# MANITOBA MUNICIPAL

# EMPLOYEES PENSION PLAN

***Effective April 1, 2024***

**This is a Consolidated Plan Document, which includes all amendments up to and including Amendment #01 effective January 1, 2025**

# MANITOBA MUNICIPAL
# EMPLOYEES PENSION PLAN

## INTRODUCTION

### I. Context

The Plan was established effective January 1, 1977, and is governed by an independent, 8-member Joint Board of Trustees, which consists of four trustees appointed by the Association of Manitoba Municipalities (AMM) to represent municipalities and four trustees who represent employees. Trustees act on behalf of the Plan beneficiaries to manage the organization and oversee and safeguard the assets of the Plan.

The Plan is a multi-employer defined benefit plan that is registered with the Canada Revenue Agency and the Office of the Superintendent - Pension Commission of Manitoba under Registration # 0578377.

### II. Amendment and Restatement

The Plan as contained herein is applicable to Members who are in the employment of a Participating Municipality on or after April 1, 2024. Benefits in respect of a Member whose Qualifying Service ceased prior to April 1, 2024 shall be determined in accordance with the terms of the Plan at the time of such cessation of Qualifying Service, except as may be specifically provided herein.

### III. Compliance With Applicable Pension Laws and Revenue Rules

The Plan is intended to be a pension plan accepted for registration under Income Tax Rules and Pension Benefits Act. The Plan has been designed and written and is administered to comply with the requirements for registration under the Income Tax Rules and Pension Benefits Act.

### IV. Amendments Conditional Upon Acceptance

Any amendment to the Plan is conditional upon acceptance for registration under both Income Tax Rules and Pension Benefits Act, and may be modified or withdrawn by the Board, as applicable, in its sole and absolute discretion, if the amendment is not accepted for registration under either the Income Tax Rules and Pension Benefits Act.

**MANITOBA MUNICIPAL**
**EMPLOYEES PENSION PLAN**

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# ARTICLE 1 – DEFINITIONS

Wherever used in this Plan, the following terms will have the meanings given below unless the context clearly indicates otherwise.

**1.01** "**Account-Holder**" means a person for whom the Board has established a money purchase account in accordance with the Money Purchase Accounts Part of the Plan.

**1.02** "**Actuarially Calculated**" means, subject to the Pension Benefits Act, calculated on the basis of actuarial assumptions adopted at the valuation of the Plan last preceding the calculation, unless the Board, on the recommendation of the Actuary, has approved the use of alternative actuarial assumptions. "**Actuarial Equivalent**" has a corresponding meaning.

**1.03** "**Actuary**" means a Fellow of the Canadian Institute of Actuaries or a firm of actuaries, at least one of whom is a Fellow of the Canadian Institute of Actuaries, who has been appointed by the Board.

**1.04** "**Approved Leave of Absence**" means an absence from work which is approved by the Council, or, if applicable, the Board of Directors of a Participating Municipality.

**1.05** "**Assumed Earnings**", when used in respect of a Member who is:

(a) receiving or is entitled to receive payments from Workers' Compensation;

(b) on an Approved Leave of Absence; or

(c) is receiving income under the Disability Income Plan or any other disability income or like plan for Employees of a Participating Municipality,

means the remuneration:

(d) including pay increases; but

(e) excluding overtime pay and severance pay

which the Member would have received from the Participating Municipality had he or she continued to be employed in the position which the Member was regularly occupying immediately prior to the date they became disabled or was granted a leave of absence, as the case may be, less the Member's actual Employment Earnings, if any.

**1.06** "**Basic Remuneration**" means the gross basic wages or salary for the performance of the regular duties of employment and excludes all other compensation whatsoever. Notwithstanding the foregoing, Basic Remuneration:

(a) includes acting pay, pay in lieu of notice, retro pay, shift premiums and sick pay; and

(b) excludes banked time paid as a lump sum, overtime pay, severance pay paid as a lump sum, statutory holiday paid as a lump sum, vacation pay paid as a lump sum, bonuses and accommodation or Northern Living Allowance.

**1.07** "**Board**" means the Joint Board of Trustees as appointed or elected under the terms of the Trust Agreement.

**1.08** **"Common-Law Partner"** of a Member or former Member means a person:

(a) who, with the Member or former Member, registered a common-law relationship under section 13.1 of The Vital Statistics Act; or

(b) who, not being married to the Member or former Member, has been living with the Member or former Member in a conjugal relationship for:

(i) at least 3 years, if either of them is married; or

(ii) at least 1 year, if neither of them is married.

**1.09** "**Common-Law Relationship**" means the relationship between two persons who are Common-Law Partners. For the purposes of Section 17.04 of this Plan, the period during which a Member shall be considered a party to a Common-Law Relationship shall be determined in accordance with the Pension Benefits Act.

**1.10** "**Commuted Value**" means the present value of an accrued future benefit provided under this Plan, computed in accordance with procedures determined by the Actuary and in a manner acceptable under the Pension Benefits Act.

**1.11** "**Contributory Service**" means service determined pursuant to Article 3.

**1.12** "**Deferred Pension**" means the Pension Benefit to which a Deferred Member is entitled pursuant to Article 6.

**1.13** "**Disability Income Plan**" means the Manitoba Municipal Employees Disability Income Plan as amended from time to time.

**1.14** "**Disability Pension Part**" means the Disability Pension Part of the Plan as it existed on December 31, 1991.

**1.15** "**Earnings**" means the total of a Member's Employment Earnings and Assumed Earnings, up to the Income Tax Earnings Limit. Notwithstanding the foregoing, if contributions are

required during certain period of absence, Assumed Earnings are included only if such contributions are made in accordance with Section 14.02.

**1.16** "**Effective Date**" of the Plan is January 1, 1977.

**1.17** "**Employee**" means any person who is employed by a Participating Municipality.

**1.18** "**Employment Earnings**" means the Basic Remuneration which a Member receives from a Participating Municipality as a result of employment with that Municipality, including:

(a) any increases in such remuneration; and

(b) any payments from Workers' Compensation if:

(i) such payments are received due to an injury which occurred as a result of employment with a Participating Municipality; and

(ii) the Member contributes at the rate(s) they would have been required to contribute had such payments been remuneration from a Participating Municipality.

**1.19** "**Excess Contributions**" means the portion of the Member's contributions determined pursuant to Section 14.06.

**1.20** "**Final Average YMPE**" means the average of the YMPE of a Member in each year of Qualifying Service used in the calculation of the Member's Final Average Yearly Earnings. A Member's Earnings shall be considered as having been earned in equal monthly or bi-weekly instalments, whichever is applicable, throughout a Numerical Year.

**1.21** "**Final Average Yearly Earnings**" means the average of the yearly Earnings of a Member in the 5 years of Qualifying Service in which the Earnings are the highest. If a Member does not complete at least 5 years of Qualifying Service, the Member's Final Average Yearly Earnings is the average of the Member's yearly Earnings during their years of Qualifying Service. A Member's Earnings shall be considered as having been earned in equal monthly or bi-weekly instalments, whichever is applicable, throughout a Numerical Year.

**1.22** "**Final Average Yearly Non-Canada Pension Plan Earnings**" means the average of that portion of a Member's yearly Earnings in each year of Qualifying Service used in the calculation of their Final Average Yearly Earnings, which are in excess of the Member's YMPE in each of those years. A Member's Earnings shall be considered as having been earned in equal monthly or bi-weekly instalments, whichever is applicable, throughout a Numerical Year.

**1.23** "**Income Tax Earnings Limit**" means for any Numerical Year, the aggregate of (a) and (b) where:

(a) is equal to 50 multiplied by the defined benefit limit for the Numerical Year, and

(b) is equal to 25% of the YMPE for the Numerical Year.

**1.24** "**Income Tax Rules**" means the provisions of the Income Tax Act of Canada and the Regulations thereunder.

**1.25** "**Locked-In**" means that, in accordance with the provisions of the Pension Benefits Act, Pension Benefit Credits accrued on or after July 1, 1976 may not be surrendered, commuted, withdrawn or transferred except as permitted by the Pension Benefits Act. Pension Benefit Credits transferred to the Plan from any other pension plan, where those Pension Benefit Credits were Locked-In under that other plan at the time of the transfer, remain Locked-In.

**1.26** "**Locked-In Retirement Account**" means a registered retirement savings plan, as defined in the Income Tax Rules, whose funds are Locked-In in accordance with the requirements of the Pension Benefits Act.

**1.27** "**Member**" means an Employee who has joined the Plan and is entitled to receive benefits thereunder, or a former Employee who is entitled to receive benefits under the Plan, unless specifically stated otherwise. "**Active Member**" means a Member of the Plan who is accruing a pension under the Plan, or would be accruing a pension if it were not for a Temporary Interruption of Employment. "**Deferred Member**" means a Member who is no longer an Employee and who is entitled to a Deferred Pension in accordance with the provisions of Section 6.01. "**Retired Member**" means a Member who is receiving a retirement pension pursuant to the terms of the Plan.

**1.28** "**Money Purchase Accounts Part**" means the part of the Plan in which the Board has established money purchase accounts for eligible persons, as reflected in Appendix A.

**1.29** "**Municipality**" means a rural or urban government district in Manitoba or any organization that is funded directly or indirectly through taxation.

**1.30** "**Normal Retirement Date**" of a Member means the date determined pursuant to Section 4.01.

**1.31** "**Numerical Year**" means any period of 365 or 366 days which begins on January 1 and ends on December 31.

**1.32** "**Participating Municipality**" means a Municipality that contributes to the Plan in accordance with the Trust Agreement or a Participation Agreement and also includes such other participating employer(s) as may be approved by the Board.

**1.33** "**Participation Agreement**" means an agreement between a Participating Municipality and the Board containing, inter alia, the terms and conditions on which a Participating Municipality participates in the Plan.

**1.34** "**Pension Benefit**" means the aggregate monthly or other periodic pension payments to which:

(a) an Employee who is a Member is or may become entitled under this Plan upon retirement; or

(b) any other person is entitled under this Plan by virtue of the death of the Employee after their retirement.

**1.35** "**Pension Benefit Credit**" means the value of the Pension Benefits and any other benefits provided under this Plan to which a Member has become entitled as of a particular time.

**1.36** "**Pension Benefits Act**" means The Pension Benefits Act (Manitoba) and the Regulations made thereunder, as amended from time to time.

**1.37** "**Pension Fund**" means the assets held in trust for the provision of benefits under the Plan.

**1.38** "**Plan**" means the Manitoba Municipal Employees Pension Plan.

**1.39** "**Qualifying Service**" means service determined pursuant to Section 3.01.

**1.40** "**Reciprocating Employer**" means:

(a) any employer in Canada that has established or is participating in any plan or scheme that provides pension or superannuation benefits for and in respect of its employees; and

(b) with whom the Board has entered into an agreement under Section 18.01.

**1.41** "**Spouse**" means a person who is either legally married to a Member, or is party to a Common-Law Relationship with the Member, and at the time of the event was not living separate and apart from the Member by reason of a breakdown of their relationship.

**1.42** "**Temporary Suspension of Employment**" means a period:

(a) ending after December 31, 1983;

(b) not exceeding the length prescribed by the Pension Benefits Act;

(c) immediately before which the person was employed by a Participating Municipality;

(d) during which the person is not performing duties as an Employee of the Participating Municipality; and

(e) after the expiry of which the person is again employed by the Participating Municipality,

and includes an Approved Leave of Absence or any leave of absence required by law to be granted which does not extend the period to more than the above-mentioned prescribed length.

**1.43** "**Trust Agreement**" means the agreement made on December 10, 1997 and establishing the Joint Board of Trustees.

**1.44** "**With Interest**" means interest on Member required contributions in a Numerical Year based on the average yields on 5-year personal fixed term deposits as published in the Bank of Canada Review as CANSIM Series V80691336 calculated over the Numerical Year. For a Member joining the Plan present only for a portion of a Numerical Year, the interest credited on such Member required contributions is based on the prorated average CANSIM Series V80691336 for that entire Numerical Year. For a Member terminating membership in the Plan, who was present only for a portion of a Numerical Year, the interest credited with respect to such Member's required contributions shall be based on the average CANSIM Series V80691336 calculated over the portion of that Numerical Year. Furthermore, required contributions made in a given Numerical Year are deemed to have been made in the middle of that Numerical Year or applicable portion of that year.

**1.45** "**YMPE**" means the Year's Maximum Pensionable Earnings as that term is defined under the Canada Pension Plan.

# ARTICLE 2 – ELIGIBILITY AND PARTICIPATION

## 2.01 Eligibility

Each Employee of a Participating Municipality is eligible to join the Plan if, on the date participation could begin, the Employee has not yet attained age 71, has completed the probationary period of employment applicable to that Municipality, if any, and is employed by the Municipality:

(a) on a full-time basis,
(b) on a part-time, seasonal or temporary basis and during 2 consecutive Numerical Years after December 31, 1983 has earned at least one-quarter of the YMPE for those years, or
(c) on a part-time, seasonal or temporary basis, but does not satisfy the requirements of Section 2.01(b).

In addition to the foregoing, where a Municipality becomes a Participating Municipality in the Plan, a person who is an Employee on the effective date of that Municipality's participation can become eligible to participate only if they fulfil any requirements that the Board may adopt from time to time.

## 2.02 Compulsory Participation

(a) Each Employee who is employed by a Participating Municipality on a full-time basis, on or after the Effective Date, shall become a Member of the Plan on the first day of the pay period immediately following the completion of a probationary period of employment, if any.
(b) Each Employee who is employed by a Participating Municipality on a part-time, seasonal or temporary basis and who has during 2 consecutive Numerical Years Earnings which are at least one-quarter of the YMPE for those years, shall become a Member of the Plan on the first day of the first pay period commencing in the month after the month in the second Numerical Year in which the Employee's Earnings exceed one-quarter of the YMPE for that second Numerical Year.

## 2.03 Voluntary Participation

Each Employee who is employed by a Participating Municipality on a part-time, seasonal or temporary basis as described in Section 2.01(c) may at any time after completing the applicable probationary period of employment, if any, give notice to the Participating Municipality employing them and the Board that they desire to become a member of the Plan. An Employee who gives this notice shall become a Member of the Plan on the first day of a pay period that is subsequent to the date this notice is signed.

## 2.04 Exception to Participation

(a) Each Employee in Service on the Effective Date, or, if later, on the date their employer becomes a Participating Municipality, shall become a Member of the Plan on that date if they are then eligible or on the first day of the pay period immediately following the date on which they become eligible, if they are not then eligible, unless they refuse to join the Plan and indicates this decision in writing to the Board prior to the date on which they would otherwise become a Member. If an Employee is laid off or on Approved Leave of Absence on the Effective Date, or if later, the date their employer becomes a Participating Municipality, they may refuse to join the Plan within 60 days of the date they resume active employment with the Municipality.

(b) Each Employee in Service on the Effective Date, or, if later, on the date their employer becomes a Participating Municipality, who refused to join the Plan in accordance with Section 2.04(a) shall be given an opportunity to participate in the Plan, providing that the Board receives an application to join the Plan which is accompanied by a fee as prescribed by the Board for each Employee of that Participating Municipality who is eligible at the time of application and who previously refused to join.

## 2.05 Exemptions to Participation

Compulsory participation does not apply to a person who is:

(a) A student on a substantially full-time basis and who, prior to the date on which they would be required to become a Member of the Plan, satisfies the Participating Municipality employing them that they are a student on a substantially full-time basis and notifies the Participating Municipality that they do not wish to become a Member of the Plan, or

(b) A member of a religious group which has as one of its articles of faith the belief that members of the group are precluded from being members of a pension plan of this kind and who, prior to the date on which they would be required to become a Member of the Plan, provides evidence to the Participating Municipality employing them that they are a member of such a religious group and notifies that employer that they do not wish to become a Member of the Plan because of that membership in the religious group.

## 2.06 Re-Employment of a former Employee

(a) Where a Deferred Member:

(i) has left the Commuted Value of their Deferred Pension on deposit in the Plan;

(ii) did not withdraw their Excess Contributions from the Plan; and

(iii) is subsequently re-employed by a Participating Municipality,

the Qualifying Service and Contributory Service in respect of that Member's Deferred Pension will be reinstated.

(b) Where a Deferred Member:

(i) has left the Commuted Value of their Deferred Pension on deposit in the Plan;

(ii) withdrew their Excess Contributions from the Plan;

(iii) is subsequently re-employed by a Participating Municipality; and

(iv) within 180 days of becoming re-employed pays into the Plan, With Interest, the amount of the Excess Contributions they withdrew,

the Qualifying Service and Contributory Service in respect of that Member's Deferred Pension will be reinstated. In the event that the Member fails to pay the Excess Contributions, With Interest, that they withdrew, then the reinstatement of such Member's Contributory Service will be prorated in a manner determined by the Board in its sole discretion.

## 2.07 Re-Employment of a Retired Member

Where a Retired Member is re-employed by a Participating Municipality, and at the date of re-employment they have attained age 71, their pension will continue to be paid and their subsequent period of employment shall not affect their benefits under the Plan.

The following provisions shall be applicable to a Retired Member who is re-employed by a Participating Municipality and at the date of re-employment, they have not yet attained age 71 and they elect to resume making contributions to the Plan:

(a) The pension payments determined in accordance with Articles 5 and 11 shall cease as at the day prior to the day on which they resume making contributions to the Plan.

(b) Contributions shall commence to be deducted in accordance with Article 14.

(c) Any Excess Contributions received by the Member shall be repaid by the Member to the Plan. The amount of this repayment shall be equal to the amount of the initial payment plus interest from the date it was made to the date of repayment at the rate specified by the Board.

(d) When the Member again retires, the Member shall receive, in respect of their benefits under Articles 5 and 11:

(i) the pension the Member was being paid at the date they resumed contributions, plus any indexing adjustments that would have been granted had the Member continued to receive a pension during the period of re-employment, and

(ii) a further pension in an amount based on the period of Contributory Service and Earning during re-employment.

(e) In the event a Member again retires, but after their Normal Retirement Date, the Member shall receive a pension which is the greater of:

(i) the pension determined in accordance with Section 2.07(d), and

(ii) the Actuarial Equivalent, as at the date the Member ceased to be an Active Member, of the pension that would have been payable in accordance with Section 2.07(d), if the Member had retired on the Normal Retirement Date.

(f) Where the Member is receiving payment of an annuity in accordance with the terms of the Money Purchase Accounts Part of the Plan, the Member may, at their option, elect to have the annuity payments continue or cease during their period of re-employment. In the event that the Member elects to have these payments cease, the annuity will be recalculated when they again retire and increased to reflect investment income and payments which were not made during the period of re-employment.

(g) For the purposes of determining eligibility for retirement under Sections 4.02 or 4.03, or benefits under Articles 7 or 9 of the Plan in respect of the period of re-employment, the period of Qualifying Service before the re-employment period shall be included with the period of Qualifying Service during the re-employment period.

(h) Where the Member dies during the period of re-employment, they shall be deemed to have retired on their date of death for the purpose of calculating benefits in respect of the period of re-employment.

(i) Where the Member dies, becomes disabled, or again retires, any pension payable in respect of the period of re-employment shall be paid to the same recipient and in the same form as the pension that was paid prior to the period of re-employment, except if the said form is a joint and survivor pension and the Spouse is deceased or living separate and apart from the Member by reason of a breakdown of their relationship.

## 2.08 Termination of membership while employed

A Member may not terminate their membership in the Plan while they are in the service of a Participating Municipality.

# ARTICLE 3 – CONTRIBUTORY SERVICE

## 3.01 Qualifying Service

(a) An Employee's Qualifying Service shall be the period of employment which:

(i) began when a person became an Employee of a Municipality, which is or has become a Participating Municipality; and

(ii) ended on the earliest of that person's date of retirement, death or the date they ceased to be employed by a Participating Municipality.

(b) Qualifying Service shall include any or all of the following:

(i) a period of absence from work if the Member receives, in respect of that period, all or a portion of their Employment Earnings;

(ii) a period of service credited from a Reciprocating Employer under Article 18;

(iii) a Temporary Suspension of Employment which ends after December 31, 1983;

(iv) any period in respect of which a Member receives vacation pay, unless the vacation pay is received as a lump sum on termination or retirement; or

(v) a period of absence from work, during which the Member receives, in respect of that period, income under the Disability Income Plan, Workers Compensation or any other disability income or like plan for Employees of a Participating Municipality.

(c) An Approved Leave of Absence or layoff shall:

(i) not be considered a termination of Active Membership; and

(ii) a particular period of time shall be counted only once in determining a Member's years of Qualifying Service.

(d) Where a Member is entitled to Deferred Pension in accordance with Section 6.01, the period of their Qualifying Service:

(i) prior to January 1, 1985; and

(ii) in respect of which the Member received a lump-sum payment,

shall be included in the Member's period of Qualifying Service for the purposes of determining eligibility for benefits under the Plan.

**3.02 Contributory Service**

A Member's Contributory Service shall be equal to that portion of a period of Qualifying Service in respect of which contributions are made to the Plan and shall include the following:

(a) subject to paragraph (h), any period after January 1, 1977 during which the Member received payments from Workers' Compensation and contributed in respect of that period in accordance with Section 14.02;

(b) any period after January 1, 1984 during which a Member was on Approved Leave of Absence and contributed in respect of that period;

(c) subject to paragraph (h), any period after October 1, 1986 during which an Employee who is a Member is in receipt of income under any disability income or like plan for Employees of a Participating Municipality other than the Disability Income Plan, and contributed in respect of that period in accordance with Section 14.02;

(d) any period of Qualifying Service credited to a Member as a result of a transfer under a reciprocal agreement;

(e) any period of Qualifying Service credited to a Member as a result of purchasing prior non-pensionable employment;

(f) any period during which an Employee who is a Member is entitled to or is in receipt of income under the Disability Income Plan;

(g) any portion of any period during which an Employee who is a Member is in receipt of disability income which has been reduced because the Member is considered to be partially disabled under the Disability Income Plan; and

(h) any period after December 31, 2015 during which a Member is in receipt of payments from Workers Compensation or any disability income or like plan for Employees of a Participating Municipality other than the Disability Income Plan, excluding the first 18 weeks of the period.

In any event, a particular period shall be counted only once in determining a Member's years of Contributory Service.

### 3.03 Computation of Contributory Service

With respect to any Member, including a Member who is or was employed as a seasonal, part-time or temporary Employee, Contributory Service shall be calculated by using the formula:

$$T = H/U$$

In this formula:

T is the portion of a Numerical Year, not exceeding 1 year, of Contributory Service accumulated for each Employee who is a Member in that Numerical Year;

H is

- the number of hours, not including overtime, for which the Employee was paid in that Numerical Year; and

U is

- the number of hours, not including overtime, that a full-time, permanent Employee is paid in that Numerical Year; and

### 3.04 Prior Non-Pensionable Employment

An Employee of a Participating Municipality who:

(a) has Qualifying Service prior to their date of entry into the Plan; or

(b) had an Approved Leave of Absence during which contributions were not paid,

may purchase, as Contributory Service, some or all of that Qualifying Service, based on terms and conditions which the Board may approve from time to time.

### 3.05 Determination of Qualifying Service for Purpose of Early Retirement

Where, immediately before a person becomes an Employee of a Participating Municipality, that person was employed for a period:

(i) by an employer which subsequently became a Participating Municipality or a quasi-municipal employer, or a part thereof; or

(ii) by a Participating Municipality in such a capacity or manner that the person was not a Member of the Plan,

in order to determine the length of their Qualifying Service for the purposes of eligibility for benefits on termination of Active Membership due to:

(iii) termination of employment;

(iv) death;

(v) disability; or

(vi) early retirement,

the periods identified in (i) and (ii) shall be included in that person's Qualifying Service.

## 3.06 Limitation on Accrual during Periods of Reduced Pay

Any Contributory Service accrued by a Member for a period when the Member receives no Basic Remuneration or, during a period of reduced pay, receives Basic Remuneration at a reduced level, other than any period of absence in which the Member is disabled, shall be subject to the following limitations:

(a) such Contributory Service other than Contributory Service accrued for periods of parenting shall not exceed a total of 5 years; and

(b) such Contributory Service for periods of parenting shall not exceed a total of 3 years.

For purposes of this Section, the terms "period of parenting", "period of reduced pay" and "disabled" have the meanings given to those terms under the Income Tax Rules.

## 3.07 Limitation on Double Benefits

No payment of a pension shall be made in respect of a period for which a Member has contributed, or otherwise becomes entitled to, a pension from another public sector pension plan, or both. In the event that a double benefit has been earned by a Member of this Plan, the:

(a) Member's contributions to the Plan for the applicable period of Qualifying Service; and

(b) matching Participating Municipality's contributions,

shall be refunded With Interest to the Member and the Participating Municipality, respectively.

# ARTICLE 4 – RETIREMENT DATES

## 4.01 Normal Retirement Date

The Normal Retirement Date is age 65 or the first day of the month following the month in which unreduced benefits are payable to a Member under the Canada Pension Plan.

## 4.02 Early Retirement Dates with an Unreduced Pension

A Member, who is an Employee, may commence their pension prior to the Member's Normal Retirement Date provided:

(a) they have completed at least 5 years of Qualifying Service and attained age 60, or

(b) their age plus Qualifying Service

  (i) is equal to or greater than 80, provided that the Member's age on the date of cessation of Qualifying Service, plus Qualifying Service, was equal to 80 prior to January 1, 2018; or

  (ii) is equal to or greater than 80 and they have attained age 55 on the date of cessation of Qualifying Service.

## 4.03 Early Retirement Dates with a Reduced Pension

A Member, who is an Employee, may commence their pension prior to the Member's Normal Retirement Date provided:

(a) they have completed at least 5 years of Qualifying Service and attained age 55, or

(b) they have attained age 55 with less than 5 years of Qualifying Service.

## 4.04 Postponed Retirement Date

A Member, who is an Employee, may commence their pension any time after the Normal Retirement Date, but not later than the end of the Numerical Year in which the Member reaches age 71, or such other time as is acceptable under the Income Tax Rules.

## 4.05 Timing to Elect to Retire

A Member, who is an Employee, who wishes to commence their pension in accordance with Section 4.02 or 4.03, shall elect to do so within 90 days, failing which the Member shall be deemed to have elected a Deferred Pension in accordance with Section 6.01.

# ARTICLE 5 – RETIREMENT PENSION

## 5.01 Normal Retirement Pension

A Member who retires on their Normal Retirement Date in accordance with Section 4.01 shall receive an annual pension for life equal to:

(a) 1.5% of the Member's Final Average YMPE, plus

(b) 2.0% of the Member's Final Average Yearly Non-Canada Pension Plan Earnings;

for each year of Contributory Service and fractions thereof.

## 5.02 Early Retirement with an Unreduced Pension

(a) A Member who retires prior to the Member's Normal Retirement Date in accordance with Section 4.02 shall receive an annual pension for life calculated in accordance with Section 5.01.

(b) Furthermore, with respect to pension payments which become due before the first day of the month following the month in which the Member attains age 60, Section 5.01(a) shall be read with 2.0% replacing 1.5%.

## 5.03 Early Retirement with a Reduced Pension

(a) A Member who retires prior to the Member's Normal Retirement Date in accordance with Section 4.03(a) shall receive an annual pension for life calculated in accordance with Section 5.02, reduced by:

(i) 1/16 of 1% for each completed month that the Member's retirement date precedes their 60$^{th}$ birthday for Contributory Service to December 31, 1991, and

(ii) 1/4 of 1% for each completed month that the Member's retirement date precedes their 60$^{th}$ birthday for Contributory Service after December 31, 1991.

(b) A Member who retires prior to the Member's Normal Retirement Date in accordance with Section 4.03(b) shall receive an annual pension for life calculated in accordance with Section 5.01, reduced to the amount that is Actuarially Equivalent to the benefit that would otherwise be payable to the Member beginning on the Member's Normal Retirement Date.

## 5.04 Postponed Retirement Pension

A Member who commences their pension after their Normal Retirement Date and in accordance with Section 4.04 shall be entitled to receive, commencing on such date, an annual retirement pension which is the greater of:

(a) the pension determined in accordance with Section 5.01, taking into account the additional benefits accrued after the Member reached the Normal Retirement Date; and

(b) the Actuarial Equivalent, as at the date the Member ceased to be an Active Member, of the pension that would have been payable in accordance with Section 5.01 if the Member had commenced their pension on their Normal Retirement Date.

# ARTICLE 6 – TERMINATION OF EMPLOYMENT

## 6.01 Deferred Pension

A Member who breaks Qualifying Service for any reason other than death or pension commencement shall become a Deferred Member and shall be entitled to receive a Deferred Pension commencing on the Member's Normal Retirement Date. Such Deferred Pension shall be calculated and determined pursuant to Section 5.01 at the time that the Member breaks Qualifying Service.

## 6.02 Early Commencement of the Deferred Pension

(a) A Deferred Member may elect to begin receiving the Member's Deferred Pension earlier than the Member's Normal Retirement Date in accordance with Sections 4.02 or 4.03.

(b) Such Member's Deferred Pension shall be determined in accordance with Sections 5.02 or 5.03, as applicable.

(c) Notwithstanding the foregoing, with respect to Contributory Service after December 31, 2017:

(i) Section 5.02(b) shall not be applicable, and

(ii) A Deferred Member who retires prior to the Member's Normal Retirement Date in accordance with Section 4.03(a) shall receive an annual pension for life that is Actuarially Equivalent to the benefit that would otherwise be payable to the Member in accordance with Section 4.02(a).

## 6.03 Portability of Commuted Value

A Member who is entitled to a Deferred Pension under the terms of this Plan and who is not entitled to elect early retirement pursuant to Sections 4.02 or 4.03 may elect to transfer the Commuted Value of the Deferred Pension out of the Pension Fund to:

(a) another registered pension plan meeting the requirements prescribed under the Pension Benefits Act, if the administrator of that fund agrees to accept the payment;

(b) a locked-in retirement account in the name of the Member meeting the requirements prescribed under the Pension Benefits Act; or

(c) another retirement savings arrangement meeting the requirements prescribed under the Pension Benefits Act,

provided that notice of such election is given to the Board prior to being entitled to elect early retirement pursuant to Sections 4.02 or 4.03 and and that such transfer is completed in accordance with the requirements of the Pension Benefits Act and the Income Tax Rules. Once the member is entitled to elect early retirement pursuant to Sections 4.02 or 4.03, the option to transfer the Commuted Value of the Deferred Pension out of the Pension Fund is no longer available.

A Member who elects a transfer or payment of a Commuted Value shall take the Commuted Value in full satisfaction of such rights under the Plan and upon the completion of such transfer shall have no further entitlement to such benefits under the Plan.

## 6.04 Portability of Pension Benefit Credit

A Member who breaks Qualifying Service, who is entitled to a Pension Benefit under the terms of this Plan and who becomes employed with a Reciprocating Employer may elect to transfer their Pension Benefit Credit out of the Pension Fund. In such an event, the provisions of Article 18 shall apply.

A Member who elects a transfer of their Pension Benefit Credit in accordance with this Section and Article 18 shall have no further entitlement to such benefits under the Plan.

# ARTICLE 7 – METHOD OF PAYMENT, NORMAL AND OPTIONAL FORMS OF PENSION

## 7.01 Method of Payment

(a) Each pension or annuity shall be paid in instalments on the last day of each month. The first instalment is due on the last day of the month in which the Member retires or in which the Member or their eligible survivor otherwise becomes entitled to a pension or annuity. The last monthly pension or annuity payment is due on the last day of the month in which the Member dies and is payable to the person then entitled to receive any subsequent payments from the Plan. Where a pension or annuity commences at any time after the first day of the month, such pension or annuity shall be prorated from the date the pension or annuity commences until the last day of the month.

(b) The amount of each instalment shall be one-twelfth of the annual pension or annuity.

## 7.02 Normal Form of Pension

Except as provided in Section 7.03 or 7.05, a Member's pension shall be payable for the lifetime of the Member beginning on the Member's retirement date. However, if the Member dies before the total of the monthly instalments are at least equal to the Member's contributions to the Plan With Interest at the date of retirement, the unpaid balance of this amount shall be paid to the Member's estate or beneficiary, whichever is applicable.

## 7.03 Mandatory Joint and 60% Survivor Form

(a) If a Member has a Spouse on the date that payment of the Member's pension commences, then the amount of the Member's pension shall be paid in the form of a reduced joint and 60% survivor pension in lieu of the normal form under Section 7.02. Under this reduced joint and survivor pension, the Member shall be paid a pension until the Member dies at which time 60% of that pension shall be paid to the Member's Spouse, who survives the Member, for the remaining lifetime of such Spouse. However, if the Member and the Spouse die before the total of the monthly instalments are at least equal to the Member's contributions to the Plan With Interest at the date of retirement, the unpaid balance of this amount shall be paid to the Member's or the Spouse’s estate or beneficiary, whichever is applicable.

(b) This reduced joint and 60% survivor pension shall be Actuarially Equivalent to the pension payable in the normal form under Section 7.02.

## 7.04 Waiver of Joint and Survivor Form

The requirement to pay a pension in the joint and survivor form pursuant to Section 7.03 shall not apply if:

(a) the Member elects a reduced joint and 100% survivor form pursuant to Section 7.05; or

(b) the Member files with the Board a waiver of entitlement to the survivor benefit in the form required under the Pension Benefits Act.

The waiver must be filed within the time prescribed under the Pension Benefits Act.

A Spouse who has provided a waiver under this Section may revoke the waiver at any time before the pension commences by filing a written revocation.

## 7.05 Optional Forms

A Member may apply in writing to the Board not later than the latest of:

(a) the date of their retirement; or

(b) 30 days after the Board receives written notice of retirement from the Participating Municipality, or

(c) 30 days after the Board is supplied with proof of age that results in their retirement,

as the case may be, to receive one of the following optional forms of pension:

(d) A Member with a Spouse on the date that payment of the Member's pension commences may elect a reduced joint and 100% survivor pension in lieu of the joint and 60% survivor pension described in Section 7.03. Under the reduced joint and 100% survivor pension, the Member shall be paid a pension until the Member dies at which time 100% of that pension shall continue to be paid to the Member's Spouse, if the Spouse survives the Member, for the remaining lifetime of such Spouse. However, if the Member and the Spouse die before the total of the monthly instalments are at least equal to the Member's contributions to the Plan With Interest at the date of retirement, the unpaid balance of this amount shall be paid to the Member's or the Spouse’s estate or beneficiary, whichever is applicable.

(e) A Member with a Spouse on the date that payment of the Member's pension commences may elect a reduced joint and 66⅔% survivor pension in lieu of the joint and 60% survivor pension described in Section 7.03. Under the reduced joint and

66⅔% survivor pension, the Member shall be paid a pension until the Member dies at which time 66⅔% of that pension shall continue to be paid to the Member's Spouse, if the Spouse survives the Member, for the remaining lifetime of such Spouse. However, if the Member and the Spouse die before the total of the monthly instalments are at least equal to the Member's contributions to the Plan With Interest at the date of retirement, the unpaid balance of this amount shall be paid to the Member's or the Spouse's estate or beneficiary, whichever is applicable.

(f) A Member with a Spouse on the date that payment of the Member's pension commences, who filed a waiver form in accordance with Section 7.04, may elect a reduced joint and 50% survivor pension in lieu of the reduced joint and 60% survivor pension described in Section 7.03. Under the reduced joint and 50% survivor pension, the Member shall be paid a pension until the Member dies at which time 50% of that pension shall continue to be paid to the Member's Spouse, if the Spouse survives the Member, for the remaining lifetime of such Spouse. However, if the Member and the Spouse die before the total of the monthly instalments are at least equal to the Member's contributions to the Plan With Interest at the date of retirement, the unpaid balance of this amount shall be paid to the Member's or the Spouse's estate or beneficiary, whichever is applicable.

(g) A Member:

(i) with a Spouse on the date that payment of the Member's pension commences and who filed a waiver form in accordance with Section 7.04; or

(ii) a Member with no Spouse,

may elect a reduced pension payable for the lifetime of the Member. However, if the Member dies before receiving 60, 120 or 180 monthly payments, as elected, then payment of the pension shall continue to be paid to the Member's estate or beneficiary, whichever is applicable, until a total of 60, 120 or 180 monthly payments have been made.

The optional forms provided under this Section 7.05 shall be Actuarially Equivalent to the pension payable in the normal form under Section 7.02.

# ARTICLE 8 – PRE-RETIREMENT DEATH BENEFITS

## 8.01 Pre-retirement Death Benefit

(a) If an Employee or a Deferred Member dies prior to retirement, then a pre-retirement death benefit shall be payable to the Spouse of such deceased Member.

(b) In the case of an Employee who was eligible to commence a pension in accordance with Article 4 on the date of death, the pre-retirement death benefit shall be equal to the Commuted Value of the pension calculated pursuant to Article 5, as if the Member had retired on the date of death.

(c) In the case of an Employee who was not eligible to commence a pension in accordance with Article 4 on the date of death, the pre-retirement death benefit shall be equal to the Commuted Value of the pension calculated pursuant to Article 6, as if the Member had ended their Qualifying Service on the date of death.

(d) In the case of a Deferred Member who dies before payment of the Member's Deferred Pension has commenced, the pre-retirement death benefit shall be equal to the Commuted Value of the Member's Deferred Pension calculated pursuant to Article 6 on the date of death.

(e) The pre-retirement death benefit shall also include any Excess Contributions, as applicable.

## 8.02 Form of Pre-Retirement Death Benefit payable to the Spouse

(a) Subject to the requirements of the Pension Benefits Act, a Spouse entitled to receive a pre-retirement death benefit pursuant to Section 8.01 may elect to receive such benefit in the form of:

(i) an immediate pension that is Actuarially Equivalent to the Commuted Value determined pursuant to Section 8.01; or

(ii) a transfer to one of the vehicles described in Section 6.03.

In no event shall the pre-retirement death benefit payable to the Spouse be less than twice the Member's contributions With Interest, less any Excess Contributions paid to a Deferred Member, as applicable.

(b) Notwithstanding the foregoing, in no event shall the immediate pension payable to the Spouse pursuant to (a)(i) exceed 66⅔% of the lesser of:

(i) the pension the Member would have accrued had they continued to be a Member of the Plan to age 65, as determined in accordance with Section 5.01 and without any allowances for salary increases, and

(ii) 3/2 of the YMPE for the year in which the Member died.

(c) The Spouse shall elect the form of such benefit within 180 days, failing which the Spouse shall be deemed to have elected to receive a deferred pension, provided such deferment does not cause the pension to commence after the Spouse attains their Normal Retirement Age.

(d) If the Spouse dies before:

(i) electing the form of payment of the pre-retirement death benefit; or

(ii) the commencement of the immediate pension, if applicable,

then the pre-retirement death benefit that would have been payable to the Spouse shall be paid as a lump sum to the beneficiary of the Spouse, or if there is no such beneficiary then to the estate of the Spouse.

## 8.03 Payment to Beneficiary

If the deceased Member is not survived by a Spouse, or a waiver of the Spouse's entitlement to the pre-retirement death benefit in the form prescribed under the Pension Benefits Act has been filed with the Board in accordance with Section 8.04, then the pre-retirement death benefit provided pursuant to Section 8.01 shall be paid as a lump sum to the Member's beneficiary, or if there is no such beneficiary, then to the estate of the deceased Member.

## 8.04 Spousal Waiver

The Spouse of a Member may waive entitlement to the pre-retirement death benefits payable under Section 8.01 after being provided with the following:

(a) if the Member is an active Member, a copy of the most recent annual statement provided to the Member;

(b) if the Member is alive but no longer an active Member, a copy of the termination statement provided to the Member that has been updated to reflect the value of the Member's benefit as of the date the request to waive the benefit was received;

(c) if the Member has died, the Member's pre-retirement death benefit statement.

The waiver must be in a form approved by the superintendent of pensions for this type of waiver and the Spouse must sign the waiver in the presence of a witness.

The Spouse who has provided a waiver under this Section 8.04 may revoke the waiver at any time before the death of the Member by filing a written revocation signed by the Member and the Spouse.

# ARTICLE 9 – DISABILITY BENEFITS

## 9.01 Disability Benefits

(a) A Member who is an Employee and who is entitled to, or is in receipt of, income under:

(i) the Disability Income Plan;

(ii) Workers Compensation; or

(iii) any disability income or like plan for Employees of a Participating Municipality, other than the Disability Income Plan,

for a period greater than 18 weeks, shall not be considered to have ceased employment.

(b) A Member described in Section 9.01(a) shall continue to accrue Contributory Service, without paying required contributions, to the earliest of:

(i) the date on which the Member retires or voluntarily terminates employment with the Municipality,

(ii) the Member's date of death, or

(iii) the date the Member is no longer entitled to, or is no longer in receipt of, income under the Disability Income Plan, Workers Compensation or any disability income or like plan for Employees of a Participating Municipality.

(c) A Member described in Section 9.01(a) shall accrue Contributory Service in accordance with Section 3.02.

(d) No more than one year of Contributory Service shall be granted for each year that the Member is entitled to or is in receipt of income under the Disability Income Plan, Workers Compensation or any disability income or like plan for Employees of a Participating Municipality.

(e) If a Member described in Section 9.01(a) is entitled to, or is in receipt of, income under the Disability Income Plan which has been reduced because of the Member being partially disabled, such a Member shall accrue a proportion of the Contributory Service that would have been accrued had the Member been totally disabled. The proportion shall be calculated by the ratio of (i) to (ii):

(i) The income being received from the Disability Income Plan as a result of being partially disabled.

(ii) The income the Member would have received from the Disability Income Plan had the Member been totally disabled.

**9.02 Transition Procedures**

(a) On January 1, 1992 the Disability Income Plan was established.

(b) Each Member of the Plan who:

(i) is entitled to or in receipt of a pension under the Disability Pension Part of the Plan;

(ii) is an Employee who has become disabled and has been disabled for more than 3 months on December 31, 1991; or

(i) became entitled to a paid-up pension before January 1, 1992,

shall have their rights and benefits in respect to disability determined in accordance with the Disability Pension Part of the Plan as it existed as of December 31, 1991.

(c) Each other Employee who was a member of the former Disability Pension Part of the Plan on December 31, 1991 shall become a Member of the Disability Income Plan on January 1, 1992.

# ARTICLE 10 - LIMITATIONS ON BENEFITS

## 10.01 Maximum Lifetime Pension Amount in Year of Commencement

Notwithstanding the other provisions of the Plan, the annual lifetime pension payable to a Member under this Plan in the year of commencement (including any benefit payable to a Spouse or former Spouse of the Member pursuant to Section 17.04) (and excluding any portion of a pension resulting solely from an actuarial increase in respect of deferral after the Member's Normal Retirement Date) shall not exceed the lesser of:

(a) the defined benefit limit for the year in which the Member terminates employment; and

(b) 2% of the Member's average yearly Earnings in the 3 non-overlapping 12-month periods of Service in which their Earnings were the highest;

multiplied by the Member's Contributory Service.

For the purposes of the preceding paragraph, "defined benefit limit" has the meaning given to this term under the Income Tax Rules.

## 10.02 Maximum Early Retirement Pension

The maximum lifetime pension determined pursuant to Section 9.01 shall be reduced by one-quarter of one percent (0.25%) for each complete month by which commencement of the pension precedes the earliest of:

(a) the date the Member would attain age 60;

(b) the date the age and early retirement eligibility service of the Member would total 80 years; and

(c) the date the Member would accrue 30 years of early retirement eligibility service;

if the Member continued to participate in the Plan until that date. For the purposes of this paragraph "early retirement eligibility service" has the meaning given to that term under the Income Tax Rules.

Furthermore, the amount of additional pension determined in accordance with Section 5.02(B) shall not exceed the maximum limits prescribed under paragraph 8503(2) of the Regulations to the Income Tax Act.

# ARTICLE 11 – INDEXING ADJUSTMENTS

## 11.01 Indexing Adjustments

(a) Effective April 1, 2008 and each April 1st thereafter, subject to the requirements of this Section 11.01, the Board may grant increases in the pensions payable to:

(i) Retired Members;

(ii) beneficiaries of Retired Members; and

(iii) Members entitled to Deferred Pensions,

in recognition of increases in the Consumer Price Index for Canada in the 12 months ending on the December 31st immediately preceding the date of the increase. Effective January 1, 2002, the Board may also grant increases in the annuity payable to the Spouse of an Employee who has died prior to retirement. The amount of the partial and full pension adjustments shall be determined in accordance with reports prepared by the Actuary and approved by the Board.

(b) Prior to April of each year, the Actuary shall provide the Board with a report identifying the amount of the indexing adjustment that can be provided as of April 1st of that year. The Actuary shall also provide the Board with a report indicating whether or not there are sufficient funds in the Plan to provide for the indexing adjustment without:

(i) creating an unfunded liability measured on a going concern; or

(ii) causing the solvency ratio to decrease below 90%.

The Board may also request the Actuary to include in the report other financial measures that may be used in the Board's assessment regarding whether to grant an indexing adjustment. No indexing adjustments shall be granted without the Board's approval of these reports.

(c) Indexing adjustments shall be limited to the lesser of:

(i) two-thirds of the increase in the Consumer Price Index for Canada; or

(ii) 5%.

and further shall be subject to the ability of the Plan to finance the increase without creating an unfunded liability, measured on a going concern or such other financial measures as determined by the Actuary and requested by the Board. Partial indexing adjustments may be granted up to an amount that does not cause the solvency ratio to decrease below 90%.

(d) A Retired Member shall receive a partial indexing adjustment commencing in the 13th month following retirement. Once a Member has been retired for a full Numerical Year in respect of which the indexing adjustment is payable, the Member shall receive the full indexing adjustment commencing on the next April 1st.

(e) Indexing adjustments are added to Deferred Pensions for each full calendar year after 1979 between the Member's date of termination of Active Membership due to termination of employment, or otherwise, and the date the pension commences.

(f) In no event shall the percentage increase granted after December 31, 1991, exceed the maximum allowable percentage increase calculated in accordance with the procedure described in the Income Tax Rules.

(g) Beneficiaries of any Member who dies after the Member's pension has commenced, receive two-thirds of the indexing adjustments that would have been paid to the deceased Member.

# ARTICLE 12 – PENSION FUND

## 12.01 Pension Fund

The Pension Fund shall be administered by the Board in accordance with the terms and provisions of the Plan and Trust Agreement. The Pension Fund consists of the contributions made by:

(a) the Members;

(b) the Participating Municipalities; and

(c) the accumulated investment earnings earned on such contributions,

less the payments already made out of the Pension Fund. Payments shall be made out of the Pension Fund only to pay:

(d) the costs, charges and expenses of administering the Plan; and

(e) the benefits provided to the Members, their survivors, beneficiaries or estates in accordance with the terms and provisions of the Plan.

## 12.02 Investment of Pension Fund

The Pension Fund shall be invested at the discretion of the Board in accordance with the requirements of the Pension Benefits Act.

## 12.03 Payment from Pension Fund

Every payment from the Pension Fund shall be made:

(a) by cheque issued on behalf of the Board;

(b) by direct transfer into the payee's account in a bank, trust company or credit union authorized to receive moneys on deposit pursuant to an arrangement authorized by the signature of;

any person or persons who the Board may, from time to time, designate for that purpose.

Where a pension or annuity is payable under the Plan and the Money Purchase Accounts Part of the Plan, only one option may be chosen in respect to all amounts.

# ARTICLE 13 – PARTICIPATING MUNICIPALITIES CONTRIBUTIONS

## 13.01 Participating Municipalities Contributions

(a) The Participating Municipalities shall contribute the amount which is necessary each Numerical Year over and above the contributions required to be made by the Members to provide the benefits which are accrued by the Members as a result of Contributory Service during that Numerical Year. This amount shall be Actuarially Calculated but, in any event, the contributions made by the Participating Municipalities shall be at least equal to the contributions required to be made by the Members. Any unfunded liability or experience deficiency arising from the funding of the benefits herein shall be liquidated in a manner that fulfils the requirements of the Pension Benefits Act, and subject to the terms of any applicable Participation Agreement.

(b) No contributions shall be made by a Participating Municipality in accordance with this subsection unless it is an eligible contribution as defined by the Income Tax Rules and is permitted by the Income Tax Rules.

## 13.02 Timing of Participating Municipalities Contributions

All contributions shall be remitted to the Board immediately following the final payroll each month for deposit by the Board into the Pension Fund not later than 30 days following each month in which Contributory Service is provided by one or more Employees.

# ARTICLE 14 – MEMBER REQUIRED CONTRIBUTIONS

## 14.01 Member Required Contributions

(a) Effective January 1, 2025, each Employee who is a Member is required to contribute in each Numerical Year:

(i) 8.3% of Employment Earnings up to the YMPE for that Numerical Year; plus

(ii) 9.5% of Employment Earnings in excess of the YMPE for that Numerical Year.

(b) Prior to January 1, 2025, each Employee who is a Member and whose Participating Municipality is participating in the Disability Income Plan is required to contribute in each Numerical Year:

(i) 8.3% of Employment Earnings up to the YMPE for that Numerical Year; plus

(ii) 9.5% of Employment Earnings in excess of the YMPE for that Numerical Year.

(c) Prior to January 1, 2025, each Employee who is a Member but whose Participating Municipality is not participating in the Disability Income Plan is required to contribute in each Numerical Year:

(i) 8.4% of Employment Earnings up to the YMPE for that Numerical Year; plus

(ii) 9.6% of Employment Earnings in excess of the YMPE for that Numerical Year.

(d) Such contributions shall be made in bi-weekly, semi-monthly, or monthly instalments by payroll deduction.

(e) The contributions made by a Member commence when they join the Plan and continue until the earliest of the Member's:

(i) retirement;

(ii) death; or

(iii) termination of Active Membership due to termination of employment, or otherwise, from Qualifying Service.

Subject to Section 14.02, contributions cease during periods when a Member is on an Approved Leave of Absence. Contributions shall cease during periods when a Member is laid off.

## 14.02 Member Required Contributions during Certain Absences

(a) A Member on an Approved Leave of Absence shall continue to contribute to the Plan if they receive Employment Earnings from a Participating Municipality during such absence.

(b) A Member on:

(i) an Approved Leave of Absence without pay; or

(ii) an absence that is 18 weeks or less during which the Member receives income from:

(A) Workers Compensation; or

(B) any disability income or like plan for Employees of a Participating Municipality, other than the Disability Income Plan,

may submit an application to contribute in respect of the period of absence, provided the contributions made by the Member are in the same amount as the Member and the Participating Municipality would have contributed during the period of absence based on their employment Earnings in effect just prior such period of absence.

(c) A Member who elects to make contributions in accordance with Section 14.02(b) must apply within 6 months of returning to work, according to procedures established by the Board. The Board may decide to adopt any other method to determine the cost of such Contributory Service for elections made after the 6-month period.

## 14.03 Maximum Member Required Contributions

In no event shall a Member's contributions, in any Numerical Year, exceed the amount able to be deducted from the Member's Employment Earnings for that year in computing the taxable income of the Member, pursuant to paragraph 8503(4) of the Regulations to the Income Tax Act.

## 14.04 Timing of Member Required Contributions

All contributions shall be remitted to the Board immediately following the final payroll each month for deposit by the Board into the Pension Fund not later than 30 days following each month in which Contributory Service is provided by one or more Employees.

## 14.05 Comparison of Contributions and Benefits

When a member ceases to be an Active Member, the Commuted Value of the Member's pension in respect of membership in the Plan before 1985 must not be less than the Member's contributions for that period of membership, With Interest on those contributions. If the Commuted Value is less, the Member's pension shall be increased.

## 14.06 50% Excess Test

If a:

(a) Member;

(b) Spouse; or

(c) beneficiary,

becomes entitled to a pension or a Deferred Pension, not less than 50% of the Commuted Value of the pension in respect of the Member's Contributory Service after January 1st, 1985 shall be financed by contributions to the Plan by a Participating Municipality. If the value of the contributions made by the Member exceeds 50% of this Commuted Value, the amount of such Excess Contributions shall, at the Member's election, be:

(i) paid as a lump-sum payment to the recipient;

(ii) left in the Plan to provide an Actuarially Calculated additional Pension Benefit to the Member upon retirement;

(iii) transferred to a Registered Retirement Savings Plan established for the recipient, or

(iv) transferred to another registered pension plan for credit to the recipient.

## 14.07 Lower Contribution Rate

Any pension payable under the Plan to any Member who elected to contribute to the Pension Part of the Plan at the lower rate prior to December 31, 1983, will be approximately two-thirds of the pension payable to a Member who contributed at the regular rate in respect of that period of Qualifying Service.

## 14.08 Transfer from a Prior Plan

Where a Member elected to transfer to the Plan their benefits accrued under a prior plan up to:

(a) the Effective Date of the Plan; or

(b) if later, the date their employer became a participating employer,

any benefits payable under this Plan may be increased as a result of the amount transferred, in accordance with the terms established at the time of such transfer.

# ARTICLE 15 – ADMINISTRATION

## 15.01 Administrator

The Board shall serve as the administrator of the Plan and shall have all powers and authority necessary to properly administer the Plan, including, but not limited to, the right:

(a) to interpret and construe the Plan;

(b) to determine all questions of eligibility and of status and rights hereunder;

(c) to determine the amount of benefits payable to any person in accordance with the provisions of the Plan;

(d) to adopt assumptions and methods of calculation for the purpose of determining any Commuted Value or Actuarial Equivalent; and

(e) to take or cause to be taken such action as in its judgement it shall deem advisable or necessary to carry out the provisions of the Plan.

Any action by the Board in respect of the administration of the Plan shall be uniform in nature as applied to all persons similarly situated.

## 15.02 Interpretation

In this Plan, words importing the singular shall include the plural, and words importing the masculine shall include the feminine, and vice versa, where the context so requires.

In the event of a dispute concerning the intended meaning of any provision(s) of the Plan, the Board shall have the right to decide on the interpretation of such provision(s).

## 15.03 Accounts to be Kept

(i) Accounts shall be kept by the Board under the direction of the person designated by the Board, showing a separate account for each Employee who is a Member contributing to the Plan and for each person receiving any payment from the Plan, and such other accounts as are necessary to show the financial condition of the Plan.

(ii) Any amount paid to the Plan in accordance with Section 2.06(a)(ii) of the Plan shall be allocated to the Member's account in the records of the Board, showing separately the contributions to the Plan and the contributions to the former Disability Pension Part of the Plan.

(iii) The contributions made by a Member to the Plan and to the former Disability Pension Part of the Plan shall be kept completely separate from any moneys to the credit of that Member in a money purchase account.

## 15.04 Power of the Board to Extend Time Limits

Where any person fails to meet any time limit set out in this Plan:

(a) for doing any act or thing required to be done under this Plan to obtain a benefit under this Plan; and

(b) the Board is satisfied that the failure is due wholly or in a material way to any act, omission, or failure of the Participating Municipality or employing authority of the person, or of an Employee of the Board,

the Board may extend the applicable time limit.

## 15.05 Payment May Be Suspended

The Board may at any time suspend further payments on account of an annual pension pending the production to the Board of proof satisfactory to it that the person entitled thereto is still alive.

## 15.06 Proof of Age

Every Employee who is a Member, if they have not previously supplied proof of age, shall furnish proof of age satisfactory to the Board:

(i) when they reach the age of 50 years; or

(ii) when they begin contributing to the Plan; or

(iii) when they apply for a benefit on termination of Active Membership due to termination of employment, or otherwise;

and, unless the Employee has furnished proof of age, the date on which an Employee reaches the age of 50 years shall be determined on the basis of the date of their birth on record with the Participating Municipality employing them.

Every Member who applies for a pension or annuity that provides, in certain circumstances, for the making of any payments after the death of that Member shall furnish the Board with such information as it may require with respect to the age of any other person:

(i) upon whose life any benefits under the Plan may depend; and

(ii) to whom any such payments may have to be made.

## 15.07 Information Required by Board

Every person who is entitled to, or applies for, a benefit under this Plan shall furnish the Board with such information and submit such evidence to the Board as to their eligibility for the benefit as the Board may require, and if the person fails to satisfy the Board that they are eligible, the Board may refuse to pay the benefit.

## 15.08 Application to Board and Its Decision

No Employee or other person is entitled to receive any payment on account of a pension or a lump-sum payment or otherwise until the Board is satisfied that they are entitled thereto under this Plan and the decision of the Board in respect thereto is final and conclusive.

# ARTICLE 16 – FUTURE OF THE PLAN

## 16.01 Change or Discontinuance of the Plan

(a) The Plan is expected to continue indefinitely.

(b) Any changes to the Plan which decrease any of the benefits to which a Member may have become entitled to receive pursuant to the Plan shall not affect any of the benefits to which the Member is entitled to receive at the date of the change to the Plan.

(c) Any changes to the Plan which increase any of the benefits to which a Member may have become entitled to receive pursuant to the Plan shall increase any of the benefits which the Member receives or is entitled to receive at the date the change is made to the Plan.

(d) Where a change to the Plan causes the replacement of one benefit by another, the value of the benefit payable shall be at least equal to the value of the former benefit.

(e) The provision of any by-laws enacted or resolutions passed by a Participating Municipality concerning participation in the Plan shall be deemed to be amended to comply with the provisions of the Plan, as it is amended from time to time.

(f) The Board expects the Plan to continue indefinitely but necessarily reserves the right to amend or discontinue the Plan should future conditions warrant such action. Such change may include the consolidation of the Plan with a new Plan. No amendment to or discontinuance of the Plan shall reduce the benefits accumulated up to the date of such amendment or discontinuance.

If the Plan is discontinued, the Pension Fund shall be used to satisfy all of the liabilities under the Plan, to the extent that this is possible.

Any surplus remaining after providing for such liabilities and for any expenses incurred in regard to such discontinuance, shall be used to increase equitably the amount of pension to which each Member, Spouse, beneficiary or joint annuitant is entitled under the Plan, having regard to the pension to which each such Member, Spouse, beneficiary or joint annuitant is entitled under the Plan as at the date of discontinuance. Such increase shall be determined in accordance with an equitable procedure which fulfils the requirements of the Pension Benefits Act. The annual pension which results from such increase shall not exceed the maximum amount of pension permitted under the Plan. Allowance shall also be made for possible future

increases in pension in recognition of increases in the Consumer Price Index for Canada.

# ARTICLE 17 – MISCELLANEOUS PROVISIONS

## 17.01 Rights of Members

The establishment and maintenance of the Plan shall not be construed as conferring any legal rights upon any person to the continuation of employment with a Participating Municipality, nor will the Plan interfere with the rights of a Participating Municipality to discharge any Employee.

## 17.02 Small Pensions

Where the annual Deferred Pension or Pension Benefit to be provided at Normal Retirement Date is not more than 4% of the YMPE for the year in which the Member terminates Qualifying Service, or the Deferred Pension or Pension Benefit has a Commuted Value of less than 20% of the YMPE for the year in which the Member terminates Qualifying Service, the Commuted Value of the Deferred Pension or Pension Benefit, as the case may be,will be paid to the Member or beneficiary as a lump-sum amount.

## 17.03 Unlocking for Non-Residency

Where a Member or Spouse is entitled to receive a Pension Benefit Credit and:

(a) the Member or Spouse has not commenced receiving a Pension Benefit; and

(b) such person has provided written evidence that the Canada Revenue Agency has confirmed the person's status as a non-resident for the purposes of the Income Tax Rules;

then, the Pension Benefit Credit may be paid in a lump sum to the person entitled to the Pension Benefit, provided that:

(c) any Spouse of the Member has received the statement required under the Pension Benefits Act;

(d) the Member provides a waiver in prescribed form, signed by their Spouse, if any; and

(e) the appropriate forms required by Pension Benefits Act are completed and filed with the Board.

The application of this section is subject to:

(f) an order under The Garnishment Act to enforce a maintenance order;

(g) an order under section 53 of The Family Support Enforcement Act to preserve assets; and

(h) any division of a Pension Benefit Credit under Section 17.04.

## 17.04 Marriage Breakdown

(a) Subject to the Pension Benefits Act and any other applicable legislation, a Member's Pension Benefit Credit may be assigned, pledged, charged, encumbered, or alienated to satisfy a division of family property, pursuant to a written agreement, decree, order or judgement of a competent tribunal.

(b) The Member's Pension Benefit Credit shall be reduced to account for the value of any division made under paragraph (a). Such reduction shall be determined in accordance with the Pension Benefits Act and the Income Tax Rules.

(c) Where a Member's Pension Benefit:

(i) is in the form of a joint and survivor pension with their Spouse; and

(ii) that Pension Benefit is subject to a division under paragraph (a),

subject to the agreement in writing of the Member and the Spouse to do so, the divided Pension Benefit may be paid as two separate pensions without joint and survivor benefits: one to the Member, and the other to the Spouse.

(d) Where a Member's Pension Benefit:

(i) is not in the form of a joint and survivor pension with their Spouse; and

(ii) that Pension Benefit is subject to a division under paragraph (a),

subject to the agreement in writing of the Member and the Spouse to do so, the divided Pension Benefit may be paid as two separate pensions without joint and survivor benefits: one to the Member, and the other to the Spouse.

## 17.05 Information to Members

Each Member of the Plan shall be supplied with:

(i) a written explanation of the terms and conditions of the Plan and of all amendments thereto;

(ii) a written explanation of their rights and duties with respect to the benefits available to them;

(iii) such other information as required by the Pension Benefits Act.

**17.06 Right to Transfer**

If a Member or beneficiary is entitled to receive a lump-sum payment, that lump-sum, may, at the option of that person, be transferred, subject to the Income Tax Rules and locked-in provisions, to a registered retirement savings plan or to the pension plan established by an employer with whom they are subsequently employed.

**17.07 Assignment of Benefits**

The benefits to which a Member is entitled may not be commuted, assigned, charged, anticipated, alienated, given as security or surrendered whether by voluntary action or by operation of law, except to the extent permitted by the Pension Benefits Act or other applicable legislation.

**17.08 Shortened Life Expectancy**

Prior to the commencement of a pension payment, if:

(a) a Member has a terminal illness or a disability resulting in a shortened life expectancy; and

(b) a licensed medical doctor, licensed to practice medicine in Canada, has certified that the Member's life expectancy is less than two (2) years,

the Member may elect to receive a lump sum immediate payment of the Commuted Value of the Member's Pension Benefit accrued to date.

If a Member who is entitled to receive a lump sum payment under this section has a Spouse, before payment is made to a Member:

(c) the Board must provide the Spouse with the information; and

(d) the Spouse must complete the waiver, prescribed by the Pension Benefits Act.

## 17.09 Headings

The division of this Plan into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

## 17.10 Appointment of Beneficiary

(a) Subject to the requirements of the Pension Benefits Act, a Member may appoint a beneficiary to receive any death benefit payable under the Plan. If the beneficiary dies before the Member any death benefits will be paid to the estate of the Member.

(b) Where no person has been designated as beneficiary, a Member who does not have a Spouse shall be deemed to have designated their estate as beneficiary.

# ARTICLE 18 – RECIPROCAL AGREEMENTS

## 18.01 Arrangements re periods of service

The Board may enter into an agreement with:

(a) any Reciprocating Employer; or

(b) authority charged with the administration of a registered pension plan for employees of a Reciprocating Employer,

whereby:

(c) a person who becomes a Member may, for the purposes of the Plan, obtain credit for all or part of a period of service credited to them under the plan operating in respect of employees of the Reciprocating Employer; and

(d) a person who becomes employed with a Reciprocating Employer may, for the purposes of any plan operating in respect of that employer, obtain credit for all or part of a period of service as an Employee under the Plan.

Furthermore, the Board may also enter into a portability agreement with an individual.

## 18.02 Contents of agreement

An agreement entered into under Section 18.01 may include:

(a) application deadlines or other dates to determine who is eligible to transfer benefits under the agreement;

(b) provisions respecting the amount of credit allowable for any prior period of employment, and the amount of moneys transferable between employers for the purpose of that credit;

(c) provisions concerning the calculation of the amount to be transferred between employers; or

(d) any other term or condition that the Board may wish to include in the agreement.

# APPENDIX A

# MONEY PURCHASE ACCOUNTS PART OF THE PLAN

## A.01 Effective Date

The effective date of the Money Purchase Accounts Part of the Plan is January 1, 1985.

## A.02 Eligibility

(a) Any person may become an Account-Holder when they become eligible.

(b) A person becomes eligible:

(i) on termination of Active Membership due to termination of employment, or otherwise, and continues to be eligible for the following 12 months;

(ii) on becoming a Member if they apply to the Board in accordance with Section A.03(a) to transfer amounts from the pension plan of their prior employer;

(iii) on marital separation or on termination of a Common-Law Relationship as recognized under the Plan where the Account-Holder is the Member or the former Spouse of the Member;

(iv) on death where the Account-Holder is the Member or is the former Spouse of a Member; or

(v) when one or more of the above occurs.

(c) Notwithstanding the foregoing, no person may become eligible of the Money Purchase Accounts Part of the Plan after May 9, 2012.

## A.03 Participation

A person who is eligible may become an Account-Holder by:

(a) completing and delivering the application form as prescribed by the Board within 12 months of becoming a Member or prior to December 31, 1985 if they are a Member on January 1, 1985,

(b) providing such other information as the Board deems necessary or desirable, or

(c) agreeing to transfer to the Money Purchase Accounts Part of the Plan an amount from the Fund.

## A.04 Payment of Annuity

(a) On the written direction of an Account-Holder who is age 55 or older, the Board shall convert the moneys to the credit of the Account-Holder in their money purchase account to an obligation of the Board to pay an annuity to the Account-Holder or to a nominee of the Account-Holder, and such annuity shall commence on the first day of the month coincident with or immediately following the date of such direction.

(b) The annuity shall commence not later than the last day of the year in which the Account-Holder attains age 71.

(c) The annuity shall not commence while the Account-Holder is a Member of the Plan.

(d) The annuity may commence prior to age 55 providing the Account-Holder is disabled.

(e) The annuity shall be paid for the lifetime of the Account-Holder.

(f) The Account-Holder must choose an option in accordance with Article 7 of the Plan. Under all circumstances, the amount paid must be at least equal to the accumulated value of the money purchase account as at the date that the annuity commences.

(g) The amount of annuity shall be calculated in accordance with factors provided by the Actuary from time to time and shall vary with changes in interest rates.

(h) The accumulated value of the Account-Holder's account used to provide the annuity shall be transferred on the last day of the month prior to the month in which annuity payment commences to a pension reserve which shall be part of the reserve for present and future benefits of the Fund.

(i) Where the Board converts moneys in a money purchase account to an obligation to pay an annuity, the person to whom the annuity is payable is not entitled to any indexing adjustment under Article 11 of the Plan in respect of that annuity.

## A.05 Death Benefits

(a) If the death of an Account-Holder occurs prior to them applying for an annuity, there shall be payable to their Spouse, or if none, to their estate, an amount equal to the accumulated value of their account.

(b) The beneficiary who is the Account-Holder's Spouse may elect to have the death benefits payable in the form of an immediate life annuity or a paid-up annuity commencing prior to the Spouse reaching age 71.

(c) An Spouse or Common-Law Partner may waive entitlement to pre-retirement death benefits after being provided with a copy of the most recent annual statement provided to the Member. An Spouse or Common-Law Partner who has provided a waiver under this section may revoke the waiver at any time before the annuity commences by filing a written revocation.

(d) In the event of the death of an Account-Holder after the annuity commences, any annuity payments due thereafter will be made to their beneficiary; and if there is no beneficiary, the Commuted Value of the remaining annuity payments due will be paid to their estate in a lump sum.

## A.06 Termination Benefits

On termination of Active Membership due to termination of employment, or otherwise,

(a) An Account-Holder may transfer their account to their new employer's pension plan, to a Registered Retirement Savings Plan if the account is not Locked-In, to a Locked-In Retirement Account, or similar pension vehicle;

(b) The Account-Holder shall have one year from the date of ceasing to be an Employee to transfer their account by delivering the transfer form to the Board within one year of ceasing to be an Employee and if no transfer is made within one year, they shall remain an Account-Holder until a benefit becomes payable under Section A.04 or A.05;

(c) The amounts that are Locked-In shall be transferred only if the financial institution to which the monies are being transferred agrees to lock-in these amounts;

(d) The Account-Holder may continue as an Account-Holder.

## A.07 Disclosure

(a) The Board shall provide a written explanation to each Account-Holder of the Money Purchase Accounts Part of the Plan and the terms and conditions of this Part of the Plan and amendments thereto applicable to the Account-Holder, together with an explanation of the rights and duties of each Account-Holder with reference to the benefits available under the terms of this Part of the Plan and any other information prescribed under the Pension Benefits Act and regulations thereunder.

(b) The Account-Holder shall provide proof consistent with the requirements of the Plan prior to any benefit being paid under this Part of the Plan.

## A.08 Administration

(a) The Board shall establish and maintain a separate money purchase account for each person who applies and is eligible to become an Account-Holder.

(b) The Board shall be reimbursed for its expenses in administering the Money Purchase Accounts Part of the Plan on the basis of:

(i) one-quarter of 1% per annum of the book value of the assets of the Money Purchase Accounts Part of the Plan,

(ii) actual hours spent by Board's employees at the hourly rate for each employee plus 25% for overhead in administering this Part of the Plan,

(iii) charges assessed by the Manitoba Civil Service Superannuation Board related to the administration of this Part of the Plan, and

(iv) any other expenses directly attributable to the administration of this Part of the Plan.

(c) The Board shall maintain a separate record for the amounts that are Locked-In and for the amounts that are not Locked-In in each account.

(d) Units shall be purchased for or redeemed from an Account-Holder's money purchase account on the last business day of the month on receipt of the necessary documentation and moneys where applicable.

(e) Accumulated value of a money purchase account means the value determined by multiplying the number of units in the account by the current unit price.

(f) The account shall be unitized and unit values shall be determined as follows:

(i) the initial unit value shall be $10 and the initial transfer shall take place at a unit value of $10.

(ii) on the last business day of each month, the market value of each asset shall be determined in accordance with the procedures approved by the Investment Committee of the Board.

(iii) the market value of total assets plus accrued income less expenses shall be divided by the number of units outstanding at the end of the previous month to determine the unit value.

(iv) Notwithstanding the foregoing, the final unit value, as of May 9, 2012, shall be $31.

## A.09 General

(a) Moneys showing in the accounts of the Board to the credit of a person in a money purchase account are not subject to the general liabilities of the Board other than the liability of the Board to the person in respect of the money purchase account.

(b) Where the Board converts moneys in a money purchase account to an obligation of the Board to pay an annuity, the money required to fund the obligation of the Board to pay the annuity, as certified by the Actuary, shall be transferred from the money purchase account to the general accounts of the Board and the obligation to pay the annuity is thereafter an obligation of the Board payable from the Fund.