THE CITY OF WINNIPEG

BY-LAW NO. 86/2019

A By-law of THE CITY OF WINNIPEG to amend the Winnipeg Police Pension By-law No. 126/2011

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

Appendix "A" of the Winnipeg Police Pension By-law amended
1 Appendix "A" of the Winnipeg Police Pension By-law No. 126/2011 is amended this By-law.

PART 1

Explanation to Council amended
2 The following paragraph is added at the end of the introduction to Appendix "A" which is entitled "Explanation for Council re: By-law No. 126/2011":

This Winnipeg Police Pension By-law No. 126/2011 was amended by By-law No. 86/2019 to implement various changes to the contribution rates to, and benefits payable under, the Winnipeg Police Pension Plan, effective January 1, 2020.

Section 9 amended
3 Subsection 9(16) is amended by replacing "*Program*" with "*Plan*".

Section 19 added
4 The following section is added immediately after section 18:

19. Schedule "A" to this By-law is amended effective January 1, 2020 by By-law No. 86/2019.

PART 2

Schedule "A" amended
5 Schedule "A" to Appendix "A" of the Winnipeg Police Pension By-law No. 126/2011 is amended by this Part.

Section 1 amended
6 Section 1 is amended

(a) By replacing "*of*" with "*to*" in clause (b) of "***Interpretation***".

(b) By replacing the definition *"**Assumed Earnings**"* with the following:

*"**Assumed Earnings**" means:*

(a) for a Member who is Disabled, the remuneration, excluding overtime pay, 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, excluding overtime pay, received by the Member during such absence; and

(c) for a Member who is on an Eligible Period of Temporary Absence, the remuneration, excluding overtime pay, 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. For greater certainty, Assumed Earnings does not include overtime pay for any period before 2020.

(c) By replacing the definition *"**By-law**"* with the following:

*"**By-law**" means By-law No. 126/2011 of the City of Winnipeg to which this Schedule "A" is attached and of which it forms part.*

(d) By adding "*of the City of Winnipeg"* immediately before "*dated December 17, 1993*" in the definition *"**By-law No. 6253/93**"*;

(e) By replacing the definition *"**Employment Earnings**"* with the following:

*"**Employment Earnings**" means the remuneration, excluding overtime pay, paid to an Employee by the City. Employment Earnings shall include periodic payments from Workers' Compensation while Disabled. For greater certainty, Employment Earnings does not include any overtime pay paid to an Employee by the City before 2020.*

(f) By adding "*For the purpose of calculating a Member's Highest Average Indexed Earnings, the Member's Earnings for any Taxation Year prior to 2020 shall include the amount of overtime pay for that Taxation Year paid to the Member as an Employee by the City for that Taxation Year.*" to the end of the definition of "***Highest Average Indexed Earnings***".

(g) By replacing "*Regulations"* with "*Pension Benefits Act*" in the definition *"**LIF**"*;

(h) By replacing "*Regulations"* with "*Pension Benefits Act*" in the definition *"**LIRA**"*;

(i) By adding "*and the regulations made thereunder, both as amended from time to time"* immediately before the period in the definition "***Pension Benefits Act***";

(j) By adding the following definition after the definition "***Position Regularly Occupied***":

"Pre-2020 5-Year Average Overtime Earnings" *means, in respect of a Member who is an Employee on December 31, 2019, the amount obtained by dividing the amount of overtime pay paid to the Member as an Employee by the City during the 5 Taxation Years that ended immediately before January 1, 2020 by the Service completed by the Member in those Taxation Years.*

(k) By striking out "*and Regulations*" in the definition *"**Registered Plan**"*;

(l) By striking out the definition ***"Regulations";*** and

(m) By adding ", *as determined by the Board,*" at the end of clause (b) in the definition "***With Interest***".

Section 4 amended

7(1) Subsection 4(1) is replaced with the following:

Employee Required Contributions

4(1) (a) Subject to clause (b) and subsection (7), for each Taxation Year noted below each Contributing Member shall contribute, by payroll deduction in each pay period while a Member of the Plan, the percentage indicated of that portion of his or her Employment Earnings for that Taxation Year that are Canada Pension Plan Earnings, plus the percentage indicated of that portion of his or her Employment Earnings for that Taxation Year that are in excess of Canada Pension Plan Earnings as set out in the following table:

Taxation Year	*Canada Pension Plan Earnings*	*In excess of Canada Pension Plan Earnings*
2020	*8.35%*	*9.1%*
2021	*8.7%*	*10.2%*
2022	*9.05%*	*11.3%*
2023	*9.4%*	*12.4%*
2024 and subsequent Taxation Years	*9.75%*	*13.5%*

However, no further employee contributions shall be deducted from a Contributing Member's Employment Earnings in a Taxation Year when the Contributing Member's Employment Earnings exceed the amount determined by the Board to correspond to the Defined Benefit Limit for the year.

(b) Subject to the Pension Benefits Act 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).

7(2) Clause 4(3)(a) is replaced with the following:

City's Contributions

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

(i) for each Taxation Year noted below the percentage indicated of the Members' Required Contributions made in accordance with subsection (1) for that pay period, determined as if there was no reduction in contributions in accordance with clause (1)(b) as set out in the following table:

Taxation Year	*Percentage*
2020	*164.4%*
2021	*144.7%*
2022	*127.7%*
2023	*113.0%*
2024 and subsequent Taxation Years	*100.0%*

and

(ii) the amount, if any, 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)(b), 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, not including any potential future cost-of-living adjustments to pensions and deferred pensions in accordance with Section 8 and subsection (5) of Section 13.

7(3) Clause 4(3)(h) is amended by striking out "*and Regulations*" at the end of the clause.

7(4) Subsection 4(7) is amended by

(a) Replacing "*Notwithstanding*" with "*Despite*" at the beginning of the subsection; and

(b) Adding "*, including the effect of any waiver obtained under subsection 8503(5) of these regulations*" immediately before the period at the end of the subsection.

Section 5 amended

8(1) Subclause 5(3)(b)(iii) is amended by replacing "*clause (1)(c) of Section 4*" with "*clause 1(b) of Section 4*".

8(2) Subclause 5(3)(d)(ii) is amended by replacing "*clause (1)(c) of Section 4*" with "*clause 1(b) of Section 4*".

8(3) Clause 5(4)(a) is amended by replacing "*Regulations*" with "*Pension Benefits Act*".

8(4) Clause 5(5)(a) is amended by replacing "*with Interest*" with "*With Interest*".

Section 6 amended

9 Subsections 6(2) and 6(3) are replaced with the following:

Alternative Retirement Date

6(2) A Member may elect to retire on the last day of any pay period in which the Member is age 55 or older and has completed a number of years of Service that, when added to his or her age, totals at least 80.

Early Retirement

6(3) A Member who is not eligible to retire in accordance with subsection (1) or (2) may elect to retire early on the last day of any pay period in which the Member:

(a) is age 55 or older, or

(b) is age 50 or older and has completed at least 25 years of Credited Service, or

(c) is age 50 or older or has completed at least 20 years of Credited Service, if the individual was a Member on January 1, 2020 and on that date was age 45 or older or had completed at least 15 years of Credited Service.

Section 7 amended

10(1) Subsections 7(1) and 7(2) are replaced with the following:

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 before 2020

(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, plus

(iii) 2% of his or her Pre-2020 5-Year Average Overtime Earnings.

(b) for each year of Credited Service after 2019

(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.

Bridge Pension Before Age 65

7(2) The annual pension payable up to and including the last pay period that begins in the month in which the Member attains age 65 to a Member who retires prior to age 65 in accordance with Section 6 shall be increased by 0.6% of the Member's Best 5-Year Average Canada Pension Plan Earnings for each year of Credited Service before 2020, provided that in respect of a year of Credited Service after January 1, 1992 this increase shall not exceed the maximum bridging benefit specified in paragraph 8503(2)(b) of the regulations under the Income Tax Act (Canada).

10(2) Subsection 7(7) is replaced with the following:

Early Retirement Reduction

7(7) (a) If a Member is retiring in accordance with clause (3)(c) of Section 6, the pension otherwise payable in accordance with clause (1)(a) shall be reduced for the Member's 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 the Member will attain age 55 or would have completed 25 years of Credited Service, whichever would first occur, and

(ii) 2% of the sum of the Member's Best 5-Year Average Earnings and Pre-2020 5-Year Average Overtime Earnings, and

(iii) the Member's years of Credited Service prior to 2020.

(b) If a Member is retiring in accordance with subsection (3) of Section 6, the pension otherwise payable in accordance with clause (1)(b) shall be reduced for the Member's lifetime by 0.1385% for each pay period (3.6% per annum) that the Member's retirement date precedes the earliest date on which he or she otherwise would have been eligible to retire in accordance with subsection (1) or (2) of Section 6, based on the Member's years of Service at the date of his or her retirement.

(c) Despite clauses (a) and (b), the present value, Actuarially Calculated, of the pension payable to a Member in accordance with this subsection (7) must not be less than 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.

10(3) Subsection 7(12) is replaced with the following:

Small Pensions

7(12) 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.

10(4) The following subsection is added after subsection 7(13):

Current Service Cost Exceeding 23%

7(14) If an actuarial valuation of the Plan conducted by the Actuary determines that the current service cost of the benefits, not including any potential future cost-of-living adjustments to pensions and deferred pensions in accordance with Section 8 and subsection (5) of Section 13, that are expected to be earned under the Plan as a result of Service by Members in the year following the actuarial valuation date, are expected to exceed 23.0% of the Members' Employment Earnings, Council must by By-law amend the Plan in such manner as Council may determine so that effective as of a date no later than the second January 1st following the date of such actuarial valuation the current service cost of the

benefits, not including any potential future cost-of-living adjustments to pensions and deferred pensions in accordance with Section 8 and subsection (5) of Section 13, that are expected to be earned under the Plan as a result of Service by Members on and after that January 1st is no greater than 23.0% of the Members' Employment Earnings.

Section 10 amended

11 Clause 10(1)(a) is replaced with the following:

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 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.

Section 12 amended

12(1) Clause 12(1)(a) is amended by replacing "*equal*" with "*Actuarially Calculated and equivalent in value*".

12(2) Clause 12(1)(c) is amended by striking out "*than*".

12(3) Subsection 12(4) is amended by replacing "*Regulation"* with "*Pension Benefits Act*".

Section 13 amended

13(1) Subsection 13(1) is amended by replacing "*becoming eligible to retire in accordance with subsection (2) of Section 6*" with "*attaining age 55*".

13(2) Subclause 13(1)(b)(i) is amended by replacing "*with Interest*" with "*With Interest*".

13(3) Subsection 13(2) is replaced with the following:

13(2) A Member entitled to a deferred pension pursuant to subsection (1) may by giving the Board at least 30 days' notice elect to have the deferred pension commence in any pay period following the pay period in which the Member attains age 50, in which case the amount of the pension payable shall:

(a) unless clause (b) applies, be Actuarially Calculated and equivalent in value to the deferred pension to which the Member is entitled in accordance with subsection (1); or

(b) If on January 1, 2020 the Member was age 50 or older or had completed at least 20 years of Credited Service, be subject to reduction in accordance with subsection (7) of Section 7.

Section 16 amended
14 Subsection 16(6) is amended by striking out "*and the Pension Benefits Regulation*".

Section 17 amended
15(1) Subsection 17(2) is amended by striking out "*and the Regulations*".

15(2) Subsection 17(9) is amended by striking out "*and Regulations*".

15(3) Subsection 17(10) is amended by striking out "*and Regulations*".

Section 18 amended
16 Subsection 18(5) is amended by striking out "*and Regulations*".

Section 19 amended
17 Subsection 19(5) is amended by striking out ", *the Regulations,*".

Effective date
18 This By-law comes into force on January 1, 2020.

DONE AND PASSED this day of , 2019.

Mayor

City Clerk

Approved as to content:

Chief Financial Officer

Legally reviewed and certified as to form:

for Interim Director of Legal Services
and City Solicitor