THE CITY OF WINNIPEG

BY-LAW NO. 1/2006

A By-law of THE CITY OF WINNIPEG to amend By-law No. 6253/93, being a By-law establishing the "Winnipeg Police Pension Plan".

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

1. The City of Winnipeg By-law No. 6253/93 is amended by this by-law.

2. Section 1 is amended in the definition of "Investment Manager", by striking the words "*the Sinking Fund Trustees of the City of Winnipeg.*" and substituting "*an employee of the Employee Benefits Board*;".

3. The following section is added after Section 7 and the subsequent sections are renumbered:

"***INVESTMENT COMMITTEE***

8. The Investment Committee shall:

(1) recommend to the Board the chartered bank or other financial institution in Canada in which the accounts of the Pension Fund are to be established or re-established;

(2) 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;

(3) recommend to the Board the termination of the appointment of any Investment Manager;

(4) 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;

(5) recommend to the Board the investment policy for the Pension Fund or any changes thereto; and

(6) review regularly the performance of each Investment Manager which is managing the investment of the Pension Fund or portion thereof."

4. Renumbered subsection 9(1) is amended by adding "*the Pension Plan or*" after "*in respect of*".

5. Renumbered Section 13 is amended by striking both occurrences of "*Section 13*" and substituting "*Section 14*".

6. Renumbered Section 14 is amended by striking the words "*Section 12*" and substituting "*Section 13*".

7. Section 1 of Schedule "A" is amended

(a) by adding "*as defined for each particular type of contribution*" at the end of the definition "Accumulated Value";

(b) by adding "*No Assumed Earnings shall be computed in respect of a period that is not a period of Service.*" at the end of the definition "Assumed Earnings";

(c) by striking the words "*Member's 5-Year Average Earnings*" and substituting "*Member's Best 5-Year Average Earnings*" in the definition "Best 5-Year Average Earnings" ;

(d) by repealing the definition "*Common-law Spouse*" and substituting the following:

""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.";

(e) in the definition "Contributing Member", by striking the words "*can accumulate*" and substituting "*is accumulating*" and by striking the words "*, unless the agreement requires the Member to participate in the Plan*";

(f) by repealing the definition "*Defined Benefit Limit*" and substituting the following:

""*Defined Benefit Limit" for a calendar year means $1722.22, or such other defined benefit limit for the year as specified in Section 8500 of the Regulations under the Income Tax Act (Canada).*";

(g) in the definition "Dependent", by striking each occurrence of "*Totally Disabled"* and substituting "*totally disabled"* ;

(h) by repealing the definitions "*Early Retirement*" and "*Early Retirement Reduction*";

(i) by striking the words "*or was first deemed to be a spouse*" in the definition "Eligible Spouse";

(j) by striking "*Employee or Police Employee*" and substituting "*Employee*" or "*Police Employee*";

(k) by repealing the definitions "*Maximum Pension Adjustment*" and "*Money Purchase Limit*";

(l) by adding the following definitions in alphabetical order:

"*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 Service 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 Service terminated which is prior to the date the Member's Service 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.*"; *and*

(m) by adding "*(Police Component)*" after "Winnipeg Police Association" in the definition "Police Officer";

(n) by adding "*health authority*," prior to "hospital" in clause (e) of the definition "Reciprocating Employer";

(o) in the definition "Registered Plan", by adding "*registered retirement income fund, life annuity contract*," after "locked-in retirement

account and adding "*,fund*" after "the plan";

(p) in the definition "Service", by striking "*subsection (6)*" and substituting "*subsection (5)*";

(q) by adding the following clause after (d)(i) of the definition "Service" and renumbering the subsequent clause:

"*(ii) a period of maternity or parental leave that the City recognizes as satisfactory work performed, or*";

(r) by repealing the definition "*Spouse*" and substituting the following:

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

(s) by repealing the definition "*Totally Disabled*" and substituting the following:

""Totally and Permanently Disabled" means suffering from a physical or mental condition which 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,"; and

(t) by repealing the definition "*With Interest*" and substituting the following:

""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 5year personal fixed term chartered bank deposit rates, as published as Bank of Canada CANSIM series B14045, 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.",

8. Section 4 of Schedule "A" is amended

(a) in subsection (1), by adding the word "*further*" in the final sentence prior to "Employee Contributions", and adding "*in a Taxation Year*" after "Employment Earnings";

(b) in subsection (1), by striking "*subsection (8)*" and substituting "*subsection (7)*" ;

(c) in subsection (1), by striking "*subsection (2)"* and substituting "*subsection (3)"*;

(d) by deleting the second sentence of subsection (2) and substituting the following:

"*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,*";

(e) by adding "*his or her Assumed Earnings during"* prior to "an Eligible Period of Temporary Absence" in subsection (2);

(f) by adding the following clause after clause (3)(c):

"*(d) 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) in the final sentence of subsection (4), by adding "*shall be credited to the Member's individual account and*" after "Additional Contributions";

(h) in subsection (4), by striking "*:*" and clauses (a), (b) and (c) and substituting "*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,*";

(i) by repealing subsection (5) and (6), substituting the following, and renumbering the subsequent subsections:

"*Contributions for Past Service*

(5)(a) On or after January 1, 1998, 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 which 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."; and

j) in existing subsection (8), by striking everything after "*shall not exceed the*" and substituting "*limits specified in paragraph 8503(4)(a) of the Regulations under the Income Tax Act (Canada).*".

9. Section 5 of Schedule "A" is amended

(a) in subclause (3)(b)(i), by striking "*subclause (b)(ii) or (b)(iii) of subsection (6)*" and substituting "*subsection (5)*";

(b) in clause (6)(b), by striking "*city*" and substituting "*City*";

(c) by adding the following subsection after subsection (6):

"*Allocation of Actuarial Surplus in 2001*

(7) In 2001, $4,342,000 of actuarial surplus in the Regular Pension Benefits Account shall be used to:

(a) offset the City's contributions otherwise payable in accordance with subsection (3) of Section 4 for 10 pay periods in 2001,and

(b) transfer an amount equal to the reduction in City contributions under clause (a) to the Supplementary Pension Benefits Account to increase the funding of future cost-of-living adjustments to pensions."; and

(d) by adding the following subsection after the new subsection (7):

"*Allocation of Actuarial Surplus in 2002*

(8) In 2002, $4,636,000 of actuarial surplus in the Regular Pension Benefits Account shall be used to:

(a) offset the City's contributions otherwise payable in accordance with subsection (3) of Section 4 for 10 pay periods in 2002,and

(b) transfer an amount equal to the reduction in City contributions under clause (a) to the Supplementary Pension Benefits Account to increase the funding of future cost-of-living adjustments to pensions.".

10. Section 6 of Schedule "A" is amended

(a) by adding subsection (1) as follows and renumbering the subsequent subsections:

"*Normal Retirement Date*

(1) Each Member's normal retirement date is the last day of the pay period in which the Member attains age 60.";

(b) in renumbered subsection (4), by striking "*(1) or (2)*" and substituting "*(2) or (3)*"; and

(c) in renumbered subsection (5):

(i) by striking "*71*" in the heading and substituting "*69*"; and

(ii) by striking "*pay period immediately preceding the pay period in which he or she attains age 71"* and substituting "*Taxation Year in which he or she attains age 69"*.

11. Section 7 of Schedule "A" is amended

(a) by repealing subsection (3), substituting the following prior to subsection (2) and renumbering subsection (2):

"*Pension Before Age 65*

(2) Notwithstanding subsection (1) of this Section, the 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).";

(b) in renumbered subsection (3):

(i) by striking each occurrence of "*Highest Average Earnings"* and substituting "*Highest Indexed Average Earnings"*,

(ii) in clause (a), by striking the words "*each such year which was added as a result of contributions made in accordance with subsection (6) of Section 4 by a Member after June 7, 1991, the"* and substituting "*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"*;

(iii) by striking clause (d) and substituting the following:

"*(d) 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"*; *and*

(iv) by striking clause (e);

(c) by repealing subsection (4) and substituting the following:

"Maximum Pension Before Age 65

(4) The annual pension payable until the last day of the pay period in which the Member attains age 65 determined in accordance with subsection (2) 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 YMPEs 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.";

(d) by adding "*or to a Common-law Partner or former Common-law Partner on breakup of a common-law relationship"* at the end of clause 4(e);

(e) by repealing subsection (5) and substituting the following:

"<u>Excess Employee Contributions</u>

(5) (a) If, when a Member becomes entitled to a pension or paid-up 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 paid-up pension; the amount of this increase in pension or paid-up 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), (5) or (6) of Section 4, and

(ii) the pension benefit shall exclude any pension benefit purchased by such contributions.";

(f) by striking "*(4), (5) or (6)*" in subclause (b)(i) of subsection (5) and substituting "*(4) or (5)*";

(g) by repealing subsection (7) and substituting the following:

"Early Retirement Reduction

(7) (a) If the Member is retiring in accordance with subsection (2) of Section 6, the pension otherwise payable in accordance with subsection (1) or (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 (1) 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 (2) of Section 6 are cost-neutral to the Plan.";

(h) in revised subsection (7), by striking each occurrence of "*subsection (2) of Section 6"* and substituting "*subsection (3) of Section 6"* and

by striking "*subsection (1) of Section 6"* and substituting "*subsection (2) of Section 6"*;

(i) in subsection (8), by adding "*, Common-law Partner"* after "Spouse";

(j) by striking subsection 10 and substituting the following:

"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 Service, 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 Service, the Member or, if the Member has died, the Member's Spouse, Child, Family Member, 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."; and

(k) in the new subsection (10), by adding*", Common-law Partner"* after "Spouse".

12. Section 8 of Schedule "A" is amended

(a) in subsection (1), by striking "*beginning with the year in which the pension commenced"*;

(b) by adding "*75% of*" prior to "the percentage change in the Consumer Price Index" in clause (2)(a);

(c) in clause (2)(a), by striking "*Consumer Price Index for Winnipeg"* and substituting "*Consumer Price Index for Canada"*;

(d) by adding at the end of clause (2)(a) "*The adjustment so determined shall not exceed 100% of the Consumer Price Index for Canada during such 12-month period."*;

(e) by repealing the last sentence of clause (2)(a);

(f) in subclause (2)(c)(ii), by striking "*or subclause (5)(a)(ii)"* and substituting "*, subsection (8) of Section 12 or clause (6)(c) of Section 12"*;

(g) by adding "*, Common-law Partner"* after "Spouse" in subsection (1) and subclause (2)(b)(ii); and

(h) in clause (2)(d), by striking "*Winnipeg"* and substituting "*Canada"*.

13. Section 9 of Schedule "A" is amended

(a) by adding "*or Common-law Partner"* after "Spouse" in the headers to subsections (1) and (2);

(b) in subsections (1), (2) and (3), by adding "*or Common-law Partner"* after each occurrence of "Spouse";

(c) in clause (1)(a), by adding "*or Common-law Partner's"* after "Spouse's"; and

(d) in clause (1)(b), by striking "*(3)"* and substituting "*(2)"*.

14. Section 10 of Schedule "A" is amended

(a) in subsection (1), by adding "*(also referred to as Advance Recovery Option)*" in the header;

(b) in clause (1)(a):

(i) by striking both occurrences "*Old Age Security Pension"* and substituting "*Old Age Security pension*";

(ii) by striking "*until the last day of the pay period in which the Member attains age 65*" and substituting "*up to and including the last pay period that begins in the month in which the Member attains age 65*";

(iii) by adding "*the last pay period that begins in the month in which the Member attains*" after "The increase in pension payable until"; and

(iv) by striking the final instance of "*after age 65*" and substituting "*thereafter*";

(c) in clauses (1)(b), (1)(c), (2)(b) and subclauses (2)(a)(i), 2)(a)(ii), (2)(e)(iv), by adding "*or Common-law Partner*" after each occurrence of "Spouse";

(d) in clause (2)(a):

(i) by striking "*except when the option outlined in subclause (c)(iv) below is elected,"*;

(ii) by striking "*clause (c)*" and substituting "*subclauses (e)(i), (ii) and (iii)*"; and

(iii) by striking "*and filed with the Board prior to the Member's retirement date*" and substituting "*and in accordance with the requirements prescribed under the Pension Benefits Act*";

(e) in clause (2)(b), by striking "*, except when the option outlined in (iv) below is elected in which case the pension shall be Actuarially Calculated and equivalent in value to the normal form of pension outlined in Section 9*";

(f) by adding the following clauses after clause (2)(b) and renumbering the subsequent clause:

"*(c) In lieu of the normal form of pension, a Member who has a Spouse may elect prior to the Member's retirement date 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."; and

(g) in renumbered subclause (2)(e)(iv), by striking "*Spouses*" in the header and substituting "*Spouse or Common-law Partner*" and by adding "*or Common-law Partner's*" after "Spouse's".

15. Section 11 of Schedule "A" is amended

(a) by striking each occurrence of "*Totally Disabled*" and substituting "*Totally and Permanently Disabled*"; and

(b) in subclause (6)(b)(ii), by striking "*commencing at his or her normal retirement date*" and by adding "*and commencing on the last day of any pay period following the pay period in which the member attains age 60*" after "commenced".

16. Section 12 of Schedule "A" is amended

(a) in subsection (1):

(i) by striking the header and substituting "*Lump Sum Refund Benefit*";

(ii) in clause (a), by striking "*2 years of Service*" and substituting "*either 2 years of Service or 2 years of Plan membership and before becoming eligible to retire in accordance with subsection (1) of Section 6*" in clause (a);

(iii) by striking subclause (a)(iii) and substituting the following:

"*(iii) any payments previously made to or in respect of the Member under the Plan.*"; and

(iv) by striking clause (b);

(b) in subsection (2):

(i) by striking the header and substituting "*Survivor Pension - Employees With Eligible Spouse or Common-law Partner*";

(ii) in clause (a), by adding "*or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (1) of Section 6*" after "2 years of Service";

(iii) in clause (a), by striking each occurrence of "*Eligible Spouse*" and substituting "*Eligible Spouse or Common-law Partner*";

(iv) in clause (a), by striking both occurrences of "*subsections (1) and (2) of Section 7*" and substituting "*subsections (1) and (3) of Section 7*";

(v) by striking subclause (a)(iii) and renumbering the subsequent subclause;

(vi) by striking clause (c) and substituting the following:

"*(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).*"; and

(vii) by striking clause (d);

(c) by adding subsection (3) as follows and renumbering the subsequent subsections:

"*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 (1) 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 (6).";

(d) in renumbered subsection (4):

(i) by striking the header and substituting "*Survivor Pension - Employees Without Spouse or Common-law Partner, With Dependent Children*";

(ii) in clause (a), by adding "*or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (1) of Section 6*" after "2 years of Service";

(iii) in clause (a), by striking "*an Eligible Spouse*" and substituting "*a Spouse or Common-law Partner*"; and

(iv) by striking clause (d);

(e) in renumbered subsection (5):

(i) by striking the header and substituting "*Survivor Pension - Employees Without Spouse or Common-law Partner, With Dependent Family Members Only*";

(ii) in clause (a), by adding "*or 2 years of Plan membership or after having become eligible for a pension under subsection (1) of Section 6*" after "2 years of Service";

(iii) in clause (a), by striking "*an Eligible Spouse*" and substituting "*a Spouse, Common-law Partner*"; and

(iv) by striking clause (d);

(f) in renumbered subsection (6):

(i) by striking the header and substituting "*Survivor Benefits - Employees Without Spouse. Common-law Partner, Dependent Children or Dependent Family Members*";

(ii) in clause (a), by adding "*or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (1) of Section 6*" after "2 years of Service";

(iii) by adding "*, With Interest,*" after the first instance of "Taxation Years" in subclause (a)(iii);

(iv) by striking subclause (a)(v) and substituting the following:

"*(v) any payments previously made to or in respect of the Member under the Plan.*";

(v) by striking clause (b) and renumbering subclauses (a)(i)

through (a)(v) as clauses (a) through (e); and

(vi) by striking "*an Eligible Spouse*" and substituting "*a Spouse, Common-law Partner*";

(g) in renumbered subsection (7):

(i) by adding "*or Common-law Partner*" after each occurrence of "Spouse"; and

(ii) by striking both occurrences of "*subsection (5)*" and substituting "*subsection (6)*";

(h) by striking renumbered subsection (8) and substituting the following:

"*Minimum Survivor's Pension*

(8)(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), (4) or (5) 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), (4) or (5) 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.

(d) If benefits are payable under subsection (4) or (5), 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, or each Dependent Family Member. In the case of a Dependent Child or a Dependent Family Member who is not totally disabled, the share is calculated on the basis that it is payable until the Dependent Child or Dependent Family Member attains 25 years of age. In the case of a Dependent Family Member who is totally disabled, the share is calculated as a lifetime pension payable to the Dependent Family Member. If, at the date on which the last payment ceases to any Dependent Child or Dependent Family Member, the aggregate of all benefits paid to Dependent Children and Dependent Family Members 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 or Family Member who was a Dependent Child or Dependent Family Member at the death of the Member.";

(i) in renumbered clause (8)(c), by adding "*or Common-law Partner"* after "Eligible Spouse";

(j) in renumbered subsection (9):

(i) by striking the header and substituting "*Maximum Pre-Retirement Dependents' Pension*"; and

(ii) by striking the three occurrences of "*subsection (7)*" and substituting "*subsection (8)*";

(k) in renumbered subsection (10):

(i) by adding "*or Common-law Partner*" after each occurrence of "Spouse"; and

(ii) by striking "*30 days"* and substituting "*90 days*";

(l) in renumbered subsection (11):

(i) by striking the portion of this subsection preceding clause (a) and substituting "*If the pension payments to a Member's Spouse, Dependent Children or Dependent Family Members,*

if any, cease before the total of these payments, together with any payments previously made to or in respect of the Member under the plan, are at least equal to the aggregate of:";

(ii) by striking the portion of this subsection following clause (b) and substituting "*the unpaid balance of this aggregate amount shall be paid to the beneficiary or estate of the Spouse, last Dependent Child or last Dependant Family Member, whichever is applicable, when the payments cease because of death, or to the Dependent Child or Family Member when payments cease because the Child or Family Member ceases to be Dependent.*"; and

(iii) by adding "*, Common-law Partner*" after each occurrence of "Spouse"; and

(m) by striking each occurrence of "*subsection (1) of Section 6*" and substituting "*subsection (2) of Section 6*".

17. Section 13 of Schedule "A" is amended

(a) in subsection (1):

(i) by adding "*or Plan Membership*" after "Service" in the header;

(ii) by striking "*a Member's Service with the City terminates before the Member becomes eligible for a pension and before completing 2 years of Service*" and substituting "*a Member's Service terminates before completing either 2 years of Service or 2 years of Plan membership*"; and

(iii) by adding "*or retirement*" after ""other than death" and by adding "*,and the Member is not eligible to retire in accordance with subsection (1) of Section 6*" after "membership";

(iv) by striking clause (c) and substituting the following:

"*(c) any payments previously made to or in respect of the Member under the Plan.*";

(b) in subsection (2):

(i) by adding "*or Plan Membership*" after "Service" in the header; and

(ii) by striking "*a Member's Service with the City terminates*

before the Member becomes eligible for a pension and after having completed at least 2 years of Service" and substituting "*a Member's Service terminates after having completed at least 2 years of Service or 2 years of Plan membership*"; and

(iii) by adding "*or retirement*" after "other than death" and by adding "*, and before becoming eligible to retire in accordance with subsection (1) of Section 6*" after "membership";

(iv) by striking "*in which the Member is age 60 or older*" and substituting " *following the pay period in which the Member attains age 60*";

(c) by repealing subsection (3) and substituting the following:

"*<u>Portability</u>*

(3)(a) A terminating Member who is entitled to a paid-up pension in accordance with subsection (2) may elect:

(i) in lieu of the paid-up 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 paid-up 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 paid-up 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 paid-up 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 paid-up pension provided in accordance

with subsection (2).";

(d) in subsection (4), by striking "*the full amount is refunded or transferred*" and substituting "*such a lump sum payment or transfer is made*" and by repealing the last sentence; and

(e) by striking each occurrence of "*subsection (1) of Section 6*" and substituting "*subsection (2) of Section 6*".

18. Section 14 of Schedule "A" is amended

(a) by repealing subsection (1) and substituting the following:

"*Re-employment Before Retirement*

(1)(a) If a Member to whom a paid-up 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 paid-up 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 paid-up 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.";

(b) in clause (2)(a), by striking "*and*" following the first occurrence of "Employee" and substituting "*prior to the last day of the Taxation Year in which he or she attains age 69 and he or she*";

(c) in clause (2)(c), by adding "*no contributions shall be made and*" after "Notwithstanding the foregoing,"; and

(d) by adding subsection (3) as follows:

"*Service and Earnings*

(3) If a paid-up 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.".

19. Section 15 of Schedule "A" is amended

(a) in subsection (1):

(i) by striking "*Employee*" and substituting "*employee*"; and

(ii) by striking "*Plan*" and substituting "*pension plan*"; and

(b) in subsection (2):

(i) in subclause (a)(i), by adding "*before January 1, 1996*" after "Reciprocating Employer";

(ii) in subclause (a)(ii), by striking the word "*Plan*" and substituting "*pension plan*";

(iii) in subclause (a)(ii), by adding "*before January 1, 1996*" after "becomes an Employee";

(iv) by striking clause (b) and substituting the following:

"*(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.*"; and

(v) in clause (c), by striking "*Best 5-Year Average Earnings which*" and substituting "*best average earnings that*", by striking the second occurrence of "*Plan*" and substituting "*pension plan*" and by striking "*Employees of the Reciprocating Employer*" and substituting "*"employees of the Reciprocating Employer*".

20. Section 16 of Schedule "A" is amended

(a) by repealing subsection (2) and substituting the following:

"*(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. 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 Service 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,

(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, 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,

(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."

(b) in subsection (3), by repealing clauses (a) and (b) and substituting the following:

"*(a) the Spouse 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, 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 in accordance with clause (a).";

(d) by repealing subsections (4) and (5) and substituting the following:

"Breakup While Entitled to Paid-up Pension

(4) If the termination of the marriage or common-law relationship occurs while the Member was entitled to a paid-up pension:

(a) one-half of the Commuted Value of the paid-up 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 paid-up 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";

(e) by deleting subsection (6) and substituting the following:

"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 agreed not to divide the Commuted Value or pension benefits, providing that the requirements of the Pension Benefits Act have been adhered to.";

(f) by adding "*or Common-law Partner*" after each occurrence of "Spouse" and adding "*or common-law relationship"* after each occurrence of "marriage", in subsections (1) and (3); and

(g) by adding subsection (7) as follows:

"***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.".

21. Section 17 of Schedule "A" is amended

(a) in subsection (1), by adding "*, Common-law Partner"* after "Spouse";

(b) in subclause (2)(a)(i), by striking "*a marriage or other conjugal relationship between the Member and the Member's Spouse or former Spouse, or"* and substituting "*the Member's marriage or common-law relationship, or"*;

(c) in the header of subsection (3), by striking "*on"* and substituting *"of";*

(d) by deleting subsection (8) and substituting the following:

"***Maximum Pension Adjustment***

(8) 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)."; ***and***

(e) subsection (9) is added as follows:

"***Notification of Common-law Relationship***

(9) 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.".

22. (a) Subsection 11 (e) of this By-law is retroactive and deemed to have come into force on January 1, 1985.

(b) Clauses 17(a)(i), 17(a)(ii), 17(b)(i) and 17(b)(ii), of this By-law are retroactive and deemed to have come into force on January 1, 1990.

(c) Subsections 7(a), 7(e), 7(g), 7(l), 7(o), 7(s), 7(t), 8(a), 8(c), 8(f), 8(g), 8(j), 11(a), 12(d), 13(d), 15(a), 15(b), 18(c) and clauses 11 (b)(i), 11(b)(iv), 16(b)(iv), and 17(a)(iv) of this By-law are retroactive and deemed to have come into force on January 1, 1992.

(d) Subsection 7(b) of this By-law is retroactive and deemed to have come into force on January 1, 1993.

(e) Subsections 7(c), 7(j), 7(m), 9(b), 14(b), 21 (c) and clause 17(b)(iv) of this By-law are retroactive and deemed to have come into force on December 17, 1993.

(f) Subsections 7(h), 11(g), 12(f), 14(d), 14(e), 14(f), 16(c) 16(h), 16 (j) and clauses 16(a)(ii), 16(b)(ii), 16(b)(v), 16(b)(vii), 16(d)(ii), 16(d)(iv), 16(e)(ii), 16(e)(iv), 16(f)(ii), 16(f)(iii), 16(f)(iv), 16(f)(v), 16(g)(ii), 16(l)(i), and 16(l)(ii) of this By-law are retroactive and deemed to have come into force on October 19, 1994.

(g) Sections 2, 3, 4, 5, 6 and subsections 8(b) and 20(c) of this By-law are retroactive and deemed to have come into force on January 1, 1995.

(h) Section 19 and subsection 7(f), 7(k) and 21(d) of this By-law are retroactive and deemed to have come into force on January 1, 1996.

(i) Subsections 12(a) and 12(b) of this By-law are retroactive and deemed to have come into force on July 1, 1996.

(j) Subsections 10(c) and 19(b) of this By-law are retroactive and deemed to have come into force on January 1, 1997.

(k) Subsections 7(p), 8(d), 8(e), 8(i), 9(a), 11(c), 11(f), 11(j), 20(b) and clause 11(b)(ii) of this By-law are retroactive and deemed to have come into force on January 1, 1998.

(l) Clauses 17(a)(iii) and 17(b)(iii) of this By-law are retroactive and deemed to have come into force on February 18, 1998.

(m) Subsections 7(q), 8(h) and 14(a) of this By-law are retroactive and deemed to have come into force on January 1, 1999.

(n) Subsections 10(a), 10(b), 11(h), 16(m), 17(c), 17(d) and 17(e) of this By-law are retroactive and deemed to have come into force on January 1, 2000.

(o) Subsection 9(c) of this By-law is retroactive and deemed to have come into force on March 21, 2001.

(p) Subsections 18(a) and 18(d) of this By-law are retroactive and deemed to have come into force on March 22, 2001.

(q) Subsections 7(d), 7(i), 7(n), 7(r), 11(d), 11(i), 11(k), 12(g), 13(a), 13(b), 13(c), 14(c), 14(g), 16(i), 16(k), 20(a), 20(d), 20(e), 20(f), 20(g), 21(a), 21(b), 21(e) and clauses 11(b)(iiI), 16(a)(i), 16(a)(iii), 16(a)(iv), 16(b)(i), 16(b)(iii), 16(b)(vi), 16(d)(i), 16(d)(iii), 16(e)(i), 16(e)(iii), 16(f)(i), 16(f)(vi), 16(g)(i) and 16(l)(iii) of this By-law retroactive and deemed to have come into force on January 1, 2002.

(r) Subsections 12(c), 12(e) and 12(h) of this By-law are retroactive and deemed to have come into force on July 1, 2002.

(s) Subsection 9(d) of this By-law is retroactive and deemed to have come into force on December 31, 2002.

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

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Mayor

_____
City Clerk

Approved:

_____
Cliff Jeffers
Acting Chief of Human Resources

Certified as to form:

_____
City Solicitor/Manager of
Legal Services