

Bylaw No. 1913

The Retirement Plan for Employees of The Saskatoon Board of Police Commissioners Bylaw, 2003

**Codified – Bylaw No. 1924
(October 20, 2011)**

BYLAW NO. 1913

The Retirement Plan for Employees of The Saskatoon Board of Police Commissioners Bylaw, 2003

The Saskatoon Board of Police Commissioners enacts:

Title

- 1 This Bylaw may be cited as The Retirement Plan for Employees of The Saskatoon Board of Police Commissioners Bylaw, 2003.

Purpose

- 2 The purpose of this Bylaw is to adopt a re-worded version of The Retirement Plan for Employees of City of Saskatoon Board of Police Commissioners to now be called The Retirement Plan for Employees of The Saskatoon Board of Police Commissioners (the “Retirement Plan”). The Retirement Plan is a re-statement of The Retirement Plan for Employees of City of Saskatoon Board of Police Commissioners enacted pursuant to Bylaw No. 1876. The Retirement Plan has been re-stated to clarify the benefits provided by the Plan and to remove obsolete wording.

Retirement Plan Continued

- 3 The Retirement Plan for Employees of City of Saskatoon Board of Police Commissioners established by Bylaw No. 1876 is continued under this Bylaw in accordance with the provisions of Schedule “A” annexed hereto and forming part of this Bylaw.

Retirement Plan to Take Effect

- 4 The Retirement Plan contained in Schedule “A” shall take effect in accordance with the tenor thereof.

Rights and Obligations Continued

- 5 All rights and obligations existing under Bylaw No. 1876 on the date of its repeal are continued under the provisions of the Retirement Plan contained in Schedule “A”.

Bylaw No. 1876 Repealed

- 6 Bylaw No. 1876 is repealed.

Coming Into Force

- 7 This Bylaw shall come into force on the day of its final passing but is retroactive and is deemed to have been in force and effect on and from January 1, 2003.

Passed this 16th day of October, 2003.

“James Maddin”

Chairperson

“Janice Mann”

Secretary

“SEAL”

Schedule “A”

Retirement Plan for Employees of the Saskatoon Board of Police Commissioners

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Effective From: January 1, 2003

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for Employees of The Saskatoon
Board of Police Commissioners

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SECTION 1
ESTABLISHMENT AND CONTINUING OPERATION OF THE PLAN

1.01 Purpose

- (1) The purpose of the Plan is to provide retirement and related benefits for and on behalf of all eligible Employees who become Members of the Plan on and after the Effective Date.

1.02 Effective Date

- (1) The Plan was established effective October 1, 1965.

1.03 Registration

- (1) It is the intention of the Commission to have this Plan approved as a registered pension plan in accordance with the Applicable Legislation and thereafter to maintain the registered status of the Plan.

1.04 History of the Plan

- (1) The Plan was established effective October 1, 1965 by Bylaw No. 1876 of the Commission. Bylaw No. 1876 reconstituted and created a new pension plan to replace the plan provided by Bylaw No. 1869 and amendments thereto.
- (2)
 - (a) As a result of negotiations between the Commission and the Association, the Plan was amended effective January 1, 1974.
 - (b) Prior to January 1, 1974 commissioned officers of the City of Saskatoon Police Department were given the option upon becoming a commissioned officer to retire on the first of the month following attainment of age sixty-five (65) instead of the first of the month following attainment of age sixty (60). The required contribution rate for commissioned officers electing to retire at age sixty-five (65) was 1% of Earnings less than it was for Employees retiring at age sixty (60).
 - (c) As of January 1, 1974 all Employees, other than commissioned officers who had previously elected to retire on the first of the month following age sixty-five (65), were required to retire on the first of the month following age sixty (60).

Commissioned officers who had previously elected normal retirement age sixty-five (65) were given the right to elect to change to normal retirement at age sixty (60) provided:

- (i) they made their decision in writing to the Board of Trustees before April 1, 1974, and
- (ii) they made up the 1% of Earnings difference in contributions with 4% interest compounded annually from December 31 following the date the contribution would have been made in one lump sum at the time of the election or over a maximum of five (5) years on a basis acceptable to the Joint Pension Committee.

(3) Effective January 1, 1998, Bylaw 1902 amended the Plan to provide for various improvements to the benefits provided by the Plan as follows:

- (a) eliminated the 26 years of Continuous Service deadline for buying back past service, subject to an interest penalty for any buy back occurring after 26 years of Continuous Service;
- (b) allowed active members who qualify for an immediate unreduced pension between January 1, 1999 and December 31, 2001, to receive a lump sum transfer in lieu of a retirement pension from the Plan;
- (c) eliminated the CPP offset on all pre-1990 service for all future and existing retired members;
- (d) extended the 2.0% benefit formula for all service from January 1, 1995 up to December 31, 2002;
- (e) provided for ad hoc indexing for all pensions in pay based on 100% of the increase in CPI to a maximum of 3.0% on July 1 of each year from 1999 to 2001, inclusive;
- (f) changed the normal form of pension for all existing and future pensioners to guarantee 15 years, if there is no spouse at retirement, or a joint and 66 2/3% surviving spouse pension with a 60 month guarantee, if there is a spouse at retirement;
- (g) provided for certain actuarially equivalent optional forms for members with spouses at retirement; and

- (h) introduced a portability provision to allow for the orderly transfer of certain pension values and service.
- (4) Effective January 1, 2001, Bylaw 1911 amended the Plan to provide for various improvements to the benefits provided by the Plan as follows:
- (a) the Final Earnings definition was changed for all active and retired members to be the average of the highest consecutive 36 months' Earnings received by the Member during the period of Pensionable Service;
 - (b) the Member contribution rate was changed effective January 1, 2002 to be 7% of the Member's Earnings, or such higher amount as recommended by the Actuary to maintain the proper funding of the Plan;
 - (c) the period within which active members who qualify for an immediate unreduced pension may, in lieu thereof, receive a lump sum transfer was extended to December 31, 2004;
 - (d) extended the 2.0% benefit formula for all service on and after January 1, 1995;
 - (e) increased the maximum pension allowable under the Plan (subject to any Income Tax Act limits) to \$2,600.00 for each year of Pensionable Service;
 - (f) increased the maximum Final Earnings allowable under the Plan to \$130,000;
 - (g) provided for ad hoc indexing for all pensions in pay based on 100% of the increase in CPI to a maximum of 3.0% on July 1 of each year from 2002 to 2004, inclusive; and
 - (h) enhanced the death benefit for a Spouse of a Member who dies after becoming eligible to retire to include the option of transferring the greater of two times the Member's contributions with interest or the commuted value of the Member's accrued pension.
- (5) Effective January 1, 2003, this Plan was re-stated to clarify the benefits of the Plan and to remove obsolete wording. In addition, the definition of "RRSP" was amended to remove references to LRIF's and LIF's as per recent Pension Benefits Act changes. There was no intent to change the meaning of the prior wording of the Bylaw, other than the definition of RRSP. This consolidation of the Plan incorporates all prior amendments contained in the previous Bylaw No. 1876, codified up to and including Bylaw No. 1912.

- (6) Effective January 1, 2005, Bylaw No. 1914 amended the Plan as follows:
- (a) provided for ad hoc indexing for all pensions in pay on July 1, 2005 and July 1, 2006, respectively, based on 100% of the increase in CPI to a maximum of 2.0%;
 - (b) provided for ad hoc indexing for all pensions in pay on July 1, 2007, based on 100% of the increase in CPI to a maximum of 1.6%; and
 - (c) clarified benefits on death of an active member after they qualify for early retirement.
- (7) Effective November 1, 2004, Bylaw 1915 amended the Plan to remove the provision for reciprocal transfer agreements.
- (8) Effective June 1, 2005, Bylaw 1915 amended the Plan, as per changes to the *Pension Benefits Act*, to permit a Member's Spouse to waive entitlement to pre-retirement death benefits, to allow a surviving Spouse to receive pre-retirement death benefits in cash and to revise the small benefit provisions. The Plan was also amended to provide for certain housekeeping changes.
- (9) Effective October 1, 2007, Bylaw No. 1916 amended the Plan to charge the eligibility requirements applying to part-time and/or job sharing employees so that such employees would join the Plan on their date of employment. Also, the calculation of service and pension accruals for part-time and/or job sharing members was clarified. In addition, the pre-retirement death benefits provided under the Plan were clarified.
- (10) Effective October 17, 2007, Bylaw No. 1917 amended the Plan as follows:
- (a) the definition of "Vacation Payout" was added to permit the inclusion of up to 240 hours of lump sum vacation payout in determining the retirement pension for Members retiring on and after October 18, 2007, and who joined the Plan prior to December 1, 2007. For such cases, Member required contributions and matching Employer contributions at the applicable rates are made on the amount of Vacation Payout;
 - (b) ad hoc indexing was provided to all pensions in pay on July 1, 2008, July 1, 2009 and July 1, 2010, respectively, based on 100% of the increase in the CPI to a maximum of 1.6% per annum;

- (c) subsection 9.01(1) was deleted and subsection 13.04(1) was amended to clarify how Surplus in the Plan is to be utilized; and
 - (d) to provide for certain housekeeping items.
- (11) Effective November 17, 2007, as a consequence of the elimination of mandatory retirement in the Province of Saskatchewan, the Plan was amended to permit continued contributions and benefit accruals up to the latest date permitted under the *Income Tax Act*.
- (12) Effective December 31, 2007, Bylaw 1919 amended the Plan as follows:
 - (a) to eliminate all early retirement subsidies for all Active Members and Disabled Members only in the event of wind-up or termination of the Plan; and
 - (b) to provide certain housekeeping items.
- (13) Effective January 1, 2009, Bylaw No. 1920 amended the Plan to:
 - (a) clarify that lump sum vacation payouts are not considered part of a Member's remuneration for the purposes of the definition of Earnings except as provided in Section 2.42 and Section 5; and
 - (b) increase the amount that the Fund contributes toward the cost of administrative services from \$24.00 for each Active Member and Retired Member to \$42.00.
- (14) Effective November 17, 2007, Bylaw No. 1921 amended the Plan to correct a clerical error in a previous amendment to Section 3 of the Plan.
- (15) Effective March 11, 2009, Bylaw No. 1922 amended the Plan to remove the option of a Plan Member taking the commuted value of his or her pension on retirement.
- (16) Effective March 18, 2010, Bylaw No. 1923 amended the Plan to clarify a previous amendment to Section 5 of the Plan.
- (17) Effective January 1, 2011, Bylaw No. 1924 amended the Plan to reflect negotiated increases in base Member and Employer contribution rates, pending further resolution by the Commission, and the Association of their respective obligations in relation to minimum funding requirements which exceed basic contribution levels.

SECTION 2

DEFINITIONS

For the purposes of the Plan, the following definitions are made:

- 2.01 “Actuarial Equivalent”** means a benefit of equivalent value when computed on the basis of interest, mortality and/or other rates and tables adopted by the Board for such purposes on the advice of the Actuary, and in effect on the date such determination is made.
- 2.02 “Actuarial Value”** means the cost to the Plan determined in accordance with the actuarial assumptions, methods and rates of interest used in the most recent actuarial report filed with the regulatory authorities under the Pension Benefits Act, as modified by the Actuary as deemed appropriate for such a calculation and assumes the Member will retire on the earliest date the Member is eligible for an unreduced pension. The cost to the Plan shall not include the value of indexing as provided for in Section 9.01.
- 2.03 “Actuary”** means the person designated by the Board to be the Actuary for the Plan and such person shall be a Fellow of the Canadian Institute of Actuaries.
- 2.04 “Administrator”** of the Plan means the Board.
- 2.05 “Applicable Legislation”** means any legislation governing pension plans and their registration, including the Pension Benefits Act and the Income Tax Act.
- 2.06 “Association”** means The Saskatoon City Police Association.
- 2.07 “Board”** means the Saskatoon City Police Pension Plan Board of Trustees as described in Section 12.
- 2.08 “Canada Pension Plan”** means the *Canada Pension Plan*, Statutes of Canada and the Regulations thereunder, as amended from time to time.
- 2.09 “Commission”** means The Saskatoon Board of Police Commissioners.
- 2.10 “Commutated Value”** means the lump sum present value of a stream of pension payments, determined by the Actuary in accordance with accepted actuarial practice.
- 2.11 “Consumer Price Index”** means the *Consumer Price Index* for all of Canada as published by Statistics Canada under the authority of the *Statistics Act (Canada)*.

2.12 “Continuous Service” means the period of uninterrupted active service rendered on a regular, permanent basis by a Member to the Commission from the Member’s date of employment to the date of the Member’s termination of service, death or retirement, whichever first occurs.

Continuous Service shall not be broken by:

- (1) any leave of absence of an Employee from the Employee’s duties with the consent of the Commission;
- (2) any sick or accident leave of an Employee from the Employee’s duties;
- (3) any leave of absence for service in the Armed Forces in periods of national emergency;
- (4) temporary layoff due to lack of work unless service continuity has been broken in accordance with the Commission's service continuity policy as it may be in effect from time to time; or
- (5) any period of time during which an Employee is receiving benefits under the Long-Term Disability Plan.

Service occurring before a break in Continuous Service shall not constitute Continuous Service.

If all or any part of the leave is unpaid, the maximum period of unpaid leave which can be credited as Continuous Service is five (5) years of equivalent full-time service for non-parental leaves, plus an additional three (3) years of equivalent full-time service for parental leaves, where parental leaves are as defined under the Income Tax Act.

2.13 “Credited Interest” means the rate of interest calculated on the basis of the average of the yields of five-year personal fixed term chartered bank deposit rates, published in the Bank of Canada Review as CANSIM Series B-14045, over the most recent period for which the rates are available, with an averaging period equal to the number of months in the period for which interest is to be applied to a maximum of 12 months, rounded downwards to the next full 1/10 of 1% where that calculation would result in a fraction of 1% that is expressed other than as a multiple of a full 1/10 of 1%.

2.14 “Custodial Agreement” means any agreement entered into by the Board with a Fund Custodian that provides for the custody of the pension Fund.

2.15 “Early Retirement Date” means the date that is on or after the earlier of:

- (a) the day which is ten (10) years prior to a Vested Member’s Normal Retirement Date; or

(b) the day on which the Member has completed twenty (20) years of Pensionable Service.

2.16 “Earnings” means the monthly remuneration earned by the Member, or deemed to be earned by the Member in the case of a Disabled Member, as determined by the Commission for the purposes of the Plan. Earnings shall also include all remuneration above the Member’s monthly remuneration, excluding payments received in respect of clothing allowances, cleaning allowances, or overtime earned as a result of any labour dispute in the Saskatoon Police Service, and may include prescribed compensation as permitted and described in the Income Tax Act. For greater clarification, lump sum vacation payouts are not considered part of a Member’s remuneration for the purposes of the definition of Earnings except as provided in Section 2.42 and Section 5.

Earnings for an Employee who works less than full-time, where contributions are being credited to the Plan on behalf of the Member, shall be the annualized earnings as if the Employee was on a full-time basis, calculated using the actual number of days worked each year.

2.17 “Effective Date” means October 1, 1965.

2.18 “Employee” means all members of the Saskatoon City Police Association and commissioned officers, employed by the Commission on a regular permanent basis.

2.19 “Family Property Act” means the *Family Property Act*, Statutes of Saskatchewan and Regulations thereunder, as amended from time to time.

2.20 “Final Earnings” means the monthly average of the highest consecutive 36 months’ Earnings received by the Member during the Member’s Continuous Service to the Commission.

If a Member has less than 36 months of Continuous Service, Final Earnings means the average of the Earnings credited to the Member during the Member’s actual months of Continuous Service.

2.21 “Final YMPE” means the YMPE for the calendar year in which the Member retires, dies or terminates.

2.22 “Fund” means the total assets of the Plan as established by the Trust Agreement for the purpose of receiving, holding and investing the contributions of the Members and the Commission and from which the benefits of the Plan are paid.

2.23 “Fund Custodian” means such insurance, trust or other company or legal entity as the Board may appoint to hold the pension Fund.

- 2.24 “Income Tax Act”** means the *Income Tax Act*, Statutes of Canada and the Regulations thereunder, and where applicable includes the provisions of Information Circular 72-13R8 issued by the Canada Revenue Agency, as amended from time to time.
- 2.25 “Insurance Business”** means a corporation authorized to carry on a life insurance business in Canada.
- 2.26 “Investment Agency”** means such insurance, trust or other company or legal entity as the Board may appoint to manage the investment of the pension Fund.
- 2.27 “Investment Agreement”** means any agreement entered into by the Board and an Investment Agency that provides for investment of a portion or all of the pension Fund.
- 2.28 “Long-Term Disability Plan”** means the disability income protection plan providing long-term disability benefits to certain Members of the Plan.
- 2.29 “Member”** means any Employee who has joined the Plan and remains entitled to benefits under the Plan and includes:
- An **Active Member** is a Member who is earning Pensionable Service and where contributions are being made to the Plan on behalf of the Member.
- A **Disabled Member** is an Active Member who is in receipt of benefits from the Long-Term Disability Plan, or workers’ compensation.
- An **Inactive Member** was an Active Member who, upon termination of employment with the Commission, remains entitled to a benefit under the provisions of the Plan.
- A **Retired Member** is an Active Member who retired and who is in receipt of retirement benefits from the Plan.
- 2.30 “Member’s Required Account”** means a Member’s monthly contributions accumulated together with Credited Interest.
- 2.31 “Member’s Transfer-In Account”** means contributions transferred into the Plan on a Member’s behalf in accordance with Section 10.
- 2.32 “Normal Retirement Date”** means the first day of the month immediately following the Member’s 60th birthday.

2.33 “Pension Benefits Act” means *The Pension Benefits Act, 1992*, Chapter P-6.001, Statutes of Saskatchewan and the Regulations thereunder, as amended from time to time.

2.34 “Pensionable Service” means for each Member, the period of Continuous Service (pro-rated in each year for part-time Members) for which the Member has made the required contributions to the Plan, including fractions for completed months, and shall include any period of Continuous Service during which a Member received benefits under the Long-Term Disability Plan, sick bank or *The Workers’ Compensation Act*.

Pensionable Service shall in all cases be limited to a maximum of thirty-five (35) years.”

2.35 “Plan” means the Retirement Plan for Employees of The Saskatoon Board of Police Commissioners to be established hereunder including any changes therein, amendments or modifications thereof, which may be made from time to time.

2.36 “Postponed Retirement Date” means the first day of any month following the Normal Retirement Date. A Member may elect to retire and receive a benefit in accordance with Section 5.01 on the first day of any month after the Member’s Normal Retirement Date but shall in any event be deemed to retire for the purposes of the Plan and commence receiving a pension from the Plan no later than the last day of December of the calendar year in which the Member attains age 71.

2.37 “RRSP” means a retirement savings plan which is registered pursuant to the provisions of the Income Tax Act.

2.38 “Spouse” means:

(1) a person who is married to a Member or former Member; or

(2) if a Member or former Member is not married, a person with whom the Member or former Member is cohabiting as a spouse at the relevant time and who has been cohabiting continuously with the Member or former Member as his or her spouse for at least one year prior to the relevant time.

2.39 “Surplus” means the excess of the Plan assets over the Plan liabilities, if any, as determined in accordance with an actuarial valuation of the Plan prepared by the Actuary.

2.40 “Trust Agreement” means a written agreement entered into by the Trustees and the Commission establishing a trust to hold the pension Fund.

- 2.41** **“Trustees”** means the members of the Board appointed in accordance with Section 12.
- 2.42** **“Vacation Payout”** means in respect of a Member who joined the Plan prior to December 1, 2007, retires from the Plan on or after October 18, 2007, and who retires from the Plan and elects to receive a monthly pension from the Plan, a lump sum vacation payout of up to a maximum of 240 hours of banked vacation time. For all other Members, Vacation Payout is nil.
- 2.43** **“Vested”** means the unconditional entitlement of a Member to receive a benefit under the Plan and occurs when the Member satisfies the minimum vesting requirements under Applicable Legislation. This occurs upon the earlier of the date when:
- (1) the Member completes two years of Continuous Service; or
 - (2) the Member attains the Normal Retirement Date; or
 - (3) the Plan is terminated.
- 2.44** **“YMPE”** means the "Year's Maximum Pensionable Earnings" as defined and established by the Canada Pension Plan.

SECTION 3

PLAN MEMBERSHIP

3.01 Eligibility

- (1) Subject to Subsection 3.01(2), Employees, whether full-time or part-time, shall be eligible and must enroll in the Plan on the first of the month coincident with or next following their date of employment.
- (2) Notwithstanding the foregoing provisions of Subsection 3.01(1), an Employee who is within one month of the December 1st of the calendar year in which the Employee attains age 71 years of age shall not be eligible to join the Plan.

3.02 Requirements to Join the Plan

- (1) Each eligible Employee, in order to become a Member, must sign and deliver to the Board an application for participation on a form or forms approved and provided by the Board. Such application shall include an agreement by the Employee to be bound by all terms of the Plan. An Employee shall not become a Member until such time as the application is accepted and recorded by the Board.

3.03 Maintenance of Membership

- (1) Once an Employee becomes a Member, membership shall be maintained even though the hours worked or the Earnings, as applicable, may fall below the levels stipulated for eligibility to become a Member of the Plan.
- (2) Once an Employee becomes a Member of the Plan, withdrawal therefrom will not be permitted while the Member remains an Employee of the Commission.
- (3) If the employment of a Member is terminated and that person is thereafter re-employed, the Member will for all purposes of the Plan be considered to have first commenced employment with the Commission on the date of the Member's re-employment.

SECTION 4 CONTRIBUTIONS

4.01 Employee Contributions

(1) Active Members

(a) Each Active Member, commencing on the date the Employee becomes a Member, is required to contribute by payroll deduction an amount equal to:

(i) a base percentage of the Member's monthly Earnings, such base percentage being as follows for the following periods:

- A. immediately prior to January 1, 2011, 7.00%;
- B. for the period from January 1, 2011 to December 31, 2011, 7.67%;
- C. for the period from January 1, 2012 to December 31, 2012, 8.34%;
- D. for the period on and after January 1, 2013, 9.00%;

plus

(ii) a base percentage of the member's Vacation payout, such base percentage being as follows for the following periods:

- A. immediately prior to January 1, 2011, 7.00%;
- B. for the period from January 1, 2011 to December 31, 2011, 7.67%;
- C. for the period from January 1, 2012 to December 31, 2012, 8.34%;
- D. for the period on and after January 1, 2013, 9.00%;

plus

(iii) an additional amount equal to the percentage of the Member's monthly Earnings and Vacation Payout, as certified by the Actuary in the most recent actuarial report, which will collectively equal fifty (50%) percent

of that portion of the amount in excess of 17.5% of Members Earnings and Vacation Payout for the year, determined by the Actuary as necessary to meet the minimum funding requirements as prescribed by Applicable Legislation;

or

(iv) an amount otherwise agreed to by the Commission and the Association.

(b) Contributions by the Member shall be deposited monthly in the Fund and shall be credited to the Member's Required Account, together with Credited Interest.

(c) Member contributions made in respect to Subclauses 4.01(1)(a)(i) and 4.01(1)(a)(ii) shall cease once a member has attained thirty-five (35) years of Pensionable Service.

(2) Disabled Members

Where a Member is absent from work as a result of:

(a) an accident which occurs on or after January 1, 1998 in respect of which the Member is receiving benefits under *The Workers' Compensation Act*; or

(b) a disability which arises on or after January 1, 1998 in respect of which the Member is receiving benefits under the Long-Term Disability Plan;

contributions to the Plan pursuant to Subsection 4.01(1) shall be continued.

Earnings in respect of such Disabled Members, for the sole purpose of determining contributions in accordance with Subsection 4.01(1), shall be equal to the amount of benefits accrued from *The Workers' Compensation Act* and/or the Long Term Disability Plan.

(3) Leaves of Absence

No Member shall contribute to the Fund during any period in which the Member is not rendering Continuous Service to the Commission.

4.02 Employer Contributions

- (1)** The Commission shall pay into the Fund:
 - (a) an amount equal to the Member required contributions under Subclauses 4.01(1)(a)(i), 4.01(1)(a)(ii) and 4.01(2); plus
 - (b) an additional amount as certified by the Actuary in the most recent actuarial report as necessary to meet the minimum funding requirements as prescribed by Applicable Legislation equal to up to 3.5% of the Member's Earnings and Vacation Payout plus the amount equal to the Member Required Contributions made under Subsection 4.01(1)(a)(iii).

or

 - (c) an amount otherwise agreed to by the Commission and the Association;
- (2)** Such contributions by the Commission shall be deposited in the Fund at regular intervals as required by Applicable Legislation.

4.03 Contributions from Surplus

- (1)** If the Member and Commission contributions as determined in Subclauses 4.01(1)(a)(i), 4.01(1)(a)(ii), 4.01(2) and 4.02(1)(a) are not adequate to cover the normal cost for current service as determined by the Actuary, any shortages in such funding may be covered out of the accumulated Surplus under the Plan if agreed to by the Commission and the Association and as long as the long-term funding remains adequate to cover the cost of benefits provided by the Plan.
- (2)** In the event that a valuation of the Plan for funding purposes discloses that Plan Surplus is at a level exceeding the permissible amount under Section 147.2(2) of the Income Tax Act and if the Plan is not amended so as to comply with Section 147.2(2) of the Income Tax Act within 90 days of the date the Actuary presents the results of the valuation to the Board, both the Member and the Commission contribution rate as defined above shall be adjusted equally so that the contribution level will comply with Section 147.2(2) of the Income Tax Act.

4.04 Permissible Contributions and Limits

- (1) For the purposes of this section, contributory Earnings including the Member's Vacation Payout shall not exceed the contributory Earnings amount which will provide the maximum benefit entitlement permitted in accordance with Section 5.05 in the year for which the contribution is made.
- (2) No contribution or gift may be made to or under this Plan except as herein provided.
- (3) The aggregate amount of current service contributions made by a Member shall not exceed the lesser of:

 - (a) 9% of the Member's Earnings, including the Member's Vacation Payout, for the year from the Commission; and
 - (b) the aggregate of \$1,000 and 50% of the aggregate of all amounts each of which is the amount that would be the Member's pension credit (that is, the annual pension accrual times a factor of nine) for the year without applying the reductions applicable under the transition rules in Section 8302(2)(b) and 8302(3)(g) of the Regulations enacted pursuant to the Income Tax Act.
- (4) Contributions shall be returned to the contributor if it is found that the contribution maximums have been exceeded and the Plan's registration could be revoked.

Such returns to the contributor shall be taken in proportionate amounts from the Member's Required Account and the Commission required contributions, except that if there is no Member's Required Account then the refund shall be drawn from the Commission required contributions.

SECTION 5
RETIREMENT BENEFITS

5.01 Normal and Postponed Retirement Benefit

(1) Lifetime Retirement Benefit

Subject to Section 5.05, the monthly retirement benefit payable to a Member who retires on either the Member's Normal Retirement Date or on the Member's Postponed Retirement Date shall equal the sum of:

- (a) for Pensionable Service for periods prior to December 31, 1989, and on or after January 1, 1995:
 - (i) two per cent (2.0%) of the Member's Final Earnings multiplied by the Member's years of Pensionable Service; plus
 - (ii) two per cent (2.0%) of $1/36^{\text{th}}$ of the Member's Vacation Payout multiplied by the Member's years of Pensionable Service;

plus

- (b) for Pensionable Service for the period from January 1, 1990 to December 31, 1994:
 - (i) 1.475% of the lesser of:
 - (A) the Member's Final Earnings plus $1/36^{\text{th}}$ of the Member's Vacation Payout; and
 - (B) $1/12^{\text{th}}$ of the Final YMPE;multiplied by the Member's years of Pensionable Service; plus
 - (ii) 2.0% of the greater of:
 - (A) the Member's Final Earnings plus $1/36^{\text{th}}$ of the Member's Vacation Payout less $1/12^{\text{th}}$ of the Final YMPE; and

(B) zero;

multiplied by the Member's years of Pensionable Service.

(2) Bridge Benefit

In addition to the monthly retirement benefit outlined in Subsection (1), the Member shall receive a monthly bridge benefit payable from the month of retirement to the month in which the Member attains the age 65 equal to:

(a) 0.525% of the lesser of:

(i) the Member's Final Earnings plus $1/36^{\text{th}}$ of the Member's Vacation Payout; and

(ii) $1/12^{\text{th}}$ of the Final YMPE;

multiplied by the Member's years of Pensionable Service for the period from January 1, 1990 to December 31, 1994."

5.02 Early Retirement Benefit

(1) Unreduced Early Retirement

If the Member has attained age 55 or has completed at least 25 years of Continuous Service, the monthly retirement benefit shall be determined in accordance with Section 5.01;

(2) Reduced Early Retirement

(a) If the Member, who is less than age 55, has completed at least 20 years of Pensionable Service but has not completed 25 years of Continuous Service, the monthly retirement benefit calculated in accordance with Section 5.01 shall be reduced by 0.25% for each month by which the Member's Early Retirement Date precedes the earlier of:

(i) the day on which the Member would have completed 25 years of Pensionable Service had the Member continued in employment; and

- (ii) the day on which the sum of the Member's age and years of Pensionable Service would equal at least 75, had the Member continued in employment.
- (b) If the Member, who is less than age 55, has less than 20 years of Pensionable Service, the monthly retirement benefit shall be the Actuarial Equivalent of the monthly retirement benefit calculated in accordance with Section 5.01 commencing at the Member's Normal Retirement Date.

5.03 Excess Contributions

(1) Calculation of Benefit

The Member's Required Account with Credited Interest shall not be used to offset more than 50% of the Commuted Value of the pension earned by the Member with respect to all of the Member's Pensionable Service.

For the purposes of this Subsection, the Commuted Value shall be calculated assuming the following:

- (a) Pensionable Service credited to the Member with respect to the purchase of any prior service under the Plan in accordance with Subsections 10.03(1), 10.03(2), 10.03(3) and 10.03(4) is excluded;
- (b) indexing as provided by Section 9 is excluded.

When the Member's Required Account with Credited Interest, exceeds one-half of the Commuted Value of the pension, these excess contributions shall be paid to the Member.

(2) Transfer Options

The Member shall have the following options with respect to the excess contributions:

- (a) the Member may take the excess contributions in cash; or
- (b) the Member may elect to leave the excess contributions in the Fund for the purpose of providing additional lifetime retirement benefits provided the Member has not elected the transfer option in Subsection 5.04. The amount of additional lifetime retirement benefits provided shall be determined by the Administrator on the advice of the Actuary and shall be

payable in the same form as the Member has elected for his pension entitlement under Subsection 5.01 or 5.02, as the case may be.

Subsection 5.03(2)(b) applies only when the Member retires directly from the service of the Commission. If the Member terminates employment prior to retirement, the calculation and payment of excess contributions will be made in accordance with Section 8.

5.04 Transfer of Benefit

(1) Transfer Options

(a) Members with at least 25 years Continuous Service

For the period from January 1, 1999 to March 11, 2009, a Member who elects to retire prior to their Normal Retirement Date, where the Member has completed at least 25 years of Continuous Service, has the option of electing to transfer their benefit entitlement out of the Plan.

For a Member electing such a transfer, the benefit entitlement shall be the Commuted Value of the pension provided by Section 5.01, payable immediately. The options of transfer vehicles are as outlined in Section 8.

Notwithstanding the above, for the period after March 11, 2009, a Member will not have the option of electing to transfer their benefit entitlement out of the Plan under this Subsection.

For the purposes of this Subsection, the Commuted Value shall be calculated assuming the following:

- (i) Pensionable Service credited to the Member with respect to the purchase of any prior service under the Plan in accordance with Subsections 10.03(1), 10.03(2), 10.03(3) and 10.03(4) is excluded;
- (ii) indexing as provided by Section 9 is excluded.

(b) Members with at least 20 years of Pensionable Service but less than 25 years Continuous Service

Prior to March 11, 2009, a Member who elects to retire prior to their Normal Retirement Date, where the Member has completed at least twenty (20) years of Pensionable Service but has not completed twenty-five (25) years of Continuous Service, has the option of electing to transfer their benefit entitlement out of the Plan.

For a Member electing such a transfer, the benefit entitlement and transfer options shall be as described in Section 8, where the Commuted Value calculation for these Members shall be based on the reduced pension provided by Section 5.02(2), payable immediately.

Notwithstanding the above, for the period after March 11, 2009, a Member will not have the option of electing to transfer their benefit entitlement out of the Plan under this Subsection.

For the purposes of this Subsection, the Commuted Value shall be calculated assuming the following:

- (i) Pensionable Service credited to the Member with respect to the purchase of any prior service under the Plan in accordance with Subsections 10.03(1), 10.03(2), 10.03(3) and 10.03(4) is excluded;
- (ii) indexing as provided by Section 9 is excluded.

(2) Maximum Transfer Value

- (a) Wherever the Plan permits the transfer of a lump sum in satisfaction of all or part of a Member's rights to and interest in benefits under the Plan or in lieu of such benefits, the transfer shall be:
 - (i) a single lump sum amount;
 - (ii) direct plan-to-plan; and
 - (iii) in an amount which is not greater than the amount prescribed by the Income Tax Act.

- (b) Where the resulting amount of this transfer exceeds the maximum transfer value prescribed by the Income Tax Act, then the portion of this amount that is in excess of such maximum transfer value shall be:
 - (i) refunded to the Member; or
 - (ii) paid as a pension calculated in accordance with Section 5.01 for a temporary period which is determined such that the Commuted Value of the pension does not exceed the amount of the excess. Such pension shall be payable monthly, in arrears, for a guaranteed period of time determined on an Actuarial Equivalent basis, which shall in no case exceed 180 months; or
 - (iii) a combination of (i) and (ii) where the term of the temporary period determined in (ii) is the maximum allowable term.

Members in receipt of a pension paid for a temporary period in accordance with (ii) shall not be eligible for any benefit improvements that are made in accordance with Section 9.01 or that are adopted on or after the date of commencement of such temporary pension. Upon the death of the Member before the guarantee period has expired, the Member's Spouse, or in the absence of a Spouse, the Member's beneficiary or estate shall be entitled to receive the temporary pension for the remainder of the guarantee period.

5.05 Maximum Retirement Benefit

- (1) The maximum annual lifetime pension from this Plan shall not exceed the lesser of the following:
 - (a) \$1,722.22 times the number of years of Pensionable Service, as a proportion of full-time employment; and
 - (b) an amount that is the product of 2% per year of Pensionable Service, as a proportion of full-time employment, and the average of the highest three calendar years of annualized Earnings plus 1/3rd of the Member's Vacation Payout paid to the Member by or on behalf of the Commission; and
 - (c) \$2,600.00 per year of Pensionable Service.

With the exception of the formula referred to in (c), which is a negotiated limit under the Plan, the foregoing maximum pension formulas apply **only** to the calculation of maximum pension as specifically required under the Income Tax Act.

- (2) For years after 2003, the \$1,722.22 amount cited above shall be revised to become 1/9 of the money purchase limit for the year as established pursuant to the Income Tax Act.
- (3) The bridge benefit provided in Section 5.01(2) shall not in itself exceed:
 - (a) the maximum annual amount of benefits payable under the Canada Pension Plan at the time of retirement, multiplied by the lesser of 1 and the ratio of the average of the highest three calendar years of Earnings plus 1/3rd of the Member's Vacation Payout paid to the Member to the average YMPE for the calendar year in which the Member retires or terminates and for the two calendar years immediately preceding the Member's date of retirement or termination, whichever occurs first; plus
 - (b) the maximum amount of *Old Age Security* payable at the time of retirement;providing however:
 - (c) if the Member has not attained age 60, the amounts determined above shall be reduced by 0.25% for each month between the time the benefit commences to be paid and the time the Member will attain age 60; and
 - (d) if the Member has not completed 10 years of Pensionable Service, the amounts determined above shall be prorated in the same proportion as the years of Pensionable Service bears to 10 years.
 - (e) The total amount provided prior to age 65 cannot exceed \$1,722.22 (or such higher amount as may apply for years of retirement after 2003) times the number of years of Pensionable Service and an amount determined by the product of: $1/35 \times 0.25 \times$ the final three-year average YMPE \times Pensionable Service after December 31, 1965.
- (4) The foregoing pension maximums apply to all pension benefits at the time of their commencement, including any distribution of Surplus and any amount paid out to the Member's Spouse as a result of marriage breakdown, whether upon retirement, termination of employment, or termination of the Plan.

SECTION 6

PAYMENT OF RETIREMENT BENEFITS

6.01 Normal Form

(1) Members Without a Spouse at Retirement

Provided that an election in accordance with Section 6.02 has not been made, and subject to the requirements set out in the following paragraph, the retirement benefit of a Member without a Spouse at the date of retirement shall be payable monthly during the Member's lifetime.

When a Member who is receiving a monthly retirement benefit under this Plan dies before the Member has received 180 such monthly payments, the Commuted Value of the remaining monthly retirement payments which the Member would have received if living shall be paid in cash to the Member's designated beneficiary, and if no beneficiary has been named, to the Member's estate, until a total of 180 monthly retirement benefit payments have been paid from the Plan since the date the Member retired.

(2) Members With a Spouse at Retirement

Provided that an election in accordance with Section 6.02 has not been made, and subject to the requirements set out in the following paragraphs, the retirement benefit of a Member with a Spouse at the date of retirement shall be payable monthly during the Member's lifetime.

- (a) When a Member who is receiving a monthly retirement benefit under this Plan dies and is survived by a Spouse, the Spouse shall be entitled to receive under this Plan for life a monthly payment equal to 66 2/3% of the monthly retirement benefit the Member would have received if living, but such payments shall not commence until the 60 payments referred to in the following paragraph have been paid.
- (b) When a Member who is receiving a monthly retirement benefit under this Plan dies before the Member has received 60 such monthly payments and the Member is survived by a Spouse, the monthly retirement benefit which the Member would have received if living shall be paid to the Spouse. Upon the Spouse's death, the Member's designated beneficiary, and if no beneficiary has been named, the Member's estate, shall receive in cash the Commuted Value of the payments remaining to reach a total of 60 monthly retirement benefit payments paid from the Plan since the date of the Member's retirement.

6.02 Optional Forms

(1) Members without a Spouse at Retirement

Optional forms are not available for Members without a Spouse at retirement.

(2) Members With a Spouse at Retirement

A Member shall have the right, prior to the Member's retirement, to elect to receive an alternative retirement benefit which is the Actuarial Equivalent of the benefit set out in Section 6.01(2), as follows:

(a) Joint and Survivor (Guaranteed 10 Years)

For Members who are survived by a Spouse, a pension payable monthly for the lifetime of the Member, and, on the death of the Member, the pension shall continue to be paid to the Member's Spouse for his or her lifetime at:

(i) 100%; or

(ii) 75%; or

(iii) 66 2/3%.

of the Member's pension, with the guarantee that, if the Member dies before receiving 120 monthly payments, the remainder of the monthly payments shall continue to be paid to the Member's Spouse until 120 payments have been made. Thereafter, a pension will be paid in the amount elected by the Member pursuant to Subclauses (i) to (iii) to the Member's Spouse for life.

(b) Joint and Survivor (Guaranteed 15 Years)

For Members who are survived by a Spouse, a pension payable monthly for the lifetime of the Member, and, on the death of the Member, the pension shall continue to be paid to the Member's Spouse for his or her lifetime at:

- (i) 100%; or
- (ii) 75%; or
- (iii) 66 2/3%;

of the Member's pension, with the guarantee that, if the Member dies before receiving 180 monthly payments, the remainder of the monthly payments shall continue to be paid to the Member's Spouse until 180 payments have been made. Thereafter, a pension will be paid in the amount elected by the Member pursuant to Subclauses (i) to (iii) to the Member's Spouse for life.

6.03 Payment of Benefits

- (1) A Member who wishes to elect an optional form of retirement benefit must make such an election in writing to the Board at least thirty (30) days prior to the date of the Member's actual retirement.
- (2) The retirement benefits determined in accordance with Section 5 shall be payable monthly for the life of the Member. Payments shall be due and payable on the first day of each month with the first payment commencing on the first day of the month coincident with or next following the retirement date and, subject to the provisions of this Section, terminating with the last payment due coincident with or immediately preceding the Member's date of death.
- (3) If the Member's retirement date is other than the first day of a month, the amount of the first monthly payment shall be prorated in proportion to the number of days from the Member's retirement date to the end of the month, divided by the number of days in the month.
- (4) The monthly retirement benefit payable to a Member, including all retired members, shall be payable in equal monthly amounts, except as allowable in the Income Tax Act with respect to joint and survivor elections, indexing, bridging and small pensions.
- (5) The monthly retirement benefit determined in accordance with Section 5 shall commence to be paid no later than the December 1st of the year in which the Member would attain age 71.

- (6) When a Member or any other person entitled to receive retirement benefits hereunder, has been adjudged or declared mentally incompetent, the Board shall, upon receipt of lawful notice in respect therefore, thereafter pay the retirement benefits to which such Member or other person is entitled, to the Member's legal personal representative specified in such notice.
- (7) Where a physician licensed to practice medicine in a province or territory of Canada has, in writing, declared that any Member or other person entitled to receive retirement benefits hereunder is physically deformed or handicapped and that it is desirable and in the interest of such Member or other person that the Member's benefits be paid to another in trust for the benefit of the Member or other person, and that Member or other person in writing agrees, the Board shall pay such retirement benefits to the trustee designated in writing to the Board to receive the same on behalf of such Member or other person. Any payments made by the Board pursuant to this Section, shall operate as a complete release and discharge on the part of the Fund and the Board with respect to such payments and the Board shall be under no liability or obligation to follow the application of the funds so paid.

SECTION 7

DEATH BENEFITS

7.01 Death of Active or Inactive Member Prior to Retirement

(1) Calculation of Benefit

The benefit upon the death of an Active or Inactive Member prior to retirement shall be equal to the greater of:

- (a) two times the Member's Required Account at the date of death; plus
- (b) the Member's Transfer-In Account with Credited Interest;

or

- (c) the Commuted Value of the pension accrued to the Member in the normal form at the date of death.

For the purposes of this Subsection, the Commuted Value shall be calculated assuming the following:

- (i) the Member retired on the date of death and the accrued pension commenced on the first of the month coincident with or next following the date of death;
- (ii) if the Member was eligible to retire, the amount of the accrued pension is determined in accordance with Section 5.02;
- (iii) if the Member was not eligible to retire, the amount of the accrued pension is determined in accordance with Subsection 5.02(2)(b);
- (iv) Pensionable Service credited to the Member with respect to the purchase of any prior service under the Plan in accordance with Subsections 10.03(1), 10.03(2), 10.03(3) and 10.03(4) is excluded in determining the accrued pension; and
- (v) indexing as provided by Section 9 is excluded."

(2) Transfer Options

(a) Members Without a Spouse at Death

The death benefit shall be paid as a single lump sum amount to the Member's beneficiary or to the Member's estate, if no beneficiary has been named.

(b) Members With a Spouse at Death

The Member's Spouse shall elect to receive the death benefit described under Section 7.01(1) as:

- (i) a cash refund;
- (ii) a transfer to another registered pension plan, provided that the plan permits such a transfer;
- (iii) a transfer to a prescribed RRSP;
- (iv) a transfer to an Insurance Business to purchase a non-commutable pension commencing immediately or some such later date that is not later than the December 1st of the year in which the Spouse would attain age 71; or
- (v) various combinations of the above.

where such payment or transfer shall be the last payment to be made by the Plan to the Member's Spouse.

(c) If No Election Is Made By Spouse

In the event the Member's Spouse fails to make an election within 180 days following the day on which proof of death is provided to the Administrator, the Spouse may be deemed to have elected to receive the death benefit in cash.

7.02 Death of Active Member After Early Retirement Date But Before Actual Retirement

- (1) If the death of an Active Member occurs after the Member's Early Retirement Date but prior to the date of commencement of retirement benefits, and if the death benefit is payable to the surviving Spouse, the Spouse will have the following options:
- (a) receive a death benefit as determined under Section 7.01 above;
- or**
- (b) receive an immediate pension from the Plan determined as follows:
 - (i) if the Commuted Value of the surviving pension as determined in Subsection (2) below is greater than the Commuted Value of the death benefit payable under Section 7.01, then the pension payable to the Spouse is that surviving pension; or
 - (ii) if the lump sum value of the death benefit payable under Section 7.01 is greater than the Commuted Value of the surviving pension as determined in Subsection (2) below, then the pension payable to the Spouse is equal to the amount of lifetime pension that can be provided by the lump sum value of the death benefit payable under Section 7.01, where such pension is based on the Spouse's lifetime and guaranteed for 5, 10, or 15 years, as elected by the Spouse.
- (2) For purposes of Subsection 7.02(1), the surviving pension is determined as the total pension amount that would be payable after the Member's death if the Member had elected to retire on the first day of the month in which death occurred with the normal form of pension outlined in Section 6.01.

7.03 Death After Retirement

Upon the death of a Retired Member after the commencement of payment of pension benefits, benefit payments shall be continued in accordance with the benefit payment option(s) elected by the Member at the time of retirement.

7.04 Death Benefit Beneficiary

- (1) A Member shall on the application for participation, designate a person (in this Plan referred to as the "beneficiary") to receive the benefits payable under the Plan in the event of the Member's death, and may also by written notice given to the Board during such Member's lifetime, alter or revoke such designation from time to time subject always to the provisions of any law or laws governing the designation of beneficiaries which may then apply to such Member. Any such written notice shall be in such form and executed in such manner as the Board may require.
- (2) Subject to Subsection 7.04(4), a Member's designated beneficiary shall be:

 - (a) if the Member has a Spouse, the Spouse; or
 - (b) if the Member has no Spouse, the person or persons designated by the Member.
- (3) In the absence of the designation of a beneficiary, and if there is no surviving Spouse eligible to receive benefits pursuant to Section 6.01 upon the Member's death, benefits payable under the Plan, if any, shall be paid to the Member's estate.
- (4) A Member's Spouse may waive entitlement to the death benefit payable pursuant to Section 7.01, any time prior to the death of the Member, by providing the Administrator with a signed waiver form, as prescribed by the *Pensions Benefits Act*. The Spouse may also revoke any previous waiver, prior to the death of the Member, by advising the Administrator in writing of such revocation.

Where such a spousal waiver is in effect on the Member's date of death, the death benefit payable shall be paid to the Member's designated beneficiary or, if none, to the Member's estate.
- (5) The Board may require the execution and delivery of such documents, papers and receipts as it may deem necessary or desirable in order to be assured that the payment of death payments is properly made and is made to the proper party entitled thereto.

7.05 Non-Suspension of Spouse's Pension

- (1) A pension that is being paid to a surviving Spouse shall continue unaltered subsequent to any remarriage.

SECTION 8

TERMINATION BENEFITS

8.01 Termination Before Vesting

(1) Calculation of Benefit

A Member, upon termination of employment for any reason other than death or retirement, before becoming Vested, shall be entitled to a termination benefit equal to:

- (a) the Member's Required Account with Credited Interest; plus
- (b) the Member's Transfer-In Account with Credited Interest.

(2) Transfer Options

The termination benefit shall be refunded to the Member as a single lump sum amount or at the option of the Member, transferred to the Member's RRSP.

8.02 Termination After Vesting

(1) Calculation of Benefit

A Member, upon termination of employment for any reason other than death or retirement after becoming Vested, shall be entitled to a deferred retirement benefit commencing at the Member's Normal Retirement Date determined in accordance with Section 5.01 and payable in accordance with Section 6.01. In lieu of receiving a deferred retirement benefit, the Member shall receive the following termination benefit as a lump sum transfer in accordance with Section 8.02(2) below. The transfer amount shall be equal to the sum of:

- (a) the Commuted Value of the pension accrued to the Member at the date of termination; and
- (b) the Member's Transfer-In Account with Credited Interest.

For the purposes of this Subsection, the Commuted Value shall be calculated assuming the following:

- (i) the accrued pension commences at the Member's Normal Retirement Date;
- (ii) Pensionable Service credited to the Member with respect to the purchase of any prior service under the Plan in accordance with Subsections 10.03(1), 10.03(2), 10.03(3) and 10.03(4) is excluded;
- (iii) indexing as provided by Section 9 is excluded.

(2) Transfer Options

The Member shall have the following options with respect to the termination benefits:

- (a) transfer to another registered pension plan, providing that the plan permits such a transfer;
- (b) transfer to a prescribed RRSP;
- (c) transfer to an Insurance Business to purchase a deferred pension that is not commutable and that may commence after the Early Retirement Date under the Plan but prior to the December 1st of the calendar year in which the Member attains age 71;
- (d) potential combinations of (a), (b) or (c);
- (e) In the event that the Member does not elect to make a transfer within 120 days of the date option forms were sent to the Member requesting such an election, the Administrator may make a transfer of the whole of the transfer value in respect of the Member to an Insurance Business to purchase a deferred pension for the Member in accordance with 2(c) above;
- (f) On making a transfer pursuant to this Subsection 8.02(2), a Member is not entitled to further benefits with respect to their membership in the Plan.

8.03 Excess Contributions

(1) Calculation of Benefit

The Member's Required Account with Credited Interest, shall not be used to offset more than 50% of the Commuted Value of the pension earned by the Member with respect to the Member's Pensionable Service.

For the purposes of this Subsection, the Commuted Value shall be calculated assuming the following:

- (a) Pensionable Service credited to the Member with respect to the purchase of any prior service under the Plan in accordance with Subsections 10.03(1), 10.03(2), 10.03(3) and 10.03(4) is excluded;
- (b) indexing as provided by Section 9 is excluded.

When the Member's Required Account with Credited Interest exceeds one-half of the Commuted Value of the pension, these excess contributions shall be paid to the Member.

(2) Transfer Options

The Member shall have the following options with respect to the excess contributions:

- (a) the Member may take the excess contributions as a single lump sum payment; or
- (b) the Member may transfer the excess contributions to a RRSP, subject to Applicable Legislation.

Provided however, if any or all of these excess contributions pertain to years after 1990 and this results in the maximum transfer value being exceeded, then the amount of the excess which gives rise to exceeding the maximum shall be refunded to the Member in cash.

SECTION 9
AD HOC PENSION ADJUSTMENTS

9.01 Ad Hoc Pension Adjustments

- (1) All Members who retired on or before July 1, 2001, and survivors of such Members in receipt of pensions at the applicable time, have received adjustments to their retirement pensions commencing on the later of:
 - (a) July 1, 1989 and each July 1 thereafter to July 1, 2001;
 - (b) the July 1 immediately following or coincident with the Member's retirement date on each July 1 thereafter to July 1, 2001; or
 - (c) the first of the month immediately following the date at which the Member's age and years of Pensionable Service first equals or exceeds 85 and each July 1 thereafter to July 1, 2001.
- (2) The amount of the adjustments granted to those Members and survivors in (1) above are as follows:
 - (a) the annual change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) per annum compounded annually from the Member's date of retirement to June 30, 1989, commencing July 1, 1989 or the date in Section 9.01(1)(c) above, if applicable;
 - (b) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between July 1, 1989 or the date of retirement if later and June 30, 1990, commencing July 1, 1990 or the date in Section 9.01(1)(c) above, if applicable;
 - (c) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between July 1, 1990 or the date of retirement if later and June 30, 1991, commencing July 1, 1991 or the date in Section 9.01(1)(c) above, if applicable;

- (d) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between January 1, 1991 and December 31, 1991, commencing July 1, 1992 or the date in Section 9.01(1)(c), if applicable;
- (e) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between January 1, 1992 and December 31, 1992, commencing July 1, 1993 or the date in Section 9.01(1)(c), if applicable;
- (f) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between January 1, 1993 and December 31, 1993, commencing July 1, 1994 or the date in Section 9.01(1)(c), if applicable;
- (g) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between December 31, 1993 and December 31, 1994, multiplied by the ratio of the number of months from the later of the date of retirement or July 1, 1994 to July 1, 1995 divided by twelve (12) and commencing July 1, 1995 or the date in Section 9.01(1)(c), if applicable;
- (h) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between December 31, 1994 and December 31, 1995, multiplied by the ratio of the number of months from the later of the date of retirement or July 1, 1995 to July 1, 1996 divided by twelve (12) and commencing July 1, 1996 or the date in Section 9.01(1)(c), if applicable;
- (i) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between December 31, 1995 and December 31, 1996, multiplied by the ratio of the number of months from the later of the date of retirement or July 1, 1996 to July 1, 1997 divided by twelve (12) and commencing July 1, 1997 or the date in Section 9.01(1)(c), if applicable;
- (j) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between December 31, 1996 and December 31, 1997, multiplied by the ratio of the number of months from the later of the date of retirement or July 1, 1997 to July 1, 1998 divided by twelve (12) and commencing July 1, 1998 or the date in Section 9.01(1)(c), if applicable;

- (k) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between December 31, 1997 and December 31, 1998, multiplied by the ratio of the number of months from the later of the date of retirement or July 1, 1998 to July 1, 1999 divided by twelve (12) and commencing July 1, 1999 or the date in Section 9.01(1)(c), if applicable;
 - (l) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between December 31, 1998 and December 31, 1999, multiplied by the ratio of the number of months from the later of the date of retirement or July 1, 1999 to July 1, 2000 divided by twelve (12) and commencing July 1, 2000 or the date in Section 9.01(1)(c), if applicable;
 - (m) the change in the Consumer Price Index for Canada to a maximum of three percent (3.0%) between December 31, 1999 and December 31, 2000, multiplied by the ratio of the number of months from the later of the date of retirement or July 1, 2000 to July 1, 2001 divided by twelve (12) and commencing July 1, 2001 or the date in Section 9.01(1)(c), if applicable;
- (3) All Members or other persons in receipt of retirement benefits on and after January 1, 2002 will become eligible to receive an adjustment to their regular monthly retirement benefit payment immediately upon retirement in accordance with the following provisions:
- (a) a Member or other person in receipt of retirement benefit payments on July 1 of the appropriate year as outlined in Clause 9.01(3)(b) shall be entitled to an adjustment to their regular monthly retirement benefit that is:
 - (i) payable on July 1 of the appropriate year as outlined in Clause 9.01(3)(b);
 - (ii) calculated from the later of:
 - (A) July 1 of the previous year; and
 - (B) the date of retirement; and

(iii) based on the change in the Consumer Price Index between December 31 of the year that is two years prior to the appropriate year and December 31 of the year prior to the appropriate year, provided such change in the Consumer Price Index does not exceed the maximum percentage increase outlined in Clause 9.01(3)(b).

(b) Adjustments shall be made for each of the following years, subject to the maximum percentage increase specified for that particular year:

Year	Maximum Percentage Increase
2002	3.0%
2003	3.0%
2004	3.0%
2005	2.0%
2006	2.0%
2007	1.6%
2008	1.6%
2009	1.6%
2010	1.6%

- (4) All adjustments calculated in accordance with this Section shall be payable for the life of the Member or other person in receipt of benefit payments in the form of pension payable under the Plan.
- (5) Ad hoc pension adjustments provided under this Section shall not be reduced as a result of a reduction in the Consumer Price Index.
- (6) Ad hoc pension adjustments provided under this Section shall be subject to any applicable provisions of the Income Tax Act.

SECTION 10

BUYBACKS AND TRANSFERS

10.01 Portability Agreements

(1) Eligibility

Where a Member has accrued prior service with employers other than the Commission for which the Member made contributions to another registered pension plan, the Board may enter into a portability agreement with the Member to provide for the transfer of assets to this Plan in respect of such prior service.

(2) Calculation of Value

The pension and other benefits to be provided in respect of such service shall be calculated in accordance with the portability agreement attached as Appendix “A” to the Plan.

Contributions by a Member in respect of the purchase of additional Pensionable Service and Continuous Service in accordance with Section 10.01 shall be deposited in the Fund and shall be credited to the Member’s Transfer-In Account and accumulated with Credited Interest. The crediting of additional Pensionable Service and the corresponding Continuous Service shall begin with the most recent service and work backwards.

10.02 Reciprocal Transfer Agreements

Repealed – Bylaw No. 1915 – October 20, 2005

10.03 Buyback of Past Service

(1) Employed Prior to 1981: Service Before Participation

(a) Eligibility

A Member, whose date of employment with the Commission is prior to January 1, 1981, may elect to buy back as Pensionable Service all or a portion of the Member’s Continuous Service which occurred prior to the Member’s date of participation in the Plan, and which has not been previously bought back under Subsection 10.03(3), upon the following terms and conditions:

- (i) a Member who, as of January 1, 1985, had twenty-five (25) years or more of Continuous Service must elect to buy back on or before December 31, 1985;
- (ii) a Member who, as of January 1, 1985, had less than twenty-five (25) years of Continuous Service, must elect to buy back prior to the date on which the Member completes twenty-six (26) years of Continuous Service;
- (iii) a Member can elect to buy back at any time up to or after the date on which the Member completes twenty-six (26) years of Continuous Service.

(b) Calculation of Value

The following conditions shall apply:

- (i) All Members shall be limited to a maximum of thirty-five (35) years of Pensionable Service, and may not buy back Continuous Service in excess of thirty-five (35) years.
- (ii) Where a Member has elected to buy back pursuant to this Section, the Member shall pay to the Fund, within the time period set out above, the full amount of the Member's required contributions for such buyback. Failure to pay said contributions within the said time period shall render the Member's buyback null and void.
- (iii) Where a Member is buying back pursuant to Subclause 10.03(1)(a)(iii), the amount required to buy back as calculated above is credited with the net fund rate of return from the date the Member completes twenty-six (26) years of Continuous Service to the date the buyback amount is transferred into the Plan.
- (iv) The required amount of Member contributions for the buyback shall be calculated pursuant to Section 4.01 based on the Member's current monthly Earnings (as of the day on which the Member exercises their right to elect to buy back) multiplied by the number of months of Continuous Service which the Member has elected to buy back.

- (v) The Commission shall pay into the Fund such amount as may be required (after deducting the Member's contributions pursuant to this Section) to fully fund the cost of Member buybacks pursuant to Subsections 10.03(1) and 10.03(5). Such amount shall be calculated by the Actuary from time to time. Any amount so paid by the Commission shall be included in the Commission's contributions as set out from time to time in actuarial valuations carried out pursuant to Section 13.03, and shall be subject to fifty (50%) percent cost sharing should the Commission's overall cost to the Plan at any time exceed ten and one-half (10½%) percent of the gross earnings of the Members.
- (vi) For the purposes of Sections 5.04, 7, and 8, the benefit entitlement for the period of service that was bought back by a Member in accordance with this Subsection shall be a refund of the amount paid into the Fund representing the total cost of the buyback plus Credited Interest.
- (vii) The period of service that was bought back shall not be included in the calculation of the Commuted Value.
- (viii) In addition, indexing as provided by Section 9 shall not be included in the calculation of the Commuted Value.
- (ix) Contributions by a Member and the Commission in respect of the purchase of additional Pensionable Service in accordance with Section 10.01 shall be deposited in the Fund and shall be credited to the Member's Transfer-In Account and accumulated with Credited Interest. The crediting of additional Pensionable Service shall begin with the most recent service and work backwards.

(2) Employed Between January 1, 1981 and June 18, 1992: Service Before Participation

(a) Eligibility

A Member, whose date of employment with the Commission is between January 1, 1981 and June 18, 1992, may elect to buy back as Pensionable Service all or a portion of the Member's Continuous Service which occurred prior to the Member's date of participation in the Plan, and which has not been previously bought back under Subsection 10.03(3), upon the following terms and conditions:

- (i) a Member must elect to buy back such service during the period from January 1, 2001 to December 31, 2001; and
- (ii) the maximum Pensionable Service that can be bought back under this Subsection is one year.

(b) Calculation of Value

The following conditions shall apply:

- (i) All Members shall be limited to a maximum of thirty-five (35) years of Pensionable Service, and may not buy back Continuous Service such that the Member's Pensionable Service would be in excess of thirty-five (35) years.
- (ii) Where a Member has elected to buy back pursuant to this Section, the Member shall pay to the Fund, within the time period set out above, the full amount of the Member's required contributions for such buyback. Failure to pay said contributions within the said time period shall render the Member's buyback null and void.
- (iii) The required amount of Member contributions for the buyback pursuant to this Section shall be calculated based on the Member's current monthly Earnings (as of the day on which the Member exercises the Member's right to elect to buy back) multiplied by the number of months of Continuous Service which the Member has elected to buy back.
- (iv) The Commission shall pay into the Fund such amount as may be required (after deducting the Member's contributions pursuant to this Section) to fully fund the cost of Member buybacks pursuant to this Section. Such amount shall be calculated by the Actuary from time to time. Any amount so paid by the Commission shall be included in the Commission's contributions as set out from time to time in actuarial valuations carried out pursuant to Section 13.03, and shall be subject to fifty (50%) percent cost sharing should the Commission's overall cost to the Plan at any time exceed ten and one-half (10½%) percent of the gross earnings of the Members.
- (v) For the purposes of Sections 5.04, 7, and 8, the benefit entitlement for the period of service that was bought back by a Member in accordance

with this Subsection shall be a refund of the amount paid into the Fund representing the total cost of the buyback plus Credited Interest.

- (vi) The period of service that was bought back shall not be included in the calculation of the Commuted Value.
- (vii) In addition, indexing as provided by Section 9 shall not be included in the calculation of the Commuted Value.
- (viii) Contributions by a Member and the Commission in respect of the purchase of additional Pensionable Service in accordance with Section 10.01 shall be deposited in the Fund and shall be credited to the Member's Transfer-In Account and accumulated with Credited Interest. The crediting of additional Pensionable Service shall begin with the most recent service and work backwards.

(3) Police Cadets: Service Before Participation

(a) Eligibility

A Member who rendered service to the Commission as a Police Cadet may elect to buy back as Pensionable Service all or a portion of the Member's service as a Police Cadet which occurred prior to the Member's participation in the Plan, and which has not been previously bought back under Subsection 10.03(1) or 10.03(2), upon the following terms and conditions:

- (i) a Member who, as of July 1, 1989 had twenty-five (25) years or more of Continuous Service must elect to buy back on or before December 31, 1989;
- (ii) a Member who, as of July 1, 1989, had less than twenty-five (25) years of Continuous Service, must elect to buy back prior to the date on which the Member completes twenty-six (26) years of Continuous Service;
- (iii) a Member can elect to buy back at any time up to or after the date on which the Member completes twenty-six (26) years of Continuous Service.

(b) Calculation of Value

The following conditions shall apply:

- (i) Where a Member is buying back pursuant to Subsection 10.03(3)(a)(iii) , the amount required to buy back as determined in Subsection 10.03(1)(b)(ii) is credited with the net fund rate of return from the date the Member completes twenty-six (26) years of Continuous Service to the date the buyback amount is transferred into the Plan.
- (ii) The Commission shall pay into the Fund such amount as may be required (after deducting the Member's contributions pursuant to this Subsection) to fully fund the cost of Member buybacks pursuant to this Section. Such amount shall be calculated by the Actuary from time to time. Any amount so paid by the Commission shall be included in the Commission's contributions as set out from time to time in actuarial valuations carried out pursuant to Section 13.03, and shall be subject to fifty (50%) percent cost sharing should the Commission's overall cost to the Plan at any time exceed ten and one-half (10½%) percent of the gross earnings of the Members.
- (iii) For the purposes of Sections 5.04, 7, and 8, the benefit entitlement for the period of service that was bought back by a Member in accordance with this Subsection shall be a refund of the amount paid into the Fund representing the total cost of the buyback plus Credited Interest.
- (iv) The period of service that was bought back shall not be included in the calculation of the Commuted Value.
- (v) In addition, indexing as provided by Section 9 shall not be included in the calculation of the Commuted Value.
- (vi) Contributions by a Member and the Commission in respect of the purchase of additional Pensionable Service in accordance with Section 10.01 shall be deposited in the Fund and shall be credited to the Member's Transfer-In Account and accumulated with Credited Interest. The crediting of additional Pensionable Service shall begin with the most recent service and work backwards.

(4) Employed From January 1, 1999: Post-1989 Service With Other Employer

(a) Eligibility

A Member, whose date of employment with the Commission is on or after January 1, 1999, may, by making application with the Commission, elect to purchase as Pensionable Service as well as Continuous Service, all or a portion of the Member's post-1989 service with a former employer, subject to the following terms and conditions:

- (i) the service with the former employer must have been either a period in respect of which:
 - (A) benefits that are attributable to employment with the former employer that accrued to the Member under a defined benefit provision of another registered pension plan; or
 - (B) contributions were made by or on behalf of the Member under a money purchase provision of another registered pension plan;where the Member has ceased to be a member of that other plan; or
- (C) a period throughout which the Member was employed in Canada by the former employer where the period was an eligibility period for the participation of the Member in another registered pension plan;
- (ii) a Member whose date of employment with the Commission is between January 1, 1999, and July 31, 2001 must elect to purchase such service prior to August 1, 2002;
- (iii) a Member whose date of employment with the Commission is after July 31, 2001, must elect to purchase such service within one year of employment with the Commission;
- (iv) any such purchase of service shall not result in any Member's total Pensionable Service or Continuous Service under the Plan exceeding thirty-five (35) years;

- (v) the service being purchased must have accrued prior to the Member's date of employment with the Commission and must not be eligible for transfer under a reciprocal transfer agreement or a portability agreement;
- (vi) the purchase of such service shall not take place until the Past Service Pension Adjustment that would result from the purchase has been certified under the Income Tax Act.

(b) Calculation of Value

The following conditions shall apply:

- (i) The cost to purchase such service shall be determined by the Actuary such that, in the Actuary's opinion, the Member would not receive any subsidy in respect of such service on the Member's subsequent termination of employment, retirement or death, and it shall be paid by the Member either by direct payment to the Fund or by a direct transfer from another registered vehicle in accordance with the Income Tax Act.
- (ii) Contributions by a Member in respect of a period of Pensionable Service in accordance with the provisions of this Subsection shall be deposited in the Fund and shall be credited to the Member's Transfer-In Account and accumulated with Credited Interest. The crediting of additional Pensionable Service shall begin with the most recent service and work backwards.

(5) Leaves of Absence

(a) Eligibility

A Member may elect to buy back all or part of any period throughout which the Member was on an approved leave of absence, where the period of approved leave of absence ends after October 31, 1993, and thereby be entitled to the full benefits of Pensionable Service in accordance with this Plan, subject to the following condition:

- (i) the right to have the period of leave credited to the Member as Pensionable Service shall expire six (6) months after the return of the Member from the period of leave.

(b) Calculation of Value

The following conditions shall apply:

- (i) Subject to this Subsection, a Member shall have the right to have any period of approved leave of absence credited to the Member as Pensionable Service and receive all benefits under the Plan with respect to that time upon payment by the Member to the Fund of a pension contribution equivalent to that which would have been payable during the period of leave had the leave not been taken.
- (ii) Contributions by a Member in respect of leaves of absence in accordance with the provisions of this Section shall be deposited in the Fund and shall be credited to the Member's Required Account and accumulated with Credited Interest. The crediting of additional Pensionable Service shall begin with the most recent service and work backwards.

10.04 Service Limits

- (1) Notwithstanding anything else contained herein, the maximum pension which can be purchased for pre-1990 service is limited to:
 - (a) for periods of any year in which the individual was not a member of a registered pension plan, \$1,150 per year of Pensionable Service or two-thirds (2/3) of the amount specified in Subsection 5.05(1) and in Subsection 5.05(2), whichever is greater; and
 - (b) for periods of any year in which the individual was a member of a registered pension plan, \$1,722.22 per year of Pensionable Service, or such amount as is determined pursuant to Clause 5.05(1) and Subsection 5.05(2).

SECTION 11
DIVISION ON MARRIAGE BREAKDOWN

11.01 Division on Marriage Breakdown

- (1) In this Section, "**retirement benefit**" includes any other benefit to which a Member is entitled.
- (2) Notwithstanding any other provision of this Plan, on the breakdown of the marriage of a Member, the Administrator shall divide the retirement benefit to which the Member is entitled, in accordance with this Section.
- (3) Subject to Subsection 11.02(4), a retirement benefit shall be divided:
 - (a) where a court has made an order for the division of matrimonial property pursuant to the Family Property Act, in accordance with the order; or
 - (b) where the Member and his or her Spouse have entered into an agreement to divide their matrimonial property that is an interspousal agreement within the meaning of the Family Property Act, in accordance with the agreement.

11.02 Calculation of Benefits for Division on Marriage Breakdown

- (1) The Administrator shall calculate the value of the retirement benefit to be divided in accordance with this Section.
- (2) Where a Member has not commenced receiving a retirement benefit, and where the date of marriage occurred:
 - (a) prior to the date on which the Member joined the Plan, the value of the retirement benefit is to be calculated as the Commuted Value of the retirement benefit at the date mentioned in the order or agreement and calculated as if Member had terminated employment or retired, if eligible to do so, on the date mentioned in the order or agreement.
 - (b) after the date on which the Member joined the Plan, the value of the retirement benefit is the amount "P" calculated in accordance with the following formula:

$$P = \frac{A \times C}{B}$$

where:

“A” is the duration (measured in years, including any fraction of a year) of the Member’s Pensionable Service accrued during the period from the date of marriage to the date mentioned in the order or agreement;

“B” is the duration (measured in years, including any fraction of a year) of the Member’s Pensionable Service accrued at the date mentioned in the order or agreement; and

“C” is the Commuted Value of the Member’s retirement benefit at the date mentioned in the order or agreement and calculated as if the Member had terminated membership on the date mentioned in the order or agreement.

- (3) Where the Member has commenced receiving a retirement benefit, the value of the retirement benefit is to be calculated as the Actuarial Equivalent of the future retirement benefit of the Member being paid from the date mentioned in the order or agreement.
- (4) Where the Member has not yet commenced receiving a retirement benefit, a division of the Member’s retirement benefit pursuant to Subsection 11.01(2) must not reduce the Member’s Commuted Value to less than 50% of the Member’s Commuted Value prior to the division.
- (5) **Spouse's Portion of Divided Pension**

Where the Spouse or former Spouse of a Member is entitled to a division of the Commuted Value of a retirement benefit pursuant to Subsection 11.01(2), the portion of the Commuted Value to which that person is entitled:

- (a) where the Spouse or former Spouse provides the Administrator with written directions to do so within 90 days of the date of the order or agreement mentioned in Subsection 11.01(2), may be transferred to a RRSP:
 - (i) within the meaning of Applicable Legislation; and
 - (ii) that does not permit the payment of periodic benefits until the Spouse or former Spouse attains at least the age of 55 years or the Early Retirement Date permitted under the Plan; and

- (b) where a transfer has not been made pursuant to Clause 11.02(5)(a), must be transferred to purchase a life annuity contract that does not permit the payment of periodic benefits until the Spouse or former Spouse attains at least the age of 55 years or the Early Retirement Date permitted under the Plan.

(6) Member's Portion of Divided Pension

- (a) In this Subsection, "matrimonial division offset" means a fixed monthly pension representing the amount that was transferred pursuant to Subsection 11.02(5), which is applied to offset the monthly retirement benefit that the Member receives at the Member's pension commencement date, prior to any applicable early retirement reductions.
- (b) Where an amount is transferred pursuant to Subsection 11.02(5), the entitlement of the Member is to be calculated in accordance with this Subsection.
- (c) Where a Member has not commenced receiving a retirement benefit, the entitlement of the Member is the amount calculated by:
 - (i) determining the matrimonial division offset which is the amount "M" calculated in accordance with the formula:

$$M = \frac{D \times F}{E}$$

where:

"D" is the amount transferred pursuant to Subsection 11.02(5);

"E" is the Commuted Value of the Member's retirement benefit at the date mentioned in the order or agreement prior to the division and calculated as if the Member had terminated employment on the date mentioned in the order or agreement; and

"F" is the amount of the retirement benefit accrued at the date mentioned in the order or agreement and calculated in accordance with Section 6.15; and

- (ii) subtracting the amount "M" determined in Subclause 11.02(6)(c)(i) from the total retirement benefit to which the Member would have been entitled

at the Member's pension commencement date prior to the division and prior to any applicable early retirement reductions; and

(iii) applying any applicable early retirement reductions.

(d) Where the Member has commenced receiving a retirement benefit, the entitlement of the Member is the amount "Q" which is calculated by:

(i) determining the amount "M" in accordance with the following formula:

$$M = G - H$$

where:

"H" is the amount transferred pursuant to Subsection 11.02(5); and

"G" is the value of the retirement benefit determined in Section 11.02; and

(ii) converting the amount "M" on an Actuarial Equivalent basis back to a retirement benefit based on the Member's lifetime only and payable with the same guarantee period elected at the Member's date of retirement.

11.03 Enforcement of Maintenance Orders

(1) Notwithstanding any provision of this Plan, retirement benefits that are payable to a Member are subject to garnishment pursuant to *The Enforcement of Maintenance Orders Act* for the purposes of enforcing a maintenance order as defined in that Act.

11.04 Disclosure

(1) Except where an order or agreement mentioned in Subsection 11.01(3) has been filed with the Administrator by the Member and his or her Spouse jointly, the Administrator shall give a notice in writing to the Member that an order or agreement has been filed.

(2) Unless, within 30 days after providing the notice mentioned in Subsection 11.01(3), the Administrator receives a notice in writing that the Member objects to the division of the retirement benefit on one of the grounds set out in Subsection 11.04(3) below, the Administrator shall comply with the order or agreement.

(3) The grounds for an objection pursuant to this Subsection are:

- (a) that the order or agreement has been varied or is of no force or effect;
 - (b) that the terms of the order or agreement have been or are being satisfied by other means; or
 - (c) that proceedings have been commenced in a court of competent jurisdiction in Canada to appeal or review the order or to challenge the terms of the agreement.
- (4) A Member who submits a notice of objection pursuant to this Subsection shall include with the notice documentary evidence to establish the grounds for objection.
- (5) Where a notice of objection is received by the Administrator pursuant to this Subsection, the Administrator shall apply to Her Majesty's Court of Queen's Bench for Saskatchewan for directions.

SECTION 12

GOVERNANCE STRUCTURE

12.01 Administrator

- (1) The Administrator of the Plan is the Board, as established in Section 12.02.
- (2) While acting in the capacity of Administrator, the Administrator of the Plan:
 - (a) stands in a fiduciary relationship to Members, their Spouses and beneficiaries;
 - (b) holds in trust for the benefit of Members any fund established or contract arising pursuant to the Plan;
 - (c) shall act in good faith and in the best interests of Members; and
 - (d) shall not prefer the interests of one person entitled to benefits pursuant to the Plan over the interests of any other persons so entitled.

12.02 Saskatoon City Police Pension Plan Board of Trustees

The purpose of the Board is to act as Administrator of the Plan and to hold the pension Fund in trust. The Board shall oversee all aspects of the Plan and periodically review the Plan in order to provide advice to the Commission and the Association as to measures necessary to keep the Plan up to date as well as to maintain the financial integrity of the Plan pursuant to the following terms and conditions:

- (1) The Board shall have representation from the Commission, the Association, commissioned officers of the Saskatoon City Police Department and such other person(s) as are agreed upon by the Commission and the Association.
- (2) The administration of the Plan shall be the responsibility of the Board and whenever a question arises in the course of such administration, which cannot be settled by reference to the Plan, the Board shall settle such question in a manner not inconsistent with the provisions of the Plan.
- (3) The Board may appoint any person(s) or corporation to administer the Plan and may delegate for such purpose from time to time such authority as the Board may deem necessary and advisable.

- (4) The Board may employ such actuaries, accountants, auditors, advisors, agents or other professionals as the Board may reasonably require from time to time and may pay their reasonable compensation and expenses out of the Fund.
- (5) The Board may engage such persons as may be reasonably necessary to provide secretarial services to the Plan and may pay reasonable compensation for those services out of the Fund.
- (6) The Board's responsibilities include, but are not limited to, the following:
 - (a) making application for acceptance by regulatory officials of approved Plan amendments;
 - (b) ensuring that the Plan is administered in accordance with its terms as registered;
 - (c) filing annual information returns with the regulatory authorities under Applicable Legislation; and
 - (d) preparing information to report pension adjustments (PAs) and past service pension adjustments (PSPAs).

12.03 Fund

- (1) The Board, as part of the Plan, shall enter into a Trust Agreement with a Fund Custodian.
- (2) The contributions of the Members and of the Commission under this Plan shall be received, held, invested and administered and all benefit payments made by the Fund Custodian in accordance with the terms of the Trust Agreement, the Plan and Applicable Legislation.
- (3) The Board may remove the Fund Custodian at any time upon reasonable notice, subject to the provisions of the Trust Agreement, and, upon such removal, or upon resignation of the Fund Custodian, the Board shall appoint a successor Fund Custodian.

SECTION 13

SUPERANNUATION FUND

13.01 Operation of the Fund

- (1) In accordance with Applicable Legislation, all the contributions, investment income and any other assets received for the purposes of the Plan will be deposited in the Fund and all the benefits under the Plan paid therefrom or transferred out of the Plan on a Member's behalf.
- (2) No part of the Fund shall be used for or diverted to purposes other than for the exclusive benefit of Members and their beneficiaries. No Member, Retired Member, survivor or beneficiary under the Plan, or any other person, shall have any interest in or right to any part of the earnings of the Fund or any rights in or to or under such Fund or any part of the assets thereof, except and to the extent expressly provided in this Plan.
- (3) All benefits payable under the Plan shall be paid or provided for solely from the Fund or any other fund which the Board in its discretion may establish, from time to time, for the purpose of receiving contributions made in accordance with the provisions of the Plan and persons entitled to benefits hereunder shall look only to the assets of the Fund or other fund, if any, for payment. The Commission's obligations hereunder are limited solely to the making of contributions to the Fund as provided for in the Plan or to any other fund which is established for the purpose of receiving contributions made in accordance with the provisions of the Plan. In the event of termination of the Plan and in the event that there should be insufficient funds to make the payments provided for hereunder, in whole or in part, the right to such payments shall cease or such payments shall be reduced.
- (4) Contributions made by Members pursuant to Section 4 shall be deposited in the Fund within 30 days after the last day of the month in which the Commission received such amounts. Notwithstanding Section 4.02, contributions made by the Commission pursuant to Section 4 shall be deposited in the Fund within 30 days after the last day of the month for which the contributions are payable.

13.02 Trust Fund, Trustees and Trust Agreement

- (1) The Board shall place the Plan under trusteeship and shall enter into a Custodial Agreement with the Fund Custodian.
- (2) The Fund may not borrow money, unless the borrowing is approved by the Administrator, is for less than 90 days, is not part of a series of loans and repayments, and is required for the purchase of annuities, or the provision of a pension, under the Plan without resort to a distressed sale of the Plan assets.

13.03 Actuarial Valuations

- (1) The Actuary shall be appointed by the Board.
- (2) An actuarial valuation of the Plan is to be carried out every third year, with respect to the position of the Plan as at December 31 in the year preceding the valuation.
- (3) If the Board so directs, an actuarial valuation may be conducted at intervals of less than three years.
- (4) Upon completion of any actuarial valuation, the Actuary shall certify:
 - (a) the annual amount, which, when added to the contributions made by Members pursuant to Sections 4.01 and 4.02, in each year will:
 - (i) provide the regular benefits described in the Plan;
 - (ii) pay all normal costs for current service as they become due;
 - (iii) liquidate any unfunded liabilities in the Fund by making equal annual payments, sufficient to liquidate the amount over a term of not more than fifteen (15) years from the date of the actuarial valuation on which the Actuary based his certificate; and,
 - (iv) liquidate any experience solvency deficiency in the Fund by making equal annual payments, sufficient to liquidate the amount over a term of not more than five (5) years from the date of the actuarial valuation on which the Actuary based his certificate; and,

- (b) the percentage of each Member's Earnings which, if paid by each Member monthly for a period of one (1) year, will collectively equal fifty (50%) percent of that portion of the annual amount which exceeds ten and one-half (10½%) percent of the gross Earnings of the Members.

13.04 Contingency Reserve

- (1) Any Surplus of the Plan shall first accumulate as a reserve for contingencies. The amount of the reserve shall be the greater of either fifty (50%) percent of the excess of the Fund's assets over liabilities or an amount equivalent to one (1) year of Commission required contributions for current service as determined by the actuarial valuation. Once the reserve for contingencies has been provided for, any additional Surplus accruing under the Plan shall be applied to enhance the benefits of Members and their beneficiaries.
- (2) In the event that the amount of Surplus held as a reserve for contingencies pursuant to Subsection 13.04(1) is deemed to be excessive by the Income Tax Act:
 - (a) the amount of such reserve deemed to be excessive shall be used firstly to make such experience adjustments to the actuarial assumptions deemed necessary by the Actuary and, secondly, to provide for such past or future service benefit improvements as may be agreed to by the Commission and the Association; and,
 - (b) the Commission shall continue to pay the Employer contribution as determined by the last available report of the Actuary.

SECTION 14

AMENDMENT OR TERMINATION OF THE PLAN

14.01 Amendments

- (1) Unless otherwise stated, amendments to the Plan become effective according to the effective date of the amendment, and shall apply to any terminations, retirements or deaths occurring on or after the effective date of the amendment.
- (2) The Commission intends that the Plan shall be a permanent Plan for the exclusive benefit of its Members and their beneficiaries and contingent annuitants.
- (3) The Commission and the Association shall with the advice of the Board periodically review the Plan with a view to mutual agreement as to measures necessary to maintain the Plan up to date, as well as measures necessary to maintain the financial integrity of the Plan subject to the following provisions:
 - (a) no amendment shall have the effect of reducing any Member's, former Member's, Spouse's, joint annuitant's, beneficiary's or estate's then existing entitlements under the Plan; and
 - (b) no amendment shall have the effect of diverting any part of the assets of the Fund for any purposes other than for the exclusive benefit of the Members, former Members, Spouses, joint annuitants, beneficiaries or estates under the Plan prior to the satisfaction of all liabilities with respect to such persons immediately before such amendment.
- (4) Notwithstanding anything else contained herein but subject to Subsection 14.01(3), the Plan may be amended at any time to reduce benefits so as to avoid revocation of the Plan's registration under the Income Tax Act.

14.02 Termination of the Plan

- (1) Subject to Subsection 14.02(6), in the event the Plan is terminated and the assets of the Plan are insufficient to meet the Plan's liabilities, the assets of the Plan shall be allocated and distributed as follows:
 - (a) assets must be allocated first to provide benefits equal to the value of the contributions, with interest, made by and transferred from another plan, with respect to Members and former Members;

- (b) assets not allocated pursuant to Clause 14.02(1)(a) must be allocated to provide for accrued benefits with respect to which:
 - (i) no unfunded liability was established; or
 - (ii) where an unfunded liability was established, the liability has been amortized at the date of the termination of the Plan; and
 - (c) assets not allocated pursuant to Clauses 14.02(1)(a) and 14.02(1)(b) must be allocated to provide for accrued benefits with respect to which unfunded liabilities have not been amortized at the date of termination of the Plan;
 - (d) an unfunded liability that has not been amortized at the date of the termination has the effect of reducing the benefits for employment that led to the establishment of the unfunded liability, proportionate to the extent to which those benefits remain unfunded;
 - (e) each unfunded liability is to be dealt with separately and applied only to the benefits with respect to which it was established.
- (2) Subject to Subsection 14.02(1), if the Plan is terminated, the assets of the Fund shall be used after providing for the expenses of the Plan and to the extent adequate, for the following purposes and in the following priority order:
- (a) first, to provide for the payment of retirement benefits to Members previously retired under the Plan or their Spouses, joint annuitants, beneficiaries or estates;
 - (b) second, to repay the contributions of Members who have not retired;
 - (c) third, to provide for the payment of retirement benefits which have been vested under the provisions of the Plan; and
 - (d) fourth, to provide for the payment of retirement and other benefits in an equitable and non-discriminatory manner to Members who are not then retired under the Plan.
 - (e) fifth, to the extent possible and in an equitable and non-discriminatory manner, to provide for additional benefits to Active Members and Disabled Members affected by Subsection 14.02(6).

The amount and method of providing for payment in accordance with the foregoing shall be as determined by the Commission on the advice of the Actuary.

Notwithstanding any Surplus remaining after all benefits referred to in this Subsection have been provided, such Surplus may, subject to the approval of the regulatory authorities under Applicable Legislation at the time, be used for the benefit of Members, former Members, beneficiaries or estates, in such equitable manner as the Commission may in its discretion determine.

- (3) The amount and method of providing for payment in accordance with the foregoing shall be as determined by the Board, assisted by the Actuary, subject however, to the amounts and method so determined being acceptable to the regulatory authorities under Applicable Legislation.
- (4) Following termination of the Plan, there shall be no distribution or allocation of assets until the termination amendment and the method of allocating and distributing the assets of the Fund have been approved by the regulatory authorities under Applicable Legislation.
- (5) In the event of amendment or termination of the Plan in accordance with this Section, that portion of the distribution which is made to a Member shall be made in the form of a deferred retirement benefit.
- (6) In the event of wind up or termination of the Plan, with respect to an Active Member or Disabled Member of the Plan as at the date of termination of the Plan, Section 5.02 shall be replaced with the following:

The retirement benefits payable to the Member on the Early Retirement Date shall be the Actuarial Equivalent of the retirement benefits determined in accordance with Section 5.01 above payable at the Member's Normal Retirement Date.

SECTION 15

GENERAL PROVISIONS

15.01 Small Benefits

- (1) If the benefit entitlement under the Plan with respect to a termination, retirement or death has:
- (a) a value less than 20% of the YMPE in the year of payment; or
 - (b) an annual pension less than 4% of the YMPE in the year of payment, payable in the normal form at the Normal Retirement Date;

the Administrator may direct that payment of such pension be made monthly or quarterly or, that a cash settlement be made in lieu of any further payment or other benefits under the Plan. The amount of any cash settlement under this Subsection 15.01(1) shall be the benefit entitlement as indicated in the applicable benefit section.

15.02 Cost of Administration

- (1) The Fund shall annually contribute the sum of \$42.00 for each Active Member and Retired Member toward the cost of administrative services provided to the Plan on behalf of the Commission by the Saskatoon City Finance Department and Human Resources Department.

15.03 No Contract of Employment

- (1) The adoption and maintenance of the Plan shall not be deemed to constitute a contract of employment between the Commission and any Employee or Member. Nothing contained herein shall be deemed to give any Employee the right to be retained in the service of the Commission or to interfere with the right of the Commission to terminate the employment of any Employee or Member at any time.

15.04 Assignment of Rights

- (1) Except as provided in this Plan, any monies payable under this Plan shall not be assigned, charged, anticipated or given as security and are exempt from execution, seizure or attachment, and any transaction purporting to assign, charge, anticipate or give as security such monies is void.

- (2) If the Board determines, from a written statement by a physician licensed to practice medicine in a province or territory of Canada, that any person entitled to payments hereunder is incompetent by reason of physical or mental disability and is unable to give a valid receipt, the Board may cause the payments becoming due to such person to be made to the legal representative of that person without responsibility on the part of the Board to follow the application of such funds. Payments made in accordance with this Subsection shall constitute a complete discharge of the Fund and the Board with respect to such payments.
- (3) All payments made to a person entitled to benefits pursuant to the Plan's provisions are for the support and maintenance of such person and may not in any manner, or, in whole or in part be assigned, alienated, sold, transferred, pledged, encumbered or charged and to the extent permitted by law shall not be subject to attachment or otherwise to the claims of creditors of such person.
- (4) No right of any person under the Plan is capable of being assigned, charged, anticipated, given as security or surrendered, and for the purposes of this condition:
 - (a) assignment does not include:
 - (i) assignment pursuant to a decree, order or judgment of a competent tribunal or a written agreement in settlement of rights arising as a consequence of the breakdown of a marriage or other conjugal relationship between the Member and the Member's Spouse or former Spouse; or
 - (ii) assignment by the legal representative of the deceased Member on the distribution of the Member's estate; and
 - (b) surrender does not include a reduction in benefits to avoid the revocation of the registration of the Plan under the Income Tax Act.

15.05 Liability

- (1) Section headings are for convenient reference only and shall not be deemed to be a part of the substance of this document or in any way to enlarge or limit the contents of any Section.
- (2) Neither the Commission, the Association or the Board, or any individual or committee selected by the Board to perform services or render advice in connection with the Plan, shall be liable to anyone in connection with the Plan, except for an individual's own gross neglect or wilful misconduct.

15.06 Disclosure to Members

- (1) A copy of this Plan text, any trust deed or agreement, insurance contract, bylaw, resolution, or investment contract relating to the Plan may be examined by a Member at any reasonable time at such offices as are designated by the Administrator.
- (2) Each Member shall receive a written explanation of the terms and conditions of the Plan and amendments thereto which apply to the Member together with an explanation of the Member's rights and duties with respect to the benefits available to the Member through the Plan. A pension plan file, including a copy of the Plan, the Trust Agreement and other information required under the Pension Benefits Act, shall be available at the personnel office of the Saskatoon City Police Department to be read by any Member upon request. Each Member shall also receive a periodic statement of his pension entitlements as may be required by Applicable Legislation.

15.07 Differentiation as to Gender

- (1) The masculine gender shall include the feminine and the singular shall include the plural unless the context clearly indicates otherwise.
- (2) The gender of the Member or other beneficiary under the Plan shall not be taken into account in determining the amount of periodic benefits.

15.08 Retention of Records

- (1) All records and files pertaining to the operations of the Plan and the Member's contribution accounts shall be retained for at least three years after:
 - (a) in the case of an agreement, the expiry of the agreement; and
 - (b) in the case of other records, the date of the last transaction to which the records relate.

15.09 Proof of Age

- (1) Each Member shall submit proof of age along with the application form. Such proof of age is necessary for the payment of pension benefits. Should any form of joint annuity be elected by the Member, proof of age of the joint annuitant shall also be required.

15.10 Legislative Requirements

- (1) The Plan is subject to all Applicable Legislation.
- (2) The funding of this Plan shall be adequate to provide payment of all pension benefits required to be paid under the terms of the Plan, in accordance with the tests for solvency prescribed by Applicable Legislation.
- (3) The investment of pension Fund money shall be in securities and loans prescribed by Applicable Legislation.
- (4) Required contributions shall be remitted by the Commission as prescribed by Applicable Legislation.
- (5) Benefits accrued under this Plan shall not be reduced except either upon termination of the Plan when, due to insufficient funds, a reduction in benefits is authorized by Applicable Legislation, or as provided for in Subsection 14.01(4).
- (6) The Plan may not borrow money, unless the borrowing is approved by the Board, is for less than 90 days, is not part of a series of loans and repayments and is required for the purchase of annuities under the Plan without resort to a distressed sale of the Plan assets.
- (7) Each amount determined in connection with the operation and administration of the Plan shall be determined, where the amount is based on assumptions, using reasonable assumptions, and, where actuarial principles are applicable to the determination, in accordance with accepted actuarial practice.

**Appendix “A”
Portability Agreement**

This Agreement made this _____ day of _____, 19____

Between:

The Saskatoon City Police Pension Plan Board of Trustees
(hereinafter referred to as the “Trustees”)

Of The First Part

- and -

Name of Employee

Address of Employee
(hereinafter referred to as the “Member”)

Of The Second Part

Whereas the Trustees administer the Retirement Plan for Employees of The Saskatoon Board of Police Commissioners (hereinafter referred to as the “Plan”) to which certain employees are required to contribute;

And Whereas the Member has prior pensionable service with a previous employer that the Member wishes to transfer into the Plan;

Now Therefore This Agreement Witnesseth that the parties hereto, in consideration of the covenants and agreements herein contained, covenant and agree with each other as follows:

1. In this Agreement:
 - (a) **“Actuary”** means the actuary appointed by the Trustees to serve the Plan;
 - (b) **“Date of Employment”** means the date on which the Member is employed by the Board of Police Commissioners to a position which entitles the Member to join the Plan;
 - (c) **“Exporting Plan”** means the pension plan from which a transfer of pensionable service and monies is made; and
 - (d) **“Pensionable Service”** means the period of service recognized for the purpose of calculating the amount of pension payable under the Plan.
2. The Member agrees that the transfer of funds to the Plan is conditional upon:
 - (a) the Member completing the form required by the Trustees for the transfer of monies pursuant to this agreement from the Exporting Plan to this Plan, and one copy being delivered to the Exporting Plan and one copy delivered to the Trustees within one year after the Member’s Date of Employment or within one year after the date of this agreement, whichever is later;
 - (b) the Member joining the Plan; and
 - (c) the Member ceasing to be a contributor under the Exporting Plan.
3. The parties agree that in order to count as Pensionable Service under the Plan all the period of pensionable service to the Member’s credit under the Exporting Plan, the monies transferred to the Plan must be equal to or more than an amount which, in the opinion of the Trustees, represents the actuarial equivalent of the values of all benefits accrued in respect of the Pensionable Service to be credited to the Member under the Plan, calculated by the Actuary as of the date on which the Member ceased to be a contributor under the Exporting Plan, using the actuarial assumptions contained in the Plan’s most recent actuarial valuation report, together with interest accrued on that amount from the date the Member so ceased to be a contributor to the date of payment by the Exporting Plan to the Trustees, calculated at a rate equal to the rate which, in the opinion of the Trustees, is or was payable under the Plan during that period.

4. Upon receipt by the Trustees of a transfer of monies from the Exporting Plan, the Trustees agree to credit the Member with:
 - (a) Pensionable Service credit equal to only that period of the Member's most recent service in pensionable employment under the Exporting Plan that in the opinion of the Trustees has been purchased by the amount paid; and
 - (b) Continuous Service corresponding to the Pensionable Service in (a) above; and
 - (c) contributions in an amount equal to the amount transferred.
5. The parties agree that the Member may, at any time prior to the completion of one year from the date of amendment of the Plan to adopt this Agreement, elect, by notice in writing to the Trustees, to make up all, or part of, the difference between the monies transferred to the Plan and the amount required to credit the Member with all the period of pensionable employment to the Member's credit under the Exporting Plan.
6. Where the Member makes an election pursuant to Section 4, that election shall cease to be valid on the later of 90 days after the Trustees receive the election and 90 days after the Trustees advise the Member of the amount payable to the Trustees in respect of the election, unless prior to the expiry of that period:
 - (a) the Member advises the Trustees in writing with respect to the service to be credited for the purposes of the Plan; and
 - (b) the Member makes arrangements satisfactory to the Trustees for payment of all amounts payable in respect of that period of service and commences and continues to make payments thereon until the entire indebtedness is discharged.
7. Where the monies transferred from the Exporting Plan exceed the amount required by the Trustees to credit the Member with Pensionable Service equal to the pensionable employment to the Member's credit under the Exporting Plan, such excess amount may be:
 - (a) refunded to the Member; or
 - (b) subject to the limits contained in the *Income Tax Act* (Canada), transferred to a registered retirement savings plan that is registered pursuant to that *Act*.

- 8 The parties agree that Pensionable Service under the Plan will be credited in accordance with the following formula:

$$\frac{A}{B} \times C$$

where:

- A is the amount of monies transferred from the Exporting Plan;
- B is the actuarial equivalent of the values of all benefits accrued in respect of the Pensionable Service to be credited to the Member under the Plan, calculated by the Actuary as of the date on which the Member ceased to be a contributor under the Exporting Plan, using the actuarial assumptions contained in the Plan's most recent actuarial valuation report, together with interest accrued on that amount from the date the Member so ceased to be a contributor to the date of payment by the Exporting Plan to the Trustees, calculated at a rate equal to the rate which, in the opinion of the Trustees, is or was payable under the Plan during that period; and
- C is the Member's Member's years of pensionable employment under the Exporting Plan.

The amount of service credited for a period will not exceed the actual period of pensionable service which the Member earned for his or her employment in respect of the Exporting Plan.

- 9 The parties agree that the commuted values of any portions of the Member's pension payable under the Plan that are attributable to Pensionable Service credited pursuant to clause 4(a) of this Agreement is not subject to the 50% minimum employer cost requirement contained in *The Pension Benefits Act, 1992* (Saskatchewan).

Acceptance of Portability Agreement

The parties do hereby agree to the terms and conditions of this Agreement in accordance with the following:

- (a) Date of employment _____
- (b) Years of pensionable
employment Service to
the Member's credit under
the Exporting Plan: _____
- (c) Monies required to
credit the Member with
all the period of
pensionable employment to
the Member's credit under
the Exporting Plan: _____
- (d) Pensionable Service to be
credited under the Plan: _____

Dated at _____, Saskatchewan, on this _____ day of _____, 20__.

Authorized Representative of the Trustees

Member