



TTC Pension Plan Bylaw Amendments

Date: June 12, 2023

To: TTC Board

Summary

The TTC Pension Fund Society (TTC Pension Plan/TTCPP) Board of Directors approved changes to the TTCPP Bylaws as follows:

1. To update the base year period used to calculate retiring TTC employees' pension to include 2022 and to provide an increase to former members currently in receipt of a pension.
2. As part of the first substantive Bylaw restatement exercise undertaken since 2012, TTCPP Board reviewed and approved changes to update legislative references, update some language and introduce new definitions to enhance clarity, and to reflect current practice of providing TTCPP Board updates on TTCPP administrative activities.

Pursuant to TTCPP Bylaw 3.09, TTC Board approval is required in order for Bylaw amendments to be effective.

In addition, TTC staff are recommending changes to TTC representation on the TTC Pension Plan Board of Directors.

Recommendations

It is recommended that the TTC Board:

1. Approve the recommended changes to the TTCPP Bylaws, included as Appendix 1 to the TTC Pension Plan Bylaw Amendments report.
2. Appoint Alex Cassar, Director – Budgets, Costing and Financial Reporting as a Director and Richard J. Leary, Chief Executive Officer as an Observer on the TTC Pension Plan Board of Directors.

Decision History

At its meeting on February 28, 2023, the TTC Board appointed Alex Cassar, Director – Budgets, Costing and Financial Reporting to the vacant observer role on the TTC Pension Plan Board of Directors.

Report: [Appointment to TTC Pension Fund Society Board of Directors](#)

At its meeting on September 24, 2020, the TTC Board appointed Richard J. Leary, Chief Executive Officer as a Director on the TTC Pension Plan Board of Directors.

Report: [Appointments to TTC Pension Fund Society Board of Directors](#)

Comments

Bylaw 3.01(1) of the TTC Pension Plan states that the Pension Plan shall be administered by a Board of 10 Directors, who must be regular members of the Pension Plan, five of whom shall be appointed by the TTC Board and five of whom are appointed by the Amalgamated Transit Union, Local 113.

TTC staff are recommending changes to TTC representation on the TTC Pension Plan Board of Directors. Currently, Richard J. Leary is a Director of the Pension Plan and Alex Cassar is appointed as an Observer. In discussions with the two individuals, it was determined that in order to ensure appropriate time can be dedicated to TTC Pension Plan that the individuals change roles and that Alex Cassar be appointed as a Director.

TTC Pension Plan Bylaw Amendments

Date: June 12, 2023
From: Chief Executive Officer – TTC Pension Plan

Summary

The TTC Pension Fund Society (TTC Pension Plan/TTCP) Board of Directors approved changes to the TTCP Bylaws as follows:

1. To update the base year period used to calculate retiring TTC employees' pension to include 2022 and to provide a 5.35% increase to former members currently in receipt of a pension. Based on TTCP's strong financial position, both base year updates and pensioner cost of living increases have been provided annually since 2011.
2. As part of the first substantive Bylaw restatement exercise undertaken since 2012, TTCP Board reviewed and approved changes to update legislative references, update some language and introduce new definitions to enhance clarity, and to reflect current practice of providing TTCP Board updates on TTCP administrative activities.

Pursuant to TTCP Bylaw 3.09, TTC Board sanction is required in order for the Bylaw amendments to be effective. Membership approval of these amendments will be requested at the next Annual General Meeting (AGM) of TTCP on June 24, 2023.

Financial Summary

There are no financial implications resulting from the adoption of this report as the Bylaw amendments do not change the existing pension contribution rate.

The TTCP contribution rate of 9.25% up to the Yearly Maximum Pensionable Earnings (YMPE) and 10.85% above the YMPE remains comparable to, or significantly lower than, other Ontario Jointly Sponsored Pension Plans (JSPP).

Members contribute to the TTCP pension plan based on their earnings and the above-noted contribution rates. Employers match the employees' contribution amounts. The contribution rate has not changed since 2011.

Decision History

Based on TTCP's strong financial position, both the base year updates and pensioner cost of living increases have been provided annually since 2011. Each year, the external TTCP Actuary prepares an actuarial valuation and detailed analysis of

TTCPP's funded status which is used by the TTCPP Board of Directors to determine the affordability of granting base year period updates and ad hoc pensioner increases. The granting of these benefits is used to determine pension amounts paid to TTC retirees.

On April 27, 2023, after consideration of long-term pension benefit affordability based on current contribution rates, TTCPP Board of Directors approved a one-year base period update (to include 2022) and a 5.35% pensioner increase, which is subject to limits under the Canadian *Income Tax Act*. The 5.35% pensioner increase is approximately 85% of the maximum permitted under the *Canadian Income Tax Act* and TTCPP Bylaws, and is within the range of comparable pension plans, which provide between 75% and 100% of the maximum permitted.

TTC Pension Plan staff and the Board of Directors have undertaken a Bylaw restatement initiative to incorporate housekeeping and regulatory updates, along with corrections of typos, and re-numbering where sections have been added or removed since the previous printed version. This restatement is the first substantive review undertaken since 2012.

These approvals are effected by the Bylaw amendments appended to this report as Attachment 1.

Background

TTC Pension Plan was established through collective bargaining and incorporated on January 3, 1940 to provide retirement benefits for Toronto's transit employees. TTCPP is administered by a Board, consisting of five directors appointed by the TTC and five directors who are ex-officio members of the Amalgamated Transit Commission (ATU) Local 113 executive.

TTCPP is a defined benefit, jointly sponsored pension plan. It covers substantially all full time employees of the TTC, ATU (the employers) and TTCPP who have completed six months of continuous service. Contributions are made into the Plan by members and matched dollar for dollar by their employer. The Plan is registered with the Financial Services Regulatory Authority of Ontario (FSRA) and is subject to regulation under the Ontario *Pension Benefits Act* and the *Income Tax Act* (registration number 0317586).

As at December 31, 2022, TTCPP had approximately 15,400 active members and 10,300 pensioners. TTCPP plan design supports equal cost and risk sharing between employees and employers.

At the end of 2022, TTCPP's net assets were \$7.8 billion, and has earned an annual investment return of 7.3% net of fees over the last 10 year period, which has exceeded the investment benchmark return by 0.6%

Contributions under the existing rates are sufficient to meet the going concern funding requirements as defined under the Ontario *Pension Benefits Act* and the Canadian *Income Tax Act*. After taking into account this year's plan updates, the pension plan is fully funded on a going-concern basis. As confirmed by the Plan's Actuary, Mercer

(Canada) Limited, a compliant actuarial valuation as at January 1, 2023, will be filed with Regulators within the prescribed deadlines.

Comments

TTCPD does not provide automatic annual updates to the best four-year base period used in determining pension benefits, and does not guarantee automatic increases to pensions in payment. Instead, benefit changes are approved only when, and to the degree that, they are deemed actuarially affordable.

Each year TTCPD Actuary prepares detailed analyses of the Plan's funded status which guides the TTCPD Board of Directors in their decisions regarding indexing of pensions in payment, providing updates to the base period and other plan updates. This model has allowed the Plan to contain costs during unfavourable market conditions by foregoing base period updates and indexing, as was the case during the period between 2008 and 2010.

On April 27, 2023, TTCPD Board of Directors approved the Bylaw amendments, appended to this report as Attachment 1, to bring Plan updates into effect. These amendments will not change the current employer/employee contribution rates, which have been in effect since 2011 and it is worth noting that TTCPD contribution rates are among the lowest of other Ontario JSPPs.

Contact

Sean Hewitt - TTCPD Chief Executive Officer
416-393-3610
Sean.Hewitt@ttcpp.ca

Signature

Sean Hewitt
TTCPD Chief Executive Officer

Attachment

Attachment 1 – 2023 TTCPD Bylaw Amendments

Attachment 1 Summary of Bylaw Amendments 2023

The following Bylaw amendments were approved by the TTC Pension Plan Board. For reference, the revisions are shown with tracked changes bolded.

TTC Pension Plan staff and the Board of Directors have undertaken a Bylaw restatement initiative to incorporate housekeeping and regulatory updates, along with corrections of typos, and re-numbering where sections have been added or removed since the previous printed version. This restatement is the first substantive review undertaken since 2012.

All Bylaw amendments are presented in chronological order, and the summary below is provided to detail the reason the amendment is being presented. Amendments broadly fall into three categories:

- all Bylaw amendments required to implement the plan updates effective January 1, 2023 for the update to the base period, survivor benefit date and an ad hoc pensioner cost of living increase
- Regulatory changes updating the types of leaves of absence that are eligible for repurchase by an Active plan member, in alignment with the Employment Standards Act (Ontario)
- Housekeeping changes throughout the plan text to enhance clarity as well as provide updated language to reflect current administrative and reporting practices

Bylaw Number	Bylaw Title	Category of Amendment(s)	Description
1	Establishment of the Society	Housekeeping	Updates the language and clarifies the primary goal of the administration of the Pension Plan
2.01	Definitions	Plan Updates, Regulatory & Housekeeping	<p>Four new Definitions added:</p> <ul style="list-style-type: none"> • Administrator • Participating Employer • Protected Leave • Statutory Leave <p>Revision to wording in existing Definitions:</p> <ul style="list-style-type: none"> • Interruption In Service • Shortened Life Expectancy • Survivor Benefit Date
3.04	Officers	Housekeeping	Updates the language to require Secretary and Treasurer to report information to the Board on benefit payments and plan

			operating expenses, and remove Board approval of same reports
3.11	Financial Year End Audit	Housekeeping	Removal of requirement for TTC Board to approve appointment of pension plan auditors
4.01	Regular Members	Housekeeping	Updates the language to use new Definition of Participating Employer
4.03	Inactive Members	Housekeeping	Updates the language to clarify the difference between types of Inactive Members
5.01	Continuous Service	Regulatory & Housekeeping	Updates the language to use new Definitions of Participating Employer and Statutory Leave
5.02	Credited Service	Regulatory & Housekeeping	Updates the language to use new Definitions of Participating Employer, Protected Leave and Statutory Leave
5.05	Purchase of Interruption In Service	Regulatory	Updates the language to use new Definition of Statutory Leave
6.02	Pensionable Earnings	Plan Updates & Regulatory	Provides the updated Base Period Date to include 2022. Updates the language to use new Definitions of Protected Leave and Statutory Leave
7.01	Required Contributions	Housekeeping	Updates the language to use new Definition of Participating Employer
7.02	Contributions Other	Regulatory	Updates the language to use new Definition of Statutory Leave
9.01	Normal or Postponed Retirement Pension	Plan Updates	Provides the updated Base Period Date
13.01	Adjustments	Housekeeping	Updates the language to enhance clarity, using new revisions to Bylaw 4.03 Inactive Members
13.02	Ad Hoc Adjustments	Plan Updates	Provides the 5.35% 2023 pensioner ad hoc cost of living increase
15.06	Non-Commutability of Benefits	Housekeeping	Updates the language to transfer the approval of a Shortened Life Expectancy application from the pension plan Board to the Administrator

BYLAW NUMBER 1

ESTABLISHMENT OF THE SOCIETY

The Toronto Transportation Commission Pension Fund Society was incorporated by letters of patent dated the 3rd day of January 1940 under Part XVI of the Companies Act of Ontario. The name of the Society has subsequently been amended under the Metropolitan Toronto Act to the Toronto Transit Commission Pension Fund Society. The Society is continued under the City of Toronto Act, 2006. The official commencement date of the Society was January 5, 1940.

The objectives of the Society ~~have been and~~ are to hold, ~~and~~ invest a Fund, and to administer a Fund, and to pay benefits from the Fund in accordance with the Bylaws of the Society pension plan, registered under the Pension Benefits Act and the Income Tax Act, from which benefits are payable in accordance with its Bylaws. The Fund is administered for the benefit of the Members of the Society. The primary goal of the Fund Society is to assist Members in providing for a financially secure retirement for themselves and their families at a reasonable cost. The prudent and effective management of the Fund Society has a direct impact on the achievement of this goal.

~~The official commencement date of the Society was January 5, 1940.~~

~~The name of the Society has subsequently been amended under the Metropolitan Toronto Act to the Toronto Transit Commission Pension Fund Society. The Society is continued under the City of Toronto Act, 2006.~~

This text represents a restatement of the Bylaws, effective July 1, ~~2012-2023~~ except where specifically noted otherwise. It applies to Members in active service or on authorized leave of absence on June 30, ~~2012-2023~~, to employees who become Members on or after that date, and to adjustments on or after July 1, ~~2012-2023~~ to pensions in payment on June 30, ~~2012-2023~~. Except for adjustments on or after July 1, ~~2012-2023~~ to pensions in payment, benefits payable to or in respect of Members who retired, died or otherwise terminated their employment before July 1, ~~2012-2023~~ will be governed by the provisions of the Bylaws as then in effect.

BYLAW NUMBER 2

DEFINITIONS

2.01 – Where Used in Any Bylaws of the Society:

(2) “Administrator” shall mean the TTC Pension Fund Society acting in its capacity as Administrator of the pension plan.

~~(1920)~~ “Interruption in Service” shall mean a period of authorized unpaid leave taken voluntarily by a Regular Member ~~other than~~including:

(a) ~~maternity, parental, or emergency leave or leave for service with the Armed Forces of Canada~~Statutory Leave as defined under Bylaw 2.01(38);

(b) ~~leave to fill a salaried position with Local 113 of the Amalgamated Transit Union~~personal leave; or

(c) ~~a period of total disability while the Member is receiving payment from the Sick Benefit Association, Workplace Safety and Insurance Board (WSIB), Staff Short-Term Plan, Employment Insurance (EI Sick Pay) or a Long-Term Disability Plan, during which period the Member is not contributing to the Society~~education leave.

~~No-The~~ “Interruption in Service” is a period of service eligible for repurchase, provided that unless otherwise required by applicable legislation, it may not be greater than two years in length.

(24) “Participating Employer” shall mean the Toronto Transit Commission, Local 113 of the Amalgamated Transit Union, or TTC Pension Fund Society.

(31) “Protected Leave” shall mean a period of authorized unpaid leave taken voluntarily by a Regular Member which is not required to be a contributory period of service, including:

(a) maternity or parental leave as defined by the Employment Standards Act (Ontario);

(b) leave for service with the Armed Forces of Canada;

(c) leave to fill a salaried position with Local 113 of the Amalgamated Transit Union; or

(d) a period of total disability while the Member is receiving payment from the Sick Benefit Association, Workplace Safety and Insurance Board (WSIB), Staff Short-Term Plan, Employment Insurance (EI Sick Pay) or a Long-Term Disability Plan, during which period the Member is not contributing to the Society.

(34) "Shortened Life Expectancy" shall mean a life expectancy of less than two years as verified by a statement satisfactory to the ~~Board~~ Administrator from a qualified medical practitioner.

(38) "Statutory Leave" means a period of leave of absence, subject to Bylaw 2.01(31), during which the Employment Standards Act (Ontario) requires that an Active Member be entitled to continue to accrue benefits under the pension plan provided that the Member continues to make required contributions.

~~(3539)~~ "Survivor Benefit Date" shall mean January 1, ~~2022~~2023.

BYLAW 3.04

Officers

(3) The Secretary shall be a Regular Member of the Society but shall not be a Director. He or she shall be appointed by the Board. The Secretary shall receive and deal with all applications for benefits and when they have been found to be in order shall ~~submit-report~~ them to the Board ~~for approval~~. The Secretary shall submit at meetings of the Board any records which the Secretary shall be notified by the Board to produce. The Secretary shall keep such statistical records as may be required by the Board.

The Secretary shall be ex-officio Clerk of the Board and shall attend all the sessions of the Board and meetings of the Members and record all facts and minutes of all proceedings in the books kept for that purpose. The Secretary shall give all notices required to be given to Members and to Directors; shall keep such individual records of Members as may be required by the Board, and shall keep in accessible form all Board decisions which might be used as precedents for future action. The Secretary shall give such security as may be decided by the Board, the cost of which shall be approved and paid by the Commission. The Secretary shall also see that the provisions of Sections 299 and 300 of the Corporations Act of Ontario, as amended from time to time, are duly complied with.

(4) The Treasurer of the Society shall be a Regular Member. ~~The Treasurer of the Society but~~ shall not be a Director. He or she shall pay the invoices related to the operation of the Fund, as approved by the Board, along with all benefits provided by the Bylaws. Claims to such benefits shall be ~~approved-by~~reported to the Board.

The Treasurer shall submit to the Board regular statements of the current financial position of the Society and such other statements or records with the Treasurer shall be notified by the Board to produce.

The Treasurer shall collect all monies due to the Society. All payments out of the Fund shall be made by cheque signed by the Treasurer and President or their duly authorized deputies, or by electronic transfer authorized in writing by the Treasurer and President or their duly authorized deputies. The Treasurer shall keep the general books of account of the Fund and shall be responsible for safeguarding the assets of the Society. The Treasurer shall also see that provisions of Section 302 of the Corporations Act of Ontario, as amended from time to time, are duly complied with. The Treasurer shall give such security as may be decided by the Board, the cost of which shall be approved and paid by the Commission.

BYLAW 3.11

Financial Year End Audit

(1) The financial year end of the Society shall be December 31st of each year, or any other date from time to time adopted by the Board.

(2) At the end of each year and at such other times as the Board ~~or Commission~~ may determine, the books and accounts of the Society shall be audited by an independent firm of Chartered Accountants, to be recommended by the Board and appointed at the Annual General Meeting, ~~subject to the approval of the Commission~~. An annual statement of the Fund, with the Auditors' report thereon, shall be prepared by the Officers of the Society and shall be made available to each Member and to the Commission.

(3) Notwithstanding Bylaw 3.11(2), the Board may, in the event of resignation of the incumbent auditors, appoint an alternate auditor on an interim basis, subject to ratification by the membership at the next special or Annual General Meeting ~~and approval by the Commission~~.

BYLAW 4.01

Regular Members

(1)

(a) Every Full-Time Employee of the Commission or the Society shall become a Regular Member on the first day of the pay period during which he or she completes six months of Continuous Service and shall remain a Regular Member while employed by ~~the Commission, the Society, or by Local 113 of the Amalgamated Transit Union,~~ a Participating Employer or until employment is deemed to have been terminated pursuant to Bylaw 8.05 or 15.06(2).

BYLAW 4.03

Inactive Members

(1) Each former employee entitled to ~~pension~~ termination benefits at the date of termination of employment under Bylaw 12.01 shall become and remain an Inactive Member from his or her date of termination of employment until the earlier of:

(a) the time the Member or his or her Spouse or Designated Beneficiary becomes an Associate Member in accordance with Section 4.02, and

(b) the time that no further benefits are due to the employee.

(2) Each former employee entitled to an immediate reduced or unreduced pension at the date of termination of employment under Bylaw 8 shall become and remain an Inactive Member from his or her date of termination of employment until the earlier of:

(a) the time the Member or his or her Spouse or Designated Beneficiary becomes an Associate Member in accordance with Section 4.02, and

(b) the time that no further benefits are due to the employee.

(23) No Inactive Member shall be entitled to vote or hold office in the Society.

BYLAW 5.01

Continuous Service

(1) A Regular Member shall have his or her period of Continuous Service calculated from his or her date of employment entry with ~~the Commission, the Society or Local 113 of the Amalgamated Transit Union~~ a Participating Employer. Continuous Service is not broken when a period of employment with any of the ~~Commission, the Society, or Local 113 of the Amalgamated Transit Union~~ Participating Employers is immediately followed by a period of employment with another of them. Continuous Service ceases as of the date officially recorded as the last day of employment when a Regular Member is no longer employed by the ~~Commission, the Society or Local 113 of the Amalgamated Transit Union~~ Participating Employer. Where a break in Continuous Service has occurred, upon subsequent hire a new period of Continuous Service shall be calculated from that subsequent date of hire and it shall not include the prior period of Continuous Service subject to any previous service credits repurchased pursuant to Bylaw 5.03.

(2) Continuous Service shall include any period of sick leave or ~~other approved leave of absence~~ Statutory Leave that is required to be included by applicable legislation and includes leave of absence granted by the Commission or the Society for the purpose of service with the Armed Forces of Canada.

(3) Regular Members who were off duty at any time and in receipt of a 100% war pension, a War Veteran's Allowance or the Society's total disablement pension and returned to work, shall be allowed to count the period off duty and in receipt of such allowances or pensions as Continuous Service for purpose of determining eligibility for a pension from the Society.

(4) A Regular Member who is an employee of ~~the Commission or the Society~~ a Participating Employer and:

(a) who is laid-off as a result of a reduction in manpower requirements and who resumes work within twelve calendar months of lay-off; or

(b) who is laid-off for permanent medical restriction; shall, provided the Member has not withdrawn his or her Required Contributions and thereby terminated his or her employment, have his or her period of lay-off not exceeding one year counted as Continuous Service for the purpose of determining eligibility for a pension from the Society, except that any such period of lay-off occurring after July 1, 1996 shall not be included in Continuous Service for purposes of:

(c) Bylaw 8.01(2), eligibility for unreduced pension;

(d) Bylaw 9.01(4), application of early retirement factor on early retirement;

(e) Bylaw 9.02(2) and 16.12, prescribed reduction to early retirement pension; and

(f) Bylaw 16.02(2), prescribed reduction to maximum pension.

BYLAW 5.02

Credited Service

(3) The date of commencement of Credited Service of each Regular Member shall be the date shown on the records of the ~~Commission or other employer~~ Participating Employer. In the case of misrepresentation by any person in respect of the service of any Member, the Board may take such action or impose such penalties within its power as it may deem fit.

(5) Credited Service includes a period of unpaid leave of absence which is one of the following:

(a) ~~a period of total disability while receiving payment from the Sick Benefit Association, Work Place Safety Insurance Board, Staff Short-Term Plan, EI Sick Pay and a Long Term Disability Plan~~ Protected Leave as defined under Bylaw 2.01(31), and;

(b) ~~leave for Regular Members who are granted leave to fill salaried positions with Local 113 of the Amalgamated Transit Union;~~

(c) ~~authorized maternity, parental, or emergency leave;~~

(d) ~~authorized periods of active service in the Canadian Armed Forces; and~~

(e) ~~family medical leave~~ Statutory Leave as defined under Bylaw 2.01(38) required under the Employment Standards Act provided that the Member makes Required Contributions for the period of the leave pursuant to Bylaw 5.05.

BYLAW 5.05

Purchase of Interruption In Service

(1) Notwithstanding Bylaw 5.02(4), a Member who has an Interruption in Service may elect to purchase this period of Credited Service by contributing to the Society an amount equal to the sum of:

(a) what the Member would have been required to contribute under Bylaw 7.01; and,

(b) except in the case of ~~family medical leave~~ Statutory Leave under Bylaw 5.02(5)(~~eb~~), what the employer would have been required to contribute under Bylaw 7.01.

BYLAW 6.02

PENSIONABLE EARNINGS

(1) Average Base Period Earnings

Effective January 1, ~~2022-2023~~ for Members retiring on or after January 1, ~~2022-2023~~ pursuant to Bylaw 8 and for Regular Members whose death occurs on or after January 1, ~~2022-2023~~ for purposes of Bylaw 11, and effective April ~~28²⁴, 2022~~~~2023~~, for Members terminating on or after April 28, ~~2022~~~~2023~~, for the purposes of calculating the amount of Regular Member's pension for Credited Service accrued to December 31, ~~2021~~~~2022~~, Average Base Period Earnings shall be the greater of:

(a) the average of the highest consecutive four calendar year's Pensionable Earnings prior to ~~2022-2023~~ and for this purpose two calendar years will be considered consecutive even if they include a temporary break in service, and

(b) the average of the highest four calendar year's Pensionable Earnings after December 31, 1985 and prior to ~~2022~~~~2023~~.

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 ~~2022~~~~2023~~, the Member's Base Period shall be his or her total number of calendar years, including fractional years, of Pensionable Earnings prior to ~~2022~~~~2023~~.

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 determining the Member's Average Base Period Earnings, or if the Member's Pensionable Earnings are less than the YMPE in a corresponding calendar year, the Member's Pensionable Earnings in that year.

(3) For greater certainty, under Bylaw 6.02(2), Pensionable Earnings will be adjusted ~~for to~~ include any periods of unpaid leave of absence which is one of the following:

(a) ~~Protected Leave as defined under Bylaw 2.01 (31); and a period of total disability while receiving payment from the Sick Benefit Association, Workplace Safety Insurance Board (WSIB), EI Sick Pay, and a Long Term Disability Plan;~~

~~(b) leave for Regular Members who are granted leave to fill salaried positions with Local 113 of the Amalgamated Transit Union;~~

~~(c) authorized maternity, parental or emergency leave;~~

~~(d) authorized period of active service in the Canadian Armed Forces; and/or~~

(e) family medical leave required under the Employment Standards Act, Statutory Leave as defined under Bylaw 2.01 (38), provided that the Member makes Required Contributions for the period of the leave pursuant to Bylaw 5.05.

BYLAW 7.01

Required Contributions

(1)

(a) On and after January 1, 2011 Regular Members and the Participating employers~~Employers who participate in the Society~~ are required to make contributions to the Fund in respect of any going concern unfunded liability and any solvency deficiency, to the extent and in the manner required by the Pension Benefits Act.

(b) Subject to Bylaw 16.07, the total contributions made by Regular Members and Participating employers~~Employers~~ shall be at least the amounts required, based on the valuation report of the Actuary, to provide the normal cost in respect of Regular Members and to provide for the proper amortization of any going concern unfunded liability and any solvency deficiency that is required to be funded under Bylaw 7.01(1)(a), after taking into account all relevant factors including the assets of the Fund. The total contributions shall be determined by the Board, subject to Bylaw 3.08(5). The rate for Required Contributions shall be set out in Bylaw 7.01(2).

(4) The Participating employers~~Employers~~ and the Regular Members shall contribute equally in order to fund the amount that remains after deducting the amounts in Bylaw 7.01(3) from the total contribution determined in accordance with Bylaw 7.01(1)(b). The Participating employers~~Employers~~ shall each contribute in respect of the Regular Members to whom they pay Contributory Earnings.

BYLAW 7.02

Contributions Other

(4) Contributions made by a Member under Bylaw 5.05 or 5.06 to purchase Credited Service for periods of service prior to 1987 shall be considered Required Contributions. One half of the contributions made by a Member under Bylaw 5.05 or 5.06 to purchase Credited Service for periods of service after 1986 shall be considered Required Contributions, except that all of the contributions made by a Member for a period of ~~family medical leave~~Statutory Leave shall be considered Required Contributions.

9.01 NORMAL OR POSTPONED RETIREMENT PENSION

(1) For a Regular Member who retires pursuant to Bylaw 8.01 or 8.02 on or after January 1, ~~2022-2023~~ and for a Regular Member whose death occurs on or after January 1, ~~2022-2023~~ for purposes of Bylaw 11, the annual amount of pension shall be determined as the sum of:

(a) 1.6% of the Member's Average Base Period Earnings Below YMPE plus 2% of the Average Base Period Earnings Above YMPE,

multiplied by

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,

multiplied by

the years of Credited Service accrued to December 31, ~~2021-2022~~; plus

(b) 1.6% of Pensionable Earnings Below the YMPE plus 2% of Pensionable Earnings above the YMPE for the period of Credited Service after December 31, ~~2021-2022~~; plus

(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:

- (i) was at least age 65 for the entire year; and,
- (ii) did not contribute any amount to the Canada pension Plan during the calendar year.

(2) 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 December 31, ~~2021-2022~~, determined in accordance with the Bylaws of the Society in effect as at December 31, ~~2021-2022~~.

BYLAW 13.01

Adjustments

(1) Pensions in the course of payment to Associate Members may be increased annually in accordance with this Bylaw 13.01. Increases granted in accordance with this Bylaw 13.01 shall also apply to the pensions of ~~Associate Members~~:

- (a) Associate Members who retire at an early retirement date pursuant to Bylaw 8.03;
- (b) Inactive Members with an entitlement under Bylaw 4.03(2) who choose to postpone the commencement of their pensions as provided by Bylaw 8.07; and
- (c) Associate Members whose pension commences on or after January 1, 1998, and for this purpose, any applicable maximum under Bylaw 16 shall be applied after all other benefit calculations are made.

13.02 AD HOC ADJUSTMENTS

(1) Notwithstanding Bylaw 13.01, and subject to Bylaw 16.13 and Bylaw 13.02(2) and (3), pensions in the course of payment to Associate Members may be increased in accordance with this Bylaw 13.02. Increases approved by the Board shall be set out in Bylaw 13.02(4) and shall specify the effective date, the pensions to which the increase is applicable and the amount of the increase.

(2) An increase under Bylaw 13.02(1) 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.

(3) Increases under Bylaw 13.02(1) shall be applied equally to pensions in the normal form or optional forms available to Members under Bylaw 10.

(4) Pensions in the course of payment shall be increased according to the following confirmed approvals by the Board:

Effective Date	Percentage Increase	Application of Increase
January 1, 2011	2.0%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2012	1.0%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2013	2.0%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2014	2.0%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2015	2.0%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2016	1.28%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2017	1.35%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2018	1.56%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2019	2.16%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2020	1.96%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2021	1.03%	Determined in the same manner as provided under Bylaw 13.01
January 1, 2022	2.41%	Determined in the same manner as provided under Bylaw 13.01
<u>January 1, 2023</u>	<u>5.35%</u>	<u>Determined in the same manner as provided under Bylaw 13.01</u>

BYLAW 15.06

Non-Commutability of Benefits

(2) Subject to the approval of the Board Administrator, a Regular Member who has a Shortened Life Expectancy, and is not eligible for retirement, may elect to terminate membership with the Society without terminating employment with the ~~Commission or Society, as applicable~~ Participating Employer, as of the effective date of the election unless a date is otherwise specified by the Board Administrator.

The Member shall be deemed to have terminated his or her employment under Bylaw 12 and may receive a lump-sum payment equal to his or her termination benefit under Bylaw 12 provided his or her Spouse, if any, waives, by a written declaration, any claim to benefits from the Society. The Member shall not be permitted to accrue further pension benefits after the Member's deemed termination date. Payment of the termination benefit shall constitute a full and complete discharge for the payment of the pension or other benefit from the Society.

(3) A Regular Member who has a Shortened Life Expectancy upon electing retirement pursuant to Bylaw 9.01 or 9.02 may elect to have his or her retirement pension commuted. Upon approval of this election by the Board Administrator, the Member will receive the Commuted Value of his or her pension benefits, provided his or her Spouse, if any, waives, by a written declaration, any claim to benefits from the Society. The Commuted Value of the Member's pension benefit will be calculated without reference to the Member's Shortened Life Expectancy. Payment of the Commuted Value shall constitute a full and complete discharge for the payment of the pension or other benefit from the Society.

(4) An Inactive Member or an Associate Member who has a Shortened Life Expectancy may elect to have his or her retirement pension commuted. The Member will receive the Commuted Value of his or her pension benefit, provided his or her Spouse, if any, waives, by a written declaration, any claim to benefits from the Society and provided that any other document required for this purpose under the Pension Benefits Act is delivered to the Board Administrator. The Commuted Value of the Inactive Member's pension benefits will be calculated with reference to the Member's Shortened Life Expectancy.

The Commuted Value of the Associate Member's pension benefits will be calculated without reference to the Member's Shortened Life Expectancy.

Payment of the commuted value shall constitute a full and complete discharge for the payment of the pension or other benefits from the Society.