

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** MAY 30, 2012

**SUBJECT:** TTC PENSION FUND SOCIETY BYLAW AMENDMENT

## **ACTION ITEM**

---

### **RECOMMENDATION**

It is recommended that the Commission approve the attached Bylaw Amendment to the Bylaws of the Toronto Transit Commission Pension Fund Society.

### **BACKGROUND**

At its meeting on May 28, 2012, the Board of Directors of the TTC PFS approved the attached benefit changes affecting both active employees and retired members. Subject to Commission approval of this bylaw amendment and ratification by the membership at the Annual General Meeting to be held on June 16, 2012, the Board approved: (1) a one-year update to the Base Period such that the year 2008 can now be included in the Base Period and (2) a 1% ad hoc indexing on existing pensions. As per the Bylaws of the TTC PFS, all benefit changes resulting in a bylaw amendment require approval of the TTC PFS Board, the Commission and the membership.

-----

May 28, 2012

1-15-14

Attachment – TTC PFS Bylaw Amendment

## TTC PENSION FUND SOCIETY

### BYLAW AMENDMENT

One Year Update of Base Period and Survivor Benefit Date  
1 %Ad Hoc Indexing

**Prepared: May 2, 2012**

Effective: January 1, 2012

OLD WORDING		NEW WORDING	
2	DEFINITIONS	2	DEFINITIONS
	(xxxiii) "Survivor Benefit Date" shall mean <b>January 1, 2008</b> .		(xxxiii) "Survivor Benefit Date" shall mean <b>January 1, 2009</b> .
6.02	PENSIONABLE EARNINGS	6.02	PENSIONABLE EARNINGS
	<p>(i) Average Base Period Earnings</p> <p>Effective <b>January 1, 2011</b> for Members retiring on or after <b>January 1, 2011</b> pursuant to Bylaw 8 and effective <b>September 1, 2011</b>, for Members terminating on or after <b>September 1, 2011</b> for the purposes of calculating the amount of Regular Member's pension for Credited Service accrued to <b>December 31, 2007</b>, Average Base Period Earnings shall be the greater of:</p> <p>(a) the average of the highest consecutive four calendar year's Pensionable Earnings prior to <b>2008</b> and for this purpose two calendar years will be considered consecutive even if they include a temporary break in service, and</p> <p>(b) the average of the highest four calendar year's Pensionable Earnings after December 31, 1985 and prior to <b>2008</b>.</p>		<p>(i) Average Base Period Earnings</p> <p>Effective <b>January 1, 2012</b> for Members retiring on or after <b>January 1, 2012</b> pursuant to Bylaw 8 and effective <b>May 1, 2012</b>, for Members terminating on or after <b>May 1, 2012</b> for the purposes of calculating the amount of Regular Member's pension for Credited Service accrued to <b>December 31, 2008</b>, Average Base Period Earnings shall be the greater of:</p> <p>(a) the average of the highest consecutive four calendar year's Pensionable Earnings prior to <b>2009</b> and for this purpose two calendar years will be considered consecutive even if they include a temporary break in service, and</p> <p>(b) the average of the highest four calendar year's Pensionable Earnings after December 31, 1985 and prior to <b>2009</b>.</p>

OLD WORDING		NEW WORDING	
	<p>A Member's Base Period shall mean the four years used for computing his or her Average Base Period Earnings. For a Member who does not have four calendar years of Pensionable Earnings prior to <b>2008</b>, the Member's Base Period shall be his or her total number of calendar years, including fractional years, of Pensionable Earnings.</p> <p>The YMPE used in the calculation of pension entitlements for the Base Period pursuant to Bylaw 9.01 and 9.04 shall be the YMPE under the Canada Pension Plan for each of the corresponding calendar years used in the determining the Member's Average Base Period Earnings, or if the Member's Pensionable Earnings are less than the YMPE, the Member's Pensionable Earnings.</p>		<p>A Member's Base Period shall mean the four years used for computing his or her Average Base Period Earnings. For a Member who does not have four calendar years of Pensionable Earnings prior to <b>2009</b>, the Member's Base Period shall be his or her total number of calendar years, including fractional years, of Pensionable Earnings.</p> <p>The YMPE used in the calculation of pension entitlements for the Base Period pursuant to Bylaw 9.01 and 9.04 shall be the YMPE under the Canada Pension Plan for each of the corresponding calendar years used in the determining the Member's Average Base Period Earnings, or if the Member's Pensionable Earnings are less than the YMPE, the Member's Pensionable Earnings.</p>
9.01	NORMAL OR POSTPONED RETIREMENT PENSION	9.01	NORMAL OR POSTPONED RETIREMENT PENSION
	<p>(i) A Regular Member who retires pursuant to Bylaw 8.01 or 8.02 on or after <b>January 1, 2011</b>, shall receive an annual amount of pension determined as the sum of:</p> <p>(a) 1.6% of the Member's Average Base Period Earnings Below YMPE plus 2% of the Average Base Period Earnings Above YMPE,</p> <p style="text-align: center;">multiplied by</p> <p>the number of calendar years in the Member's Base Period divided by the number of years of Credited Service in the Member's Base Period,</p> <p style="text-align: center;">multiplied by</p> <p>the years of Credited Service accrued to <b>December 31, 2007</b>; plus</p> <p>(b) 1.6% of Pensionable Earnings below the YMPE plus 2% of Pensionable Earnings above the</p>		<p>(i) A Regular Member who retires pursuant to Bylaw 8.01 or 8.02 on or after <b>January 1, 2012</b>, shall receive an annual amount of pension determined as the sum of:</p> <p>(a) 1.6% of the Member's Average Base Period Earnings Below YMPE plus 2% of the Average Base Period Earnings Above YMPE,</p> <p style="text-align: center;">multiplied by</p> <p>the number of calendar years in the Member's Base Period divided by the number of years of Credited Service in the Member's Base Period,</p> <p style="text-align: center;">multiplied by</p> <p>the years of Credited Service accrued to <b>December 31, 2008</b>; plus</p> <p>(b) 1.6% of Pensionable Earnings below the YMPE plus 2% of Pensionable Earnings above the YMPE for the</p>

OLD WORDING		NEW WORDING	
	<p>YMPE for the period of Credited Service after <b>December 31, 2007</b>; plus</p> <p>(c) 0.4% of the Member's Average Base Period Earnings Below YMPE multiplied by the number of calendar years of Credited Service before 1987 during which the Member</p> <p>(1) was at least age 65 for the entire year, and</p> <p>(2) did not contribute any amount to the Canada Pension Plan during the calendar year.</p> <p>(ii) The total amount of pension payable to any Member under this Subsection shall not be less than the total amount of accrued pension payable to such Member in respect of years of service up to <b>December 31, 2010</b>, determined in accordance with the Bylaws of the Society in effect as at <b>December 31, 2010</b>.</p>		<p>period of Credited Service after <b>December 31, 2008</b>; plus</p> <p>(c) 0.4% of the Member's Average Base Period Earnings Below YMPE multiplied by the number of calendar years of Credited Service before 1987 during which the Member</p> <p>(1) was at least age 65 for the entire year, and</p> <p>(2) did not contribute any amount to the Canada Pension Plan during the calendar year.</p> <p>(ii) The total amount of pension payable to any Member under this Subsection shall not be less than the total amount of accrued pension payable to such Member in respect of years of service up to <b>December 31, 2011</b>, determined in accordance with the Bylaws of the Society in effect as at <b>December 31, 2011</b>.</p>
13.04	AD HOC ADJUSTMENTS	13.04	AD HOC ADJUSTMENTS
	<p>(i) Notwithstanding Bylaw 13.03, and subject to Bylaw 17.13 and Subsections (ii) and (iii) below, pensions in the course of payment to Associate Members may be increased in accordance with this Bylaw 13.04. Increases approved by the Board shall be set out in Subsection (iv) below and shall specify the effective date, the pensions to which the increase is applicable and the amount of the increase.</p> <p>(ii) An increase under Subsection (i) above that applies to a pension which first becomes payable in the year prior to the effective date of the increase shall be the full increase multiplied by the ratio of the number of days for which the pension was payable to the total number of days in the corresponding calendar year.</p>		<p>(i) Notwithstanding Bylaw 13.03, and subject to Bylaw 17.13 and Subsections (ii) and (iii) below, pensions in the course of payment to Associate Members may be increased in accordance with this Bylaw 13.04. Increases approved by the Board shall be set out in Subsection (iv) below and shall specify the effective date, the pensions to which the increase is applicable and the amount of the increase.</p> <p>(ii) An increase under Subsection (i) above that applies to a pension which first becomes payable in the year prior to the effective date of the increase shall be the full increase multiplied by the ratio of the number of days for which the pension was payable to the total number of days in the corresponding calendar year.</p>

<b>OLD WORDING</b>		<b>NEW WORDING</b>	
	<p>(iii) Increases under Subsection (i) above shall be applied equally to pensions in the normal form or optional forms available to Members under Bylaw 10.</p> <p>(iv) Effective January 1, 2011, pensions in the course of payment shall be increased by 2.0%. The pensions to which the increase is applicable shall be determined in the same manner as provided under Bylaw 13.03.</p>		<p>(iii) Increases under Subsection (i) above shall be applied equally to pensions in the normal form or optional forms available to Members under Bylaw 10.</p> <p>(iv) Effective January 1, 2011, pensions in the course of payment shall be increased by 2.0%. The pensions to which the increase is applicable shall be determined in the same manner as provided under Bylaw 13.03.</p> <p>(v) <b>Effective January 1, 2012, pensions in the course of payment shall be increased by 1.0%. The pensions to which the increase is applicable shall be determined in the same manner as provided under Bylaw 13.03.</b></p>