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Winnipeg Police Pension Board
c/o Cheldon Angus, Chief Executive Officer
Winnipeg Civic Employees' Benefits Program
5th Floor – 317 Donald Street
Winnipeg, MB R3B 2H6

Subject: Winnipeg Police Pension Plan By-law 126/2011 Amendment.

Dear Mr. Angus and Winnipeg Police Pension Board:

We are writing this letter to confirm the financial implications of the changes to the Winnipeg Police Pension Plan (the "Plan") as was committed back in 2023 through the collective bargaining process. As part of this process, Early Retirement Reduction was increased from 3.6% per year to 4.0% per year for service after December 31, 2023.

Our prior Actuarial Report (dated October 18, 2023) showed that there is no impact on the going concern or solvency liabilities of the Plan because the change is made prospectively to future service only. The estimated impact on total current service cost at the time of preparing the report was a decrease of approximately 0.06% of pensionable earnings, or \$100,000 per year. The decrease in service cost may be different today, due to the passage of time and subsequent changes in plan demographics and actuarial assumptions.

By way of brief background, the City enacted By-law No. 100/2023 on December 14, 2023 to amend the Plan to, among other changes, change the early retirement pension reduction from 3.6% per year to 4% per year, for service accrued after December 31, 2023. However, clause 7(7)(b) of Schedule "A" to the Plan, being the requirement for periodic actuarial review of and adjustment to the early retirement rates, conflicts with the intended change.

At its June 10, 2024 meeting, the Winnipeg Police Pension Board approved a motion to implement the change in the early retirement reduction factor from 3.6% to 4.0%, as specified in By-law No. 100/2023 and in accordance with the ratified agreements between the City of Winnipeg and the Winnipeg Police Association and the Winnipeg Police Senior Officers' Association. This motion preserves the 4.0% per year early retirement reduction

rate for post-2023 service and eliminates the requirement for future actuarial reassessment of the rate based on cost-neutrality, and the Plan has since been administered accordingly.

To properly incorporate the change to apply a reduction of 4% per year for early retirement, in respect of service accrued after December 31, 2023, we recommend the following changes to the Plan:

1. repeal clause (b) of section 7(7) in its entirety; and
2. amend clause 7(7)(c) by replacing "Notwithstanding clauses (a) and (b)" with "Notwithstanding clause (a)."

I would be pleased to discuss this, should you have any questions or require any additional information.

Yours sincerely,



Andrew Kulyk, FCIA, FSA
Principal