

TEXT
of the
MANITOBA MUNICIPAL
EMPLOYEES PENSION PLAN

OCTOBER 1, 2021

(Includes Amendments #1 - #49)

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PART ONE

DEFINITIONS

In this **Plan**:

"**account-holder**" means a person for whom the Board has established a money purchase account in accordance with Part Three of the **Plan**.

"**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**.

"**actuarially calculated**" means 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.

"**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**.

"**approved leave of absence**" means an absence from work which is

- (a) a maximum of five cumulative years for general leaves and a maximum of three years for parental leaves with a maximum of 12 months for any one period of parental leave, completed after December 31, 1991, and
- (b) approved by the Council, or, if applicable, the Board of Directors of a **participating municipality**, and
- (c) any approved period of service with a participating municipality that can be proven, that satisfies clauses (a) and (b), and for which a member does not already have pensionable service under another arrangement.

"**assumed earnings**", when used in respect of a **member** who is receiving or is entitled to receive payments from Workers' Compensation, who is on an **approved leave of absence**, or who 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 including pay increases and excluding overtime pay and severance pay which the **member** would have received from the **participating municipality** had he continued to be employed in the position which he was regularly occupying immediately prior to the date he became disabled or was granted a leave of absence, as the case may be, less the **member's employment earnings**, if any.

"**basic remuneration**" means wages, salary or sick pay but excludes overtime pay, severance pay, bonuses and Northern Living Allowance.

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

"**common-law relationship**" means the relationship between two persons who are **common-law partners**. For the purposes of Part Two, Section XVIII 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**.

"common-law partner" of a member or former member means

- (a) a person who, with the member or former member, registered a common-law relationship under section 13.1 of *The Vital Statistics Act*, or
- (b) a person who, not being married to the member or former member, has been living with the member or former member in a conjugal relationship for
 - 1. at least 3 years – if either of them is married, or;
 - 2. at least 1 year – if neither of them is married.

"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**.

"contributory service" means that portion of a period of **service** in respect of which contributions are made to the Pension Part of the **Plan** and shall include the following:

- (a) any period after January 1, 1977 during which the **member** received payments from Workers' Compensation and contributed in respect of that period;
- (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) any period from October 1, 1986 to December 31, 2015 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;
- (d) any period of **service** credited to a **member** as a result of a transfer under a reciprocal agreement;
- (e) any period of **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 a total disability pension from the Disability Pension Part of the **Plan** as it existed on December 31, 1991;
- (g) any period during which an **employee** who is a **member** is entitled to or is in receipt of income under the **Disability Income Plan**;
- (h) any portion of any period during which an **employee** who is a **member** is in receipt of a partial disability pension from the Disability Pension Part of the **Plan** as it existed on December 31, 1991, where the portion is the same percentage of a year as his partial disability pension is to a total disability pension.
- (i) 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**;
- (j) 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**.

In respect to a **member** who is or was employed as a seasonal, part-time or temporary **employee**, **contributory service** while so employed 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, in the case of an **employee** employed at an hourly rate, the number of hours, not including overtime, for which the **employee** was paid in that **numerical year** and, in the case of an **employee** employed at a daily, weekly or monthly rate, the number of days, not including overtime, for which the **employee** was paid in that **numerical year**; and
- U is, in the case of an **employee** employed at an hourly rate, the number of hours, not including overtime, in that **numerical year**, for which a full-time permanent **employee** in similar employment was paid, and, in the case of an **employee** employed at a daily, weekly or monthly rate, the number of days, not including overtime, in that **numerical year** for which a full-time permanent **employee** in similar employment was paid.

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

"**earnings**" means the total of a **member's employment earnings** and **assumed earnings**, if the required contributions are paid in respect of his **assumed earnings**.

"**eligible 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.

"**employee**" means any person who is employed by a **participating municipality**.

"**employment earnings**" means the **basic remuneration** which a **member** receives from a **participating municipality** as a result of employment with that **municipality**, including any increases in such remuneration, and any payments from Workers' Compensation if such payments are received due to an injury which occurred as a result of employment with a **participating municipality**, and the **member** contributes at the rate(s) he would have been required to contribute had such payments been remuneration from a **participating municipality**.

"**final average yearly Canada Pension Plan earnings**" means the average of the **yearly Canada Pension Plan earnings** of a **member** in each year of **service** used in the calculation of his **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**.

"**final average yearly earnings**" means the average of the **yearly earnings** of a **member** in the 5 years of **service** in which the **earnings** are the highest. If a **member** does not complete at least 5 years of **service**, his **final average yearly earnings** is the average of his **yearly earnings** during his years of **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**.

"final average yearly non-Canada Pension Plan earnings" means the average of that portion of a **member's** yearly **earnings** in each year of **service** used in the calculation of his **final average yearly earnings** which are in excess of his **yearly Canada Pension Plan earnings** 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**.

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

"locked-in", when used in reference to contributions, means that, in accordance with the provisions of the **Pension Benefits Act**, certain contributions required to be made by the **member** and the **participating municipality** shall not be withdrawn as a lump-sum payment. Contributions to the **Plan** are **locked-in** if:

- (a) they were made for **service** on or after July 1, 1976
- (b) they form the portion of the **pension benefit credit** of a **member** to which the spouse, former spouse or **common-law partner** of the **member** is entitled as a result of a division of the **pension benefit credit** of the **member** pursuant to subsection 31(2) of the **Pension Benefits Act**, or
- (c) they were transferred to the **Plan** from any other pension plan and were, in part or in whole, **locked-in** under that other plan at the time of the transfer.

Notwithstanding the above, payment may be made to a **member**, the former spouse of a **member**, or the surviving spouse or surviving **common-law partner** of a deceased **member**, of an amount equal to the **commuted value** of the deferred life annuity to which the **member**, spouse or **common-law partner** is entitled, where:

- (i) the annual amount payable to the **member** at normal retirement age is less than 4% of the **yearly Canada Pension Plan earnings** in the year in which the **member** died, retired or terminated employment, or
- (ii) the **commuted value** of the amount payable to the **member** at normal retirement age is less than 20% of the **yearly Canada Pension Plan earnings** in the year in which the **member** died, retired or terminated employment.

"Locked-In Retirement Account" means a registered retirement savings plan as defined in the Income Tax Act (Canada) that meets the requirements of the **Pension Benefits Act**.

"member" means an **employee** who has joined the Pension Part of the **Plan** and is entitled to receive benefits thereunder, or a former **employee** who is entitled to receive benefits under the Pension Part of the **Plan**, unless specifically stated otherwise.

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

"numerical year" means any period of 365 or 366 days which begins on January 1 and ends on December 31.

"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 Trustees.

"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**;

"pension benefit" means the aggregate monthly or other periodic payments of pension to which an **employee** who is a **member** is or may become entitled under this **Plan** upon retirement or to which any other person is entitled under this **Plan** by virtue of the death of the **employee** after his retirement.

"pension benefit credit" means the amount of the **pension benefits** and any other benefits provided under this **Plan** to which a **member** has become entitled as of a particular time.

"Pension Benefits Act" means The Pension Benefits Act, being Chapter P32 of the Continuing Consolidation of the Statutes of Manitoba and the Regulations made thereunder as amended from time to time.

"Plan" means the Manitoba Municipal Employees Pension Plan which consists of:

- (a) Part One - Definitions Part, and
- (b) Part Two - Pension Part, and
- (c) Part Three - Money Purchase Accounts Part, and
- (d) Part Four - General Provisions Part.

"reciprocating employer" means 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 providing the board has entered into an agreement under Section XVII(b) with that employer.

"service" means a period of employment which began when a person became an **employee** of a **municipality**, which is or has become a **participating municipality**, and ended on the earliest of his date of retirement, death or the date he ceased to be employed by a **participating municipality**. **Service** shall include any or all of the following:

- (a) a period of absence from work if the **member** receives, in respect of that period, all or a portion of his **employment earnings**;
- (b) a period of employment with a **reciprocating employer**;
- (c) a **temporary suspension of employment** which ends after December 31, 1983
- (d) 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;
- (e) 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**.

In any event, an **approved leave of absence** or layoff shall not be considered a termination of active membership and a particular period of time shall be counted only once in determining a **member's** years of **service**.

"temporary suspension of employment" means a period ending after December 31, 1983 not exceeding 54 consecutive weeks during which a person who immediately before the period was employed by a **participating municipality** is not performing duties as an **employee** of the **participating municipality** and 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 54 consecutive weeks. Combined **approved leaves of absence** and **temporary suspensions of employment** will, under no circumstances, exceed a maximum of 5 years.

"with interest" means the accumulation of a **member's** contributions at such rate(s) of interest which is appropriate and fulfills the requirements of the **Pension Benefits Act**. Effective October 1, 2021, interest on member required contributions are based on the average yields on 5-year personal fixed term deposits as published in the Bank of Canada Review as CANSIM Series V80691336 for the entire calendar year if the **member** is in the **Plan** for the entire calendar year. If the **member** was present for a portion of the calendar year, then interest credited on **member** required contributions is based on the average CANSIM Series V80691336 from when they entered the **Plan** to the end of the calendar year. Upon termination of active membership due to termination of employment, or otherwise, the **member** required contributions are credited with interest of the average CANSIM Series V80691336 from the end of the previous calendar year until the month of termination.

"yearly Canada Pension Plan earnings" means for each **numerical year** after the year 1976 in which an **employee** has **contributory service**, the **earnings** of the **employee** for that **numerical year**, or the maximum pensionable **earnings** for that **numerical year** as determined under the Canada Pension Plan, whichever is the lesser.

PART TWO

PENSION PART OF THE PLAN

I. Effective Date

The effective date of the Pension Part of the **Plan** is January 1, 1977.

II. Eligibility

(a) Each **employee** of a **participating municipality** is eligible to join the Pension Part of 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**:

(i) on a full-time basis, or

(ii) 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 **yearly Canada Pension Plan earnings** for those years, or

(iii) on a part-time, seasonal or temporary basis, but does not satisfy the requirements of Section II(a)(ii).

(b) In addition to the foregoing, where a **municipality** becomes a **participating municipality** in the Pension Part of the **Plan**, a person who is an **employee** on the effective date of that **municipality's** participation can become eligible to participate only if he fulfills any requirements that the **Board** may adopt from time to time.

III. Participation

(a) Compulsory

(i) 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 Pension Part of the **Plan** on the effective date, or if later, on the first day of the pay period immediately following the completion of a probationary period of employment, if any.

(ii) Each **employee** who is employed by a **participating municipality** on a part-time, seasonal or temporary basis and during 2 consecutive **numerical years** after December 31, 1983 has **earnings** which are at least one-quarter of the **yearly Canada Pension Plan earnings** for those years shall become a **member** of the Pension Part 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 his **earnings** exceed one-quarter of the **yearly Canada Pension Plan earnings** for that second **numerical year**.

(b) Voluntary

Each employee who is employed by a participating municipality on a part-time, seasonal or temporary basis as described in Section II(a)(iii) may at any time after completing the applicable probationary period of employment, if any, give notice to the **participating municipality** employing him and the **Board** that he desires to become a **member** of the Pension Part of the **Plan**. An **employee** who gives this notice shall become a **member** of the Pension Part of the **Plan** on the first day of a pay period that is subsequent to the date this notice is signed.

- (c) A **member** may not terminate his membership while he is in the **service** of a **participating municipality**.
- (d) Each **employee** in **service** on the effective date, or, if later, on the date his employer becomes a **participating municipality**, shall become a **member** of the Pension Part of the **Plan** on that date if he is then eligible or on the first day of the pay period immediately following the date on which he becomes eligible, if he is not then eligible, unless he refuses to join the Pension Part of the **Plan** and indicates this decision in writing to the **Board** prior to the date on which he 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 his employer becomes a **participating municipality**, he may refuse to join the Pension Part of the **Plan** within 60 days of the date he resumes active employment with the **municipality**.
- (e) Each **employee** in **service** on the effective date, or, if later, on the date his employer becomes a **participating municipality**, who refused to join the Pension Part of the **Plan** in accordance with Section III(d) shall be given an opportunity to participate in the Pension Part of 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.
- (f) Exemption- Compulsory participation does not apply to a person who is:
 - (i) a student on a substantially full-time basis and who, prior to the date on which he would be required to become a **member** of the Pension Part of the **Plan**, satisfies the **participating municipality** employing him that he is a student on a substantially full-time basis and notifies the **participating municipality** that he does not wish to become a **member** of the Pension Part of the **Plan**, or
 - (ii) 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 he would be required to become a **member** of the Pension Part of the **Plan**, provides evidence to the **participating municipality** employing him that he is a member of such a religious group and notifies that employer that he does not wish to become a **member** of the Pension Part of the **Plan** because of that membership in the religious group.

IV. Contributions

- (a) Each **employee** who is a **member** and is participating in the **Disability Income Plan** is required to contribute 8.3% of that portion of the **employment earnings** which he receives in a **numerical year** up to the amount of **yearly Canada Pension Plan earnings** for that **numerical year** plus 9.5% of any portion of the **employment earnings** he receives in a **numerical year** which is in excess of that amount.
- (b) Each **employee** who is a **member** but is not participating in the **Disability Income Plan** is required to contribute 8.4% of that portion of the **employment earnings** which he receives in a numerical year up to the amount of **yearly Canada Pension Plan earnings** for that **numerical year** plus 9.6% of any portion of the **employment earnings** he receives in a **numerical year** which is in excess of that amount.
- (c) Such contributions shall be made in bi-weekly, semi-monthly, or monthly instalments by payroll deduction.

- (d) The contributions made by a **member** commence when he joins the Pension Part of the **Plan** and continue until the earliest of the date of his retirement, death, or termination of active membership due to termination of employment, or otherwise, from **service**. Contributions may cease during periods when a **member** is on an **approved leave of absence** without pay and elects not to contribute. Contributions shall cease during periods when a **member** is laid off.
- (e) A **member** with an **approved leave of absence** shall continue to contribute to the Pension Part of the **Plan** if he receives **employment earnings** from the **participating municipality** during such absence.
- (f) A **member** with an **approved leave of absence**, or an absence that is 18 weeks or less during which the **member** receives income from Workers Compensation or under 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 his **assumed earnings** providing the total of the contributions made is the same amount as he and the **participating municipality** would have contributed had these **assumed earnings** been **employment earnings**.
- (g) A **member** who elects to make contributions in accordance with Section IV(f) must apply according to procedures established by the **Board**.
- (h) 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 fulfills the requirements of the **Pension Benefits Act**, and subject to the terms of any applicable **participation agreement**.

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 Act and is permitted by the Income Tax Act.

- (i) All contributions shall be remitted to the **Board** immediately following the final payroll each month for deposit by the **Board** into the **Fund** not later than 30 days following each month in which **contributory service** is provided by one or more **employees**.
- (j) Contributions shall also be received from a reciprocating employer on behalf of a **member** who transfers to the Pension Part of the **Plan** in accordance with the terms of a reciprocal agreement.
- (k) Effective November 1, 1982, where a **member** of the Pension Part of the **Plan** who has to his credit prior employment with a **reciprocating Manitoba employer** becomes employed with a reciprocating employer to whose **employees** a reciprocal agreement applies and provides for the transfer of contributions in respect of employment with the **reciprocating Manitoba employer**, the **Board** may receive contributions from the **reciprocating Manitoba employer** in respect of the **employee's** employment with same for transfer to the reciprocating employer.
- (l) 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.

V. Retirement Dates

(a) Unreduced Pension

- (i) A **member**, who is an **employee**, may retire provided:
 - (1) he has attained age 65,
 - (2) he has completed at least 5 years of **service** and attained age 60, or
 - (3) his age plus **service**
 - (A) is equal to or greater than 80, provided that age plus **service** was equal to 80 prior to January 1, 2018; or
 - (B) if the requirement in Section (V)(a)(i)(3)(A) is not met, is equal to or greater than 80 and he has attained age 55.
- (ii) In such event, the **member** shall receive the pension determined in accordance with Section VI.

(b) Reduced Pension

- (i) A **member** may retire prior to the earliest of (1), (2) or (3) of Section V(a)(i) provided he has completed at least 5 years of **service** and attained age 55. In such event, he shall receive a reduced pension determined in accordance with Section VI(c).
- (ii) A **member** may retire at age 55 with less than 5 years of **service**. In such event, he shall receive a reduced pension determined in accordance with Section VI(d).

(c) 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.

(d) Postponed Retirement

A **member** may retire 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 Act of Canada and its Regulations.

VI. Amount of Pension

- (a) A **member** retiring on a retirement date as described in Section V(a) or (c) or Section XIII (a.1) shall receive a pension for life which, each year, is equal to:
 - (i) 1.5% of his **final average yearly Canada Pension Plan earnings** plus
 - (ii) 2% of his **final average yearly non-Canada Pension Plan earnings**for each year of **contributory service** and fractions thereof.
- (b) In determining the pension payments which become due before the first day of the month following the month in which the **member** attains age 60, 2% shall be used in place of 1.5%.

- (c) A **member** retiring on the retirement date described in Section V(b)(i) or Section XIII (a.2)(i) shall receive the pension which is obtained by reducing the pension determined in accordance with Section VI(a) and VI(b) by:
 - (i) for **contributory service** to December 31, 1991, 1/16 of 1% for each complete month that his early retirement date precedes his 60th birthday, and
 - (ii) for **contributory service** after December 31, 1991, 1/4 of 1% for each complete month that his early retirement date precedes his 60th birthday.
 - (d) A **member** retiring on the retirement date described in Section V(b)(ii) or Section XIII(a.2)(iii) shall receive the pension which is obtained by reducing the pension determined in accordance with Section VI(a) such that the reduced pension is of actuarial equivalent value to the pension he would have received had he commenced his pension at his normal retirement date described in Section V(c).
 - (e) A **member** retiring on the retirement date described in Section V(d) shall receive a pension which is the greater of:
 - (i) the pension determined in accordance with Section VI, taking into account the additional benefits accrued after the **member** reached the normal retirement age; and
 - (ii) the actuarial equivalent, as at the date he or she ceased to be an **active member**, of the pension that would have been payable in accordance with Section VI(a) if the member had retired at the normal retirement age.
 - (f) (i) A **member's** annual pension determined in accordance with Section VI(a) at retirement, termination active membership due to termination of employment, or otherwise, or discontinuance of the **Plan** shall not exceed a maximum of the lesser of the following amounts:
 - (1) \$3,246.00 or such other amount as may, from time to time, be prescribed under the Income Tax Act times his number of years of **contributory service**, or
 - (2) 2% of his average yearly **earnings** in the 3 non-overlapping 12 month periods of **service** in which his **earnings** were the highest times his number of years of **contributory service**.
 - (ii) The amount of pension determined in accordance with Section VI shall be reduced by any portion of such **pension benefit** which is or has been paid or payable or commuted for payment to or for his spouse on divorce, annulment or separation.
 - (iii) The amount of additional pension determined in accordance with Section VI(b) shall not exceed the maximum limits prescribed under paragraph 8503(2) of the Regulations to the Income Tax Act.
- (g) The pension accrued for each year of **contributory service** after December 31, 1991 shall not exceed the limits prescribed by the Income Tax Act.

VII 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 his 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 Pension Part of 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.
- (c) Where the pension to be provided is not more than 4% of the **yearly Canada Pension Plan earnings** or the pension has a commuted value of less than 20% of the **yearly Canada Pension Plan earnings** for the year in which the member retires, the commuted value of the pension will be paid to the member or beneficiary as a lump-sum amount.

VIII Death Benefits

(a) Death After Retirement

- (i) If a **member** has elected an optional form of pension as described in Section IX(c)(ii), the payment(s) made to his **eligible spouse** at the date of pension commencement, beneficiary, or estate, whichever is applicable, shall be determined in accordance with the option so elected.
- (ii) If the normal form of pension is paid to a **member** with an **eligible spouse** at the date of pension commencement, as described in Section IX(a)(ii), the payments made to his **eligible spouse** at the date of pension commencement, shall be determined in accordance with that clause.
- (iii) If the pension payments which are made to a **member** and/or his **eligible spouse** at the date of pension commencement, or beneficiary, whichever is applicable, cease before the total of these pension payments 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 his estate.

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(b) Death Before Retirement

- (i) If an **employee** dies prior to retirement and at his date of death leaves:
 - (1) an **eligible spouse** as his survivor, a lifetime annuity shall be paid to the spouse, or
 - (2) no **eligible spouse**, a lump-sum payment shall be paid to the **member's** designated beneficiary,
 - (3) no **eligible spouse** and no surviving designated beneficiary, a lump-sum payment shall be paid to the **member's** estate.
- (ii) The value of the benefit described in Section VIII(b)(i)(1) shall be equal to the greater of:
 - (1) 2 times the **member's** contributions **with interest**, or

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(2) the **commuted value** of the pension accrued by the member at his date of death, determined:

(a) with respect to a **member** who was eligible to commence a pension in accordance with Section V(a) or (b) at the **member's** date of death, in accordance with Section VI; or

(b) for all other **members**, in accordance with Section XIII

provided that in no event shall the annuity payable to the spouse, provided by the amount specified in Section VIII(b)(i)(1) above exceed 66 2/3% of the lesser of:

(A) the pension the **member** would have accrued had he continued to be a **member** of the **Plan** to age 65, as determined in accordance with Section VI and without any allowances for salary increases, and

(B) 3/2 of the maximum **yearly Canada Pension Plan earnings** for the year in which the **member** died.

(iii) The amount of the annuity in Section VIII(b)(i)(1) shall be calculated in accordance with factors provided by the **Actuary** from time to time and shall vary with changes in interest rates.

(iv) The lump-sum payment described in Section VIII(b)(i)(2) or (3) shall be equal to the **commuted value** of the pension accrued by the **member** at his date of death, determined:

a. With respect to a **member** who was eligible to commence a pension in accordance with Section V(a) or (b) at the **member's** date of death in accordance with Section VI; or

b. For all other **members**, in accordance with Section XIII

(v) An **eligible spouse** or **common-law partner** may waive entitlement to pre-retirement death benefits after being provided with the following:

(1) If the member is an active member, a copy of the most recent annual statement provided to the member

(2) 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

(3) If the member has died, the member's pre-retirement death statement.

The waiver must be in a form approved by the superintendent of pensions for this type of waiver and the **eligible spouse** or **common-law partner** must sign the waiver in the presence of a witness.

An **eligible spouse** or **common-law partner** who has provided a waiver under this section may revoke the waiver at any time before the pension commences by filing a written revocation.

IX. Forms of Pension Payment

(a) Normal Form

(i) Members With No Eligible Spouse

A **member** who has no **eligible spouse** shall receive a pension payable for his lifetime determined in accordance with Section VI. If the pension payments cease before the total of these payments 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.

(ii) Members With An Eligible Spouse

A **member** who has an **eligible spouse** shall receive a reduced pension, two-thirds of which, at the **member's** death, continues to be payable for the lifetime of the spouse. This reduction shall be **actuarially calculated** and have the same value as the pension determined in accordance with Section VI.

(b) Spouse's Right to Waive Normal Form

A **member** and his **eligible spouse** who jointly elect to waive their rights to the normal form of pension may indicate their decision in writing on the Spouse's Pension Waiver Form as prescribed in the regulations under the **Pension Benefits Act** and thereby agree that the **member** may elect to have his pension paid for his lifetime or in an optional form as provided in Section IX(c)(ii)(1), (2) or (3).

An **eligible 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.

(c) Optional Forms

(i) Where a **member** and his **eligible spouse** have signed a Spouse's Pension Waiver Form, or where a **member** has no **eligible spouse**, he may apply in writing to the **Board** not later than the latest of:

- (1) the date of his retirement, or
- (2) 30 days after the **Board** receives written notice of retirement from the **participating municipality**, or
- (3) 30 days after the **Board** is supplied with proof of age that results in his retirement, as the case may be, to receive an optional form of pension.

(ii) Any **member** who applies in accordance with Section IX(c)(i) may elect to receive his pension in the form of:

- (1) a reduced pension reducing to one-half at the **member's** death and payable for the lifetime of the **eligible spouse**;
- (2) a reduced pension which is payable for 10 years in any event and for his life thereafter;

- (3) a reduced pension which is payable for 15 years in any event and for his life thereafter; or
 - (4) a reduced pension payable for the lifetime of the **member** and continuing thereafter for the lifetime of the **eligible spouse**.
- (iii) The optional form of pension shall be **actuarially calculated** and have the same value as the pension determined in accordance with Section VI.

X Integrated Pensions

The option to integrate a pension with the Old Age Security Pension is not available to members who retire on or after January 1, 2017.

- (a) Where a pension is payable, but not because of disability, the **member** to whom it is payable, if he was born prior to April 1, 1958, may elect to have the pension increased by integrating it with Old Age Security if he applies in writing to the **Board** not later than the latest of
 - (i) the date of his retirement, or
 - (ii) 30 days after the **Board** receives written notice of retirement from the **participating municipality**, or
 - (iii) 30 days after the **Board** is supplied with proof of age that results in his retirement.
- (b) The amount of Old Age Security shall be determined as if the **member** is eligible for this benefit when the **member's** pension commences.
- (c) When a **member** reaches age 65, the integrated payment shall be reduced by the amount of Old Age Security Pension used in the calculation to determine the integrated amount.
- (d) When a **member** who elected an integrated pension dies before reaching age 65, the integrated amount shall continue to be paid only if the deceased **member** elected a guaranteed pension under Section IX(c)(ii)(2) or (3) and only until the deceased **member** would have reached that age.
- (e) The amount of any pension payable after the death of a **member**, whose pension was not payable in the form of a guaranteed pension, shall be determined as if the integration option had not been elected.
- (f) The actuarial value of the increase in pension expected to be paid to the **member** as a result of integrating the pension payments with Old Age Security estimated to be receivable by the **member**, shall be equal to the actuarial value of the reduction expected to be made in the pension payment as a result of integration.

XI Disability Benefits

- (a) A **member** who is an **employee** and who 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** 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 XI(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 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 XI(a) shall accrue **contributory service** based on:
 - (i) the proportion of a year of **contributory service** the **member** accrued in such **numerical year**, determined without regard to any period of **approved leave of absence**, if the **member** was an **employee** throughout the **numerical year** immediately prior to becoming disabled, or
 - (ii) the proportion of a year of **contributory service** the **member** would have accrued had the **member** been employed in that position throughout such **numerical year**, determined without regard to any period of **approved leave of absence**, if the **member** became an **employee** during the **numerical year** immediately prior to becoming disabled.
- (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 XI(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 the same as that calculated by comparing the income being received from the **Disability Income Plan** as a result of being partially disabled to the income the **member** would have received from the **Disability Income Plan** had the **member** been totally disabled.
- (f) (i) Any **member** who does not participate in the **Disability Income Plan** and who becomes totally disabled in accordance with Section XI(f)(iii) may apply for a disability pension under this Section of the **Plan** provided he has been under the regular and personal care of a medical practitioner for at least 18 weeks and he has completed at least 5 years of **service**, excluding paragraph (g) in the definition of **service**. A **member's** eligibility for a disability pension will not be affected by an interruption in such disability which continues for periods which in total are less than 4 weeks provided the **member** is totally disabled during a period of 18 weeks and the nature of the disability does not change.

- (ii) The **Board**, shall require each **member** who applies for a total disability pension to be examined by one or more medical doctors appointed or approved by the **Board** and the **Board** shall obtain such other evidence as it may consider necessary to enable it to determine if the **member** is disabled.
- (iii) Under this Section, a **member** is considered to be totally disabled if he has a physical or mental condition that is so severe and prolonged that the **member** is unable to engage in any substantially gainful occupation or employment and there is no reasonable expectation that the **member** will recover from the total disability.
- (iv) If the **Board** approves an application and grants a total disability pension, that pension shall be determined in accordance with Section VI(a) using the **member's** years of **contributory service**.
- (v) The disability pension shall be paid in instalments on the last day of each month. The first instalment is due on the later of
 - (1) the last day of the month in which the 18 week eligibility period is completed, or
 - (2) the last day of the month in which the **employee's** sick leave payments cease,
 - (3) the last day of the month in which the **member** retires.

Where a pension commences at any time after the first day of the month, such pension shall be prorated from the date the pension commences until the last day of the month.

- (vi) If a **member** who is in receipt of a total disability pension again becomes an **employee** of a **participating municipality**, the disability pension shall cease and the **member** shall again be subject to the terms and conditions of the **Plan** to the same extent as other employees unless he terminates employment with a **participating municipality**.

XII Termination Benefits

- (a) If, for any reason other than death a **member's** employment with a **participating municipality** terminates before he becomes eligible for a pension, he may, at his option, elect to:
 - (i) transfer, subject **to locked-in** provisions, the commuted value of the pension to the pension plan established by an employer with whom he is subsequently employed, to a registered retirement savings plan, or to a **locked-in retirement account**, an amount equal to the commuted value of the pension, determined in accordance with Section XIII, or
 - (ii) receive a paid-up pension determined in accordance with Section XIII and commencing on or after any retirement date specified in Section XIII(a), (a.1)(i) or (a.2): or
 - (iii) transfer in accordance with the terms of a reciprocal agreement, where he becomes employed with a **reciprocating employer**. In such an event, the provisions of Section XVII shall apply.
- (b) If, for any reason other than death a **member's** employment with a **participating municipality** terminates on or after any date on which he becomes eligible for a pension, and he does not wish to retire, he may, at his option, elect to:
 - (i) become entitled to a paid-up pension determined in accordance with Section XIII and commencing on or after any retirement date specified in Section XIII(a), (a.1)(i) or (a.2); or

- (ii) transfer in accordance with the terms of a reciprocal agreement, where he becomes employed with a **reciprocating employer**. In such an event, the provisions of Section XVII shall apply.

XIII Members Entitled to Paid-Up Pensions

(a) If a **member** is entitled to a paid-up pension or a paid-up pension is provided, the amount of the paid-up pension shall be determined:

- (i) With respect to **contributory service** prior to January 1, 2018, in accordance with Section VI, and
- (ii) With respect to **contributory service** after December 31, 2017, in accordance with Section VI(a) and Sections VI(c) to (g).

(a.1) Unreduced Pension

(i) A **member**, who is entitled to a paid-up pension, may retire at a date earlier than his normal retirement date as specified in Section V(c), provided he has:

(1) completed at least 5 years of **service** and attained age 60, or

(2) his age plus **service**:

(A) is equal to or greater than 80, provided that age plus **service** was equal to 80 prior to January 1, 2018; or

(B) if the requirement in Section XIII(a.1)(i)(2)(A) is not met, is equal to or greater than 80 and he has attained age 55.

(ii) In such event, he shall receive:

(1) With respect to **contributory service** prior to January 1, 2018, the pension determined in accordance with Section VI, and

(2) With respect to **contributory service** after December 31, 2017, the pension determined in accordance with Section VI(a) and Sections VI(c) to (g).

(a.2) Reduced Pension

(i) A **member**, who is entitled to a paid-up pension, may retire prior to the date on which the earliest of the requirements stated in (1) or (2) of Section XIII (a.1)(i) has been fulfilled, provided he has completed at least 5 years of **service** and attained age 55. In such event, he shall receive:

(1) With respect to **contributory service** prior to January 1, 2018, the pension determined in accordance with Section XIII(a.1)(ii)(1) reduced in accordance with Section VI(c)(i) and (ii), and

(2) With respect to **contributory service** after December 31, 2017, a pension which is obtained by reducing the pension determined in accordance with Section XIII(a.1)(ii)(2) such that the reduced pension is of actuarial equivalent value to the pension he would have received had he commenced his pension in accordance with Section XIII(a.1)(ii)(2) at age 60.

- (ii) A **member** who is entitled to a paid-up pension, may retire at age 55 with less than 5 years of **service**. In such event, he shall receive a pension which is obtained by reducing the pension determined in accordance with Section XIII(a.1)(ii) such that the reduced pension is of actuarial equivalent value to the pension he would have received had he commenced his pension in accordance with Section XIII(a.1)(ii) at his normal retirement date described in Section V(c).
- (b) If a **member** is entitled to a paid-up pension and is not eligible to retire in accordance with Section V, he may transfer, subject to **locked-in** provisions, the **commuted value** of the pension to the pension plan established by an employer with whom he is subsequently employed, to a registered retirement savings plan, or to a **locked-in retirement account**.
- (c) If a **member** who is entitled to a paid-up pension is employed by a reciprocating employer and makes a request for a transfer under Section XIII(b), the **commuted value** of the paid-up pension shall be calculated as though the member's employment with the reciprocating employer was terminating on the date the request is made to the Board.
- (d) (i) Where a paid-up pension is provided to a **member** who dies before payment of the pension has commenced, and at his date of death he leaves:
 - a. an **eligible spouse** as his survivor, a lifetime annuity shall be paid to the spouse, or
 - b. no **eligible spouse**, a lump-sum payment shall be paid to the **member's** designated beneficiary, or
 - c. no **eligible spouse** and no surviving designated beneficiary, a lump-sum payment shall be paid to the **member's** estate.
- (ii) The value of the benefit described in Section XIII(d)(i)(1) shall be equal to the greater of:
 - (1) 2 times the **member's** contributions **with interest** less any amounts received by the **member** in accordance with Section I(x) of Part Four of the **Plan**, or
 - (2) the **commuted value** of the **member's** paid-up pension at his date of death,
 provided that in no event shall the annuity payable to the **eligible spouse**, provided by the amount specified in Section XIII(d)(ii)(1) above exceed 66 2/3% of the lesser of:
 - (A) the pension the **member** would have accrued had he continued to be a **member** of the **Plan** to age 65, as determined in accordance with Section VI and without any allowance for salary increases, and
 - (B) 3/2 of the maximum **yearly Canada Pension Plan earnings** for the year in which the **member** died,
- (iii) The lump-sum payment described in Section XIII(d)(i)(2) or (3) shall be equal to the **commuted value** of the **member's** paid-up pension at his date of death.
- (iv) The amount of the annuity in Section XIII(d)(i)(1) shall be calculated in accordance with factors provided by the **Actuary** from time to time and shall vary with change in interest rates.

- (v) An eligible spouse or common-law partner may waive entitlement to pre-retirement death benefits in accordance with Section VIII(b)(v).

An **eligible 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.

- (e) Where a paid-up pension is provided to a **member** who re-enters employment with a **participating municipality**:
 - (i) after more than 3 years from the date on which his employment terminated, or
 - (ii) within 3 years from the date on which his employment terminated but after he has received a lump sum payment,

the period of **service** in respect of which he has the paid-up pension shall be included in determining the length of **service** in respect of both the qualification for benefits under the paid-up pension and the qualification for benefits in respect of the period of re-employment.

- (f) where a **member** is entitled to a paid-up pension under Section XII(b)(i) or (c)(ii), the period of his **service** prior to January 1, 1985 in respect of which he received a lump-sum payment, shall be included in his period of **service** for the purposes of determining eligibility for benefits under the **Plan**.
- (g)
 - (i) If a **member** is entitled to a paid-up pension, has completed at least 5 years of **service**, excluding, for the purposes of this Section only, paragraph (g) in the definition of **service** and has been totally disabled in accordance with Section XIII(h)(ii) for at least 18 weeks, the **member** may apply for an immediate disability pension.
 - (ii) If the **Board**, on the basis of evidence submitted to it by one or more medical practitioners, determines that the **member** has a physical or mental condition that is so severe and prolonged that the **member** is unable to engage in any substantially gainful occupation or employment and there is no reasonable expectation that the **member** will recover from the total disability, the **member** shall be entitled to receive an immediate disability pension equal to the **member's** paid-up pension.
 - (iii) The disability pension shall commence on the last day of the month in which the **Board** determines that the **member** is entitled to a disability pension.
 - (iv) If a **member** who is in receipt of a disability pension again becomes an **employee** of a **participating municipality**, the disability pension shall cease and the **member** shall again be subject to the terms and conditions of the **Plan** to the same extent as other **employees**.

XIV. Indexing Adjustments

- (a) Effective April 1, 2008 and each April 1 thereafter, the **Board** may grant increases in the pensions payable to retired **members** and beneficiaries of retired **members**, and **members** entitled to paid-up 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 **eligible 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) An Indexing Adjustment Account shall be established as at July 1, 1985 by a transfer of \$2,000,000 of the **Fund's** surplus as at January 1, 1983 plus accrued interest of \$376,200 to January 1, 1985.
- (c) Effective May 1, 2005 the Indexing Adjustment Account shall be amalgamated with the Pension Fund.
- (d) 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 1 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 creating an unfunded liability measured on a going concern or 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 of granting an indexing adjustment. No indexing adjustments shall be granted without the **Board's** approval of these reports.
- (e) Indexing adjustments shall be limited to the lesser of two-thirds of the increase in the Consumer Price Index for Canada, or 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 solvency basis, 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%.
- (f) A retired **member** shall receive a partial indexing adjustment commencing in the 13th month following retirement. Once a **member** has been retired for the full **numerical year** in respect of which the indexing adjustment is payable, he shall receive the full indexing adjustment commencing on the next April 1.
- (g) Indexing adjustments are added to paid-up 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.
- (h) 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 Act.
- (i) 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**.

XV. Reinstatement

- (a) A **member** who receives a lump-sum payment or becomes entitled to a paid-up pension from the Pension Part of the **Plan** on termination of active membership due to termination of employment may, if he re-enters employment within 3 years of such termination and again begins contributing to the Pension Part of the **Plan**, have added to his years of **contributory service** after he re-enters employment, the years of **contributory service** to his credit on the date his employment terminated, if:
 - (i) he submits an application to the **Board** within 2 years of the date he again becomes a **member** of the Pension Part of the **Plan**, and

- (ii) any payments received on termination of active membership from the Plan are to be repaid based on the following criteria:
 - i. A commuted value that was removed from the Plan must be repaid based on the full actuarial value of the service being reinstated. The actuarial value will be calculated based on the **member's** current salary as at the date the reinstatement application is received and will be held for 90 days,
 - ii. Any excess contributions removed from the Plan if the **member** elected a paid-up pension are required to be paid in full with applicable interest from the date of re-employment to the date of payment.
- (b) Where a paid-up pension is granted to a former **employee** but payment has not yet commenced, and the former **employee** becomes employed with the **participating municipality** with which he was previously employed or with another **participating municipality** and reinstates his prior **contributory service** in accordance with Section XV(a)(i), the paid-up pension is cancelled in lieu of such reinstatement.

XVI. Retired Members Who Resume Employment

- (a) Where a retired **member** resumes employment with a **participating municipality**, and at the date he resumes employment he has attained age 71, his pension will continue to be paid and his subsequent period of employment shall not affect his benefits under the **Plan**
- (b) The following provisions shall be applicable to a retired **member** who resumes employment with a **participating municipality** and at the date he resumes employment, he has not yet attained age 71 and he elects to resume making contributions to the **Plan**:
 - (i) The pension payments determined in accordance with Sections VI and XIV shall cease as at the day prior to the day on which he resumes making contributions to the **Plan**.
 - (ii) Contributions shall commence to be deducted in accordance with Section IV.
 - (iii) Any payment received by the **member** under Section I(x) of Part Four shall be repaid by the **member** to the Pension Part of 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**.
 - (iv) When the **member** again retires, he shall receive, in respect of his benefits under Sections VI and XIV:
 - (1) the pension he was being paid at the date he resumed contributions, plus any indexing adjustments that would have been granted had he continued to receive a pension during the period of re-employment, and
 - (2) a further pension in an amount based on the period of **contributory service** and **earning** during re-employment.
- (iv) In the event a **member** retires after the normal retirement date, he shall receive a pension which is the greater of:
 - (1) the pension determined in accordance with Section XVI(iv), and

- (2) the actuarial equivalent, as at the date he ceased to be an active **member**, of the pension that would have been payable in accordance with Section XVI(iv), if the **member** had retired at the normal retirement age.
- (v) Where the **member** is receiving payment of an annuity in accordance with the terms of Part Three, he may, at his option, elect to have the annuity payments continue or cease during his period of re-employment. In the event that the **member** elects to have these payments cease, the annuity will be recalculated when he again retires and increased to reflect investment income and payments which were not made during the period of re-employment.
- (vi) For the purposes of determining eligibility for benefits under Section V(a) or (b), VIII, or XI of the Pension Part of the **Plan** in respect of the period of re-employment, the period of **service** before the re-employment period shall be included with the period of **service** during the re-employment period.
- (vii) Where the **member** dies during the period of re-employment, he shall be deemed to have retired on his date of death for the purpose of calculating benefits in respect of the period of re-employment.
- (viii) 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.

XVII. Arrangements re periods of service

- (a) The Board may enter into an agreement with any **reciprocating employer**, or authority charged with the administration of a pension or superannuation benefits plan or fund for or in respect of employees of a **reciprocating employer** whereby
 - (i) a person who becomes an employee of the Pension Part of the **Plan** may, for the purposes of this Part of the **Plan**, obtain credit for all or part of a period of service credited to him under the plan operating in respect of employees of the **reciprocating employer**; and
 - (ii) 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 Pension Part of the **Plan**.
- (a.1) The Board may enter into a portability agreement with an individual.

(b) Contents of agreement

An agreement entered into under subsection (a) or subsection (a.1) may include

- (i) application deadlines or other dates to determine who is eligible to transfer benefits under the agreement;
- (ii) 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;
- (iii) provisions concerning the calculation of the amount to be transferred between employers;
- (iv) any other term or condition that the **Board** may wish to include in the agreement.

XVIII Support and Division of Property on Spousal Relationship 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 Act (Canada).
- (c) Where a **member's pension benefit**:
 - (i) is in the form of a joint and survivor pension with their **eligible 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 **eligible 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 **eligible spouse**.
- (d) Where a **member's pension benefit**:
 - (i) is not in the form of a joint and survivor pension with their **eligible 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 **eligible 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 **eligible spouse**.

XIX. Prior Non-Pensionable Employment

An **employee** of a **participating municipality** who has **service** prior to his date of entry into the **Plan** or who had an **approved leave of absence** during which contributions were not paid, may purchase, as **contributory service**, some or all of that **service**, based on terms and conditions which the **Board** may approve from time to time.

XX – Shortened Life Expectancy

Prior to the commencement of a pension payment, if a Member has a terminal illness or a disability resulting in a shortened life expectancy whereby the Member's life expectancy is to be shortened to less than two (2) years and is so certified by a licensed medical doctor, licensed to practice under the laws (of a province or the place where the Member resides), the Trustees may accept this as termination due to shortened life expectancy and upon request by the Member may refund a lump sum immediate payment of the Commuted Value of the Member's Pension Benefit accrued to date including any portion that may be Locked-in.

If a Member who is entitled to receive a lump sum payment under this section has an **eligible spouse**, before payment is made to a Member, the Spouse must complete any appropriate waiver form(s) as prescribed in the Manitoba Pension Benefits Act and/or Regulations and file this form with the Administrator.

Section XXI – Non-Residency:

Where a **member** or **eligible spouse** is entitled to receive a **pension benefit credit** and:

- (a) the **member** or **eligible 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 Act (Canada), the **commuted value** of the **pension benefit credit** may be paid in a lump sum to the person entitled to the **pension benefit**, provided that:
- (c) any **eligible 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 his or her **eligible spouse**, if any; and
- (e) the appropriate forms required by **Pension Benefits Act** are completed and filed with the administrator of the **Plan**.

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 59.3 of *The Family Maintenance Act* to preserve assets; and
- (h) any division of a **pension benefit credit** under Article XVIII.

THE MONEY PURCHASE PLAN IS CLOSED AS AT MAY 10, 2012
PART THREE
MONEY PURCHASE ACCOUNTS PART OF THE PLAN

I. Effective Date

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

II. Eligibility

- (a) Any person may become an **account-holder** when he becomes 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; or
 - (ii) on becoming a **member** if he applies to the **Board** in accordance with Section III(a) to transfer amounts from the pension plan of his prior employer; or
- VII. 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**; or
- VIII. on death where the **account-holder** is the **member** or is the former spouse of a **member**; or
- IX. when one or more of the above occurs.

III 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 he is a **member** on January 1, 1985,
- (b) providing such other information as the **Board** deems necessary or desirable,
- (c) agreeing to transfer to the Money Purchase Accounts Part of the **Plan** an amount from the **Fund**.

IV. 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 his 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 Section IX of Part Two 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.
- d. 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**.
- e. If the accumulated value of the **account-holder's** account is less than 20% of the **yearly Canada Pension Plan earnings** in the year in which the annuity commences, the accumulated value shall be paid in a lump sum.
- f. 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 Section XIV of the Pension Part of the **Plan** in respect of that annuity.

V. Death Benefits

- (a) If the death of an **account-holder** occurs prior to his applying for an annuity, there shall be payable to his **eligible spouse**, or if none, to his estate, an amount equal to the accumulated value of his account.
- (b) The beneficiary who is the **account-holder's eligible 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 **eligible 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 **eligible 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 his beneficiary; and if there is no beneficiary, the **commuted value** of the remaining annuity payments due will be paid to his estate in a lump sum.

VI. Termination Benefits

On termination of active membership due to termination of employment, or otherwise,

- (a) an **account-holder** may transfer his account to his 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 his 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, he shall remain an **account-holder** until a benefit becomes payable under Section IV or V;
- (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**.

VII. 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**

VIII. 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**, and
 - (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**, and
 - (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.

IX. 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**.

PART FOUR

GENERAL PROVISIONS PART OF THE PLAN

I. Miscellaneous

(a) Appointment of Beneficiary

- (i) A **member** may appoint a beneficiary to receive any post-retirement death benefit payable under the **Plan**. An **eligible spouse** of the **member** is automatically the beneficiary of that **member**. If the beneficiary dies, either before the **member** or within 30 days of the **member's** death and no alternate beneficiary has been designated, any death benefits will be paid to the estate of the **member**.
- (ii) Where no person has been designated as beneficiary, a **member** who does not have an **eligible spouse** shall be deemed to have designated his estate as beneficiary
- (iii) Other than the appointment of a beneficiary to receive death benefits, or the division of **pension benefits** on marriage breakup, no assignment of any right to the return of contributions or of any right to pension payments or of any money payable under the **Plan** nor any bequest thereof shall be valid or recognized in any way by the **Board** and no such right shall be attachable or in any way liable for any debts of a **member**.

(b) Actuarial Valuations

There shall be an actuarial valuation of the **Fund** as of January 1, 1977, and at least once every 3 years thereafter.

(c) Fund

- (i) The **Fund** shall be administered by the **Board** in accordance with the terms and provisions of the **Plan** and Trust Agreement. The **Fund** consists of the contributions made by the **members** and by the **participating municipalities** and paid into the **Fund** and the accumulated investment earnings earned on such contributions, less the payments already made out of the **Fund**. Payments shall be made out of the **Fund** only to pay the costs, charges and expenses of administering the **Plan** and the benefits provided to the **members**, their survivors, beneficiaries or estates in accordance with the terms and provisions of the **Plan**.
- (ii) The **Fund** shall be invested at the discretion of the **Board**, in investments and loans which, at the time the investment is made, are eligible investments for insurance companies subject to the provisions of the **Pension Benefits Act**, as amended from time to time.

(d) Method of Payment

- (i) Every payment from the **Fund** shall be made:
 - (1) by cheque of the **Board**, signed by;
 - (2) 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.

- (ii) Where a pension or annuity is payable under more than one part of the **Plan**, only one option may be chosen in respect to all amounts.

(e) Facsimile Signature

The **Board** may authorize the signing of cheques by the use of mechanical means of reproducing thereon facsimile signatures of the persons authorized to sign cheques.

(f) Fees for Actuarial Expenses

Where:

- (i) a person requests information; or
- (ii) as the result of an election or decision of any person the **Board** is required to obtain information;

and in order to provide or obtain the information the **Board** requires a report or calculation by an **Actuary**, the **Board** may either before or after providing or obtaining the information:

- (iii) charge and collect from the person requesting the information or making the election or decision, a fee equal to the amount charged by the **Actuary** for providing the report or calculation; or
- (iv) charge and collect a flat fee prescribed by the **Board** for providing or obtaining the information.

(g) Return of Contributions and Interest

- (i) Where the pension ceases before the amounts received in pension payments are at least equal to the **member's** contributions **with interest** at the date the pension commenced, the **Board** shall pay out of the **Fund** a sum equal to the remaining portion of that total to the persons specified in Section VIII(a) of the Pension Part of the **Plan**, or the estate, whichever is applicable.
- (ii) If a **member** or the eligible survivor of a **member** becomes entitled to a lump-sum payment, the lump-sum payment shall be reduced by the total amount of any benefits paid.

(h) 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 his rights and duties with respect to the benefits available to him;
- (iii) such other information as required by the **Pension Benefits Act**.

(i) Right to Transfer

If a **member** or beneficiary is entitled to receive a lump-sum payment, or a benefit which is based on the **commuted value** of a pension, the lump-sum or **commuted value**, whichever is applicable, may, at the option of that person, be transferred, subject to **locked-in** provisions, to a **locked-in retirement account**, to a registered retirement savings plan or to the pension plan established by an employer with whom he is subsequently employed.

(j) Lower Contribution Rate

Any pension payable under the Pension Part 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 **service**.

(k) Power of Board to Extend Time Limits

Where any person fails to meet any time limit set out in this **Plan** for doing any act or thing required to be done under this **Plan** to obtain a benefit under this **Plan**, and 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.

(l) Board May Administer Other Pension Plans

The **Board** may enter into an agreement under which the **Board** undertakes to administer a pension or other benefit plan for **employees**, or some of the **employees** of an employer which the **Board** considers to be equivalent to a **participating municipality** but which does not qualify under the **Plan** as a **participating municipality**.

(m) 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 XV(a)(ii) of the Pension Part of the **Plan** shall be allocated to the **member's** account in the records of the **Board**, showing separately the contributions to the Pension Part of the **Plan** and the contributions to the former Disability Pension Part of the **Plan**.
- (iii) The contributions made by a **member** to the Pension Part of 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.

(n) Determination of Service for Purpose of Disability Pension and Early Retirement

Where, immediately before he becomes an **employee** of a **participating municipality**, a person was employed for a period

- (i) by an employer which subsequently becomes 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 he was not a **member** of the **Plan**

in order to determine the length of his **service** for the purposes of eligibility for benefits on termination of active membership due to termination of employment, death, disability, if applicable, or early retirement, the period during which he was employed as mentioned in Section I(n)(i) or (ii) shall be included in his period of **service**.

(o) Annuitant Mentally Incompetent

Where any person to whom an annual pension is payable under this **Plan** is, in the opinion of the **Board**, incapable of managing his affairs, whether from mental incompetency or otherwise, the **Board** may pay a pension to his committee or, if there is no committee, to a member of his family, and the payment shall be a discharge of any liability of the **Board** under this **Plan**.

(p) 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.

(q) Proof of Age

Every **employee** who is a **member**, if he has not previously supplied proof of age, shall furnish proof of age satisfactory to the **Board**

- (i) when he reaches the age of 50 years; or
- (ii) when he begins contributing to the **Plan**; or
- (iii) when he applies for a disability pension or 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 his birth on record with the **participating municipality** employing him.

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.

(r) 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 his eligibility for the benefit as the **Board** may require, and if he fails to satisfy the **Board** that he is eligible, the **Board** may refuse to pay the benefit.

(s) 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 he is entitled thereto under this **Plan** and the decision of the **Board** in respect thereto is final and conclusive.

(t) 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 **member's** contributions to the **Plan** for the applicable period of **service** and the matching **participating municipality's** contributions shall be refunded **with interest** to the **member** and the **participating municipality**, respectively.

(u) Capacity of Natural Person

The **Board** has the capacity and, subject to this **Plan**, all the rights, powers and privileges of a natural person.

(v) Transfer from a Prior Plan

Where a **member** elected to transfer his benefits accrued under a prior plan, up to the effective date of the Pension Part of the **Plan**, or if later, the date his employer becomes a participating employer, to this **Plan**, 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 transfer.

(w) 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 plus interest on those contributions. If the commuted value is less, the member's pension shall be increased.

(x) 50% Excess Test

If a **member**, the eligible spouse or beneficiary becomes entitled to a pension or a paid-up 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 Pension Part of 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 the excess shall be either:

- (i) paid as a lump-sum payment to the recipient, or
- (ii) transferred to a Registered Retirement Savings Plan established for the recipient, or
- (iii) transferred to another registered pension plan for credit to the recipient.

(y) Interpretation

- (i) 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.
- (ii) 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); and any interpretation so implemented will be applied thereafter in matters of the nature concerned.

(z) Assignment of Benefits

The benefits herein provided, deferred or otherwise, 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 or regulations.

II. 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 **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, eligible spouse**, beneficiary or joint annuitant is entitled under the **Plan**, having regard to the pension to which each such **member, eligible 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 fulfills 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.

III 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
 - (iii) became entitled to a paid-up pension before January 1, 1992, shall have his 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.