Minutes – Executive Policy Committee – December 7, 2011

REPORTS

Minute No. 58 Winnipeg Police Pension By-law No. 126/2011

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommends to Council:

1. That, to comply with recent amendments to *The Pension Benefits Act (Manitoba)*:

    A. The Winnipeg Police Pension By-law attached as Appendix A (with the exception of Schedule "A" thereto) be enacted effective May 31, 2011.

    B. Schedule "A" to the Winnipeg Police Pension By-law attached as Appendix A be enacted effective May 31, 2010.

2. That the former Winnipeg Police Pension By-law No. 2/2006 (excluding Schedule "A" thereto) be repealed effective May 31, 2011, and that Schedule "A" to the former Winnipeg Police Pension By-law No. 2/2006 be repealed effective May 31, 2010.

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

DECISION MAKING HISTORY:

Moved by Councillor Havixbeck,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: NEW WINNIPEG POLICE PENSION BY-LAW TO REFLECT RECENT AMENDMENTS TO THE PENSION BENFITS ACT (MANITOBA)

Critical Path: EXECUTIVE POLICY COMMITTEE - COUNCIL

AUTHORIZATION

Author	Department Head	CFO	CAO
Betty Holsten Boyer Manager of Financial Planning and Review	Jo-Anne Ferrier City Treasurer	M. Ruta	P. Sheegl

RECOMMENDATIONS

1) That, to comply with recent amendments to *The Pension Benefits Act* (Manitoba), Council enact:

   (a) the Winnipeg Police Pension By-law attached as Appendix A hereto (with the exception of Schedule "A" thereto) effective May 31, 2011;

   (b) Schedule "A" to the Winnipeg Police Pension By-law attached as Appendix A hereto effective May 31, 2010.

2) That the former Winnipeg Police Pension By-law No. 2/2006 (excluding Schedule "A" thereto) be repealed effective May 31, 2011, and that Schedule "A" to the former Winnipeg Police Pension By-law No. 2/2006 be repealed effective May 31, 2010.

REASON FOR THE REPORT

Recent amendments to *The Pension Benefits Act* (Manitoba) require that the Winnipeg Police Pension Plan (the Plan) be amended to reflect these changes (some of which were effective May 31, 2010 and some of which were effective May 31, 2011). The most straightforward way to implement these changes is to enact a new by-law; the attached Winnipeg Police Pension By-law has been prepared to amend and restate the Plan to adopt these largely non-discretionary provisions.

Council approval is required to enact a new by-law. The deadline for filing the resulting by-law changes with the Manitoba Pension Commission is December 31, 2011.

IMPLICATIONS OF THE RECOMMENDATIONS

The changes to Schedule A of the By-law affect the provisions and rules around Plan Member benefits, including, for example, immediate vesting and locking-in of benefits earned; new provisions on postponed retirement; new rules on waiving death benefits and on division of pension on relationship breakdown; and a requirement that any lump sum benefit payable under the Plan be transferred to an RRSP at the Plan Member's option.

In addition, new legislative requirements for a Pension Committee to administer the Plan will require new appointments to the Winnipeg Police Pension Plan Board/Committee. These appointments will follow in a separate report to Council.

HISTORY

On December 11, 2002, City Council, the members of the Winnipeg Police Association (Police Component) and the members of the Winnipeg Police Senior Officers' Association agreed to amend the provisions of the Winnipeg Police Pension Plan, as contained in By-law 6253/93, to provide for a sharing of actuarial surpluses and the responsibility for funding deficiencies. This agreement was confirmed in a Memorandum of Agreement between the City, the Winnipeg Police Association and the Winnipeg Police Seniors' Officers Association dated May 26, 2003.

A further Memorandum of Agreement was entered into by the City, the Winnipeg Police Association and the Winnipeg Senior Officers' Association on March 3, 2006, under which the two Police Associations agreed to the wording of a new By-law, namely the Winnipeg Police Pension By-law 2/2006. The former Winnipeg Police Pension By-law 6253/93 was repealed effective January 1, 2003.

FINANCIAL IMPACT

Financial Impact Statement **Date:** October 24, 2011

Project Name: **First Year of Program** **2011**

Winnipeg Police Pension By-Law.

	2011	2012	2013	2014	2015
Capital					
Capital Expenditure Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

The changes to the Police Pension By-law as a result of the amendments to the Pension Benefits Act are not anticipated to have a material effect on the cost of the overall pension plan.

[original signed by]

Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

The Legal Services Department and the Corporate Support Services Department

SUBMITTED BY

Department: Corporate Finance
Prepared by: Betty Holsten Boyer
Date: October 24, 2011
File No.

THE CITY OF WINNIPEG

BY-LAW NO. 126/2011

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

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

1. The attached Appendix "A" is hereby adopted as the revised Winnipeg Police Pension By-law, with the effective dates as provided in Sections 17 and 18 therein under the heading "Effective Date".

2. By-law No. 2/2006 (excluding Schedule "A" thereto) is hereby repealed effective the 31st day of May, 2011 and Schedule "A" to By-law No. 2/2006 is hereby repealed effective the 31st day of May, 2010.

DONE AND PASSED in Council assembled, this _____ day of _____, 2011.

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Appendix A

BY-LAW NO. 126/2011

THE CITY OF WINNIPEG

Being The

WINNIPEG POLICE PENSION PLAN
As Amended to May 31, 2011

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EXPLANATION FOR COUNCIL RE: BY-LAW NO. 126/2011

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

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

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

Effective May 31, 2010 *The Pension Benefits Act*, C.C.S.M. c. P32 was amended. This Winnipeg Police Pension By-law No. 126/2011 amends and restates the Winnipeg Police Pension Plan and incorporates those amendments. Furthermore effective May 31, 2011 *The Pension Benefits Act*, C.C.S.M. c. P32 was amended to require that certain pension plans be administered by a Pension Committee. This Winnipeg Police Pension By-law No. 126/2011 amends and restates the Winnipeg Police Pension Plan and incorporates provisions for the establishment of a Pension Committee to administer the Winnipeg Police Pension Plan.

This Winnipeg Police Pension By-law No. 126/2011 repeals the former Winnipeg Police Pension By-law No. 2/2006.

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

DEFINITIONS

1. In this By-Law:

"**Active Member"** means a Member of the Plan who is accruing a pension under the Plan, or would be accruing a pension if it were not for a temporary interruption in employment approved by the City and acceptable to the Board;

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

"**Board**" or "**Board/Pension Committee**" means the Winnipeg Police Pension Board constituted pursuant to Section 4 in its capacity as the pension committee of the Plan;

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

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

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

"Election Notice" has the meaning ascribed thereto in Section 5(5)(b);

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

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

"**Investment Policy**" means the written statement of investment policies and procedures adopted by the Board pursuant to subsection 8(4);

"**Non-Active Member**" means a member of the Plan who is entitled to a pension or a deferred pension from the Plan and is not an Active Member;

"Non-Active Member Representative" has the meaning ascribed thereto in subsection 4(2)(c);

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

"**Pension Committee**" means the Board;

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

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

"**Regulations**" means the statutory regulations that apply to the Pension Benefits Act, as may be amended or repealed from time to time.

THE PENSION PLAN

2. (1) The pension plan established under By-law No. 2/2006 and known as the "Winnipeg Police Pension Plan" is hereby continued and is set forth in Schedule "A" attached to and forming part of this By-law.

(2) The primary purpose of the Plan is to provide pension and ancillary benefits to City of Winnipeg police officers.

THE PENSION FUND

3. (1) The fund known as the "Winnipeg Police Pension Fund", as established on January 1st, 1979 under By-law No. 2148/78, is hereby continued.

(2) For the purposes of Section 28.1(1)(f) of the Pension Benefits Act, the Board shall constitute a "pension committee" as required by the Pension Benefits Act, and all obligations and powers of the Board hereunder are deemed to be the obligations and powers of a pension committee pursuant to the Pension Benefits Act and the Regulations.

(3) The Board shall hold the Pension Fund in trust for the City, the members of the Plan and their beneficiaries and shall deal with it in accordance with this By-law.

(4) With effect from January 1, 2003, the accounts into which the Pension Fund was previously divided shall cease to exist, and the Pension Fund shall instead be divided into:

(a) the Main Account, which shall be further subdivided into:

(i) the General Component of the Main Account, to which all contributions shall be credited and from which all benefits under the Plan shall be deducted; and

(ii) the Contribution Stabilization Reserve, which shall be used each year to fund the excess of the actuarial cost of the benefits expected to be earned under the Plan for service in that year over the contributions required to be made by the members of the Plan and matching contributions by the City in that year;

(b) the Plan Members' Account, which shall be available to finance improvements in the benefits payable under the Plan or to reduce the contributions otherwise payable by Plan members; and

(c) the City Account, which shall be available to reduce the contributions otherwise payable by the City.

(5) The initial balances of the accounts and reserve as at January 1, 2003 were as follows:

Main Account:	
General Component of Main Account	$ 563,785,707
Contribution Stabilization Reserve	52,210,000
	615,995,707
Plan Members' Account	4,357,130
City Account	0
	620,352,837

(6) All investment earnings of the Pension Fund, including realized and unrealized capital gains and losses, shall be allocated to the accounts and reserve in proportion to each account's and reserve's balance.

(7) All expenses paid out of the Pension Fund shall be deducted from the accounts and reserve as determined by the Board.

(8) No property or interest in the Fund, nor any benefits payable therefrom, shall be subject to sale, transfer, alienation, assignment, encumbrance or other process except as provided by the Pension Plan and this By-law.

(9) The Pension Fund shall be invested only as permitted by the Pension Benefits Act.

THE BOARD/PENSION COMMITTEE

4. (1) An administrative board/pension committee known as "Winnipeg Police Pension Board", hereinafter referred to as the "**Board**", shall be responsible for the administration of the Plan.

(2) The Board shall consist of a maximum of nine voting members appointed as follows:

(a) two voting members appointed by the Winnipeg Police Association, appointed on behalf of the police officers who are Active Members;

(b) one voting member appointed by the Winnipeg Police Senior Officers' Association appointed on behalf of the senior police officers who are Active Members;

(c) one voting member elected by the Non-Active Members and other beneficiaries under the Plan pursuant to Section 5 (the "**Non-Active Member Representative**"); and

(d) five voting members appointed by the City.

(3) The Board shall also consist of a maximum of four non-voting members who may be appointed or elected as follows:

(a) one non-voting member appointed by the Winnipeg Police Association, if they choose to make such an appointment;

(b) one non-voting member appointed by the Winnipeg Police Senior Officers' Association, if they choose to make such an appointment;

(c) one non-voting member elected by the Non-Active Members, or if no election is held, appointed by the Non-Active Member Representative on behalf of the Non-Active Members, if she or he chooses to make such an appointment; and

(d) one non-voting member appointed by the City, if the City chooses to make such an appointment.

In the event a non-voting Board Member is appointed or elected pursuant to this subparagraph 3, the non-voting Board Member shall have all the rights and obligations of a voting member of the Board, including the right to receive notice of, and participate in, meetings of the Board, except the right to vote on any matter to be decided by the Board.

(4) The term of office of a person elected or appointed as a Board Member shall be a maximum of three years. Any vacancy shall be filled by the applicable appointing organization or group for the balance of an unexpired term within 120 days after it arises, unless the unexpired term is less than 120 days. A Board Member continues to hold office after the end of his or her term until he or she is reappointed or re-elected or a successor is appointed or elected.

(5) Upon becoming a Board Member, each Board Member shall immediately become vested with all property, rights, powers and duties of a

(a) trustee in relation to the Pension Fund; and

(b) pension committee member as specified in the Pension Benefits Act,

without the necessity of the execution of any conveyance, assignment or transfer of other documents.

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

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ELECTION OF THE NON-ACTIVE MEMBER OF THE BOARD/PENSION COMMITTEE

5. (1) Within thirty days of any vacancy in the Non-Active Member Representative position, the Board will send, by regular mail or electronic mail, requests for nomination, nomination forms and written notice of the nomination process and election process to all Non-Active Members and other beneficiaries under the Plan, such notice to be sent at least ninety days prior to any election for the Non-Active Board Member position, with instructions that nominations are to be submitted to the Plan's third-party administrator (the "**Employee Benefits Program**") within forty-five days prior to such election.

(2) Each candidate who agrees to stand for election as the Non-Active Member Representative must complete an application form specified by the Board from time to time, which form shall also be signed by five Non-Active Members and/or other beneficiaries of the Plan who are prepared to support the candidate.

(3) No Non-Active Member or other beneficiary of the Plan may support more than one candidate. Any signature appearing on more than one application form shall be struck off all application forms on which such signature appears and such form will be deemed to be incomplete.

(4) A nomination form will be accepted only if it is properly completed and received by the Employee Benefits Program within the time period specified. The Employee Benefits Program has no obligation to inform a candidate that his or her form was not properly completed or received prior to the due date.

(5) If more than one candidate is nominated for election as the Non-Active Member Representative:

(a) there will be an election;

(b) each candidate's name and a brief statement about the candidate and why he or she is standing for election will be provided in an election notice sent to each Non-Active Member and other beneficiary under the Plan (the "**Election Notice**"), which Election Notice will indicate the process for election; and

(c) each Non-Active Member and other beneficiary will be eligible to cast one vote for the vacant position; and

(d) the candidate receiving the greatest number of votes will be elected. In the event of a tie, the Board Members, excluding the Non-Active Member Representative, shall determine the successful candidate.

(6) If only one candidate is nominated for the vacant position, that candidate will be elected by acclamation. If any candidate is elected by acclamation, notice of "election by acclamation" shall be indicated in the Election Notice. If no candidates are nominated for the vacant position, the Election Notice shall indicate that no nominations were received and that the Board will appoint a Non-Active Member Representative as soon as reasonably possible, and in any event, within one hundred and twenty days, and thereafter advise the Non-Active Members and other beneficiaries of the election results by mail within 30 days of such appointment.

(7) A copy of the Election Notice will be forwarded by the Board by mail or electronic mail to each Non-Active Member and other beneficiary under the Plan at least thirty days prior to the election's ballot submission deadline.

(8) All voting shall be by secret ballot. Each person eligible to vote shall receive a ballot and a return envelope. Voters shall mark the ballot with an "X" opposite the name of the candidate of their choice and seal their ballot in the provided envelope. A ballot marked in any other way will be considered to be spoiled and will not be counted. Sealed ballots shall be returned to the Employee Benefits Program within the designated time period.

(9) When the deadline for submission of sealed ballots has passed, the Executive Director of the Employee Benefits Program shall open the sealed envelopes and count the ballots in the presence of a representative of the auditor of the Plan appointed by the Board. The Employee Benefits Program shall notify the Non-Active Members and other beneficiaries of the election results by mail within the earlier of 30 days of the election or the next regular mailing to them.

REMOVAL OF NON-ACTIVE MEMBER OF THE BOARD/PENSION COMMITTEE

6. The office of the Non-Active Member Representative shall be vacated, or deemed vacated, immediately, if:

(1) the Non-Active Member Representative becomes bankrupt, or suspends payment of his or her debts as they generally fall due, or is declared insolvent; or

(2) the Non-Active Member Representative is found to be or becomes of unsound mind; or

(3) the Non-Active Member Representative resigns his or her office by notice in writing to the Board; or

(4) the Non-Active Member Representative fails to attend three consecutive Board meetings without being excused by the chairperson of the Board; or

(5) the remaining members of the Board so decide.

BOARD/PENSION COMMITTEE OPERATION

7. The Board/Pension Committee shall operate as follows:

(1) The voting Board Members shall elect a chairperson and vice-chairperson from among their number, and a recording secretary who, if not a Board Member, shall participate in the meeting in a recording capacity only and, for certainty, by so acting shall not be deemed to be a voting or non-voting member of the Board.

(2) The chairperson, or in his or her absence, the vice-chairperson, shall act as chair of the meetings of the Board. If neither the chairperson nor the vice-chairperson is in attendance at a meeting, the voting Board Members present at the meeting shall select a chair for the meeting from their number. If the recording secretary selected by the Board pursuant to paragraph (1) is not present at a meeting, the chair of such meeting

shall select a recording secretary for such meeting. Minutes will be prepared and provided to the Board Members for verification at the next meeting of the Board where it is practical to approve such minutes.

(3) The Board shall establish written rules of procedure and governance for exercising its powers and discharging its duties in accordance with the Pension Benefits Act, the Regulations and the terms of the Plan. Subject to the Plan or the supporting documents such rules of procedure shall:

(a) include additional provisions respecting meetings of the Board, including

(i) providing that the Board shall meet no less frequently than four times per year, establish regular intervals for meetings, and set the dates, times and places of those meetings;

(ii) establishing procedures for changing the date, time or place of a regular meeting and governing the notice to be given of the change;

(iii) providing that on the written request of at least five voting Board Members, an additional Board meeting shall be called by the chairperson and may otherwise establish procedures for calling and holding special meetings of the Board;

(b) govern the process for making recommendations respecting Plan amendments to the City;

(c) include provisions governing the appointment, remuneration, supervision and evaluation of any delegates, agents or service providers;

(d) require the rules to be reviewed at least once every three years; and

(e) include a process for amending such rules and procedures;

and may include any other rules that the Board considers necessary or advisable for the operation, oversight, management and administration of the Plan. Where the Board has not adopted a specific procedure, then the current edition of Robert's Rules of Order Newly Revised (currently the 10th edition (2000)) shall prevail and govern. In the event of a conflict between a provision of the Board's rules, and the terms of this By-law and Schedule "A" hereto, this By-law and the terms of Schedule "A" shall prevail.

(4) Three voting Board Members appointed by the City and two voting Board Members appointed by either the Winnipeg Police Association or the Winnipeg Police Senior Officers' Association shall constitute a quorum at any Board meeting. All questions shall be decided by the affirmative vote of a majority vote of the voting Board Members present. If a voting Board Member, the chairperson is entitled to cast a vote as a Board Member but in the event of a tie vote the chairperson has an additional or casting vote.

(5) In the event that no quorum is present one-half hour after the time appointed for a Board meeting, the meeting shall stand adjourned, subject to the call of the chairperson.

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(6) Notwithstanding that it may be subsequently discovered or determined that there existed some defect in the appointment, election, removal or qualification of a Board Member, all accounts and proceedings of the Board done and carried out in good faith, at any time while any such defect existed, shall be valid and effective.

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

DUTIES OF THE BOARD/PENSION COMMITTEE

8. In respect of the Plan, the Board/Pension Committee shall:

(1) operate, administer and interpret the Plan in accordance with this By-law, the Pension Benefits Act, the Income Tax Act (Canada) and any other applicable legislation;

(2) administer the Pension Fund in accordance with this By-law;

(3) keep a complete and accurate set of accounts for the Pension Fund and, where necessary, for each portion of the Pension Fund;

(4) in consultation with the Investment Committee, adopt a written statement of investment policies and procedures for the Pension Fund and review this statement at least annually;

(5) establish and review regularly the funding policy for the Plan;

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

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

(8) as soon as possible after January 1 in each year, submit a report to Council on the operation of the Plan during the previous year together with audited financial statements for the Pension Fund and each Account within the Pension Fund;

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

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

(11) regularly monitor the investment performance of the Pension Fund.

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POWERS OF THE BOARD/PENSION COMMITTEE

9. In respect of the Plan, the Board/Pension Committee is empowered and authorized to:

(1) establish accounts for the Pension Fund, in a chartered bank or other financial institution in Canada;

(2) in consultation with the Investment Committee, appoint one or more Investment Managers to manage the investments of the Pension Fund or a portion thereof and specify the terms and conditions to apply in each case, or terminate any such appointment;

(3) allocate all amounts that may become available for investment or are already invested between the Investment Managers in such proportions as may be determined by the Investment Committee;

(4) invest and reinvest such portion of the Pension Fund as is not required for current expenditures in any type of investments that are permitted by applicable federal and provincial laws and regulations and by the Investment Policy (and without being limited to investments permitted by The Trustee Act (Manitoba)), and to take any and all actions with respect to holding, buying, selling or exchanging such investments as the Board, in its sole discretion, may deem appropriate or necessary including, without limitation:

(a) exercising any of the powers of an owner with respect to stocks, bonds, debentures, mortgages or other investments and property held in the Pension Fund including, without limitation, any right there may be to vote in connection therewith;

(b) giving general or special proxies or powers of attorney with or without powers of substitution;

(c) exercising any conversion privileges, subscription rights or other options, (and make any payments incidental thereto);

(d) consenting to or otherwise participating in corporate reorganizations or other changes affecting shares and other securities;

(e) delegating discretionary powers and paying any assessments and other charges in connection therewith;

(f) accepting and holding any shares or securities which may be issued as a result of corporate reorganizations or changes affecting corporate shares or securities;

(g) renewing, extending or participating in the renewal or extension of any bond, debenture, mortgage or other investment or instrument upon such terms as may be deemed advisable;

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(h) agreeing to a reduction in the rate of interest on any mortgage or to any other modification or change in the terms of any mortgage or any guarantee pertaining thereto, in any manner and to any extent that may be deemed advisable for the protection of the Pension Fund or the preservation of the value of an investment;

(i) waiving any default, whether in the performance of a covenant or condition in any mortgage or in the performance of any guarantee or enforce any rights in respect of any such default, in such manner and to such extent as may be deemed advisable;

(j) exercising and enforcing any and all rights of foreclosure;

(k) bidding on property in a judicial sale;

(l) taking a deed in lieu of foreclosure, with or without paying consideration therefor (and in connection therewith release any person or persons from their covenant or guarantee given in connection with any mortgage);

(m) exercising and enforcing any rights or obligations by any action, suit or proceeding at law or in equity; or

(n) taking appropriate measures by way of proceedings at law or otherwise for the enforcement or realization of any investment;

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

(6) register any investments held in the Pension Fund in:

(a) the name of the Board;

(b) the name of a financial institution acting as custodian of the Pension Fund for the Board (or the nominee, subcustodian or other person acting directly for such financial institution);

(c) the name of a domestic or foreign depository or clearing agency that is authorized to operate a book based system, or its nominee; or

(d) bearer form or to bearer form, if the investment is not capable of being registered or registration of it would not be in the best interests of the Plan;

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

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

(9) pay from the Pension Fund all costs and expenses of the Board attributable to the operation and administration of the Pension Fund, including any remuneration paid to the Board Members and the Investment Committee for attendance at meetings, or for

the performance of other duties as a member of the Board or Investment Committee, at any time beyond regular work hours for which the member of the Board or Investment Committee is paid by the City, all as determined by the Board;

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

(11) do all acts that the Board may deem necessary or appropriate for the protection of the property of the Pension Fund;

(12) enter into reciprocal agreements with other authorities responsible for the administration of a pension plan, in accordance with Section 15 of Schedule "A";

(13) adopt such policies, procedures, rules and regulations as the Board deems necessary for the carrying out of its duties and the efficient operation of the Plan, provided that all such policies, procedures, rules and regulations must be consistent with the terms of this By-law;

(14) compromise, settle, arbitrate or release claims or demands in favour of or against the Pension Fund or the Board, on such terms and conditions as the Board may deem advisable;

(15) seek the advice, opinion or direction of a court of competent jurisdiction on any matter pertaining to this By-law, the administration of the Pension Fund or the operation of the Plan;

(16) approve the actuarial methods and assumptions to be used in the operation of the Plan and in the actuarial valuations of the Program conducted by the Actuary;

(17) hold in uninvested cash, without any liability for interest thereon, such sums as the Board deems necessary or advisable for the current cash requirements of the Pension Fund;

(18) appoint a financial institution(s) and/or insurance company(ies) to be a custodian for the Pension Fund, for the purpose of acting as a depository and providing for the safekeeping of all or any portion of the Pension Fund, and to authorize the custodian to:

(a) commingle any monies deposited with it in any pooled investment fund administered or managed by any custodian appointed pursuant to this subsection subject to policies adopted by the Board from time to time; and

(b) act on the instructions of an Investment Manager for the investment and re-investment of the assets of the Pension Fund;

(19) delegate any of its administrative powers or duties to any of its agents or employees or to such committees as it may establish, in such manner and subject to such terms and conditions as the Board may deem necessary or appropriate; provided that such agents, employees or committees shall report to the Board in a timely fashion as directed by the Board;

(20) enter into cost sharing arrangements with the City or the board of trustees of another pension or benefit trust fund to permit the Board to share expenses pertaining to the administration of the Plan;

(21) commence such legal proceedings as it deems necessary or appropriate in connection with the enforcement of this By-law and the administration of the Pension Fund or the operation of the Plan, as well as defend any legal proceedings which may be brought against the Board or any of the Board Members, and the reasonable expenses the Board or any Board Member incurs doing so shall be paid out of the Pension Fund, except with respect to any proceedings brought against the Board or any Board Member in relation to any matter or thing arising out of the dishonesty, bad faith, wilful misconduct or gross negligence of a Board Member or the Board;

(22) borrow money on a short term basis from time to time on such terms and conditions as may be necessary and appropriate in the circumstances, provided that such borrowing shall only be for the purposes of:

(a) the payment of benefits under the Plan; or

(b) permitting the orderly disposition of investments of the Pension Fund during the planned conversion of any investments;

in order to avoid a distress sale of investments of the Pension Fund that would otherwise be necessary to pay such benefits or acquire new investments;

(23) grant or assume mortgages on real estate investments made by the Board, notwithstanding subsection (22). For the purposes of any quantitative restrictions on real estate investments, whether imposed by law or otherwise, the value of a real estate investment made directly or indirectly by the Board shall equal the value of the property less any mortgage or other charge placed upon it, if the holder of such mortgage or other charge has no recourse against the Board or the Pension Fund for any shortfall or deficiency associated with such mortgage or other charge; and

(24) do all acts and incur any obligations or liabilities (and discharge such obligations and liabilities out of the Pension Fund) that the Board deems necessary or appropriate to carry out its duties and responsibilities hereunder and to accomplish the general objectives of enabling Plan members and their beneficiaries to obtain benefits under the Plan in the most efficient and economical manner.

INVESTMENT COMMITTEE

10. The Investment Committee shall:

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

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

(3) subject to the terms of the Investment Policy, direct the Board to allocate the amounts which may become available for investment or are already invested between the Investment Managers appointed by the Board in such proportions as may be determined by the Investment Committee;

(4) recommend to the Board the Investment Policy or any changes thereto;

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

(6) monitor compliance with the Investment Policy; and

(7) report regularly to the Board on its activities, compliance with the Investment Policy and such other matters as the Board directs.

PROHIBITION OF CONFLICT OF INTEREST

11. (1) No Board Member and no member of the Investment Committee shall knowingly permit his or her other interests to conflict with his or her powers, duties and responsibilities in respect of the Plan or the Pension Fund.

(2) The Board may adopt a conflict of interest policy whereby conflicts must be disclosed and addressed in accordance with the procedures specified in such policy.

FIDUCIARY RESPONSIBILITIES

12. (1) The Board Members, the members of the Investment Committee and each Investment Manager shall:

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

(b) invest the assets of the pension fund, and manage those investments, in accordance with the Regulations and in a manner that a reasonable and prudent person would apply in investing and managing a portfolio of investments of a pension fund;

(c) use in the administration of the Plan and in the administration and investment of the Pension Fund all relevant knowledge and skill that he or she possesses or, by reason of each individual's profession, business or calling, ought to possess; and

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

(2) If the Board employs or appoints an agent to carry out any act required to be done in the administration of the Plan and in the administration and investment of the Pension Fund, the Board shall personally select the agent and be satisfied of the agent's

suitability to perform the act for which the agent is employed or appointed, and the Board shall carry out such supervision of its agents as is prudent and reasonable. Any agent so appointed or employed is subject to the restrictions in Section 11 and subsection (1), and is not entitled to any payment from the Pension Fund other than the usual and reasonable fees and expenses for the services provided by the agent in respect of the Plan.

(3) No Board Member is entitled to any benefit from the Plan, other than in the Board Member's capacity as a member of the Plan and any remuneration and reimbursement of expenses related to the administration of the Plan or the investment of the Pension Fund and permitted by the common law or provided for in this By-law.

LIMITATION OF LIABILITY

13. (1) The Pension Fund shall indemnify and save harmless each Board Member and Investment Committee member, and their respective heirs, executors and administrators against:

(a) all claims, liabilities, charges and expenses (including legal expenses on a solicitor and his or her own client basis) whatsoever that the Board Member or Investment Committee member sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or her for or in respect of all acts, deeds, matters or things whatsoever lawfully made, done or permitted by the Board, Investment Committee or by any of their members in the exercise of the powers and duties vested in them by this By-law under the law; and

(b) all other claims, liabilities, costs, charges and expenses that the Board Member or Investment Committee member may sustain or incur in or in relation to the exercise of his or her powers and duties except such claims, liabilities, costs, charges or expenses that are occasioned by the Board Member's or Investment Committee member's dishonesty, gross negligence, wilful misconduct or bad faith.

(2) The Board Members or Investment Committee members, individually or collectively, shall not be liable for the making, retention or sale of any investment or reinvestment made by them in accordance with this By-law or in accordance with any other legal duties nor for any loss to or diminution of the Pension Fund, except a loss or diminution that resulted from dishonesty, gross negligence, willful misconduct or bad faith of the Board Members or Investment Committee members and no individual Board Member or Investment Committee member shall incur any liability for such loss or diminution unless he or she is a party to such dishonesty, gross negligence, wilful misconduct or bad faith.

(3) The Board Members and Investment Committee members, and any of their respective heirs, executors and administrators, shall not be responsible or liable for:

(a) any matter, cause or thing arising due to the invalidity of all or any part of this By-law;

(b) any delay occasioned by any restriction or provision in this By-law, the rules and regulations of the Board issued hereunder, any contract procured in the course of the administration of the Plan or the Pension Fund, or by any other proper procedure in such administration; or

(c) any contributions required to be paid to the Pension Fund other than the contributions that a Board Member or Investment Committee member may be required or permitted to make under the Plan in the Trustee's or Committee member's capacity as a member of the Plan.

(4) The Board Members and Investment Committee members shall incur no liability, either collectively or individually, in acting upon any documents, data or information believed by them to be genuine and accurate and to have been made, executed, delivered or assembled by the appropriate parties.

(5) So long as the Board Members and Investment Committee members exercise reasonable care in the selection and instruction of a professional advisor then, subject to subsection (2) of Section 12, the Board Members and Investment Committee members shall incur no liability, either collectively or individually, in acting and relying upon the opinions or advice of the professional advisor.

(6) The Board Members and Investment Committee members shall do such things and execute and deliver such documents in order that any and all funds required to be paid out of the Pension Fund by way of indemnity as herein set forth shall be paid as required from time to time.

(7) No entity appointing a Board Member or Investment Committee member shall be liable for any of the acts or obligations of any Board Member or Investment Committee member solely because such Board Member or Investment Committee member is or was an officer, employee or appointee of any such entity, or such entity had any role in the appointment of such Board Member or Investment Committee member.

(8) Any reference in this By-law to the indemnification or other protection of a Board Member or Investment Committee member shall, unless the context clearly indicates otherwise, be deemed to also refer to former Board Members and Investment Committee members.

(9) Without limiting the powers otherwise given to the Board by this By-law, the Board may agree to indemnify out of the Pension Fund any agent or employee it retains or hires on terms no more favourable than those upon which the Board is itself indemnified pursuant to this Section 13.

AMENDMENT, TERMINATION, MERGER OR DIVISION

14. (1) Subject to Section 15, but notwithstanding any other provision of this By-law or the Plan, Council may by By-law from time to time amend, modify, vary or terminate the terms, conditions or provisions of this By-law or the Plan (and any trust arising under this By-law or under the Plan) in such a manner and on such terms as Council may determine appropriate, such determination to be conclusively deemed to be evidenced

by the passage of such By-law, and such amendment, modification, variation or termination may be effective retroactive to a date prior to the dates such By-law is passed.

(2) If a proposed amendment, modification or variation of the terms, conditions or provisions of this By-law or the Plan would materially affect the contributions or benefits payable under the Plan, the Board shall have a report thereon prepared by the Actuary and shall provide such report to Council, and Council shall not adopt such amendment, modification or variation until having received such report.

(3) Subject to Section 15, but notwithstanding any other provision of this By-law or the Plan, Council may by By-law merge, consolidate or divide all or part of the Plan (and any trust arising thereunder) or Pension Fund with or into any one or more other pension plans (and any respective trusts arising thereunder), or pension funds, or other arrangements maintained by the City, notwithstanding that the Plan or such one or more other pension plans or other arrangements maintained by the City may at the time of such merger, consolidation or division have an actuarial surplus or an unfunded liability, such merger, consolidation or division to be on such terms and conditions as Council may determine appropriate and which also meets with regulatory requirements, such determination to be conclusively deemed to be evidenced by the passage of such By-law, and such merger, consolidation or division may be effective retroactive to a date prior to the dates such By-law is passed.

NO REDUCTION OF ACCRUED BENEFITS

15. Except as otherwise provided in this By-law, no amendment, modification, variation, termination, merger, consolidation or division pursuant to Section 14 of this By-law shall adversely affect the pension benefit credits (as defined in the Pension Benefits Act) of any Plan member in respect of remuneration and service or membership in the Plan prior to the effective date of the amendment, modification, variation, termination, merger, consolidation or division. In addition, in the event of the termination of the Plan (and any trust arising under the Plan) or the Pension Fund, no part of the assets of the Plan (and any trust arising under the Plan) shall revert to the benefit of the City until provision has been made for all pensions and other benefits in respect of service up to the date of such termination to members of the Plan, and for all benefits to former employees, pensioners, and their respective dependents, beneficiaries and estates.

EFFECTIVE DATE

16. By-law No. 2/2006 (excluding Schedule "A" thereto) is hereby repealed effective the 31st day of May, 2011 and Schedule "A" to By-law No. 2/2006 is hereby repealed effective the 31st day of May, 2010.

17. This By-law (excluding Schedule "A") shall be deemed to have been in force on, from and after the 31st day of May, 2011.

18. Schedule "A" to this By-law shall be deemed to have been in force on, from and after the 31st day of May, 2010.

DONE AND PASSED in Council assembled, this _____ day of _____, 2011.

SCHEDULE "A"

TO

BY-LAW NO. 126/2011

OF THE

CITY OF WINNIPEG

WINNIPEG POLICE PENSION PLAN

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SECTION 1 – INTERPRETATION AND DEFINITIONS

Interpretation

In this Plan:

(a) any references to a Section, shall mean a section of this Plan as set forth in this Schedule "A"; and

(b) any reference to a Section in the By-law, shall mean a reference to the By-law of which this Schedule "A" is attached.

Definitions

In this Plan:

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

"**Active Member"** has the definition ascribed thereto in the By-law.

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

"**Actuarial Surplus**" has the meaning ascribed thereto in subclause (4)(b)(i) of Section 5.

"**Actuary**" has the definition ascribed thereto in the By-law.

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

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

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

"**Assumed Earnings**" means:

(a) for a Member who is Disabled, the remuneration that the Member would have received from the City had the Member continued to be employed in the Position Regularly Occupied by the Member immediately prior to the date disability commenced, less the Member's Employment Earnings, if any;

(b) for a Member who is on Approved Leave of Absence for Union Business, all or a portion of the remuneration received by the Member during such absence; and

(c) for a Member who is on an Eligible Period of Temporary Absence, the remuneration that the Member would have received from the City had the Member continued to be employed in the Position Regularly Occupied prior to the Eligible Period of Temporary Absence, less the Member's Employment Earnings, if any.

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

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

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

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

"**Board**" has the meaning ascribed thereto in the By-law.

"**By-law**" means By-law No. 1/2011 of the City of Winnipeg Police Pension Plan to which this Schedule "A" is attached.

"**By-law No. 6253/93**" means By-law No. 6253/93 dated December 17, 1993 which continues to apply to various references in this Schedule "A" as specifically indicated herein, notwithstanding the repeal thereof on March 22, 2006.

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

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

"**City**" means The City of Winnipeg.

"**City Account**" means the City Account established within the Pension Fund pursuant to clause (4)(c) of Section 3 of this By-law.

"**Common-law Partner**" of a Member means a person who,

(a) with the Member, registered a common-law relationship under section 13.1 of *The Vital Statistics Act*, C.C.S.M. c. V60, or

(b) not being married to the Member, cohabited with the Member in a conjugal relationship:

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

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

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

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

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

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

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

"**Contribution Stabilization Reserve**" means the Contribution Stabilization Reserve established within the Main Account pursuant to subclause (4)(a)(ii) of Section 3 of this By-law.

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

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

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

(a) is less than 18 years of age,

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

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

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

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

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

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

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

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

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

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

"**Funding Deficiency**" has the meaning ascribed thereto in subclause (4)(b)(ii) of Section 5.

"**General Component of the Main Account**" means the General Component of the Main Account established pursuant to subclause (4)(a)(i) of Section 3 of this By-law.

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

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

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

"**LIF**" means a life income fund as defined in the Regulations.

"**LIRA**" means a locked-in retirement account as defined in the Regulations. *[NTD: the PBA requires that pension plans allow transfers to LIRAs in certain situations.]*

"**Main Account**" means the Main Account established within the Pension Fund pursuant to clause (4)(a) of Section 3 of the By-law.

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

"**Member**" means either:

(a) an Employee who joined the Plan while he or she was an Eligible Employee, or

(b) a former Employee who is entitled to a pension or a deferred pension from the Plan.

"**Normal Retirement Date**" has the meaning ascribed thereto in subsection (1) of Section 6.

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

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

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

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

"**Plan Members' Account**" means the Plan Members' Account established within the Pension Fund pursuant to clause (4)(b) of Section 3 of the By-law.

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

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

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"**Prior Plan**" means:

(a) a pension or retirement plan that was established for employees of an Area Municipality or the Metropolitan Planning Commission, or

(b) the Employee Benefits Program established under By-law No. 1125/75.

"**Reciprocating Employer**" means a Reciprocating Employer as defined in Schedule "A" of Bylaw No. 6253/93.

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

"**Regulations"** has the meaning ascribed thereto in the By-law.

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

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

(a) a period during which an Employee had continuous employment with the City; Service commences on the date the Employee last became so employed and ceases on his or her retirement, or earlier death or termination of employment with the City;

(b) a period of employment by:

(i) an Area Municipality,

(ii) a municipality that became part of an Area Municipality,

(iii) the Metropolitan Planning Commission, or

(iv) any other district, board, commission or company whose employees became employees of an Area Municipality;

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

(c) a period in respect of which a Member has made a contribution in accordance with subsection (5) of Section 4,

(d) a period of absence from work in respect of which the Employee received all or a portion of his or her Employment Earnings,

(e) a period of maternity or parental leave that the City recognizes as satisfactory work performed, or

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(f) any other period of absence from work, other than due to lay-off, in respect of which the Employee made Required Contributions.

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

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

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

(i) the number of hours worked by the Employee in the Taxation Year

is of

(ii) 96% of the standard number of hours applicable to the Position Regularly Occupied by the Employee.

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

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

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

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

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

"**With Interest**" means:

(a) in respect of Required Contributions, accumulated at a rate of interest for each calendar year equal to the average of the CANSIM series V 122515 rates published by the Bank of Canada for the months for which interest is payable, using the most recently published rate for any month for which the rate has not yet been published, 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 that can reasonably be attributed to the operation of that part of the Pension Fund holding those contributions for the most recently completed period for which interest is to be applied,

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

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

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

SECTION 2 – ELIGIBILITY

New Employees

2(1) Each Employee who is employed in the Winnipeg Police Service as a Police Officer becomes eligible to join the Plan on the first day of his or her employment by the City.

SECTION 3 – MEMBERSHIP IN THE PLAN

New Employees - Compulsory Membership

3(1) Each Eligible Employee shall, as a condition of employment, become a Member of the Plan.

SECTION 4 – CONTRIBUTIONS

Employee Required Contributions

4(1) (a) Subject to clause (c) and subsection (7), each Contributing Member shall contribute, by payroll deduction in each pay period while a Member of the Plan, 8.0% of his or her Employment Earnings. However no further employee contributions shall be deducted from the Member's Employment Earnings in a Taxation Year when the Member's Employment Earnings exceed the amount determined by the Board to correspond to the Defined Benefit Limit for the year.

(b) Notwithstanding clause (a), a Member shall not contribute in respect of a period of Service if such contribution shall cause the Member's years of Credited Service to exceed 40 years.

(c) Subject to the Pension Benefits Act and Regulations and as permitted under clause (4)(b) of Section 3 of the By-law, an amount in the Plan Members' Account may be used to reduce the rate of contribution required under clause (a).

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Leave of Absence

4(2) A Contributing Member who has been granted leave of absence may, with the approval of the Board, contribute in respect of his or her Assumed Earnings. Such contributions shall be such percentage, Actuarially Calculated, of such Assumed Earnings as is determined by the Board to be equal to the average cost of benefits accruing under the Plan. The payment of such contributions shall be at regular intervals throughout the period of absence. A Contributing Member may contribute in respect of his or her Assumed Earnings during an Eligible Period of Temporary Absence only if the total of such periods does not exceed the maximum prescribed in Section 8507 of the regulations under the *Income Tax Act* (Canada).

City's Contributions

4(3) (a) Subject to clauses (c), (d), (e) and (f), the City shall contribute each pay period:

(i) an amount equal to the Member's Required Contributions under subsection (1), determined as if there was no reduction in contributions in accordance with clause (1)(c); and

(ii) the amount, Actuarially Calculated, that is necessary, over and above the aggregate of:

A. the Members' Required Contributions made in accordance with subsection (1),

B. the amount, if any, transferred from the Plan Members' Account to reduce Member contributions in accordance with clause (1)(c), and

C. the City contributions made in accordance with subclause (i),

to provide the benefits that are expected to be earned under the Plan as a result of Service by Members in that pay period and, for this purpose, the amount necessary to provide future cost-of-living adjustments to pensions and deferred pensions in accordance with Section 8 and subsection (5) of Section 13 shall be deemed to be equal to 2% of the Employment Earnings of all Contributing Members in that pay period.

(b) In addition, the City shall also make any special payments required under the Pension Benefits Act to liquidate any unfunded liability or solvency deficiency and, for the purpose of determining whether the Plan has an unfunded liability or solvency deficiency at a particular date, the rate of future cost-of-living adjustments to pensions and deferred pensions in accordance with Section 8 and subsection (5) of Section 13 shall be deemed to be that which corresponds to a Level of COLA Funding equal to 25% of the Required Contributions of the Contributing Members, With Interest, at that date.

(c) If the City has made any special payments in accordance with clause (b) since the date of an actuarial valuation that disclosed that the Plan no longer had an unfunded liability or solvency deficiency, the amount of contributions otherwise required to be made by the City in accordance with this subsection shall be reduced by the amount of the special payments made since the date of that actuarial valuation.

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(d) The balance, if any, in the Contribution Stabilization Reserve shall be used to offset the contributions otherwise required under subclause (a)(ii).

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

(f) No contribution shall be made by the City that is not an eligible contribution for the purpose of Section 147.2 of the *Income Tax Act* (Canada).

(g) A contribution made by the City may be returned to the City to whatever extent necessary to avoid revocation of the registration of the Plan as a registered pension plan under the *Income Tax Act* (Canada).

(h) Notwithstanding the foregoing, the City shall ensure the amount of contributions to the Plan satisfy the minimum requirements of the Pension Benefits Act and Regulations.

Employee Additional Contributions

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

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

Contributions for Past Service

4(5) (a) A Contributing Member may elect at retirement, by completing the form prescribed by the Board, to make a contribution in respect of a period that is not Credited Service but that is a period of employment with:

(i) the City,

(ii) an Area Municipality,

(iii) a municipality that became part of the Area Municipality,

(iv) the Metropolitan Planning Commission, or

(v) any other district, board, commission or company whose employees became employees of an Area Municipality.

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(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 the 30 days before the date of retirement.

(d) On payment of a contribution in accordance with this subsection and provided that certification of the Minister of National Revenue for the purpose of subsection 147.1(10) of the *Income Tax Act* (Canada), if applicable, has been received, the period in respect of which the contribution is made shall be added to the Member's Service and Credited Service.

Restriction on Withdrawal of Contributions

4(6) A Member may not withdraw his or her contributions from the Plan while an Employee or if prohibited by the Pension Benefits Act except to the extent necessary to avoid penalty under the *Income Tax Act* (Canada).

Maximum Employee Contributions

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

SECTION 5 – PENSION FUND

Payments Into the Fund

5(1) (a) All contributions deducted from Earnings and the contributions that the City makes as a result of such deductions shall be paid into the Pension Fund by the City within four weeks of the date on which the deductions are made. All other contributions shall be paid directly into the Pension Fund within four weeks of the required date.

(b) All contributions made by each Member shall be accounted for separately, and the separate accounting shall show:

(i) the contributions made by the Member,

(ii) the interest credited on such contributions, and,

(iii) the payments made to the Member, or his or her survivor, beneficiary, or estate, as a result of such contributions.

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Payments Out of the Fund

5(2) Except as otherwise provided under the Plan, payments shall be made out of the Pension Fund only to pay the benefits provided to Members and their survivors, beneficiaries or estates in accordance with the terms and provisions of the Plan, or to pay expenses relating to the administration of the Plan or the Pension Fund.

Accounts Within the Pension Fund

5(3) (a) The Pension Fund consists of three accounts, namely the Main Account, the Plan Members' Account and the City Account, with the Main Account subdivided into the General Component of the Main Account and the Contribution Stabilization Reserve.

(b) The General Component of the Main Account shall be credited with:

(i) all contributions made to the Plan;

(ii) all amounts transferred from the Contribution Stabilization Reserve to offset City contributions in accordance with clause (3)(d) of Section 4;

(iii) all amounts transferred from the Plan Members' Account to reduce Member contributions in accordance with clause (1)(c) of Section 4;

(iv) all amounts transferred from the City Account to reduce City contributions in accordance with clause (3)(e) of Section 4;

(v) all amounts transferred from the Plan Members' Account to finance benefit improvements pursuant to clause (4)(b) of Section 3 of the By-law; and

(vi) all amounts transferred from the Contribution Stabilization Reserve or City Account pursuant to subsection (6);

and shall be reduced by:

(vii) all benefits paid under the Plan; and

(viii) all amounts transferred to the Contribution Stabilization Reserve, Plan Members' Account or City Account pursuant to subsection (5).

(c) The Contribution Stabilization Reserve shall be credited with:

(i) all amounts transferred from the General Component of the Main Account to the Contribution Stabilization Reserve pursuant to subsection (5);

and shall be reduced by:

(ii) all amounts transferred to the General Component of the Main Account to offset City contributions in accordance with clause (3)(d) of Section 4; and

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(iii) all amounts transferred from the Contribution Stabilization Reserve to the General Component of the Main Account pursuant to subsection (6).

(d) The Plan Members' Account shall be credited with:

(i) all amounts transferred from the General Component of the Main Account to the Plan Members' Account pursuant to subsection (5);

and shall be reduced by:

(ii) all amounts used to reduce Member contributions in accordance with clause (1)(c) of Section 4; and

(iii) all amounts used to finance benefit improvements pursuant to clause (4)(b) of Section 3 of the By-law.

(e) The City Account shall be credited with:

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

and shall be reduced by:

(ii) all amounts used to reduce City contributions in accordance with clause (3)(e) of Section 4; and

(iii) all amounts transferred from the City Account to the General Component of the Main Account pursuant to subsection (6).

Actuarial Valuations

5(4) (a) An actuarial valuation of the Plan shall be conducted by the Actuary as of December 31, 2012 and at least every 3 years thereafter, or sooner, as determined by the Board, or if required under the Regulations.

(b) Each actuarial valuation shall determine the amount of Actuarial Surplus or Funding Deficiency, where:

(i) an "**Actuarial Surplus**" is the excess, if any, of the actuarial value of the assets attributable to the balance of the General Component of the Main Account over the actuarial liabilities of the Plan as of the valuation date: or

(ii) a "**Funding Deficiency**" is the excess, if any, of the actuarial liabilities of the Plan as of the valuation date over the actuarial value of the assets attributable to the balance of the General Component of the Main Account as of the valuation date.

(c) Each Actuarial Surplus shall be dealt with in accordance with subsection (5) and each Funding Deficiency shall be dealt with in accordance with subsection (6).

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Actuarial Surpluses

5(5) If an actuarial valuation discloses an Actuarial Surplus, the Actuarial Surplus shall be allocated in the following order of priority:

(a) If the City has made special payments since January 1, 2003 in accordance with clause 3(b) of Section 4 and such special payments have not been offset by a reduction in contributions in accordance with clause 3(c) of Section 4, an amount of Actuarial Surplus not exceeding such special payments plus interest at the net Fund rates of return since the special payments were made shall be transferred from the General Component of the Main Account to the City Account. The cumulative amount that may be transferred to the City Account in accordance with this clause shall not exceed 25% of the Required Contributions of the Contributing Members, with Interest, at the date of the actuarial valuation.

(b) If the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is less than 75% of the percentage change in the Consumer Price Index for Canada and the Contribution Stabilization Reserve is less than its target level, equal amounts of Actuarial Surplus shall be used to increase the Level of COLA Funding within the General Component of the Main Account and to transfer from the General Component of the Main Account to the Contribution Stabilization Reserve an amount not exceeding the lesser of the amount required to increase the Level of COLA Funding to the level required to increase the rate of future cost-of-living adjustments to pensions to 75% of the percentage change in the Consumer Price Index for Canada and the amount required to increase the Contribution Stabilization Reserve to its target level.

(c) If the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is equal to or greater than 75% of the percentage change in the Consumer Price Index for Canada and the Contribution Stabilization Reserve is less than its target level, an amount of Actuarial Surplus shall be transferred from the General Component of the Main Account to the Contribution Stabilization Reserve not exceeding the amount required to increase the Contribution Stabilization Reserve to its target level.

(d) If the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is less than 75% of the percentage change in the Consumer Price Index for Canada and the Contribution Stabilization Reserve is equal to or greater than its target level, an amount of Actuarial Surplus shall be used to increase the Level of COLA Funding within the General Component of the Main Account to a level not exceeding that required to increase the rate of future cost-of-living adjustments to pensions to 75% of the percentage change in the Consumer Price Index for Canada.

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

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Funding Deficiencies

5(6) If an actuarial valuation discloses a Funding Deficiency, the Funding Deficiency shall be resolved by the following steps in order of priority:

(a) If the balance in the City Account at the date of the actuarial valuation is greater than nil and the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is greater than 75% of the percentage change in the Consumer Price Index for Canada, equal amounts, each of which shall not exceed one-half of the Funding Deficiency, shall be transferred from the City Account to the General Component of the Main Account and be used to decrease the Level of COLA Funding within the General Component of the Main Account to a level not less than that which would result in a decrease in the rate of future cost-of-living adjustments to pensions to 75% of the percentage change in the Consumer Price Index for Canada.

(b) If the balance of the Contribution Stabilization Reserve at the date of the actuarial valuation is greater than $48,582,000 (an amount equal to the amount of actuarial surplus at January 1, 2003 allocated to fully fund future cost-of-living adjustments to pensions and deferred pensions at the rate of 75% of expected future percentage changes in the Consumer Price Index for Canada) and either the rate of cost-of-living adjustments to pensions most recently determined in accordance with Section 8 is equal to or less than 75% of the percentage change in the Consumer Price Index for Canada or the balance in the City Account at the date of the actuarial valuation is nil, an amount not exceeding the balance of the Funding Deficiency and not exceeding the excess of the Contribution Stabilization Reserve over $48,582,000 shall be transferred from the Contribution Stabilization Reserve to the General Component of the Main Account.

(c) If the balance of the Contribution Stabilization Reserve at the date of the actuarial valuation is not greater than $48,582,000 and the balance in the City Account at the date of the actuarial valuation is greater than nil, equal amounts, each of which shall not exceed one-half of the balance of the Funding Deficiency, shall be transferred from the City Account to the General Component of the Main Account and be used to decrease the Level of COLA Funding within the General Component of the Main Account to a level not less than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation.

(d) If the balance of the Contribution Stabilization Reserve at the date of the actuarial valuation is not greater than $48,582,000 and the balance in the City Account at the date of the actuarial valuation is nil, equal amounts, each of which does not exceed one-half of the balance of the Funding Deficiency, shall be deducted from the Level of COLA Funding within the General Component of the Main Account and transferred from the Contribution Stabilization Reserve to the General Component of the Main Account, provided that the amount so deducted or transferred shall not reduce the Level of COLA Funding to less than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation.

(e) If the Level of COLA Funding is no greater than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation, an amount not exceeding the balance of the Funding Deficiency shall be transferred from the Contribution Stabilization Reserve to the General Component of the Main Account.

(f) If the balance of the Contribution Stabilization Reserve and the balance in the City Account at the date of the actuarial valuation are both nil, an amount not exceeding the balance of the Funding Deficiency shall be deducted from the Level of COLA Funding within the General Component of the Main Account, provided that the amount so deducted shall not reduce the Level of COLA Funding to less than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation.

(g) If the Level of COLA Funding is no greater than 25% of the Required Contributions of the Contributing Members, With Interest, at the date of the actuarial valuation and the balance of the Contribution Stabilization Reserve is nil, the balance of the Funding Deficiency is an unfunded liability to be liquidated by additional City contributions in accordance with clause (3)(b) of Section 4.

Target Level of Contribution Stabilization Reserve

5(7) For the purpose of this Section, the target level of the Contribution Stabilization Reserve at the date of an actuarial valuation is the excess, Actuarially Calculated at the date of the valuation, of the present value of the benefits, including cost-of-living adjustments to pensions at the relevant rate, that are expected to be earned under the Plan in respect of their future Service by the then present Members over the present value of the contributions expected to be made during their future Service by these Members in accordance with clause (1)(a) of Section 4 and by the City in respect of these Members in accordance with subclause (3)(a)(i) of Section 4.

SECTION 6 – RETIREMENT

Normal Retirement Date

6(1) A Member's normal retirement date is the last day of the pay period in which he or she attains age 60 (the "**Normal Retirement Date**").

Alternative Retirement Date

6(2) A Member may elect to retire on the last day of any pay period in which the Member:

(a) is age 55 or older, or

(b) has completed at least 25 years of Credited Service.

Early Retirement

6(3) A Member may elect to retire early on the last day of any pay period in which the Member:

(a) is age 50 or older, or

(b) has completed at least 20 years of Credited Service.

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Notice of Retirement

6(4) Each Member electing to retire in accordance with subsections (2) or (3) of this Section shall give the Board at least 30 days notice of his or her intention to retire.

Deemed Retirement at Age 71

6(5) Each Member who is not retired on the last day of the Taxation Year in which he or she attains age 71, shall be deemed to have retired on that day and any reference to a retired Member shall include a Member who is deemed to have retired.

SECTION 7 – RETIREMENT PENSION

Lifetime Pension

7(1) Each Member who retires in accordance with Section 6 shall receive an annual pension for life equal to the aggregate of:

(a) for each year of Credited Service prior to January 1, 1966, 2% of his or her Best 5-Year Average Earnings; and

(b) for each year of Credited Service on and after January 1, 1966

(i) 1.4% of his or her Best 5-Year Average Canada Pension Plan Earnings, plus

(ii) 2% of his or her Best 5-Year Average Non-Canada Pension Plan Earnings.

Pension Before Age 65

7(2) Notwithstanding subsection (1), the annual pension payable up to and including the last pay period that begins in the month in which he or she attains age 65 to a Member who retires prior to age 65 in accordance with Section 6 shall be 2% of the Member's Best 5- Year Average Earnings for each year of Credited Service, provided that the excess of this pension over the pension determined under subsection (1) of this Section in respect of Credited Service after January 1, 1992 shall not exceed the maximum bridging benefit specified in paragraph 8503(2)(b) of the regulations under the *Income Tax Act* (Canada).

Maximum Lifetime Pension

7(3) The annual pension determined under subsection (1) shall be limited to the aggregate of:

(a) for each year of Credited Service before January 1, 1992 to a maximum of 35 years, the lesser of:

(i) the Defined Benefit Limit for the year in which pension payments commence, and

(ii) 2% of the Member's Highest Indexed Average Earnings,

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subject to the provision that for each year of Credited Service before 1990 that was added to the Member's Credited Service as a result of contributions made after June 7, 1990 in accordance with subsection (5) of Section 4 , this limit shall be the lesser of:

(iii) 2/3 of the Defined Benefit Limit for the year in which pension payments commence, and

(iv) 2% of the Member's Highest Indexed Average Earnings; and

(b) for each year of Credited Service after January 1, 1992, the lesser of:

(i) the Defined Benefit Limit for the year in which pension payments commence; and

(ii) 2% of the Member's Highest Indexed Average Earnings;

minus

(c) any pension payable from another registered pension plan in respect of the Member's Service before January 1, 1992; and

(d) any portion of the pension transferred to a spouse or former spouse on marriage breakup or to a Common-law Partner or former Common-law Partner on breakup of a common-law relationship.

Maximum Pension Before Age 65

7(4) The annual pension payable until the last pay period that begins in the month in which the Member attains age 65 shall be limited to the aggregate of:

(a) the Defined Benefit Limit for the year in which pension payments commence times the sum of:

(i) the Member's Credited Service before January 1, 1992 to a maximum of 35 years, and

(ii) the Member's Credited Service after December 31, 1991;

(b) the maximum Old Age Security pension and Canada Pension Plan pension for the year in which pension payments commence, multiplied by the ratio of the Member's Credited Service before January 1, 1992 to his or her total Credited Service; and

(c) 25% of the average of the 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 or to a Common-law Partner or former Common-law Partner on breakup of a common-law relationship.

Excess Employee Contributions

7(5) (a) If, when a Member becomes entitled to a pension or deferred pension, the Member's Required Contributions, With Interest, in respect of 1985 and subsequent Taxation Years exceed 50% of the Commuted Value of the pension benefit earned in respect of Credited Service in 1985 and subsequent Taxation Years, the excess shall, at the option of the Member, be either:

(i) refunded to the Member in a lump sum;

(ii) subject to restrictions under the *Income Tax Act* (Canada), used to increase the Member's pension or deferred pension; the amount of this increase in pension or deferred pension shall be Actuarially Calculated; or

(iii) subject to restrictions under the *Income Tax Act* (Canada), transferred to a registered retirement savings plan or registered retirement income fund as defined under the aforementioned Act.

(b) For the purpose of clause (a):

(i) the Member's Required Contributions shall exclude any contributions made in accordance with subsections (4) or (5) of Section 4, and

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

Pension for Additional Contributions

7(6) Each Member who becomes entitled to a pension or a deferred pension shall also receive for life, the annual pension that can be provided by the then Accumulated Value of his or her Additional Contributions, if any, unless the Member elects to receive the lump sum payment provided in subsection (3) of Section 18. The amount of this pension shall be Actuarially Calculated. In the case of a Member who becomes entitled to a deferred pension, the additional pension payable in accordance with this subsection shall commence on the date the deferred pension commences.

Early Retirement Reduction

7(7) (a) If the Member is retiring in accordance with subsection (3) of Section 6, the pension otherwise payable in accordance with subsections (1) and (2) shall be reduced for his or her lifetime by an amount equal to the product of:

(i) 0.1385% for each pay period (3.6% per annum) that the Member retires earlier than the pay period in which he or she otherwise would have been eligible to retire in accordance with subsection (2) of Section 6, and

(ii) 2% of the Member's Best 5-Year Average Earnings for each year of Credited Service.

(b) The percentage reduction factor specified in clause (a)(i) shall be reviewed by the Actuary at least every three years and shall be varied by the Board on the recommendation of the Actuary to ensure that retirements in accordance with subsection (3) of Section 6 are cost-neutral to the Plan.

(c) Notwithstanding clauses (a) and (b), the present value of the pension determined in clause (a), Actuarially Calculated, must not be less than the present value of the pension in subsection (1) of this section 7, Actuarially Calculated, that would be payable if commencement of the pension were deferred until the Member reached the Normal Retirement Date.

Continuing as an Active Member After Normal Retirement Date

7(8) Nothing herein shall prevent a Member who continues to be employed as a Police Officer after reaching the Normal Retirement Date from continuing as an Active Member and accruing a pension in the same manner as an Active Member who has not reached the Normal Retirement Date.

Minimum Pension After Normal Retirement Date

7(9) If a Member ceases to be an Active Member after reaching the Normal Retirement Date, the Member's pension must not be less than the greater of:

(a) the pension otherwise determined, taking into account the additional benefits accrued after the Member reached the Normal Retirement Date; and

(b) the actuarial equivalent, as at the date he or she ceased to be an Active Member, of the pension that would have been payable if the Member had retired at the Normal Retirement Date.

Payment of Pensions

7(10) Each pension shall be paid in bi-weekly instalments with the first instalment due on the last day of the pay period following the pay period in which the Member retires or is granted a disability pension. The last instalment is due on the last day of the pay period in which the Member dies. A corresponding procedure is followed when a pension is being paid to a Spouse, Common-law Partner or Dependent Child.

Amount of Bi-Weekly Instalments

7(11) The amount of each bi-weekly instalment shall be one-twenty-sixth of the Member's annual pension.

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Small Pensions

7(12) For events:

(a) prior to May 31, 2010, if a Member's annual pension is less than 4% of the YMPE for the year in which the Member retired, died, or terminated employment with the City, or if the Commuted Value of the Member's pension is less than 4% of the YMPE for the year in which the Member retired, died or terminated employment with the City, the Member or, if the Member has died, the Member's Spouse, Common-law Partner, Dependent Child, beneficiary or estate, whichever is applicable, shall receive a lump sum payment equal to the Commuted Value of the pension otherwise payable in lieu of all benefits under the Plan.

(b) on and after May 31, 2010, if a Member's annual pension to be provided at Normal Retirement Date is not more than 4% of the YMPE for the year in which the Member retired, died, or terminated employment with the City or when the Member's pension benefit is divided under subsection (1), (2) or (3) of Section 17, or if the Commuted Value of the Member's pension is less than 20% of the YMPE for the year in which the Member retired, died or terminated employment with the City or when the Member's pension benefit is divided under subsection (1), (2) or (3) of Section 17, the Member or, if the Member has died, the Member's Spouse, Common-law Partner, Dependent Child, beneficiary or estate, whichever is applicable, shall receive a lump sum payment equal to the Commuted Value of the pension otherwise payable in lieu of all benefits under the Plan.

Transfer of a Small Pension to a RRSP

7(13) A Member entitled to a lump sum payment pursuant to subsection (12) of this Section 7 may elect to have the sum transferred to a registered retirement savings plan, as defined under the *Income Tax Act* (Canada), to the extent permitted under the aforementioned Act.

SECTION 8 – COST-OF-LIVING ADJUSTMENTS

Eligibility for Adjustments

8(1) Each pension payable to a Member, Spouse, Common-law Partner or Dependent Child shall be adjusted in accordance with this Section in the pay period that includes July 1 of each Taxation Year.

Amount of Adjustments

8(2) (a) Subject to subsection (3), the adjustment to a pension in accordance with this Section shall be calculated as a percentage of the pension payable in respect of the Member equal to 75% of the percentage change in the Consumer Price Index for Canada during the 12-month period that ended on the March 31 immediately preceding the date of the adjustment.

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(b) (i) If the pension in respect of which an adjustment is to be made in accordance with clause (a) has been in payment for less than one year, the adjustment shall be pro-rated based on the proportion of the year from the date on which the pension commenced.

(ii) For the purpose of this clause, the period during which pension payments were made to a Member shall be taken into account in determining the adjustment to any pension payable after the Member's death to the Member's Spouse Common-law Partner or Dependent Child.

(iii) For the purpose of this clause, the payments of a Member's pension that ceased in accordance with Section 14 shall not be taken into account in determining the adjustment to any subsequent pension payable to or in respect of that Member.

(c) No adjustment shall be made to a pension payable in respect of:

(i) the Member's Additional Contributions, if any,

(ii) the Member's excess contributions in accordance with subsection (5) of Section 7, subsection (9) of Section 12, clause (7)(b) of Section 12, or clause (1)(c) of Section 12, or

(iii) Old Age Security Integration in accordance with subsection (1) of Section 10.

(d) If the Consumer Price Index for Canada decreases, each pension shall be adjusted accordingly, but the resulting pension shall not be less than the pension that would have been provided under the Plan had no adjustments been made in accordance with this Section.

(e) If a pension reduces or a portion of a pension ceases in a pay period, the portion of any adjustment payable in accordance with this Section in respect of the reduction in pension or pension that ceased shall cease in that pay period.

Variation in Percentage Adjustments

8(3) The percentage of the percentage change in the Consumer Price Index for Canada specified in subsection (2) (the "**CPI percentage**") shall be varied as follows:

(a) If a portion of an Actuarial Surplus or Funding Deficiency disclosed in an actuarial valuation is added to or subtracted from the Level of COLA Funding in accordance with subsections (5) or (6) of Section 5, the CPI percentage shall be varied in proportion to the change in the Level of COLA Funding at the date of the actuarial valuation.

(b) If an amount is transferred from the Plan Members' Account to the General Component of the Main Account pursuant to clause (4)(b) of Section 3 of the By-law and allocated by the Board to increase the Level of COLA Funding, the CPI percentage shall be increased in proportion to the increase in the Level of COLA Funding at the effective date of the transfer.

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SECTION 9 – NORMAL FORM OF PENSION

Members With Spouse or Common-law Partner

9(1) (a) The normal form of pension of a Member who has a Spouse or Common-law Partner on the date the pension commences is a pension payable to the Member for the lifetime of the Member and, after the Member's death, a pension to the Spouse or Common-law Partner for the Spouse's or Common-law Partner's remaining lifetime of 66 2/3% of the lifetime pension to which the Member would have been entitled had the Member continued to live.

(b) If the Spouse or Common-law Partner was not a Spouse or Common-law Partner at the date the Member retired or ceased to be an Employee, whichever occurred first, the amount of the pension shall be Actuarially Calculated and equivalent in value to the pension described in subsection (2).

Members Without Spouse or Common-law Partner

9(2) The normal form of pension of a Member who does not have a Spouse or Common-law Partner on the date the pension commences shall be a pension payable for the lifetime of the Member.

Lump Sum Refund When Pension Payments Cease

9(3) If pension payments cease before the total of the payments made to the Member and his or her Spouse or Common-law Partner is at least equal to the aggregate of:

(a) the Member's Required Contributions, With Interest, and

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

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

9(4) The person entitled to a lump sum payment pursuant to subsection (3) of this Section 9 may elect to have the sum transferred to a registered retirement savings plan, as defined under the *Income Tax Act* (Canada), to the extent permitted under the aforementioned Act.

SECTION 10 – OPTIONAL FORMS OF PENSION

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

10(1) (a) If a Member is retiring in accordance with Section 6 prior to age 65, the Member

(i) who does not have a Spouse or Common-law Partner, or

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(ii) whose 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 and Regulations, has given his or her written consent to the Member's election,

may, prior to the commencement of the pension, elect to have his or her pension integrated with the Old Age Security pension expected to be received by the Member. The effect of such integration shall be to provide the Member with an increased pension from the Plan up to and including the last pay period that begins in the month in which the Member attains age 65. Thereafter, the pension shall be reduced by the amount previously expected to be received as Old Age Security pension. The increase in pension payable until the last pay period that begins in the month in which the Member attains age 65 shall be Actuarially Calculated and equivalent in value to the reduction in pension thereafter.

(b) Any pension payable in respect of a Spouse or Common-law Partner shall be determined as if the Member had not elected to integrate his or her pension.

(c) The integration option shall be available to the Spouse or Common-law Partner of a Member and the conditions specified in clause (a) shall apply.

Other Forms of Pension

10(2) (a) In lieu of the normal form of pension, a Member:

(i) who does not have a Spouse or Common-law Partner, or

(ii) whose 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, has waived, subject to subsection (4) of this Section 10, his or her entitlement to a lifetime pension of 66 2/3% of the Member's pension,

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

(b) An optional form of pension elected in accordance with clause (a) shall be Actuarially Calculated and equivalent in value to the pension and other benefits that would otherwise have contingently been payable, determined as if the Member did not have a Spouse or Common-law Partner.

(c) In lieu of the normal form of pension, a Member who has a Spouse or Common-law Partner may elect prior to the date the Member's pension commences the form of lifetime pension outlined in subclause (e)(iv).

(d) An optional form of pension elected in accordance with clause (c) shall be Actuarially Calculated and equivalent in value to the pension payable in the normal form.

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(e) The other forms of pension available are summarized as follows:

(i) Life and Guaranteed 5 Years

Bi-weekly payments will be made for the lifetime of the Member but if death occurs before the Member has received 5 years of bi-weekly payments, the balance of the 5 years of bi-weekly payments of the lifetime pension to which the Member would have been entitled had the Member continued to live will be made to the Member's beneficiary.

(ii) Life and Guaranteed 10 Years

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

(iii) Life and Guaranteed 15

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

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

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

Election Irrevocable

10(3) No change can be made in the form of pension elected by a Member after the first pension payment has been made except as provided in subsection (5) of Section 17.

Revocation of Waiver

10(4) A Spouse or Common-law Partner of a Member who has waived his or her entitlement to a lifetime pension of 66 2/3% of the Member's pension, pursuant to subsection (2) of this Section 10, may revoke his or her waiver by filing a written revocation with the Board and provided that the written revocation is filed prior to the commencement of the Member's pension.

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SECTION 11 – DISABILITY PENSION

Eligibility for a Disability Pension

11(1) A Contributing Member who has completed at least 15 years of Credited Service, has become Totally and Permanently Disabled, and is under the regular and personal care of a Medical Doctor, may apply for a disability pension. If such application is approved by the Board, the disability pension shall commence and the Member shall be deemed to have retired and shall be deemed to have ceased to be an Employee for the purposes of the Plan.

Medical Evidence

11(2) The Board may require each Member who applies for a disability pension to be examined by one or more Medical Doctors appointed by the Board, and the Board shall obtain such other evidence as it may consider necessary to enable it to determine if the Member is Totally and Permanently Disabled. If a Member disagrees with a decision made by the Board, the Member may submit an appeal and the Board shall reconsider its decision. Prior to such reconsideration, the Member shall be given an opportunity to present any additional information that the Member considers to be important in the disposition of the appeal. The decision of the Board shall be final and conclusive.

Initial Amount of Disability Pension

11(3) The disability pension shall be calculated in accordance with the method described in Section 7 and, for the purpose of such calculation, subsection (2) of Section 7 does not apply.

Occupational Disabilities

11(4) A contributing Member who is Totally and Permanently Disabled as a direct result of personal injury by accident or illness arising out of and in the course of employment with the City or as a result of having contracted a disease directly arising out of the Member's occupation while in such employment, and who is receiving Employment Earnings from the City, may not apply for a disability pension.

Administrative Procedures

11(5) The eligibility of a Member for a disability pension, the date on which such pension commences or is subsequently decreased, increased or cancelled, and the amount of any increase or decrease in such pension, shall be determined in accordance with the administrative procedures then in use by the Board. The Board may, from time to time, ask a Member who is receiving a disability pension, to submit further evidence of continuing disability that, at the Board's option, shall be obtained from a Medical Doctor appointed by the Board. After the disability pension has been paid for more than two years such evidence may not be requested more frequently than annually.

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Discontinuance of Disability Pension

11(6) (a) The Member's disability pension shall be discontinued if, before age 60:

(i) the Board finds the Member no longer to be Totally and Permanently Disabled; or

(ii) the Member refuses or cannot provide the Board with satisfactory evidence of his or her continuing disability.

(b) If the Member's disability pension is discontinued; and

(i) the Member is again employed as a Police Officer, the Member's years of Credited Service prior to the date his or her disability pension commenced shall be added to his or her years of Credited Service after his or her resumption of employment and the Member's previous Service and Earnings shall be reinstated, for the purpose of determining any subsequent benefits to which the Member or his or her survivors are entitled;

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

SECTION 12 – DEATH PRIOR TO RETIREMENT

Survivor Pension Benefits Before 2 years Service or 2 years Plan Membership

12(1) If a Member dies while an Employee but before completing either 2 years of Service or 2 years of Plan membership and before becoming eligible to retire in accordance with subsection (2) of Section 6:

(a) the Member's Spouse or Common-law Partner, provided that the Member's Spouse or Common-law Partner was not living separate and apart from the Member by reason of a breakdown in the relationship at the time of the Member's death, shall be entitled to receive a lifetime pension equal to:

(i) the Commuted Value of the pension to which the Member would have been entitled at the time of the Member's death if the Member had terminated his or her employment with the City immediately before that time,

plus

(ii) the excess, if any, of the Member's Required Contributions in respect of 1985 and subsequent Taxation Years, With Interest, over 50% of the Commuted Value of the pension benefit earned by the Member in respect of Credited Service in 1985 and subsequent Taxation Years, subject to subsection (12) of this Section 12,

plus

(iii) the Accumulated Value of the Member's Additional Contributions, if any,

(b) notwithstanding subclause (a)(iii), the Member's Spouse or Common-law Partner may elect to receive the Accumulated Value of the Member's Additional Contributions, if any, as a lump sum refund or, subject to restrictions under the *Income Tax Act* (Canada), transferred to a registered retirement savings plan as defined under the *Income Tax Act* (Canada),

(c) if the Member does not have a Spouse or Common-law Partner who is entitled to a pension under clause (a), than the Member's beneficiary or estate, whichever is applicable, shall receive in a lump sum:

(i) the Commuted Value of the pension to which the Member would have been entitled at the time of his or her death if he or she had terminated his or her employment with the City immediately before that time,

plus

(ii) the excess, if any, of the Member's Required Contributions in respect of 1985 and subsequent Taxation Years, With Interest, over 50% of the Commuted Value of the pension benefit earned by the Member in respect of Credited Service in 1985 and subsequent Taxation Years,

plus

(iii) the Accumulated Value of the Member's Additional Contributions, if any,

less

(iv) any amount that is or may become payable under Sections 16 or 17.

Survivor Pension After 2 years Service or 2 years of Plan Membership - Employees With Eligible Spouse or Common-law Partner

12(2) (a) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is survived by an Eligible Spouse or Common-law Partner, then the Eligible Spouse or Common-law Partner shall receive a lifetime pension each pay period equal to:

(i) 50% of the pension calculated in accordance with the formula contained in subsections (1) and (3) of Section 7, in respect of the Member's Earnings and the greater of:

(A) the Member's Credited Service up to the date of his or her death, and

(B) 25 years of assumed Credited Service, but not exceeding the sum of the Member's Credited Service up to the date of his or her death and the period from the date of his or her death to his or her 65th birthday;

plus

(ii) the pension, Actuarially Calculated, that can be provided by the Accumulated Value at the date of the Member's death of the Member's Additional Contributions, if any.

(b) If the Member to whom clause (a) applies is also survived by one or more Dependent Children, a pension of:

(i) 20%, while there is one Dependent Child,

(ii) 40%, while there are two Dependent Children, or

(iii) 50%, while there are three or more Dependent Children,

of the pension calculated in accordance with subclause (a)(i) shall be payable and divided equally among the Dependent Children or their respective legal guardian(s).

(c) If the Eligible Spouse or Common-law Partner dies while there is one or more Dependent Children, the pension shall continue to be paid on the terms and conditions specified in subsection (6).

Survivor Pension After 2 years Service or 2 years Plan Membership – Employees With Spouse

12(3) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is survived by a Spouse who is not an Eligible Spouse and who was not living separate and apart from the Member by reason of a breakdown in the relationship at the time of the Member's death, then the Spouse shall receive a lifetime pension Actuarially Calculated and equivalent in value to the lump sum described in subsection (7).

Waiver of Survivor Pension

12(4) A Spouse or Common-law Partner who is or might become entitled to a pension under subsections (1), (2), (3) or (8) of this Section 12 may waive that entitlement provided that the waiver forms required by the Regulation have been signed and delivered to the Board.

Revocation of Waiver of Survivor Pension

12(5) A Spouse or Common-law Partner who has waived his or her entitlement to a pension under subsection (4) of this Section 12 may revoke his or her waiver by filing a written revocation with the Board signed by the Member and the person who granted the waiver.

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Survivor Pension After 2 years Service or 2 years Plan Membership – Employees Without Spouse or Common-law Partner, With Dependent Children

12(6) (a) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is survived by one or more Dependent Children but not by a Spouse or Common-law Partner, a pension shall be paid to the legal guardian of such Dependent Children, or to the Dependent Children if no guardian is required by law. The amount of this pension shall be equal to the pension calculated in accordance with clause (1)(a) of this Section 12.

(b) If there is more than one Dependent Child, an equal share of the pension shall be paid in respect of each Child.

(c) The portion of the pension payments made in respect of a Dependent Child shall cease when the Child ceases to be a Dependent Child and subsequent pension payments shall be redistributed to the remaining Dependent Children, if any.

Survivor Benefits After 2 years Service or 2 years Plan Membership – Employees Without Spouse, Common-law Partner or Dependent Children

12(7) If a Member dies while an Employee and after having completed at least 2 years of Service or 2 years of Plan membership or after having become eligible to retire in accordance with subsection (2) of Section 6, and is not survived by a Spouse, Common-law Partner or Dependent Children, the Member's beneficiary or estate, whichever is applicable, shall receive in a lump sum:

(a) the Commuted Value of the pension to which the Member would have been entitled at the time of the Member's death if the Member had terminated his or her employment with the City immediately before that time, plus

(b) the excess, if any, of the Member's Required Contributions in respect of 1985 and subsequent Taxation Years, With Interest, over 50% of the Commuted Value of the pension benefit earned by the Member in respect of Credited Service in 1985 and subsequent Taxation Years,

plus

(c) the Accumulated Value of the Member's Additional Contributions, if any,

less

(d) any amount that is or may become payable under Sections 16 or 17.

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Survivor Benefits - Deferred Pensioners

12(8) If a Member to whom a deferred pension has been granted and not subsequently cancelled dies prior to the commencement of the deferred pension and the Member:

(a) is not survived by a Spouse or Common-law Partner, the Member's beneficiary or estate, whichever is applicable, shall receive in a lump sum:

(i) the Commuted Value of the deferred pension benefit payable in respect of the Member's Credited Service, plus

(ii) the Commuted Value of any deferred pension benefit payable in respect of the Member's Additional Contributions or the Member's excess contributions in accordance with subsection (5) of Section 7, or

(b) is survived by a Spouse or Common-law Partner who is not living separate and apart from the Member by reason of a breakdown in the relationship at the time of the Member's death, the Spouse or Common-law Partner shall receive the lifetime pension, Actuarially Calculated, which can be provided by the lump sum amount calculated in accordance with clause (a).

Minimum Survivor's Pension

12(9) (a) If, at the date of death of the Member:

(i) the Commuted Value of the pension to which the Member would have been entitled at the time of the Member's death if the Member had terminated his or her employment with the City immediately before that time,

exceeds

(ii) the value, Actuarially Calculated, of the benefits payable in accordance with subsections (2) or (6) in respect of the Member's Credited Service,

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 (6) in respect of the Member's Credited Service in 1985 and subsequent Taxation Years and any additional pension payable in accordance with clause (a),

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a further additional pension, Actuarially Calculated and equivalent in value to the excess, shall be payable, subject to subsection (12) of this Section 12.

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

Maximum Pre-Retirement Dependent Children's Pension

12(10) (a) If, at the date of the death of the Member, the pension payable to two or more Dependent Children is increased in accordance with subsection (9), the increased pension shall not exceed the greater of:

(i) the annual amount of lifetime retirement benefits that would have accrued to the Member to age 65 had the Member survived to that age and continued employment and had the Member's rate of pay not increased, or if lower, 150% of the YMPE for the year in which the Member died, and

(ii) the annual amount of lifetime retirement benefits accrued to the Member to the date of the Member's death.

(b) If the pension payable to one Dependent Child is increased in accordance with subsection (9), the increased pension shall not exceed 66 2/3% of the amount determined in clause (a).

(c) If the sum of:

(i) the amount determined in accordance with subclause (9)(a)(i), and

(ii) the excess, if any, determined in accordance with clause (9)(b)

Exceeds

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

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

Portability of Pension Benefits

12(11) In lieu of the pension to which a Spouse or Common-law Partner is entitled in accordance with this Section, the Spouse or Common-law Partner may, within 90 days of receiving notification from the Board of the benefits payable as a result of the death of the Member, elect to transfer the Commuted Value of the pension to another Registered Plan, LIRA or LIF.

Portability of Excess Contributions

12(12) The Spouse or Common-law Partner of a Member who is entitled to a pension in accordance with this Section 12 may, within 90 days of receiving notification from the Board of the benefits payable as a result of the death of the Member, elect to receive any excess contributions as determined in accordance with subsection (5) of Section 7, if any, in lieu of an increase in the pension payable as provided in clauses (1)(a), (7)(b) and 9(b) of this Section 12:

(a) as a lump sum refund, or

(b) subject to restrictions under the *Income Tax Act* (Canada), as a transfer to a registered retirement savings plan or registered retirement income fund as defined under the aforementioned Act,

Lump Sum Refund When Pension Payments Cease

12(13) If the pension payments to a Member's Spouse, Common-law Partner or Dependent Children, if any, cease before the total of these payments, is at least equal to the aggregate of:

(a) the Member's Required Contributions, With Interest, and

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

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

Lump Sum Transferrable to an RRSP

12(14) Any person entitled to a lump sum payment pursuant to this Section 12 may elect to have the sum transferred to a registered retirement savings plan, as defined under the *Income Tax Act* (Canada), to the extent permitted under the aforementioned Act.

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SECTION 13 – TERMINATION OF EMPLOYMENT

Deferred Pension upon Termination of Employment

13(1) If, for any reason, other than death or retirement, a Member's employment with the City terminates before becoming eligible to retire in accordance with subsection (2) of Section 6, the Member may elect to receive a deferred pension commencing on the last day of any pay period following the pay period in which the Member attains age 60. The amount of the deferred pension shall be equal to the greater of:

(a) the deferred pension determined in accordance with Section 7 except that, for the purpose of subsection (2) of Section 7, commencement of the deferred pension in accordance with this subsection shall be deemed to be retirement in accordance with Section 6, and

(b) the deferred pension, Actuarially Calculated so that, as at the date the Member's employment with the City terminated, the value of the deferred pension is equivalent in value to the lump sum determined in accordance with the following:

(i) the Member’s Required Contributions, with Interest, plus

(ii) the Accumulated Value of the Members Additional Contributions, if any.

13(2) Notwithstanding subsection (1) of this Section, a Member entitled to a deferred pension pursuant to subsection (1) may elect to receive a deferred pension commencing on the last day of any pay period following the pay period in which the Member attains age 50. The amount of the deferred pension shall be determined in accordance with subsections (1) through (6) of Section 7 and if, at the date of the Member's termination of employment, the Member:

(a) met either of the qualifications for an early retirement pension in accordance with subsection (3) of Section 6, the amount of the deferred pension shall be subject to a reduction in accordance with subsection (7) of Section 7, and

(b) did not meet the qualifications for an early retirement pension in accordance with subsection (3) of Section 6, the amount of the deferred pension shall be subject to a reduction so the value of the pension, Actuarially Calculated, shall be equal to the present value, Actuarially Calculated, of the pension that would be payable if commencement of the pension were deferred until the Member reached the Normal Retirement Date.

Portability

13(3) (a) A terminating Member who is entitled to a deferred pension in accordance with subsection (1) may elect:

(i) in lieu of the deferred pension to which the Member is entitled as a result of the Member's Additional Contributions, if any, to receive a lump sum payment equal to the Accumulated Value of these Additional Contributions. Any person entitled to a lump sum payment pursuant to this subclause may elect to have the sum

transferred to a registered retirement savings plan, as defined under the *Income Tax Act* (Canada), to the extent permitted under the aforementioned Act, and

(ii) in lieu of any other deferred pension to which the Member is entitled in accordance with subsection (1), the Member may elect to receive the Commuted Value of his or her deferred pension as a transfer to a life annuity contract, another registered pension plan (if such plan meets the definition of a Registered Plan) or a LIRA, 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 there under.

(b) For greater certainty, a Member entitled to a deferred pension in accordance with subsection (1) may elect have his or her excess contributions as determined in accordance with subsection (5) of Section 7, if any,

(i) refunded to the Member in a lump sum;

(ii) subject to restrictions under the Income Tax Act (Canada), used to increase the Member's deferred pension and the amount of this increase in deferred pension shall be Actuarially Calculated; or

(iii) subject to restrictions under the Income Tax Act (Canada), transferred to a registered retirement savings plan or registered retirement income fund as defined under the aforementioned Act.

(c) For greater certainty, if the deferred pension to which the Member is entitled to in accordance with subsection (1) constitutes a small pension as defined in subsection (12) of Section 7, the Member shall receive the Commuted Value of the pension as a lump sum in accordance with subsection (12) of Section 7 or have the Commuted Value of the pension transferred to a registered retirement savings plan in accordance with subsection (13) of Section 7.

(d) The Commuted Value of the deferred pension, if any, to which a Member is entitled in respect of Credited Service prior to 1985 shall not be less than the Member's Required Contributions in respect of such Credited Service, With Interest.

(e) If the Member does not make an election under this subsection within 90 days of receiving notification from the Board of the benefits payable, the Member shall be deemed to have elected the deferred pension provided in accordance with subsection (1).

No Further Benefits After Lump Sum Payment or Transfer

13(4) A Member to whom a deferred pension has been granted, may, prior to the commencement of the pension and to the extent permitted by the Pension Benefits Act, elect to receive a lump-sum payment or transfer determined according to subsection (3). If such a lump sum payment or transfer is made, neither the Member nor his or her beneficiary shall be entitled to any further benefits from the Plan.

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Cost-of-Living Adjustments

13(5) (a) Each deferred pension earned in respect of the Credited Service of a Member shall be adjusted in accordance with this subsection in the pay period that includes July 1 of 2003 and each subsequent Taxation Year.

(b) The adjustment to a deferred pension in accordance with this subsection shall be calculated using the percentage adjustment determined in accordance with Section 8, except that:

(i) the adjustment shall be pro-rated based on the period from the date on which the Member's employment with the City terminated if such period is less than one year,

(ii) the adjustment in 2003 shall be one-half of the adjustment calculated for that year using the percentage adjustment determined in accordance with Section 8 and shall be pro-rated based on the period from the date on which the Member's employment with the City terminated if such period is less than six months, and

(iii) the resulting deferred pension shall not be less than the deferred pension that would have been provided under the Plan had no adjustments been made in accordance with this subsection.

Application for Commencement of Pension

13(6) It shall be the responsibility of a Member to whom a deferred pension has been granted, or his or her beneficiary if the Member has died, to apply for any benefits for which the Member is eligible.

SECTION 14 – RE-EMPLOYMENT

Re-Employment Before Retirement

14(1) (a) If a Member to whom a deferred pension has been granted and not subsequently cancelled, again becomes an Employee, and provided that any amount refunded to the Member in accordance with subsection (5) of Section 7 is repaid With Interest in accordance with policies adopted by the Board, the deferred pension shall be cancelled and the years of Credited Service on which it is based shall be added to the Member's years of Credited Service after re-employment, for the purpose of determining any pension payable to the Member or his or her survivors.

(b) If an amount specified in clause (a) is not repaid in accordance with the policies adopted by the Board, the deferred pension shall be cancelled and a lesser number of years of Credited Service, Actuarially Calculated, shall be added to the Member's years of Credited Service after re-employment, for the purpose of determining any pension payable to the Member or his or her survivors.

Re-Employment After Retirement

14(2) (a) If a retired Member who is receiving a pension from the Plan again becomes an Employee prior to the last day of the Taxation Year in which he or she attains age 71 and he or she:

(i) is employed in a permanent position and regularly works at least 28 hours a week, or

(ii) is employed in a temporary or a seasonal position and regularly works at least 28 hours a week in periods when not laid-off,

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

(b) If the Member's pension ceases, the Member's years of Credited Service at his or her date of retirement shall be added to his or her years of Credited Service after re-employment, for the purpose of determining any pension payable to the Member or his or her survivors.

(c) If the Member again retires, or is deemed to retire, the Member's pension shall be recalculated in accordance with Section 7 and shall commence on the last day of the pay period following the pay period in which the Member again retires or is deemed to have retired.

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

Service and Earnings

14(3) If a deferred pension is cancelled or a pension ceases in accordance with this Section, the Member's previous Service and Earnings shall be reinstated for the purpose of determining any subsequent benefits to which the Member or his or her survivors are entitled.

SECTION 15 – RECIPROCAL ARRANGEMENTS

Reciprocal Agreements

15(1) The Board may enter into reciprocal agreements with any authority responsible for the administration of a pension plan involving employee contributions, for the purpose of preserving some or all of the benefits to which a person who transfers from or to the employment of the City is entitled, provided such person does not receive a refund of the contributions that the person was required to make to the pension plan in which the person participated prior to the date of such transfer and provided the amount transferred is in accordance with the applicable subsections 147.3(1) to (8) of the *Income Tax Act* (Canada), as amended from time to time.

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Reciprocating Employers

15(2) (a) This subsection shall apply where a person has not elected to retire, transfer the Commuted Value of his or her pension benefits, or receive a lump-sum refund:

(i) from the Plan, if the person ceases to be an Employee and becomes employed with a Reciprocating Employer before January 1, 1996, or

(ii) from the pension plan operating in respect of employees of the Reciprocating Employer, if the person ceases to be employed with the Reciprocating Employer and becomes an Employee before January 1, 1996,

unless the person indicates in writing to the Board that he or she does not want this subsection to apply.

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

(c) The best average earnings that are used in calculating the amount of pension under the Plan and under the pension plan operating in respect of employees of the Reciprocating Employer shall be based on the person's earnings and service while an Employee and while employed with the Reciprocating Employer.

SECTION 16 – DIVISION OF PENSION BENEFITS ON MARRIAGE BREAKUP PRIOR TO MAY 31, 2010

Equal Division

16(1) Where, pursuant to the Pension Benefits Act, the pension benefits of a Member and his or her Spouse or Common-law Partner are to be divided as a result of the termination of their marriage or common-law relationship on or after January 1, 1984, or such earlier date as the Board may decide, the pension benefits earned by the Member during the period of the marriage or common-law relationship shall be divided equally between the Member and the Spouse or Common-law Partner.

Breakup Prior to Commencement of Pension

16(2) If the termination of the marriage or common-law relationship occurs prior to the commencement of pension payments under the Plan and the Member was an Employee at the date of termination of the marriage or common-law relationship:

(a) if the Member had not completed at least 2 years of Service or 2 years of Plan membership and had not become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship, the

Spouse or Common-law Partner shall receive in a lump sum one half of the sum of the Member's Required Contributions, With Interest, and the Accumulated Value of the Member's Additional Contributions, if any, in respect of the period of the marriage or common-law relationship,

(b) if the Member had completed at least 2 years of Service or 2 years of Plan membership, and had not become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship:

(i) one-half of the Commuted Value of the pension benefit earned by the Member during the period of the marriage or common-law relationship and determined in accordance with Section 13 as if the Member had terminated employment with the City on the date of termination of the marriage or common-law relationship shall be transferred to another Registered Plan, LIRA or LIF on behalf of the Spouse or Common-law Partner, and

(ii) one-half of the sum of:

(A) the excess contributions, if any, determined in accordance with subsection (5) of Section 7 as if the Member had terminated employment on the date of termination of the marriage or common-law relationship, and

(B) the Accumulated Value of the Member's Additional Contributions, if any,

in respect of the period of the marriage or common-law relationship, shall be paid to the Spouse or Common-law Partner in a lump sum;

(c) if the Member had become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship:

(i) one-half of the Commuted Value of the pension benefit earned by the Member during the period of the marriage or common-law relationship and determined in accordance with Section 7 as if the Member had retired on the date of termination of the marriage or common-law relationship shall be transferred to another Registered Plan, LIRA or LIF on behalf of the Spouse or Common-law Partner; and

(ii) one-half of the sum of:

(A) the excess contributions, if any, determined in accordance with subsection (5) of Section 7 as if the Member had retired on the date of termination of the marriage or common-law relationship, and

(B) the Accumulated Value of the Member's Additional Contributions, if any,

in respect of the period of the marriage or common-law relationship, shall be paid to the Spouse or Common-law Partner in a lump sum;

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(d) for the purpose of any subsequent calculation of the amount of a pension in respect of the Member, but not for the purpose of determining the Member's eligibility to retire, the Member's years of Credited Service in respect of the period of the marriage or common-law relationship shall be reduced by one-half, and

(e) the portion of the Member's Required Contributions, With Interest, and the Accumulated Value of his or her Additional Contributions, if any, calculated as at the date of division, in respect of the period of the marriage or common-law relationship shall be reduced by one-half.

Breakup After Commencement of Pension

16(3) If the termination of the marriage or common-law relationship occurs after the commencement of pension payments under the Plan:

(a) the Spouse or Common-law Partner shall receive from the Plan the lifetime pension, Actuarially Calculated and equivalent in value to one-half of the portion of the pension earned by the Member during the period of the marriage or common-law relationship, that would have been payable in respect of the Member subsequent to the date of division, and

(b) the pension payable to the Member subsequent to the division shall be Actuarially Calculated and equivalent in value to the pension that otherwise would have been payable in respect of the Member subsequent to the date of division less the value of the pension payable to the Spouse or Common-law Partner in accordance with clause (a).

Break-Up While Entitled to Deferred Pension

16(4) If the termination of the marriage or common-law relationship occurs while the Member was entitled to a deferred pension:

(a) one-half of the Commuted Value of the deferred pension benefit applicable to the period of the marriage or common-law relationship shall be transferred to another Registered Plan, LIRA or LIF on behalf of the Spouse or Common-law Partner, and

(b) the portion of the Member's deferred pension applicable to the period of the marriage or common-law relationship shall be reduced by one-half.

Offsetting Pension Benefits

16(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.

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Waiver of Division of Pension Benefits

16(6) The division of pension benefits of a Member in accordance with subsections (1), (2) (3) and (4) of this Section shall not apply where the Member and his or her Spouse or Common-law Partner have agreed not to divide the Commuted Value or pension benefits, providing that the requirements of the Pension Benefits Act and the Pension Benefits Regulation have been adhered to.

Definitions

16(7) For the purpose of this Section 16:

(a) a common-law relationship is the relationship between a Member and a Common law Partner and:

(i) in the case of Common-law Partners who began living separate and apart before June 30, 2004, is deemed to have commenced on the date that the common-law relationship began as specified on the declaration form prescribed by 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 a written agreement made and executed or entered into by both parties to the common-law relationship, or

(ii) in the case of Common-law Partners who began living separate and apart on or after June 30, 2004, is deemed to have commenced on the date that the parties cohabitated with each other in a conjugal relationship and is deemed to have terminated on the date on which the Member and the Member's Common-law Partner begin living separate and apart, and

(b) a marriage:

(i) in the case of spouses who began living separate and apart before June 30, 2004, 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, or

(ii) in the case of spouses who began living separate and apart on or after June 30, 2004, is deemed to have commenced on the date shown on the marriage certificate or, if there was a period in which the parties cohabitated with each other in a conjugal relationship and which continued until they were married, from the first day of that period and is deemed to have terminated on the date on which the Member and the Member's Spouse began living separate and apart.

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SECTION 17 – DIVISION OF PENSION BENEFITS ON MARRIAGE BREAKUP ON OR AFTER MAY 31, 2010

Equal Division

17(1) Where, pursuant to the Pension Benefits Act, the pension benefits of a Member and his or her Spouse are to be divided as a result of the termination of their marriage on or after January 1, 1984, or such earlier date as the Board may decide, the pension benefits earned by the Member during the period of the marriage shall be divided equally between the Member and the Spouse.

17(2) Where, pursuant to the Pension Benefits Act, the pension benefits of a Member and his or her Common-law Partner are to be divided as a result of the termination of their common-law relationship:

(a) on or after June 30, 2004;

(b) on or after January 1, 1984 and before June 30, 2004, if a declaration was filed in respect of the relationship under the Pension Benefits Act; or

(c) before June 30, 2004, but resumed cohabitating with each other for a period of at least 90 days after that day,

the pension benefits earned by the Member during the period of common-law relationship shall, subject to subsections (7), (9) and (10) of this Section 17, be divided equally between the Member and the Common-law Partner in accordance with the Pension Benefits Act and the Regulations.

17(3) Notwithstanding the forgoing, the Board shall divide the pension benefits earned by a Member during the period of common-law relationship equally between the Member and the Common-law Partner if so ordered to by an order of the Manitoba Court of Queen's Bench or a court of competent jurisdiction in another province or territory of Canada.

Breakup Prior to Commencement of Pension

17(4) 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 (as determined in accordance clause (11)(a) or (11)(b) of this Section 17:

(a) if the Member had not become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship:

(i) one-half of the Commuted Value of the pension benefit, including any excess contributions determined in accordance with subsection (5) of Section 7, all as determined in accordance with subsection (8) of this Section 17, earned by the Member during the period of the marriage or common-law relationship and determined in accordance with Section 13 as if the Member had terminated employment with the City on the date of termination of the marriage or

common-law relationship shall be transferred to another Registered Plan, LIRA or LIF on behalf of the Spouse or Common-law Partner, and

(ii) one-half of

(A) the Accumulated Value of the Member's Additional Contributions, if any,

less

(B) the Accumulated Value, at the date the marriage or Common–law relationship began as determined in accordance with subsection (11) of this Section 17, of the Member's Additional Contributions, if any,

shall be paid to the Spouse or Common-law Partner in a lump sum or transferred to a registered retirement savings plan, as defined under the *Income Tax Act* (Canada), to the extent permitted under the aforementioned Act;

(b) if the Member had become eligible to retire in accordance with subsection (2) of Section 6 prior to the termination of the marriage or common-law relationship:

(i) one-half of the Commuted Value of the pension benefit, including any excess contributions determined in accordance with subsection (5) of Section 7, all as determined in accordance with subsection (8) of this Section 17, 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, LIRA or LIF on behalf of the Spouse or Common-law Partner; and

(ii) one-half of:

(A) the Accumulated Value of the Member's Additional Contributions, if any,

less

(B) the Accumulated Value, at the date of the marriage or Common-law relationship began as determined in accordance with subsection (11) of this Section 17, of the Member's Additional Contributions, if any,

shall be paid to the Spouse or Common-law Partner in a lump sum or transferred to a registered retirement savings plan, as defined under the *Income Tax Act* (Canada), to the extent permitted under the aforementioned Act;

(c) 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 to reflect the respective benefit entitlements paid to the Spouse or Common-law Partner pursuant to clause (a) and (b) of this subsection, provided that the Member's pension after such reduction shall be adjusted in a manner that does not result in a gain or loss to the Plan, and

(d) 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 to reflect the respective benefit entitlements paid to the Spouse or Common-law Partner pursuant to clause (a) and (b) of this subsection.

Breakup After Commencement of Pension

17(5) If the termination of the marriage or common-law relationship occurs after the commencement of pension payments under the Plan:

(a) the Spouse or Common-law Partner shall receive:

(i) in the case of a joint and survivor pension, a separate pension payable for the lifetime of the Spouse or Common-law partner from the Plan, Actuarially Calculated and equivalent in value to one-half of the portion of the pension, determined in accordance with subsection (8) of this Section 17, earned by the Member during the period of the marriage or common-law relationship, or

(ii) in the case of any other type of pension, a pension payable under the Plan in the form of pension elected by the Member at the date of pension commencement, Actuarially Calculated and equivalent in value to one-half of the portion of the pension, determined in accordance with subsection (8) of this Section 17, earned by the Member during the period of the marriage or common-law relationship,

(b) the pension payable to the Member subsequent to the division:

(i) in the case of a joint and survivor pension, a separate pension payable for the lifetime of the Member from the Plan, 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 Actuarially Calculated value of the pension payable to the Spouse or Common-law Partner in accordance with subclause (a)(i), or

(ii) in the case of any other type of pension, a pension payable under the Plan in the form of pension elected by the Member at the date of pension commencement, 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 Actuarially Calculated value of the pension payable to the Spouse or Common-law Partner in accordance with subclause (a)(ii).

Break-Up While Entitled to Deferred Pension

17(6) If the termination of the marriage or common-law relationship occurs while the Member was entitled to a deferred pension:

(a) one-half of the Commuted Value of the deferred pension benefit, including any excess contributions determined in accordance with subsection (5) of Section 7, all as determined in accordance with subsection (8) of this Section 17, applicable to the period

of the marriage or common-law relationship shall be transferred to another Registered Plan, LIRA or LIF on behalf of the Spouse or Common-law Partner,

(b) one-half of:

(i) the Accumulated Value of the Member's Additional Contributions, if any, less

(ii) the Accumulated Value, at the date the marriage or Common–law relationship began as determined in accordance with subsection (11) of this Section 17, of the Member's Additional Contributions, if any,

shall be paid to the Spouse or Common-law Partner in a lump sum or transferred to a registered retirement savings plan, as defined under the Income Tax Act (Canada), to the extent permitted under the aforementioned Act, and

(c) the portion of the Member's deferred pension and Additional Contributions applicable to the period of the marriage or common-law relationship shall be reduced to reflect the respective benefit entitlements paid to the Spouse or Common-law Partner pursuant to clause (a) and (b).

Offsetting Pension Benefits

17(7) 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 this Section 17 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.

Method of Valuation for Equal Division

17(8) Where a Member's pension benefit credit or pension is to be divided in accordance to subsections (4), (5) and (6), a Spouse or Common-law Partner's one-half share is to be calculated according to the following formula:

A = .5 X [B X (C/D)]

Where:

A is the Spouse or Common-law Partner's share of the total pension benefit credit or pension;

B is the total pension benefit credit or pension accrued to the Member as of the date they began living separate and apart because of the breakdown of their relationship;

C is the accrual period during their marriage or common-law relationship as determined under subsection (11) of this Section 17;

D is the period during which the total benefit in B accrued.

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Waiver of Division of Pension Benefits Before Death of Member

17(9) The division of pension benefits of a Member in accordance with this Section shall not apply where the Member and his or her Spouse or Common-law Partner have agreed not to divide the Commuted Value or pension benefits, providing that the requirements of the Pension Benefits Act and Regulations have been adhered to.

Waiver of Division of Pension Benefits After Death of Member

17(10) A Spouse or Common-law Partner who is entitled to a division under this Section 17 in respect of a Member or former Member who has died, may waive the entitlement to a division of the pension benefits of a Member providing that the requirements of the Pension Benefits Act and Regulations have been adhered to.

Definitions

17(11) For the purpose of this Section 17:

(a) a common-law relationship is the relationship between a Member and a Common-law Partner, is deemed to have commenced on the date that the parties cohabitated with each other in a conjugal relationship, and is deemed to have terminated on the date on which the Member and the Member's Common-law Partner begin living separate and apart because of a breakdown in their relationship, and

(b) a marriage:

(i) in the case of spouses who began living separate and apart before June 30, 2004, 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 because of a breakdown in their relationship, or

(ii) in the case of spouses who began living separate and apart on or after June 30, 2004, is deemed to have commenced on the date shown on the marriage certificate or, if there was a period in which the parties cohabitated with each other in a conjugal relationship and which continued until they were married, from the first day of that period and is deemed to have terminated on the date on which the Member and the Member's Spouse began living separate and apart because of a breakdown in their relationship.

SECTION 18 - GENERAL PROVISIONS

Proof of Age and Designation of Beneficiary

18(1) (a) Each Employee must provide proof of age and complete the declaration of beneficiary form upon joining the Plan. Each Spouse, Common-law Partner or Child who becomes entitled to a pension under the Plan must provide proof of age and designate a beneficiary on the form prescribed by the Board.

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

Limitation on Assignment

18(2) Except as permitted under the Pension Benefits Act, benefits provided under the Plan shall not be assigned, charged, anticipated, given as security or surrendered, and are exempt from execution, seizure or attachment, and, for the purposes of this condition,

(a) assignment does not include assignment by the legal representative of the deceased Member on the distribution of that Member's estate;

(b) surrender does not include a reduction in benefits to avoid revocation of the registration of the Plan under the *Income Tax Act* (Canada); and

(c) any transaction purporting to assign, charge, anticipate or give as security such a benefit is void.

Option of Lump Sum Refund of Additional Contributions

18(3) If a Member who has made Additional Contributions,

(a) retires in accordance with Section 6, or

(b) receives a disability pension in accordance with Section 11, or

(c) dies and a pension is payable in accordance with Section 12, or

(d) terminates employment and becomes entitled to a deferred pension in accordance with Section 13,

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

Right to Discharge

18(4) Neither this Plan nor anything done pursuant thereto shall affect the City's right to terminate any Employee’s employment at any time, and an Employee whose employment is so terminated shall be entitled to the benefits provided by the Plan in respect of Credited Service prior to the date of such termination of employment.

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Information for Employees

18(5) Each Member and Eligible Employee shall receive a written explanation of the terms and conditions of the Plan and amendments thereto, together with an explanation of his or her rights and duties with respect to the benefits provided and such other information as may be prescribed by the Pension Benefits Act and Regulations.

Maximum Pension Adjustment

18(6) No Member's Pension Adjustment for any calendar year shall exceed the limits specified in subsection 147.1(8) of the *Income Tax Act* (Canada).

Notification of Common-law Relationship

18(7) If the Board has not received written notice of a common-law relationship between a Member and a Common-law Partner and the Board pays a benefit under the Plan by reason of the Member's death as though the Member were not survived by the Common-law Partner, the Board shall not be liable in any way for not having made the payment to the Common-law Partner.

SECTION 19 - PLAN TERMINATION

Procedure

19(1) If the Plan is to be terminated in accordance with subsection (1) of Section 14 of the By-law, the procedure specified in this Section shall be followed.

Actuarial Valuation

19(2) Immediately prior to the termination of the Plan, an actuarial valuation of the Plan shall be carried out by the Actuary and any Actuarial Surplus allocated or Funding Deficiency resolved in accordance with the provisions of Section 5, except that the target level of the Contribution Stabilization Reserve shall be deemed to be nil and any balance in the Contribution Stabilization Reserve shall be transferred to the General Component of the Main Account.

Solvency

19(3) If, after applying the provisions of subsection (6) of Section 5, there is a remaining Funding Deficiency, this deficiency shall be deemed to be a solvency deficiency which shall be liquidated by the City.

Disposition of Fund

19(4) Upon the termination of the Plan, the assets of the Pension Fund shall be used as follows:

(a) the portion of the assets attributed to the General Component of the Main Account, together with all amounts paid by the City to liquidate a solvency deficiency in accordance with subsection (3), shall be used to provide benefits in accordance with the Plan;

(b) the portion of the assets attributed to the Plan Members' Account shall be used to provide additional benefits for the Members, former Employees, pensioners, and their respective dependents, beneficiaries and estates in an equitable manner, as determined by the Board; and

(c) The portion of the assets attributed to the City Account shall be paid to the City.

Applicable Legislation

19(5) Any action taken in accordance with this Section shall be consistent with the requirements of the Pension Benefits Act, the Regulations, and the *Income Tax Act* (Canada).

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