SCHEDULE "B" to By-law No. 80/2015

THE CITY OF WINNIPEG

POLICE EMPLOYEES' GROUP LIFE INSURANCE PLAN

TABLE OF CONTENTS

SECTION 1 - DEFINITIONS 3

SECTION 2 – ELIGIBILITY AND MEMBERSHIP 4

(1) New Police Officers 4
(2) Commencement of Insurance 5

SECTION 3 - AMOUNT OF INSURANCE 5

(1) Basic Coverage 5
(2) Optional Additional Coverage 5
(3) Post-Retirement Coverage 5
(4) Payment of Insurance 5
(5) Advance Payment to Terminally Ill Members 5
(6) Conditions for Advance Payment 6
(7) Amount of Advance Payment 6

SECTION 4 - CHANGES IN AMOUNTS OF INSURANCE 6

(1) Increase in Coverage 6
(2) Reduction of Coverage 6
(3) Commencement of Changes in Coverage 6
(4) On Termination of Employment 6
(5) On Retirement 7
(6) Conversion to Individual Policy 7
(7) Death Within 31 Days 7

SECTION 5 – CONTRIBUTIONS 7

(1) Member's Basic Coverage Contributions 7
(2) Optional Additional Coverage Contributions 7
(3) Retired Members' Contributions 7
(4) Deduction of Member Contributions 8
(5) City's Contributions 8
(6) Leave of Absence, Strike or Lockout 8
(7) Return to Work After Leave of Absence, Strike or Lockout 8

SECTION 6 – DISABILITY 8

(1) Continued Coverage 8
(2) Increase in Coverage 9
(3) Recovery From Disability 9

(4) Retirement 9

SECTION 7 – TRANSFERS 9

(1) Transfer from Civic Plan 9
(2) Transfer to Civic Plan 9

SECTION 8 - INSURANCE FUNDS 10

(1) Payment of Current Premiums and Payments into the New Insurance Fund 10
(2) Payments out of the Old Insurance Fund 10
(3) Payments out of the New Insurance Fund 10
(4) Actuarial Valuations 11

SECTION 9 – GENERAL 11

(1) Information for Police Officers 11
(2) Beneficiary Designation 11

SECTION 10 - AMENDMENT, TERMINATION, MERGER OR DIVISION 11

(1) Procedure 11
(2) Disposition of Insurance Fund on Plan Termination 11

SECTION 1 - DEFINITIONS

In this Plan:

"Actuary" means a person who is a Fellow of the Canadian Institute of Actuaries or a firm employing such a person, appointed by New PlanCo for the purpose of the Plan;

"Annual Earnings" means 26 times the Member's Average Bi-Weekly Earnings;

"Assumed Earnings" has the meaning attributed to such term in the Pension Plan, as same may be amended from time to time;

"Average Bi-Weekly Earnings" means the Member's average Earnings for the 13 Pay Periods immediately prior to the date as at which the calculation is being made. If the Member did not receive Earnings in each of these 13 Pay Periods, the Member's Earnings for the period covered by these Pay Periods shall be divided by the number of Pay Periods for which the Member received Earnings;

"City" means the corporation known as The City of Winnipeg as continued by *The City of Winnipeg Charter*, as same may be amended or replaced from time to time;

"Current Premiums" in reference to a year or other period means the amount of premiums payable to the Insurance Company, less any premium refunds, in such year or other period for the insurance coverage of Members in accordance with the Plan;

"Disabled Member" means:

(a) a Member who is receiving disability benefits under the Police Long Term Disability Plan; or

(b) a Member who, in the opinion of New PlanCo, would otherwise qualify for benefits under the Police Long Term Disability Plan but is not an eligible employee under that plan;

"Earnings" means the total of a Member's Employment Earnings and Assumed Earnings;

"Effective Date" means August 1, 2015;

"Employment Earnings" means the remuneration paid to a Member by the City. Employment Earnings shall include Periodic Payments from Workers' Compensation;

"Insurance Company" means an insurance company appointed by New PlanCo in accordance with the terms of the New By-Law to provide benefits under the Plan;

"Member" means a Police Officer who joined the Plan prior to the Effective Date or who joins the Plan in accordance with section 2, including any such Police Officer who has retired and who did not elect not to continue to participate in the Plan in accordance with subsection 4(5);

"New By-law" means City of Winnipeg By-law No. 80/2015, as same may be amended, restated or replaced from time to time;

"New PlanCo" means the corporation incorporated pursuant to the New By-law to administer the Plan and which is a wholly owned subsidiary of the City;

"New Insurance Fund" means the new insurance fund established for the Plan under the New By-law and named therein as the "New Police Insurance Fund";

"Old Insurance Fund" means the insurance fund established for the Plan in accordance with By-law No. 5643/91 and continued as the "Old Police Insurance Fund" in accordance with the terms of the New By-law;

"Pay Period" means for a Member who is not retired, the period used by the City to determine the dates on which his or her Earnings are paid, and for a retired Member it means the period used to determine the dates on which pensions under the Pension Plan are normally paid;

"Pension Plan" means the Winnipeg Police Pension Plan set out in Schedule "A" of By-law No. 126/2011;

"Periodic Payments from Workers' Compensation" means payments, other than lump sum payments, received under *The Workers Compensation Act* as compensation for loss of earnings caused by an accident occurring as a result of employment by the City provided the City is supplementing such payments;

"Plan" means this Police Employees' Group Life Insurance Plan as continued, amended and restated in accordance with the New By-law;

"Police Long Term Disability Plan" means the Long Term Disability Plan sponsored by the Winnipeg Police Association;

"Police Officer" means a member of the Police Component of the Winnipeg Police Association or of the Winnipeg Police Senior Officers' Association or the chief or deputy chief of the Winnipeg Police Service;

"Retirement" means retirement in accordance with the Pension Plan, and "**retired**" and similar expressions shall have the corresponding meaning; and

"Taxation Year" means all of the Pay Periods of a Member which end in the same calendar year.

Words importing the singular shall include the plural and vice-versa where the context so requires. Any reference to a section, subsection or paragraph means a section, subsection or paragraph of this Plan unless otherwise specified.

SECTION 2 – ELIGIBILITY AND MEMBERSHIP

New Police Officers

(1) Each Police Officer shall, as a condition of employment, become a Member of the Plan on becoming a member of the Pension Plan.

Commencement of Insurance

(2) A Police Officer's insurance commences under the Plan on the day the Police Officer becomes a Member.

SECTION 3 - AMOUNT OF INSURANCE

Basic Coverage

(1) The amount of basic insurance coverage provided on the life of each Member is equal to two times Annual Earnings.

Optional Additional Coverage

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

Post-Retirement Coverage

(3) (a) A Member's insurance coverage shall continue after Retirement and shall be equal to a percentage of the basic insurance coverage in effect, excluding any optional additional insurance, on the Member's life at the Member's Retirement date. The percentage is determined as follows:

(i) from the first day of the Pay Period immediately following the Pay Period in which the Member retires up to and including the last day of the Pay Period in which the Member attains age sixty-five, it is 50%;

(ii) from the first day of the Pay Period immediately following the Pay Period in which the Member attains age sixty-five to the last day of the Pay Period in which the Member attains age seventy, it is 25%; and

(iii) on and after the first day of the Pay Period immediately following the Pay Period in which the Member attains age seventy, it is 15%.

(b) A Member’s optional additional insurance under subsection 3(2) shall cease no later than the last day of the Pay Period in which the Member retires.

Payment of Insurance

(4) The amount of insurance on a Member's life shall, on death, be paid to the designated beneficiary or estate in accordance with subsection 9(2).

Advance Payment to Terminally Ill Member

(5) Notwithstanding the foregoing, a Member who satisfies the conditions set out in subsection 3(6) may receive a partial advance payment of life insurance proceeds, up to the amount set out in subsection 3(7). The amount ultimately payable under subsection 3(4) will be reduced by the amount of such advance payment, along with an appropriate interest charge determined by New PlanCo.

Conditions for Advance Payment

(6) A terminally ill Member who has a life expectancy of 12 months or less may apply for a partial advance payment of life insurance proceeds. Such application shall include a form, completed by the Member's doctor, indicating diagnosis, prognosis, life expectancy and providing supporting medical information, as well as a form, signed by the Member, authorizing the release of medical information. If the application is approved by New PlanCo, the Member shall sign a further release form, acknowledging the terms of the payment, prior to any payment under subsection 3(5).

Amount of Advance Payment

(7) The advance payment, payable under subsection 3(5), is 50% of either:

(a) the insurance coverage in accordance with subsection 3(1), or

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

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

SECTION 4 - CHANGES IN AMOUNTS OF INSURANCE

Increase in Coverage

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

Reduction of Coverage

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

Commencement of Changes in Coverage

(3) A change in the amount of a Member's insurance coverage will take effect on the first day of the Pay Period for which the Member first makes contributions for the changed amount provided the Member has satisfied the conditions set out in subsections 4(1) or 4(2), as applicable.

On Termination of Employment

(4) If a Member's employment with the City terminates other than as a result of Retirement or if the Member ceases to be a Police Officer, the insurance coverage terminates on the last day of the Pay Period for which the Member has made contributions or contributions were made on the Member's behalf to the Plan.

On Retirement

(5) If a Member's employment with the City terminates as a result of Retirement, the Member's insurance shall continue in effect at a reduced amount in accordance with subsection 3(3) unless the Member elects not to continue to participate in the Plan. A Member who does not wish to participate in the Plan after Retirement must indicate this choice to New PlanCo on the form prescribed by New PlanCo for this purpose. In such event, insurance will terminate on the last day of the Pay Period for which the Member made contributions.

Conversion to Individual Policy

(6) When a Member's insurance coverage reduces or terminates as a result of Retirement, or if the Member's employment with the City terminates, the Member may obtain an individual policy of life insurance from the Insurance Company. No evidence of insurability is required if the Member applies for this policy within thirty-one days of the day insurance coverage under the Plan terminated or was reduced. This insurance policy may be for an amount of insurance which is equal to or less than the amount which terminated and shall be in accordance with the terms and conditions specified by the Insurance Company.

Death Within 31 Days

(7) If a Member dies within thirty-one days after insurance coverage terminated or was reduced, the amount of insurance in effect under the Plan on the life of the Member at the date his or her insurance terminated or was reduced shall be paid to the beneficiary or estate in accordance with subsection 9(2).

SECTION 5 - CONTRIBUTIONS

Member's Basic Coverage Contributions

(1) Each Member, other than a Disabled Member, who has basic insurance coverage in accordance with subsection 3(1) shall contribute each Pay Period, in respect of the basic insurance, based on his or her Employment Earnings, if any, at a rate prescribed by New PlanCo based on the recommendation of the Actuary and reviewed at least once every three years.

Optional Additional Coverage Contributions

(2) Each Member, other than a Disabled Member, who has optional additional insurance coverage in accordance with subsection 3(2) shall contribute each Pay Period, in respect of the additional insurance, based on his or her Employment Earnings, if any, at a rate prescribed by New PlanCo based on the recommendation of the Actuary and reviewed at least once every three years.

Retired Members' Contributions

(3) Each retired Member who continues to participate in the Plan after Retirement in accordance with subsection 3(3), shall contribute, each Pay Period, at the same rate as is prescribed by New PlanCo under subsection (1).

Deduction of Member Contributions

(4) If a Member is receiving Employment Earnings, the Member shall contribute by payroll deduction from such Employment Earnings. If a Member is not receiving Employment Earnings, contributions shall be deducted bi-weekly from the Member's retirement pension from the Pension Plan.

City's Contributions

(5) The City shall contribute each Pay Period an amount equal to the amount contributed pursuant to subsection 5(1) by Members.

Leave of Absence, Strike or Lockout

(6) (a) A Member may continue insurance coverage when on approved leave of absence, strike or lockout by electing to do so on the form prescribed by New PlanCo for this purpose. This form must be submitted to New PlanCo within thirty-one days of the commencement of leave of absence, strike or lockout. If the Member elects to continue insurance coverage during such period, contributions shall be made by or for the Member, in a manner prescribed by New PlanCo, based on the Member's Assumed Earnings at the same combined rate as the Member and the City would have contributed had the leave of absence, strike or lockout not occurred.

(b) If a Member does not elect to continue insurance coverage on approved leave of absence, strike or lockout, the Member's insurance coverage shall terminate on the last day of the Pay Period for which the Member has made contributions or contributions were made on the Member's behalf to the Plan.

Return to Work After Leave of Absence, Strike or Lockout

(7) Where the Member did not elect to continue insurance coverage on an approved leave of absence, strike or lockout and the Member returns to work immediately following the approved leave of absence, strike or lockout, the Member's insurance coverage shall resume at the same multiple of Annual Earnings as was in effect immediately prior to the leave of absence, strike or lockout.

SECTION 6 - DISABILITY

Continued Coverage

(1) The amount of insurance coverage provided on the life of a Disabled Member shall continue at the same multiple of Annual Earnings as was in effect immediately prior to the date disability commenced. Effective from the first Pay Period of each subsequent

Taxation Year, the insurance coverage will be redetermined in accordance with the Annual Earnings for a Member of the same confirmed rank as the Disabled Member immediately prior to the Member becoming a Disabled Member.

Increase in Coverage

(2) A Disabled Member who elects to increase insurance coverage as a multiple of Annual Earnings and satisfies the conditions set out in subsection 4(1) shall contribute in respect of such increased insurance, based on his or her Earnings, at the same rate as prescribed by New PlanCo under subsection 5(2).

Recovery from Disability

(3) (a) If a Disabled Member returns to employment with the City, the amount of insurance coverage for that Member shall continue at the same multiple of Annual Earnings as was in effect while the Member was a Disabled Member.

(b) If a person ceases to be a Disabled Member and does not retire or return to employment as a Police Officer, the insurance coverage terminates on the last day of the Pay Period in which the person was a Disabled Member and he or she shall be entitled to obtain an individual policy of life insurance in accordance with subsection 4(6).

Retirement

(4) If a Disabled Member retires in accordance with the Pension Plan or attains age 60, the Member's insurance coverage shall be determined in accordance with subsection 3(3).

SECTION 7 - TRANSFERS

Transfer from Civic Plan

(1) Where, immediately prior to becoming a Member of this Plan, a Member was a member of the Civic Employees' Group Life Insurance Plan established under By-law No. 5644/91 and continued, amended and restated under the New By-law and was insured under that plan for a multiple of Annual Earnings in excess of two, the Member shall be insured under this Plan for a corresponding multiple of Annual Earnings and no evidence of insurability shall be required.

Transfer to Civic Plan

(2) Where a Member ceases to be eligible to be a Member of this Plan as a result of becoming eligible to join the Civic Employees' Group Life Insurance Plan established under By-law No. 5644/91 and continued, amended and restated under the New By-law, the Member shall not be entitled to obtain an individual policy of life insurance in accordance with subsection 4(6) and subsection 4(7) shall not apply.

SECTION 8 - INSURANCE FUNDS

Payment of Current Premiums and Payments into the New Insurance Fund

(1) (a) All contributions made by the Members in each year or other applicable period shall be applied firstly to the payment of Current Premiums in respect of such Members for such year or other period, with any excess contributions made by Members who are not retired (i.e. to the extent the contributions made by non-retired Members in such year or period exceed the Current Premiums in respect of such non-retired Members) paid into the New Insurance Fund within four weeks of the date on which the deductions are made.

(b) All contributions made by the City shall be applied firstly to pay for the excess, if any, of the Current Premiums in respect of the Members, other than retired Members, for the year or other period (i.e. to the extent the non-retired Members' contributions under paragraph 8(1)(a) are insufficient to pay the Current Premium in respect of such Members), and the balance of the City's contributions shall be paid into the New Insurance Fund within four weeks of the date on which such contributions were due.

Payments out of the Old Insurance Fund

(2) (a) Payments shall be made out of the Old Insurance Fund to pay to the Insurance Company that portion of the Current Premiums payable in each year or other period to provide the insurance coverage under this Plan for each retired Member determined by the following formula:

Old Insurance Fund pays: A x [B/C]

Where:

A = the difference between: (i) the Current Premiums payable to the Insurance Company in the particular year or other period for the insurance coverage for the particular retired Member; and (ii) the amount of the contributions made by such retired Member in such year or period;

B = the retired Member's period of Credited Service under (and as defined in) the Pension Plan before the date to be specified by New PlanCo for the purpose of this paragraph; and

C = the retired Member's total period of Credited Service under (and as defined in) the Pension Plan.

(b) The formula in paragraph 8(2)(a) shall be reviewed at least every three years and may be varied as appropriate by New PlanCo on the advice of the Actuary.

Payments out of the New Insurance Fund

(3) (a) Payments shall be made out of the New Insurance Fund to pay to the Insurance Company that portion of the Current Premiums payable in each year or other period

as required to provide the insurance coverage under this Plan for each retired Member determined by the following formula:

New Insurance Fund pays: A x [(C-B) / C]

Where A, B and C are defined and determined in the same manner as set out in subsection 8(2) above.

(b) The formula in paragraph 8(3)(a) shall be reviewed at least every three years and may be varied as appropriate by New PlanCo on the advice of the Actuary.

Actuarial Valuations

(4) In accordance with the provisions of the New By-law, New PlanCo shall cause an actuarial valuation of the Plan to be made at least once every three years.

SECTION 9 - GENERAL

Information for Police Officers

(1) Each Member and eligible Police Officer shall receive a written explanation of the terms and conditions of the Plan and amendments thereto, together with an explanation of the Member's rights and duties with respect to the benefits provided and such other information as may be prescribed by New PlanCo.

Beneficiary Designation

(2) A Member may designate any person to be a beneficiary, and the Member may change the beneficiary at any time, subject to the laws governing such matters, by completing the form prescribed by New PlanCo for this purpose. If no beneficiary has been designated by the Member or if the beneficiary designated has died and no beneficiary has been subsequently designated by the Member, any amount which otherwise would have been paid to the Member's beneficiary shall instead be paid to the estate of the Member.

SECTION 10 - AMENDMENT, TERMINATION, MERGER OR DIVISION

Procedure

(1) The provisions pertaining to the amendment, modification, variation, termination, merger, consolidation or division of the Plan shall be those set forth in Articles 15 and 16 of the New By-law.

Disposition of Insurance Fund on Plan Termination

(2) In the event the Plan is terminated, New PlanCo shall cause an actuarial report to be made on the status of the New Insurance Fund and Old Insurance Fund as at the date of the termination of the Plan. The report shall provide recommendations to New PlanCo to allocate the assets of the New Insurance Fund and Old Insurance Fund, if any, among

Members and contributors to the New Insurance Fund and Old Insurance Fund, including the City, to transfer the assets to a successor plan, or to purchase policies of paid-up life insurance on the lives of the Members, in accordance with any applicable laws.