August 15, 2019

# Winnipeg Police Pension Plan
## Actuarial Costing of City's Proposed Plan Changes

## Required Reduction in Current Service Cost

| | |
|---|---|
| Present plan provisions | 26.48% of pensionable earnings, including overtime |
| Cost required for 11.5%/11.5% contribution rates | 23.00% of pensionable earnings, excluding overtime |
| **Required reduction in current service cost** | **-3.48% of pensionable earnings, excluding overtime** |

## Summary of Costing

| Proposed change | Effect on Current Service Cost |
|---|---|
| 2. Exclude overtime from pensionable earnings | -0.1% |
| 5. Retirement provisions | -0.1% |
| 6. Lifetime pension formula | no change |
| 7. Bridge pension formula:<br>(b) eliminate for future service | -1.6% |
| 8. Early retirement reduction:<br>(a) 3.6% per year before age 60 or 80 Factor | -1.7% |
| 9. Cost-of-living adjustments | no change |
| 10. Normal form of pension | no change |
| 11. Disability provisions | no change |
| 12. Death before retirement | no change |
| 13. Termination of employment | no change |
| Interaction effect | +0.3% |
| **Total** | **-3.2%** |

**Notes:**

Costing 2: Reduces pensionable earnings, in addition to small effect on current service cost.

Interaction effect: The effects of the individual changes are not additive.

To achieve the required reduction in current service cost of 3.48% of pensionable earnings, either additional benefit changes are necessary or the allocation to future cost-of-living adjustments would have to decrease from 2% to about 1.7% of pensionable earnings.