled to the benefits provided by the Plan in respect of Credited Service prior to the date of such termination of employment.

Information for Employees

- (5) Each Member and Eligible Employee shall receive a written explanation of the terms and conditions of the Plan and amendments thereto, together with an explanation of his or her rights and duties with respect to the benefits provided and such other information as may be prescribed by the Pension Benefits Act.

Maximum Pension Adjustment

- (6) No Member's Pension Adjustment for any calendar year shall exceed the limits specified in subsection 147.1(8) of the *Income Tax Act* (Canada).

Notification of Common-law Relationship

- (7) If the Board has not received written notice of a common-law relationship between a Member and a Common-law Partner and the Board pays a benefit under the Plan by reason of the Member's death as though the Member were not survived by the Common-law Partner, the Board shall not be liable in any way for not having made the payment to the Common-law Partner.

SECTION 18 - PLAN TERMINATION

Procedure

- (1) If the Plan is to be terminated in accordance with subsection (1) of Section 12 of this By-law, the procedure specified in this Section shall be followed.

Actuarial Valuation

- (2) Immediately prior to the termination of the Plan, an actuarial valuation of the Plan shall be carried out by the Actuary and any actuarial surplus allocated or funding deficiency resolved in accordance with the provisions of Section 5, except that the target level of the Contribution Stabilization Reserve shall be deemed to be nil and any balance in the Contribution Stabilization Reserve shall be transferred to the General Component of the Main Account.

Solvency

- (3) If, after applying the provisions of subsection (6) of Section 5, there is a remaining funding deficiency, this deficiency shall be deemed to be a solvency deficiency which shall be liquidated by the City.

Disposition of Fund

- (4) Upon the termination of the Plan, the assets of the Pension Fund shall be used as follows:
- (a) the portion of the assets attributed to the General Component of the Main Account, together with all amounts paid by the City to liquidate a solvency deficiency in accordance with subsection (3), shall be used to provide benefits in accordance with the Plan;
 - (b) the portion of the assets attributed to the Plan Members' Account shall be used to provide additional benefits for the Members, former Employees, pensioners, and their respective dependents, beneficiaries and estates in an equitable manner, as determined by the Board; and
 - (c) The portion of the assets attributed to the City Account shall be paid to the City.

Applicable Legislation

- (5) Any action taken in accordance with this Section shall be consistent with the requirements of the Pension Benefits Act and the *Income Tax Act* (Canada).