

WINNIPEG POLICE PENSION BOARD

Distributed Electronically

June 25, 2025

City of Winnipeg
Sherwood Armbruster, Interim Chief Administrative Officer

- and -

Winnipeg Police Association, Cory Wiles, President
Winnipeg Police Senior Officers' Association, Cory Francis, President

Dear Sirs:

**RE: Winnipeg Police Pension Plan - Early Retirement Percentage Reduction Factor –
Cost Neutrality Provision**

I am writing to you, on behalf of the *Winnipeg Police Pension Board* (the “*Board*”), to request an amendment to the Winnipeg Police Pension Plan By-law No. 126/2011 concerning the cost neutrality provision of the early retirement percentage reduction factor, as specified in Subsection 7(7)(b) Schedule “A.”

On December 14, 2023, By-law 100/2023 was passed to amend the *Winnipeg Police Pension Plan* (the “*Plan*”), including a revision to the early retirement pension reduction set out therein from 3.6% per annum to 4% per annum effective January 1, 2024. Clause 7(7)(b) remains unchanged and requires periodic reviews every three years by the Actuary for cost-neutrality in the early retirement reduction rate for the *Plan*.

In their report dated October 18, 2023, Eckler Ltd. (the *Plan*’s Actuary) states that because clause 7(7)(b) requires the early retirement reduction rate to be cost-neutral to the *Plan*, the rate reflected in By-law 126/2011 in and of itself is not used. Therefore, the change from 3.6% to 4.0% will be rendered moot upon review of the early retirement reductions. Eckler further states if the early retirement reduction were applied according to the Amending By-law (100/2023), that being to increase it from 3.6% per year to 4.0% per year for service after 2023, the impact on the total current service cost is a decrease of approximately 0.06% of pay, or \$100,000 per year. Eckler recommended that the early retirement reduction rate should be decreased to a rate lower than 3.6% per year (to 3.0% per year) to achieve cost-neutral early retirements.

The retention of clause 7(7)(b) allows for future adjustments to the prescribed rates, effectively nullifying the intended cost-saving impact of the increase.

At its June 10, 2024 meeting, the *Board* approved the implementation of the change in the early retirement reduction factor from 3.6% to 4.0%, as specified in the Amending By-law (100/2023), as per the ratified agreements between the City of Winnipeg and the Winnipeg Police Association and the Winnipeg Police

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Senior Officers' Association, notwithstanding the recommendation from Eckler Ltd.

To address this inconsistency and provide administrative clarity, the *Board* has reviewed and supports a recommendation from Eckler Ltd., to revise the *Plan* text as follows:

1. Delete clause 7(7)(b) in its entirety;
2. Renumber the existing clause 7(7)(c) as 7(7)(b); and
3. In the renumbered clause, replace "Notwithstanding clauses (a) and (b)" with "Notwithstanding clause (a)."

These changes would preserve the 4.0% per year early retirement reduction rate for post-2023 service and eliminate the requirement for future actuarial reassessment of the rate based on cost-neutrality.

The *Board* believes that this amendment will align By-law 126/2011 with the negotiated changes and support consistent administration going forward. We respectfully request your consideration of this proposed amendment and would be pleased to support the next steps required to proceed.

If you have any questions relative to this matter, please contact me directly at 204-986-2296 or cangus@winnipeg.ca.

Sincerely,



Cheldon Angus
Chief Executive Officer

cc. *Winnipeg Police Pension Board*