Minute No. 45
Report - Executive Policy Committee - December 11, 2002

Item No. 6 Amendments to the Employee Benefits Program By-law No. 5300/89, the Civic Employees' Group Life Insurance Plan By-law No. 5644/91, the Police Employees; Group Life Insurance By-law No. 5643/91, and, the Winnipeg Police Pension Plan By-law No. 6253/93 - Files GU-2 (Vol. 3), GU-2.4 (Vol. 4) and GU-3.10 (Vol. 7)

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That amendments to By-law No. 5300/89 a By-law of the City of Winnipeg to amend the Employee Benefits Program; By-law No. 5644/91 the Civic Employees' Group Life Insurance Plan; By-law No. 5643/91 the Police Employees' Group Life Insurance; and, By-law No. 6253/93 the Winnipeg Police Pension Plan as set out in Schedules A, B and C be approved.

2. That the Proper Officers of the City be authorized to do all things necessary to effect the intent of the foregoing.

Report - Executive Policy Committee - December 11, 2002

DECISION MAKING HISTORY:

Moved by His Worship Mayor Murray,
That the Executive Policy Committee recommendation be adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 11, 2002, the Executive Policy Committee concurred in the administrative recommendation.

Re: **A By-law of the City of Winnipeg to amend the Employee Benefits Program By-law No. 5300/89; the Civic Employees' Group Life Insurance Plan By-law No. 5644/91; the Police Employees' Group Life Insurance By-law No. 5643/91; and, the Winnipeg Police Pension Plan By-law No. 6253/93.**

For Submission To: **Executive Policy Committee**

Submitted By: **Chief Financial Officer**

Report Date: **December 11, 2002**

Recommendation:
That the amendments to By-law No. 5300/89 a By-law of the City of Winnipeg to amend the Employee Benefits Program; By-law No. 5644/91 the Civic Employees' Group Life Insurance Plan; By-law No. 5643/91 the Police Employees' Group Life Insurance; and, By-law No. 6253/93 the Winnipeg Police Pension Plan as set out in Schedules A, B and C be recommended to Council for adoption.

Report Summary

KEY ISSUES:
Final implementation of the agreement by the City of Winnipeg and the Participating Unions to change the Employee Benefits Program to reflect the terms of the "Pension Trust Agreement" and the "Disability Trust Agreement" as approved by the Court of Queen's Bench on October 9, 2002 requires that By-law No. 5300/89 be amended (Schedule A).

As a consequence of the change in governance of the Employee Benefits Program it is necessary to amend By-law No. 5644/91 (Civic Employees' Group Life Insurance Plan), By-law No. 5643/91 (Police Employees' Group Life Insurance Plan) and, By-law No. 6253/93 (Winnipeg Police Pension Plan) to maintain the existing governance structure of those plans, and to ensure that the monies held in the Group Life Insurance Plans not be deemed a "trust" pursuant to *The Income Tax Act* (Schedules B and C respectively).

IMPLICATIONS OF THE RECOMMENDATION(S):
General Implications

√	None
	For the organizational overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment: These amendments are necessary to implement the terms of the restructuring of the City of Winnipeg Employee Benefits Program as agreed to by the City of Winnipeg and adopted by Council on December 15, 1999 with amendments on November 22, 2000.

Policy Implications

√	No
	Yes

Comment: These amendments are necessary to implement the terms of the restructuring of the City of Winnipeg Employee Benefits Program as agreed to by the City of Winnipeg and adopted by Council on December 15, 1999 with amendments on November 22, 2000.

Financial Implications

√	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: These amendments are necessary to implement the terms of the restructuring of the City of Winnipeg Employee Benefits Program as agreed to by the City of Winnipeg and adopted by Council on December 15, 1999 with amendments on November 22, 2000.

Report

RECOMMENDATION:

That the amendments to By-law No. 5300/89 a By-law of the City of Winnipeg to amend the Employee Benefits Program; By-law No. 5644/91 the Civic Employees' Group Life Insurance Plan; By-law No. 5643/91 the Police Employees' Group Life Insurance; and, By-law No. 6253/93 the Winnipeg Police Pension Plan as set out in Schedules A, B and C be recommended to Council for adoption.

REASON FOR THE REPORT:
City Council must amend the By-laws in question to give effect to the Council resolutions adopted December 15, 1999 and November 22, 2000.

HISTORY:
On December 15, 1999 Council resolved that the restructuring of the City of Winnipeg Benefits Program be adopted and that the Proper Officers of the City be authorized to do all things necessary to effect the intent of Council.

On November 22, 2000 the terms of the restructuring of the City of Winnipeg Benefits Program were amended to reflect an interim agreement reached by the City of

Winnipeg and Participating Unions pending approval of the restructuring by the regulatory authorities.

Following enactment of *The City of Winnipeg Amendment (Pensions) Act* the proposed restructuring received court approval by Judgment of Mr. Justice Jewers entered in the Court of Queen's Bench on October 9, 2002.

On November 21, 2002 and pursuant to section 79.1(7) of *The City of Winnipeg Act* the Acting Superintendent of Pensions designated the Pension Plan as a multi-unit pension plan.

DISCUSSION:

All things necessary to effect the intent of City Council in this matter have now been completed but for the amendments to the By-laws in question.

Financial Impact Statement Date: December 11, 2002

There is no financial impact related to this recommendation.

_____
Mike Ruta
Corporate Controller

In preparing this report, there was consultation with and concurrence by:

Name Marvin Samphir
Title Senior Counsel
Department Corporate Services Department

Name David Shepherdson
Title Manager of Labour Relations and Compensation
Department Corporate Services Department

THIS REPORT SUBMITTED BY:
Name Robert P. Gannon, Chief Financial Officer
Department Office of the CFO
Division
File No.

Schedule A

THE CITY OF WINNIPEG
BY-LAW NO. /2002

A By-law of the City of Winnipeg to amend By-law No. 5300/89, being a By-law establishing the "Employee Benefits Program".

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

1. The City of Winnipeg By-law No 5300/89 is amended by this by-law.

2. Section 1 is amended by adding the following definitions in alphabetical order:

*"**Accounts**" means the Regular Pension Benefits Account, the Supplementary Pension Benefits Account, the Plan Members' Account and the City Account.;*

*"**City Account**" means the City Account established by subsection 6(3) herein.;*

*"**Plan Members' Account**" means the Plan Members' Account established by subsection 6(3) herein.*

3. Section 6 is amended by repealing clause (3)(a) and substituting the following:

(3)(a) The Pension Fund shall consist of four accounts, namely the Regular Pension Benefits Account, the Supplementary Pension Benefits Account, the Plan Members' Account and the City Account.

4. Subsection 6(3) is amended by striking the words "*the Regular Pension Benefits Account and the Supplementary Pension Benefits Account*" in clauses (d) and (e) and substituting "*each of the four Accounts*".

5. Section 6 is amended

(a) in subsection (6), by adding, "*, and prior to January 1, 1995,*" after "1988"; and

(b) by adding the following subsections:

(14) Effective December 31, 1998, $300 million of the Surplus disclosed in the actuarial valuation as of that date shall be allocated in equal amounts to the credit of Members and the City.

(15) The amount allocated in subsection (14) to the credit of Members shall be used to finance benefit improvements that do not increase the Program's liabilities in respect of service after December 31, 2002. Any portion of this allocated amount not utilized to improve benefits shall be credited to the Plan Members' Account.

(16) The amount allocated in subsection (14) to the credit of the City shall be transferred to the City Account, to be used to refund the 1998 and 1999 employer contributions to the Pension Fund and to finance reductions in employer contributions in the year 2000 and subsequent years until fully utilized.

(17) In respect of the actuarial surplus allocated in accordance with subsection (14), the following amounts shall be transferred between Accounts as at January 1, 2000:

(a) $78,528,873 shall be transferred from the Regular Pension Benefits Account to the Supplementary Pension Benefits Account,

(b) $15,136,367 shall be transferred from the Regular Pension Benefits Account to the Plan Members' Account, and

(c) $168,132,042 shall be transferred from the Regular Pension Benefits Account to the City Account.

6. Section 7 is amended by adding ", *together with the amount transferred from the City Account*," after "Employee Benefits Program".

7. Section 1 of Schedule "A" is amended

(a) by adding the following definition in alphabetical order:

*"**City Account**" means the City Account established and maintained in accordance with subsection (3) of Section 6 of this By-law.*

(b) 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.";

(c) in the definition "**Eligible Spouse**", by striking both ", *the date the Member's disability commenced*," and "*or the Date Disability Commenced*";

(d) by adding the following definition in alphabetical order:

"***Plan Members' Account***" *means the Plan Members' Account established and maintained in accordance with subsection (3) of Section 6 of this By-law.;*

(e) in the definition "**Registered Plan**":

(i) by striking "*insurance contract*" and substituting "*registered retirement income fund, insurance contract, life annuity contract*"; and

(ii) by adding "*, fund*" after "Plan";

(f) 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*."; and

(g) 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 5-year 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 Employer, 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) by deleting the second sentence of clause (2)(b) 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.;

(b) in clause (3)(b), by striking the words "*in accordance with Section 6 of this By-law*";

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

(d) The City may use any amount in the City Account to reduce the contributions required under clause (a).;

(d) in subsection (4), by striking ":" and clauses (a) 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.*"; and

(e) by repealing clause (5)(b) and substituting the following:

(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.

9. Section 5 of Schedule "A" is amended

(a) by repealing clause (3)(a) and substituting the following:

(a) The Pension Fund shall consist of four accounts, namely the Regular Pension Benefits Account, the Supplementary Pension Benefits Account, the Plan Members' Account, and the City Account .; and

(b) by repealing subclause (3)(b)(v) and substituting the following:

(v) that portion of the contributions made in accordance with clause (5)(b) of Section 4 relating to the value of cost-of-living adjustments in pension.

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 65.

(b) by repealing renumbered subsection (2) and substituting the following:

Alternative Retirement Date
(2) A Contributing Member may elect to retire from employment with the City on the last day of any pay period in which the Member:

(a) is age 55 or older,

(b) has completed at least 30 years of Service,

(c) for retirement between January 1, 2000 and December 31, 2002, has completed a number of years of Service that when added to his or her age totals at least 80, or

(d) is Totally and Permanently Disabled.

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

11. Section 7 of Schedule "A" is amended

(a) in subsection (1):

(i) in subclause (b)(i), by striking "*1.4%*" and substituting "*1.5%*";

(ii) in subclause (b)(ii), by deleting "*and*";

(iii) by repealing clause (c) and substituting the following:

(c) for each year of Credited Service between January 1, 1992 and December 31, 2002, the early retirement percentage determined under subsection (7) below, multiplied by:

(i) 1.5% 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; and

(d) for each year of Credited Service on and after January 1, 2003, the early retirement percentage determined under subsection (7) below, multiplied by:

(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.

(b) in subsection (2):

(i) by striking "*(1)(a) or (1)(b)*" and substituting "*(2)(a), (2)(b) or (2)(c)*"; and

(ii) by striking "*paragraph 8503(2)(c)*" and substituting "*paragraph 8503(2)(b)*";

(c) by adding "*or to a Common-law Partner or former Common-law Partner on breakup of a common-law relationship*" at the end of clauses (3)(d) and (4)(e);

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

Excess Employee Contributions
(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 clause (2)(b) or subsection (5) of Section 4, and

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

(e) in subsection (7), by striking "*clauses (1)(c) and (3)(b)*" and substituting "*subsections (1) and (3)*"; and

(f) in subsections (8) and (10), by adding ", *Common-law Partner*" after "Spouse".

12. Section 8 of Schedule "A" is amended

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

(b) in subsection (2):

(i) in clause (a), by striking "*75% of the percentage change in the Consumer Price Index for Winnipeg*" and substituting "*80% of the percentage change in the Consumer Price Index for Canada*";

(ii) by repealing clause (a.1); and

(iii) in clause (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 headings to subsections (1), (2) and (3);

(b) in subsections (1) and (2), 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 subsections (3) and (4), by adding "*, Common-law Partner*" after "Spouse".

14. Section 10 of Schedule "A" is amended

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

50% Surviving Spouse's or Common-law Partner's Pension
(1)(a) Before the date of pension commencement, a Member who has a Spouse or Common-law Partner may elect, jointly with the 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, to receive in lieu of the normal form of pension an unreduced pension 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 50% of the pension to which the Member would have been entitled had the Member continued to live. Such pension shall be unreduced in the case of a Member with an Eligible Spouse or Common-law Partner and shall be Actuarially Calculated and equivalent in value to the normal form in the case of a Member with a Spouse who is not an Eligible Spouse.

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

(c) in clause (3)(a):

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

(ii) 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*";

(d) in clause (3)(b), by adding "*, Common-law Partner*" after "Spouse";

(e) by adding the following clauses after clause (3)(b) and renumbering the subsequent clause:

(c) In lieu of the normal form of pension, a Member who has a Spouse or Common-law Partner 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.

(f) in renumbered subclause (3)(e)(iv), by striking "*Spouses*" in the heading and substituting "*Spouse or Common-law Partner*", by adding "*or Common-law Partner*" after "Spouse", and by adding "*or Common-law Partner's*" after "Spouse's".

15. Section 11 of Schedule "A" is amended by striking subclause (4)(a)(i) and substituting the following:

(i) a. for the period from January 1, 2000 until December 31, 2002, 66 2/3%, and

b. for all other periods, 60%

of the Member's Average Bi-Weekly Earnings multiplied by the Member's Wage Loss Percentage determined in accordance with subsections (3) and (6) of this Section,.

16. Section 12 of Schedule "A" is amended

(a) in subsection (1):

(i) by striking the heading to this subsection and substituting "*Lump Sum Refund Benefit*"; and

(ii) by striking "*2 years of Service*" and substituting "*either 2 years of Service or 2 years of Plan membership and before becoming eligible for a pension*";

(b) in subsections (2), (3), (4), (5) and (8), by adding "*or Common-law Partner*" after each occurrence of "Spouse";

(c) in subsections (2), (2.1), (3) and (4), by adding "*or 2 years of Plan membership or after having become eligible for a pension*" after each occurrence of "2 years of Service";

(d) by repealing subclause (2)(a)(ii) and renumbering the subsequent subclauses;

(e) by striking the heading to subsection (2) and substituting "*Survivor Pension – Employees With Eligible Spouse or Common-law Partner*";

(f) by striking the heading to subsection (2.1) and substituting "*Survivor Pension – Employees With Spouse*";

(g) by striking the heading to subsection (3) and substituting "*Survivor Pension – Employees Without Spouse or Common-law Partner, With Dependent Children*";

(h) by striking the heading to subsection (4) and substituting "*Survivor Pension – Employees Without Spouse, Common-law Partner or Dependent Children*";

(i) in subsection (5):

(i) by striking the heading and substituting "*Survivor Benefits – Paid-Up Pensioners*";

(ii) in clause (a), by striking "*lump sum amount determined in accordance with subsection (4) of this Section*" and substituting "*Commuted Value of the paid-up pension*"; and

(iii) in clause (b), by striking "*determined in accordance with subsection (4) of this Section*" and substituting "*equal to the Commuted Value of the paid-up pension*";

(j) by repealing subsection (6) and substituting the following:

Minimum Survivor's Pension
(6)(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 (3) 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 (3) 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 (3), 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 each share 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.

(k) in clause (7)(c), by striking "*If the amount determined in accordance with clause (6)(a)*" and substituting the following:

If the sum of:

(i) the amount determined in accordance with subclause (6)(a)(i), and

(ii) the excess, if any, determined in accordance with clause (6)(b).

(l) in subsection (8), by striking "*30 days*" and substituting "*90 days*"; and

(m) in subsection (9), by adding "*, Common-law Partner*" after both occurrences of "Spouse".

17. Section 13 of Schedule "A" is amended

(a) in subsection (1), by striking "*2 years of Service*" and substituting "*either 2 years of Service or 2 years of Plan membership*";

(b) in subsection (2):

(i) by adding "*or Plan Membership*" after "Service" in the heading to this subsection;

(ii) by adding "*or 2 years of Plan membership*" after "2 years of Service";

(iii) by striking "*January 1, 1992*" and substituting "*April 11, 1992*"; and

(iv) by striking "*or is Totally and Permanently Disabled*" and substituting "*, is Totally and Permanently Disabled or, if the paid-up pension commences between January 1, 2000 and December 31, 2002, has completed a number of years of Eligibility Service that when added to his or her age totals at least 80*";

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

Portability
(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 adding subsection (5) as follows and renumbering the subsequent subsection:

Cost-of-Living Adjustments
(5)(a) The portion of each paid-up pension to which a Member is entitled in respect of Credited Service up to December 31, 2002 shall be adjusted in accordance with this subsection in the pay period that includes July 1 of each Taxation Year after 1999.

(b) The adjustment to a paid-up pension in accordance with this subsection shall be calculated using the procedure specified in subsection (2) of Section 8, except that:

(i) the number of pay periods since the Member's termination of employment shall be used instead of the number of pay periods for which the pension has been in payment; and

(ii) the percentage adjustment in the pay period that includes July 1, 2000 shall be one-half of the percentage otherwise determined in accordance with subsection (2) of Section 8.

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 or the corresponding provision of a Prior Plan 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 16 of Schedule "A" is amended

(a) by adding "*or Common-law Partner*" after each occurrence of "Spouse" in subsections (1), (2), (3) and (4);

(b) in subsection (2):

(i) by adding "*and the Member was an Employee at the date of termination of the marriage or common-law relationship*" after "Plan" in the second line thereof;

(ii) by adding clause (a) as follows and renumbering clauses (a), (b) and (c) as (b), (d) and (e), respectively:

(a) if the Member had not completed at least 2 years of Service or 2 years of Plan membership and had not become eligible for a pension 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,;

(iii) in renumbered clause (b), by adding "*if the Member had completed at least 2 years of Service or 2 years of Plan membership prior to the termination of the marriage or common-law relationship,*" prior to "*one-half of the Commuted Value*" and deleting "*and*" at the end of the clause; and

(iv) by adding clause (c) as follows:

(c) if the Member had become eligible for a pension 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,;

(c) in subsection (3), by adding "*If the termination of the marriage or common-law relationship occurs after the commencement of pension payments under the Plan*:" prior to clause (a);

(d) by repealing subsection (3.1) and substituting the following:

Breakup While Entitled to Paid-up Pension
(3.1) 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
(3.2) 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 (3.1) 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) in subsection (4), by striking "*(1), (2) and (3)*" and substituting "*(1), (2), (3) and (3.1)*"; and

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

Definitions
(5) 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.

20. 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*" and substituting "*the Member's marriage or common-law relationship*" ;

(c) by repealing clause (3)(b) and renumbering the subsequent clauses; and

(d) by adding subsection (9) 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.

21. Section 18 of Schedule "A" is amended

(a) in clause (5)(b), by striking "*the calendar quarter ended three months prior to*" and substituting "*the 12-month period that ended on the March 31 immediately preceding*"; and

(b) in clause (5)(c), by adding "*or subsection (5) of Section 13, as applicable*," after "in accordance with Section 8".

22. Section 19.1 of Schedule "A" is repealed.

23. Section 20 of Schedule "A" is amended by adding the following subsection:

Disposition of City and Plan Members' Accounts

(3) Notwithstanding subsection (2), to the extent that any balance remains in the City Account or the Plan Members' Account after providing for all benefits in accordance with the Program for the Members, former employees, pensioners, dependents, their respective beneficiaries and estates in accordance with the subsection (2):

(a) the balance of the Plan Members' Account shall be used to improve benefits or otherwise be distributed to the Members, as determined by the Board, and

(b) the balance of the City Account shall be refunded to the City.

24. Section 21 of Schedule "A" is added as follows:

SECTION 21 – PENSION AND PAID-UP PENSION INCREASES EFFECTIVE JANUARY 1, 2000

Eligibility for Increase

(1) (a) Each pension payable after the pay period in which he or she attains age 65 to a Member who retired before January 1, 2000 shall be increased in accordance with this section, effective January 1, 2000.

(b) Each pension payable to a Spouse or Dependent Child that commenced prior to January 1, 2000 shall be increased in accordance with this Section, effective January 1, 2000.

(c) The portion of each paid-up pension granted before January 1, 2000 that is payable to a Member after the pay period in which he or she attains age 65 shall be increased in accordance with this Section, effective January 1, 2000.

Amounts of Increase – Retired Members

(2) The increase in pension referred to in clause (1)(a) shall be calculated according to the following formula and payable bi-weekly:

7.14% of the Post-Age 65 Qualifying Pension to a maximum of $1.39 bi-weekly per year of Qualifying Credited Service. where

"Post-Age 65 Qualifying Pension" is the bi-weekly pension payable after the pay period in which the Member attains age 65 that qualifies for cost-of-living adjustments in accordance with Section 8.

"Qualifying Credited Service" is the sum of:

(a) Credited Service after January 1, 1966, and

(b) if (a) is less than 15 years, Credited Service before January 1, 1966 sufficient to increase Qualifying Credited Service to 15 years.

Amount of Increase – Spouses and Dependent Children

(3) The increase in pension referred to in clause (1)(b), payable bi-weekly, shall be calculated in accordance with the formula specified in subsection (2) except that:

(a) "Post-Age 65 Qualifying Pension" is the bi-weekly pension payable to the Spouse or Dependent Child, as applicable, that qualifies for cost-of-living adjustments in accordance with Section 8, and

(b) instead of $1.39 the following amounts shall be used:

(i) $0.93 if the pension is payable to the Spouse of a Member who died after retirement,

(ii) $0.70 if the pension is payable to the Spouse of a Member who died before retirement or to a Dependent Child if no pension is payable to a Spouse, and

(iii) $0.14 if the pension is payable to a Dependent Child and a pension is also payable to a Spouse.

Amount of Increase – Paid-Up Pensioners

(4) The increase in the portion of the paid-up pension referred to in clause (1)(c), payable bi-weekly, shall be calculated in accordance with the formula specified in subsection (2) except that "Post-Age 65 Qualifying Pension" is the bi-weekly pension payable after the pay period in which the Member attains age 65 that qualifies for cost-of-living adjustments in accordance with subsection (5) of Section 13.

Maximum Increase

(5) If the lifetime pension payable to a Member, Spouse or Dependent Child was limited in accordance with subsection (3) of Section 7, the maximum increase in pension payable in accordance with this Section shall be such percentage of the Post-Age 65 Qualifying Pension that the percentage increase in the Consumer Price Index for Canada between March of the year in which the pension commenced, or in the case of a paid-up pension

the year in which the Member terminated employment, and March 2000 exceeds the cumulative percentage cost-of-living adjustments in pension granted in accordance with Section 8 or subsection (5) of Section 13, as applicable, up to and including the pay period which includes July 1, 2000.

25. Section 6 of Schedule "B" is amended by striking "*60%*" in subsection (1) and substituting the following:

"(i) for the period from January 1, 2000 until December 31, 2002, 66 2/3%, and

(ii) for all other periods, 60%".

26. Section 10 of Schedule "B" is amended

(a) in subsection (1), by striking "*5 years*" and substituting "*2 years*";

(b) in subsection (2):

(i) by striking "*5 years*" and substituting "*2 years*"; and

(ii) by adding "*and the Date Disability Commenced was prior to January 1, 2000*" after "due"; and

(c) in subsection (3):

(i) by striking both occurrences of "*1 year*" and substituting "*2 years*"; and

(ii) by adding "*and subsection (2) does not apply*" after "due".

27. Section 3 of Schedule "C" is amended by striking the occurrences of "*Eligible Spouse*" in subsections (1) and (3) and substituting "*Spouse, Common-law Partner*".

28. (a) Subsection 21(a) of this By-law is retroactive and deemed to have come into force on December 31, 1988.

(b) Subsections 7(c), 7(e), 11(b)(ii), 11(d), 16(a), 16(c), 16(e), 16(f), 16(g), 16 (h), 16(i)(i) 17(a), 17(b)(i), 17(b)(ii), 17(b)(iii) and 18(c) of this By-law are retroactive and deemed to have come into force on January 1, 1992.

(c) Subsection 18(b) of this By-law is retroactive and deemed to have come into force on January 1, 1997.

(d) Subsections 8(a) and 19(c) of this By-law are retroactive and deemed to have come into force on January 1, 1998.

(e) Subsection 8(d) of this By-law is retroactive and deemed to have come into force on January 1, 1999.

(f) Sections 2, 3, 4, 5, 6, 9, 10, 15, 22, 23, 24, 25 and 26 and subsections 7(a), 7(d), 7(g), 8(b), 8(c), 8(e), 11(a), 11(b)(i), 11(e), 12(b), 16(d), 16(j), 16(k), 17(b)(iv), 17(c), 17(d), 17(e), 20(c) and 21(b) of this By-law are retroactive and deemed to have come into force on January 1, 2000.

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

(h) Sections 13, 14, and 27 and subsections 7(b), 7(f), 11(c), 11(f), 12(a), 16(b), 16(i)(ii), 16(i)(iii), 16(l), 16(m), 19(a), 19(b), 19(d), 19(e), 19(f), 20(a), 20(b) and 20(d) of this By-law are retroactive and deemed to have come into force on January 1, 2002.

DONE AND PASSED, in Council assembled, this day of , 2002.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Executive Director
Employee Benefits Board

Certified as to form:

_____
City Solicitor/Manager of Legal Services

Schedule B

THE CITY OF WINNIPEG

BY-LAW NO.

A By-law of The City of Winnipeg to amend the Employee Benefits Program By-law No. 5300/89; the Police Employees' Group Life Insurance Plan By-law No. 5643/91; and the Winnipeg Police Pension Plan By-law No. 6253/93.

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

1. The Employee Benefits Program By-law No. 5300/89 **is amended by adding after Section 25:**

26. The Employee Benefits Program shall, pursuant to and in accordance with s. 79.1(6) of The City of Winnipeg Act, be amended and continued under and in accordance with the agreements entered into pursuant to the amending agreement, as defined in s. 79.1(1) of The City of Winnipeg Act, being:

(1) The Winnipeg Civic Employee's Benefits Program Pension Trust Agreement dated October 7, 2002 among the City and certain collective bargaining agents (the "Pension Trust Agreement") and

(2) The Winnipeg Civic Employees' Benefits Program Disability Trust Agreement to be entered into by the City and the collective bargaining agents who are parties to the Pension Trust Agreement (the "Disability Trust Agreement").

27. The Board shall forthwith transfer and convey the Pension Fund to the Board of Trustees constituted under the Pension Trust Agreement and, as of the date such transfer occurs:

(1) The terms of the benefit arrangements appended as Schedules "A", "B" and "C" to this By-law are with effect from January 1, 2003 superseded and replaced by Parts A, B and C of the program text appended to the Pension Trust Agreement;

(2) The trust relationship in respect of the Pension Fund created under this By-law is superseded and replaced by the trust relationship created under the Pension Trust Agreement;

(3) The Board shall be discharged of all responsibilities and obligations relating to the future administration of the Employee Benefits Program; and

(4) The terms of this By-law shall have no further application to the Employee Benefits Program except to the extent contemplated by the terms of the Pension Trust Agreement or Disability Trust Agreement, or as is otherwise necessary to give effect to their terms.

2. **The Police Employees' Group Life Insurance Plan By-law No. 5643/91** is amended by:

(a) repealing the definition of "***Investment Committee***" in Section 1 and substituting:

"Investment Committee" *means the committee of individuals appointed by the Board to assume the powers and duties specified in Section 6, 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.*

(b) repealing the definition of "***Investment Manager***" in Section 1 and substituting:

"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 Insurance Fund.*

3. The Winnipeg Police Pension Plan By-law No. 6253/93 **is amended by:**

(a) repealing the definition of "*Investment Committee***" in Section 1 and substituting:**

"Investment Committee" *means the committee of individuals appointed by the Board to assume the responsibility for the investment of the 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.*

(b) repealing the definition of "***Investment Manager***" in Section 1 and substituting:

"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 Fund.*

4. This By-Law comes into force and effect as of January 1, 2003.

DONE AND PASSED, in Council assembled, this day of , 2002.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Executive Director
Employee Benefits Board

Certified as to form:

_____
City Solicitor/Manager of Legal Services

Schedule C

THE CITY OF WINNIPEG
BY-LAW NO. /2002

A By-law of the City of Winnipeg to amend By-law No. 5644/91, being a By-law establishing the "Civic Employees' Group Life Insurance Plan".

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

1. The City of Winnipeg By-law No 5644/91 is amended by this by-law.

2. Section 1 is amended

(a) by repealing the definition of "*Board***" and substituting the following:**

"*Board***"** ***means "The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)" constituted under The Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002;***

(b) by repealing the definition of "*Board of Commissioners"***;**

(c) by repealing the definition of *"Investment Committee*" **and substituting the following:**

"*Investment Committee****" means the investment committee constituted under The Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002;***

(d) by repealing the definition of ***"****Investment Manager****" and substituting the following:***

"*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 Insurance Fund;***

(e) by repealing the definition "*Person***".**

3. **Subsection 3(2) is repealed and the following is substituted:**

(2) The Board shall administer the Insurance Fund on behalf of the Members, their beneficiaries and the City and shall deal with it in accordance with this By-law.

4. **Subsection 3(5) is amended by striking the words "*by the Board*".**

5. **Section 4 is repealed and the following is substituted:**

THE BOARD

4. (1) In respect to the Plan, the Board shall have the same composition and powers for the conduct of its meetings as set out in The Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002.

(2) The Board shall hold meetings at the call of the chair, but not less frequently than once each year, for the purpose of fulfilling those duties and utilizing the powers given to it under this by-law.

(3) All matters concerning the Plan and this by-law shall be decided by the affirmative vote of the majority of the members present, except that the number of Member Trustees participating, deciding or voting on any issue shall always be one less than the number of Employer Trustees, where "Member Trustees" and "Employer Trustees" are as defined in Article 1 of The Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002.

6. **Section 5 is repealed and the following is substituted:**

DUTIES OF THE BOARD

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

(1) operate, administer and interpret the intent of the Plan consistent with the requirements of this By-law;

(2) determine all questions regarding the eligibility of any person for insurance or benefits under the Plan;

(3) recommend to Council the appointment of one or more insurance companies to provide all or some of the benefits of the Plan;

(4) keep a complete and accurate set of accounts for the Insurance Fund;

(5) in consultation with the Investment Committee, establish and review regularly the investment policy for the Insurance Fund;

(6) establish and review regularly the funding policy for the Insurance Fund;

(7) determine and advise the Investment Committee as frequently as necessary the amounts which are available for investment;

(8) submit the accounts and financial statements of the Insurance Fund at least annually for examination, checking and audit by the auditor appointed by the Board;

(9) as soon as possible after January 1 in each year, submit a report to Council which contains audited financial statements for the previous year;

(10) as soon as possible after January 1 in each year, make available to the Members a report on the operation of the Plan during the previous year;

(11) ensure that an actuarial report is made on the status of the Insurance Fund at least once every three years and at such other times as the Board may deem advisable;

(12) obtain an actuarial report if there is to be any change in the Plan; and

(13) regularly monitor the investment performance of the Insurance Fund.

POWERS OF THE BOARD

5.1 In respect of the Plan, the Board is empowered and authorized to:

(1) establish accounts for the Insurance 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 Insurance 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) on the recommendation of an Investment Manager, purchase, hold or acquire stocks, bonds, property or other investments for the Insurance Fund;

(5) on the recommendation of an Investment Manager, sell or otherwise dispose of any stocks, bonds, property or other investments held in or for the Insurance Fund;

(6) exercise all voting and other rights in respect of any stocks, bonds, properties or other investments held in or for the Insurance Fund;

(7) execute all documents of transfer and conveyance that may be necessary or appropriate to carry out the duties and powers herein granted;

(8) register any investments held in the Insurance Fund in the name of the Insurance Fund, a financial institution acting as custodian of the Insurance Fund or its nominee, or a depository or clearing agency that is authorized to operate a book-based system or its nominee, or hold any investments in bearer form;

(9) appoint persons to provide such services as the Board deems necessary in the performance of its powers, duties and responsibilities;

(10) rent premises, purchase supplies and equipment and employ such personnel as required for the efficient administration of the Plan;

(11) make all disbursements and allocations from the Insurance Fund by cheque or authorization signed as the Board may determine by resolution from time to time;

(12) pay from the Insurance Fund all costs and expenses of the Board attributable to the operation and administration of the Plan and Insurance Fund including any remuneration paid to the Board Members and the Investment Committee as determined by the Board;

(13) purchase such insurance or fidelity bonds as the Board deems necessary or proper, the cost of which shall be paid out of the Insurance Fund;

(14) do all acts that the Board may deem necessary or appropriate for the protection of the property of the Insurance Fund; and

(15) ***do all acts that the Board deems necessary or appropriate to accomplish the general objectives of enabling Members and their beneficiaries to obtain benefits under the Plan in the most efficient and economical manner.***

7. Section 6 is repealed and the following is substituted:

INVESTMENT COMMITTEE

6. (1) The Investment Committee shall be responsible for the investment of the Insurance Fund and shall:

(a) recommend to the Board the appointment of one or more Investment Managers to manage the investments of the Insurance Fund or portion thereof and recommend the terms and conditions to apply in each case;

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

(c) recommend to the Board the investment policy for the Insurance Fund or any changes thereto;

(d) 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;

(e) review regularly the performance of the Insurance Fund and each Investment Manager which is managing a portion thereof;

(f) monitor compliance with the investment policy; and

(g) report regularly to the Board on its activities, compliance with the investment policy and such other matters as the Board directs.

(2) All decisions to be made by the Investment Committee shall be decided by the affirmative vote of the majority of the Investment Committee members present, except that the number of Investment Committee members appointed by the Member Trustees participating, deciding or voting on any issue shall always be one less than the number of Investment Committee members appointed by the Employer Trustees, where "Member Trustees" and "Employer Trustees" are as defined in Article 1 of The Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002.

8. The following sections are added after Section 8:

CONFLICT OF INTEREST

8.1 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 Insurance Fund.

FIDUCIARY RESPONSIBILITIES

8.2 The Board, the Investment Committee and the Investment Managers shall:

(1) exercise the care, diligence and skill in the administration and investment of the Insurance Fund that a person of ordinary prudence would exercise in dealing with property of another person;

(2) use in the administration of the Plan and in the administration of the investment of the Insurance Fund all relevant knowledge and skill that they possess or, by reason of each Board Member's, member of the Investment Committee's, or Investment Manager's profession, business or calling, ought to possess; and

(3) ***select all investments with consideration given to the overall context of the portfolio of the Insurance Fund, without undue risk of loss or impairment and with a reasonable expectation of fair return given the nature of the investments.***

9. Section 10 is repealed and the following is substituted:

PARTICIPATING EMPLOYERS

10. ***The Executive Policy Committee may authorize the execution of Participation Agreements recommended to it by the Board and made between the City and the Participating Employers for the purpose of providing for the admission of employees of those employers into the Plan upon such terms and conditions as specified in the Participation Agreements.***

10. Section 1 of Schedule "A" is amended

(a) by striking the alphabetic subsection labels;

(b) in clause (a) of the definition "Assumed Earnings**", by striking "*a disability pension from the Pension Plan*" and substituting "*disability benefits from the Employee Benefits Program*";**

(c) by repealing the definition "*Average Bi-Weekly Earnings***" and substituting the following:**

"Average Bi-Weekly Earnings" means:

(a) if the Member is employed in a permanent position or in a temporary position working on a full-time basis and is not employed under the terms of a job share agreement, the Member's Earnings for the 13 pay periods immediately prior to the date at which the calculation is being made, divided by 13. If the Member did not receive Earnings in each of these 13 pay periods, the Member's Earnings for the period covered by these pay periods shall be divided by the number of pay periods for which he or she received Earnings; or

(b) ***if the Member is not employed in a permanent position and is working on a seasonal, casual or part-time basis or is employed under the terms of a job share agreement, the Member's Earnings for the 26 pay periods immediately prior to the date at which the calculation is being made, divided by 26.***

(d) by repealing the definition of *"Board"* ***and substituting the following:***

"Board" ***means "The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)" constituted under The Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002.***

(e) in the definition "Disabled Member**", by striking "*a disability pension from the Pension Plan*" and substituting "*disability benefits from the Employee Benefits Program*"; and**

(f) by repealing the definition "*Pension Plan***" and adding the following definition in alphabetical order:**

"Employee Benefits Program" ***means the benefits program established in accordance with By-law No. 5300/89 and continued as "The Winnipeg Civic Employees' Benefits Program" pursuant to The Winnipeg Civic Employees' Benefits Program Pension Trust Agreement dated October 7, 2002 and The Winnipeg Civic Employees' Benefits Program Disability Plan Trust Agreement".***

11. Subsection 4(2) of Schedule "A" is repealed and the following is substituted:

Optional Additional Coverage

(2) ***A Member may elect to increase insurance coverage to three or four times Annual Earnings.***

12. Section 4 of Schedule "A" is amended by adding the following subsections:

Advance Payment to Terminally Ill Member

(5) Notwithstanding the foregoing, a Member who satisfies the conditions set out in subsection 4(6) may receive a partial advance payment of life insurance proceeds, up to the amount set out in subsection 4(7). The amount ultimately payable under subsection 4(4) will be reduced by the amount of such advance payment, along with an appropriate interest charge determined by the Board.

Conditions for Advance Payment

(6) A terminally ill Member who has a life expectancy of 12 months or less may apply for a partial advance payment of life insurance proceeds. Such application shall include a form, completed by the Member's doctor, indicating diagnosis, prognosis, life expectancy and providing supporting medical information, as well as a form, signed by the Member, authorizing the release of medical information. If the application is approved by the Board, the Member shall sign a further release form, explaining the terms of the payment, prior to any payment under subsection 4(5).

Amount of Advance Payment

(7) The advance payment, payable under subsection 4(5), is 50% of either:

(a) the insurance coverage in accordance with subsection 4(1), or

(b) the insurance coverage in accordance with subsection 4(3) applicable 12 months after the date of payment under subsection 4(5),

***as applicable, to a maximum of $50,000*.**

13. Subsection 5(1) of Schedule "A" is repealed and the following is substituted:

Increase in Coverage

(1) A Member who elects to increase insurance coverage as a multiple of Annual Earnings must obtain and complete the form prescribed by the Board and provide evidence of insurability satisfactory to the Insurance Company.

14. Subsection 5(2) of Schedule "A" is repealed and the following is substituted:

Reduction of Coverage

(2) ***A Member who elects to reduce insurance coverage as a multiple of Annual Earnings must obtain and complete the form prescribed by the Board.***

15. Subsection 6(1) of Schedule "A" is repealed and the following is substituted:

Member's Basic Coverage Contributions

(1) ***Each Member who has basic insurance coverage in accordance with subsection 4(1) shall contribute each Pay Period, in respect of the basic insurance, based on his or her Employment Earnings, if any, at a rate prescribed by the Board based on the recommendation of the Actuary and reviewed at least once every three years.***

16. Subsection 6(2) of Schedule "A" is repealed and the following is substituted:

Optional Additional Coverage Contributions

(2) ***Each Member who has optional additional insurance coverage in accordance with subsection 4(2) shall contribute each Pay Period, in respect of the additional insurance, based on his or her Employment Earnings, if any, at a rate prescribed by the Board based on the recommendation of the Actuary and reviewed at least once every three years.***

17. Subsection 6(4) of Schedule "A" is amended by striking both occurrences of the words "*or disability*".

18. Subsection 6(6) of Schedule "A" is amended by striking the last sentence of clause (a) and substituting the following:

If the Member elects to continue insurance coverage during such period, contributions shall be made by or for the Member, in a manner prescribed by the Board, based on the Member's Assumed Earnings at the same combined rate as the Member and the City would have contributed had the leave of absence, strike or lockout not occurred.

19. Subsection 7(2) of Schedule "A" is repealed and the following is substituted:

Increase in Coverage

(2) ***A Disabled Member who elects to increase insurance coverage as a multiple of Annual Earnings and satisfies the conditions set out in subsection 5(1) shall contribute in respect of such additional insurance, based on his or her Earnings, at the same rate as prescribed by the Board under subsection 6(1) or 6(2), as applicable.***

20. Section 8 of Schedule "A" is amended by striking the words "*Annual Salary*" in the fourth line of subsection (1) and substituting "*Annual Earnings*".

21. Subsection 9(4) of Schedule "A" is amended by striking "*5(9)*" and substituting "*5(11)*".

22. (a) Subsections 10(a), 10(b), 10(c) and 10(e) of this by-law are retroactive and deemed to have come into force on January 1, 1992.

(b) Section 20 of this by-law is retroactive and deemed to have come into force on December 26, 1993.

(c) Subsections 2(b) and 2(e) and section 9 of this by-law are retroactive and deemed to have come into force on January 1, 1995.

(d) Sections 11 to 19, inclusive, of this by-law are retroactive and deemed to have come into force on January 1, 1997.

(e) Sections 3 to 8, inclusive, subsections 2(a), 2(c), 2(d), 10(d) and 10(f) and section 21 of this by-law will come into force on January 1, 2003.

DONE AND PASSED, **in Council assembled, this day of December, 2002.**

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Executive Director
Employee Benefits Board

Certified as to form:

_____
City Solicitor/Manager of Legal Services