

THE CORPORATION OF THE CITY OF NORTH BAY

BY-LAW NO. 78-94

BEING A BY-LAW OF THE CORPORATION OF
THE CITY OF NORTH BAY TO AFFECT
AMENDMENTS TO A PENSION PLAN ESTABLISHED
BY THE FORMER TOWNSHIP OF WIDDIFIELD AND
TO REPEAL BY-LAW NO. 62-93

WHEREAS by By-Law 917 dated April 25, 1960, the former Township of Widdifield established a Pension Plan (hereinafter called the "Plan" for its employees;

AND WHEREAS the Plan has been amended from time to time;

AND WHEREAS the said former Township of Widdifield has been annexed to the Corporation of the City of North Bay; and the said City is empowered to amend and repeal By-Laws of the said former Township;

AND WHEREAS the City of North Bay as successor employer of the members of the Plan considers it advisable to amend certain provisions of the said Plan and repeal all previous By-laws relating to the Investor's Group Trust Pension Plan.

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF NORTH BAY HEREBY ENACTS AS FOLLOWS:

SECTION 1 - GENERAL

- 1.1 The Pension Plan described herein shall be called THE CORPORATION OF THE CITY OF NORTH BAY (hereinafter referred to as the "Plan").
- 1.2 The purpose of the Plan is to establish a uniform and systematic method of providing equal periodic payments after retirement and until death to employees of the Employer in respect of their service as employees.
- 1.3 The effective date of the Plan is the 1st day of January, 1960. The effective date of this amended text of the Plan is the 15th day of January, 1992.
- 1.4 The fiscal year of the Plan shall end on and the accounting date shall be the 31st day of December.
- 1.5 So as to comply with the requirements of Revenue Canada, the fiscal year end of the Pension Trust Fund is December 31st.
- 1.6 Unless stated otherwise, the benefits of a Member shall be determined by the terms of the Plan in effect at the time of the Member's retirement, death or termination of employment.

SECTION 2 - DEFINITIONS

2.1

- (a) Accumulated Value of an account means an amount representing the aggregate value of the contributions credited to such account and adjusted monthly to reflect a proportionate share of the income and expenses of the Pension Trust Fund, and any increase or decrease in the value of the property comprising the Pension Trust Fund applicable to the type or types of investments being utilized for such contributions. Upon retirement, death prior to retirement, or termination of employment, the benefits provided hereunder shall be equal to the Accumulated Value of an account determined on the last day of the month immediately preceding the month in which the benefit is paid;
- (b) Act means the Pension Benefits Act, 1987 of Ontario and the Regulations made thereunder, all as from time to time amended;
- (c) Advisory Committee means a Committee composed of Members of the Plan as provided for in Section 25 of the Act;
- (d) Actuarial Equivalent means a benefit of equal value as determined by an Actuary, based on the actuarial tables and assumptions that are adequate and appropriate and in accordance with generally accepted actuarial principles, subject to any requirements of the Act and the Income Tax Act;
- (e) Actuary means a Fellow of the Canadian Institute of Actuaries or a firm or corporation with at least one of whose members or officers is a Fellow of the Canadian Institute of Actuaries;
- (f) Canada Pension Plan means the Canada Pension Plan as provided for by the terms of the Canada Pension Plan Act being Chapter C-5 of the Revised Statutes of Canada 1970, as from time to time amended;
- (g) Connected Person means a person that is connected with the Employer under the definition contained in Regulation 8500(3) of the Income Tax Act Regulations;
- (h) Continuous Service means the following periods:
 - (i) a period throughout which the Member is employed in Canada by, and receives Earnings from, the Employer,
 - (ii) a period throughout which the Member was employed in Canada by, and received remuneration from, a predecessor employer to the Employer,
 - (iii) an eligible period of temporary absence of the Member with respect to the Employer or a predecessor employer to the Employer provided that the Member is not a Connected Person with the Employer,
 - (iv) a period of disability of the Member certified by a qualified medical practitioner subsequent to a period described in subparagraph (i) where, throughout such part of the period of disability as is after 1990, the Member is not a Connected Person with the Employer,

- (v) a period throughout which the Member was employed in Canada by a former employer where the period was an eligibility period for the participation of the Member in another registered pension plan, and
- (vi) a period acceptable to Revenue Canada, throughout which the Member is employed outside Canada;
- (i) Earnings means salary or wages paid to the Member by the Employer in the calendar year for services rendered, excluding overtime, bonuses or any other special remuneration, but including a prescribed amount of compensation as is defined under subsection 147.1(1) of the Income Tax Act;
- (j) Employer means THE CORPORATION OF THE CITY OF NORTH BAY and any participating subsidiary and/or associated employer or employers from time to time designated by it except that reference in the Plan to any action to be taken, consent, approval or option to be given or discretion or decision to be exercised or made by the Employer shall refer to THE CORPORATION OF THE CITY OF NORTH BAY acting by its Board of Directors or any person or persons (including a Pension Committee) from time to time appointed, designated or authorized by its Board of Directors;
- (k) Employer Account means an account established and maintained by the Trustee to hold in trust all contributions made by the Employer as per Section 7.5 of the Plan in respect of each Member and all amounts reallocated under Section 13.5 of the plan;
- (l) Income Tax Act means the Income Tax Act being Chapter 63 of the Statutes of Canada, 1970-71-72, and the Income Tax Regulations, thereto, all as from time to time amended;
- (m) Life Income Fund means the fund established under a contract between a duly authorized financial institution and a purchaser who is a Member, a former Member, or the Spouse thereof under the terms of which the financial institution will pay the purchaser an income in return for the capital received by the financial institution, such income to be paid until the date upon which the balance of the Life Income Fund is converted into a life pension to be provided by an Underwriter. The terms and provisions of the Life Income Fund shall be governed by the Regulations of the Act and by Section 146.3 of the Income Tax Act;
- (n) Locked in RRSP means a Registered Retirement Savings Plan to which benefits are transferred from this Plan. The assets in the Locked-in RRSP must be used to provide the annuitant with periodic payments for life;
- (o) Member means an employee of the Employer who is entitled to received benefits hereunder, including a former employee who remains entitled to benefits hereunder;
- (p) Member's Account means an account established and maintained by the Trustee to hold in trust all contributions made by the Member as per Section 7.1 of the Plan;

- (q) Member's Additional Voluntary Contributions Account means an account established and maintained by the Trustee to hold in trust additional voluntary contributions made by the Member in accordance with Sections 7.2 and 7.4 of the Plan;
- (r) Money Purchase Limit has the same meaning as per subsection 147.1(1) of the Income Tax Act;
- (s) Old Age Security Act means the Old Age Security Act being Chapter 0-6 of the Revised Statutes of Canada 1970, as from time to time amended;
- (t) Pension Adjustment has the same meaning as per subsection 147.1(8) of the Income Tax Act;
- (u) Permissible Contribution means a contribution to the Plan which is:
- (i) an amount paid by a Member in accordance with the Plan as registered, where the amount is credited to the Member's Account or to the Member's Additional Voluntary Contributions Account as is applicable,
 - (ii) an amount paid by the Employer in accordance with the Plan as registered, where the amount is credited to the Employer Account of a Member,
 - (iii) an amount transferred to the Plan in accordance with the provisions of subsections 146(16), 147(19) and 147.3(1) to (8) of the Income Tax Act, as applicable;
- (v) Permissible Distribution means a distribution made from the Plan which is:
- (i) a payment of benefits in accordance with the Plan as registered,
 - (ii) a refund of all or a portion of the contributions made by a Member or the Employer where such refund is made to avoid the revocation of the registration of the Plan,
 - (iii) a payment to the Employer;
- (w) Quebec Pension Plan means the Quebec Pension Plan provided for by the terms of the Quebec Pension Plan Act being Chapter 24 of the Statutes of Quebec, as from time to time amended;
- (x) Spouse shall mean in relation to another person of the opposite sex either:
- (i) a person who is married to the Member, or
 - (ii) a person who is not married to the Member but is living with the Member in a conjugal relationship, either
 - (a) continuously for a period of at least 3 years, or

- (b) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Ontario Family Law Act, 1986;

Notwithstanding the above, spouse does not include any person who is not recognized as a spouse for the purpose of any provision of the Income Tax Act respecting Registered Pension Plans;

- (y) Trustee means Investors Group Trust Co. Ltd. or any other trustee appointed by the Employer from time to time for the purposes of the Plan;
- (z) Total and Permanent Disability means a physical or mental impairment which prevents a member from engaging in any employment for which he is reasonably suited by virtue of his education, training or experience and that can be reasonably expected to continue for the remainder of the Member's lifetime and which is certified, in writing, by a medical doctor licensed in Canada, or where the Member resides;
- (aa) Underwriter means a company licensed or otherwise authorized under the laws of Canada or a province of Canada to carry on an annuities business in Canada;
- (bb) YMPE means the Year's Maximum Pensionable Earnings as defined in the Canada Pension Plan and the Quebec Pension Plan.

2.2 Reference to the male gender shall include the female gender and vice versa. Words importing the singular may be construed to include the plural and vice versa.

SECTION 3 - ADMINISTRATION

- 3.1 While the Plan remains in effect the Employer shall have the sole responsibility for and the sole control of its operation and administration. The Employer shall have the power and duty to take all action and to make all decisions and interpretations that shall be necessary or appropriate in order to carry out the provisions of the Plan including the power to make and enforce such rules and regulations as it shall deem necessary. The Employer may, however, delegate all or a portion of its duties with respect to the administration of the Plan to the Trustee and may establish a committee (herein referred to as the "Pension Committee"). The Pension Committee, if established, shall act in liaison between the Employer and the Trustee and may be empowered to enter into such agreements with and give such instructions to the Trustee as may be necessary to carry out the duties delegated.
- 3.2 If there are no Members of the Plan on the Pension Committee, the Members may establish an Advisory Committee.
- 3.3 The Employer shall provide each employee who is eligible to join the Plan with a written explanation of the terms and conditions of the Plan, together with an explanation of the rights and duties of a Member with reference to the benefits available to a Member under the terms of the Plan, such explanation in accordance with the Act and Regulations thereto. Such explanation shall be provided to the employee within 60 days of becoming eligible to join the Plan, or, if

the employee is eligible to join the Plan on being hired, within 60 days of being hired.

- 3.4 The Employer shall advise each Member of any amendment to the Plan in accordance with the Act and Regulations thereto.
- 3.5 The Employer shall provide each Member with a written statement of benefits on an annual basis within six months of the end of the Plan's fiscal year that will contain such information as prescribed by the Act and Regulations thereto.
- 3.6 Where a Member of the Plan becomes entitled to receive benefits in accordance with Sections 9, 12, 13 or 17 of the Plan, the Employer shall provide the Member, or the Member's Spouse, within 30 days of the Member becoming subject to such provisions, with a written statement of benefits, which will contain such information as prescribed by the Act and the Regulations thereto.
- 3.7 The Employer, upon receipt of a written request of a Member, the Member's Spouse, or an authorized agent of the Member, shall make available for inspection and/or copying purposes the following:
 - (a) the plan text and amendments, and
 - (b) financial or actuarial statements, and
 - (c) such other information as prescribed by the Act.

SECTION 4 - PENSION TRUST FUND

- 4.1 The Employer shall create a trust fund called the PENSION TRUST FUND FOR THE CORPORATION OF THE CITY OF NORTH BAY EMPLOYEES PENSION PLAN (hereinafter referred to as the "Pension Trust Fund") to facilitate the proper execution of the Plan and for such purposes shall enter into a trust agreement with the Trustee. A copy of the trust agreement shall be attached hereto and form part of the Plan. All contributions made under the Plan or transferred to the Plan shall be held in trust by the Trustee and administered by it in accordance with the provisions of the Plan and trust agreement, and all costs, charges and expenses of administering the Plan including the compensation of the Trustee as well as any taxes assessed or charged against the Plan (except as otherwise directed by the Employer) shall be paid out of the Pension Trust Fund. The earnings of the Pension Trust Fund will be allocated to the Employer, Member and Member's Additional Voluntary Contributions Accounts on a proportionate basis no less frequently than annually.
- 4.2 Notwithstanding any provisions of the Plan or that of any governing instrument, the loans and investments of the Pension Trust Fund shall be restricted to those prescribed by the Act, the Regulations under the Act and the administrative rules and regulations of the Income Tax Act applicable to registered pension plans.

SECTION 5 - ELIGIBILITY AND MEMBERSHIP

- 5.1 All full-time employees of the Employer are eligible to join the Plan upon completion of 1 year of Continuous Service, subject to the Ontario Municipal Employees Retirement System Act.
- 5.2 A part-time employee of the Employer is eligible to join the Plan if, in each of the two consecutive calendar years prior to becoming a Member, the employee:
- (i) had Earnings of at least 35% of the YMPE, or
 - (ii) had worked at least 700 hours.
- 5.3 An eligible employee shall become a Member by completing and signing the enrollment card prescribed by the Employer. A Member shall not be permitted to withdraw from the Plan while he remains in the employ of the Employer.
- 5.4 The existence of the Plan should not be construed as conferring any legal rights upon a Member or other person for the continuance of employment, nor shall it interfere with the right of the Employer to discharge or deal with any Member or such person.

SECTION 6 - BENEFICIARY

- 6.1 Each Member may designate, on the form prescribed by the Employer, a beneficiary (including a second beneficiary if so desired) to whom, in the event of the death of such Member, the benefits provided under the Plan shall be paid. Failing such designation, or should the last named beneficiary not survive the Member, the beneficiary shall be deemed to be the estate of the Member. In the event of the Member's death prior to the expiration of a guaranteed payment period, the pension may provide for: (a) commutation of the benefits for the balance of the guaranteed period for payment to the estate or to the Member's designated beneficiary, (b) pension payments to be continued to the Member's designated beneficiary for the balance of the guaranteed period.
- 6.2 The Member may at any time revoke such designation, subject always to the provisions of any annuity or other like contract, issued pursuant to the Plan that may apply to such Member, by filing with the Employer such signed notification as is deemed necessary by the Employer.
- 6.3 Notwithstanding the foregoing, the designation of the Member's beneficiary and the method of payment of the benefits provided under the Plan shall at all times be in compliance with the Act. The provisions of Sections 6.1 and 6.2 of the Plan shall be applicable only if the Member does not have a Spouse.

SECTION 7 - CONTRIBUTIONS

- 7.1 A Member shall be required to contribute to the Plan by payroll deduction:
- (a) In the case of a Member who is a sworn employee of the City of North Bay Police Department, 8 1/4% of his Earnings, less his required contributions to the Canada Pension Plan;

- (b) In the case of a Member who is a civilian employee of the City of North Bay Police Department, 7% of his Earnings, less his required contributions to the Canada Pension Plan;
- (c) (i) In the case of a Member designated as a Fire Fighter and who was hired prior to January 1, 1963, 9% of his Earnings, less his required contributions to the Canada Pension Plan;
- (ii) In the case of a Member designated as a Fire Fighter and who was hired on or after December 31, 1962, 8.5% of his Earnings, less his required contributions to the Canada Pension Plan;
- (d) (i) In the case of other Members of the Plan who were hired prior to January 1, 1963, 8.5% of the Member's Earnings less his required contributions to the Canada Pension Plan;
- (ii) In the case of other Members of the Plan who were hired after December 31, 1962, 7.5% of the Member's Earnings less his required contributions to the Canada Pension Plan.

7.2 A Member may make contributions on a voluntary basis in respect of current service.

7.3 A Member may discontinue making voluntary contributions at any time, however, while he remains in the employ of the Employer, any contributions already made may not be withdrawn.

7.4 The Plan can accept a payment in respect of a Member made in accordance with subsection 2.1(u)(iii) of the Plan. If any payments made are subject to the Pension Benefits Standards Act, 1985 or the legislation of a provincial pension authority which requires that the proceeds be used for the sole purpose of providing a life pension at the Member's retirement, then the Accumulated Value of those payments shall continue to be administered in accordance with the rules and regulations of the Pension Benefits Standards Act, 1985 or the provincial pension authority, whichever is applicable.

7.5 The Employer shall contribute on behalf of each Member of the Plan,

- (a) In the case of a Member who is a sworn employee of the City of North Bay Police Department, 10 3/4% of his Earnings, less the required contributions made on his behalf to the Canada Pension Plan;
- (b) In the case of a Member who is a civilian employee of North Bay Police Department, 7% of his Earnings, less the required contributions made on his behalf to the Canada Pension Plan;
- (c) (i) In the case of a Member designated as a Fire Fighter and who was hired prior to January 1, 1963, 11% of his Earnings, less the required contributions made on his behalf to the Canada Pension Plan;

- (ii) In the case of a Member designated as a Fire Fighter and who was hired after December 31, 1962, 8.5% of his Earnings, less the required contributions made on his behalf to the Canada Pension Plan;
- (d) (i) In the case of all other Members of the Plan who were hired prior to January 1, 1963, 8.5% of the Member's Earnings, less the required contributions made on his behalf to the Canada Pension Plan;
- (ii) In the case of all other Members of the Plan hired after December 31, 1962, 7.5% of the Member's Earnings, less the required contributions made on his behalf to the Canada Pension Plan.

7.6 Each contribution made to the Plan shall be a Permissible Contribution.

7.7 If the contributions made under Sections 7.1, 7.2, 7.5 and 13.5 of the Plan by and in respect of a Member would produce a Pension Adjustment for the Member in any calendar year in excess of the limits contained in subsection 147.1(8) of the Income Tax Act, then contribution amounts made under Sections 7.1, 7.2, 7.5 and 13.5 of the Plan must be returned to the Member or to the Employer, whichever is applicable, so that the Pension Adjustment for the calendar year will not exceed the limits contained in subsection 147.1(8) of the Income Tax Act.

7.8 If the Member is a Connected Person as described in Section 2.1(g), then contributions under Sections 7.1, 7.2, 7.5 or 13.5 may not be made for such a Member during a period of reduced service as described in subsections 2.1(h)(iii) and (iv) and the Earnings of the member during such a period of reduced service may not include a prescribed amount of compensation as described under subsection 147.1(l) of the Income Tax Act.

7.9 The contributions by the Members shall be paid into the Pension Trust Fund not later than 30 days following the date such contributions are deducted from the Members' Earnings or paid to the Plan, whichever is applicable. The contributions of the Employer shall be paid into the Pension Trust Fund monthly at a rate of 1/12 of the annual amount required under the Plan.

SECTION 8 - RETIREMENT

8.1 Normal Retirement Date is the date upon which a Member shall be entitled to retire with the right to receive a pension under the Plan, and shall be the first day of the calendar month next following the month in which the Member attains age 65 years. If the Member's 65th birthday is on the first day of the month, the member's Normal Retirement Date shall be his 65th birthday.

Notwithstanding the foregoing, if a Member is a sworn employee of the City of North Bay Police Department or is designated as a Fire Fighter, Normal Retirement Date shall be the first day of the calendar month next following the month in which the Member attains age 60 years.

8.2 Early Retirement - A Member may retire on the first day of any month within the 10 year period immediately preceding his Normal Retirement Date. However, this requirement may be waived if a Member becomes subject to Total and Permanent Disability.

8.3 Postponed Retirement - A Member who remains in the employ of the Employer after his normal Retirement Date shall remain a Member and contributions shall continue to be made in accordance with Section 7 of the Plan until his actual retirement date. In such circumstances the Member will for all purposes of the Plan be considered to have retired on the earlier of the first day of the month next following the month in which the Member's Employment by the Employer shall cease or the last day of the calendar year in which the Member attains age 71 years, even though his employment may continue after that date. Pension payments must commence no later than the last day of the calendar year in which the Member attains 71 years of age.

8.4 The Employer, at least 60 days prior to a Member's Normal Retirement Date, must advise the Member of the forms of pension available as described in Sections 10 and 11 of the Plan.

SECTION 9 - PENSION BENEFITS:

9.1 The amount of a Member's pension upon normal, early or postponed retirement shall be such as can be provided by the Accumulated Value of both the Member's Account and the Member's Employer Account.

SECTION 10 - METHOD OF PAYMENT:

10.1 (a) Upon the retirement of a Member, pension benefits under the Plan shall be payable in equal installments for the greater of the lifetime of the Member or a period of 10 years from the Member's actual retirement date.

(b) Notwithstanding paragraph (a) above, if the Member has a Spouse, the pension shall be payable in equal installments during the life of the Member and upon the death of the Member the pension payable to the surviving Spouse shall be paid in equal installments to the Spouse and shall be reduced by no more than forty percent (40%). This is the "Automatic Form of Pension" and shall be the actuarial equivalent of the "Normal Form of Pension".

10.2 If the Member has a Spouse and does not wish to receive the Automatic Form of Pension, he may elect to receive the Actuarial Equivalent of the Normal Form of Pension in one of the optional forms described in Section 11 of the Plan by so advising the Employer in writing and by providing the Employer within 365 days of the date of the commencement of the pension with written notice from his Spouse, in a form prescribed under the Act, that the Spouse is aware of her rights under Section 10.1 of the Plan and that she chooses to waive such rights.

- 10.2 If the Member has a Spouse and does not wish to receive the Normal Form of Pension, he may elect to receive the actuarial value of his pension in one of the optional forms described in Section 11 of the Plan by so advising the Employer in writing and by providing the Employer within 365 days of the date of the commencement of the pension with written notice from his Spouse, in a form prescribed under the Act, that the Spouse is aware of her rights under Section 10.1 of the Plan and that she chooses to waive such rights.
- 10.3 The first payment shall be due on the last day of the month in which the Member retires and subsequent payments shall be issued monthly thereafter for his lifetime, and the lifetime of the Spouse. However, if a non-survivorship benefit is provided under Section 10.1 or 10.2, where the death of a Member occurs within a guaranteed period, the pension may provide for: (a) commutation of the benefits for the balance of the guaranteed period for payment to the estate or to a designated beneficiary, (b) pension payments to continue to the Member's designated beneficiary for the balance of the guaranteed period.
- 10.4 A pension benefit payable to the former Spouse of a Member or to the surviving Spouse of a deceased Member shall not terminate by reason of the remarriage of the former Spouse or Surviving Spouse, as the case may be.
- 10.5 All life contingent benefits provided under the terms of the Plan shall be provided through the services of an Underwriter or under an arrangement acceptable under the Income Tax Act and to effect the provision of benefits the Trustee shall have full power to employ such agents or counsel as the Trustee, in its sole discretion, sees fit.
- Notwithstanding the above, a Member's deferred pension entitlement under Section 13 of the Plan, may at the discretion of the Employer, remain in the Pension Trust Fund until such Member's retirement date, at which time the deferred pension shall be provided in accordance with the immediately preceding paragraph.
- 10.6 Notwithstanding anything contained in the Plan to the contrary, if any annual pension to which a Member or designated beneficiary is entitled hereunder is less than 2% (two percent) of the YMPE for the year in which the Member ceases to be a Member of the Plan, the Employer may, at its discretion, direct that such pension be paid quarterly, semi-annually or annually, or, that the commuted value thereof be paid in a lump sum.
- 10.7 Where the Member elects not to receive the Normal Form of Pension or the Automatic Form of Pension and elects to receive his pension in one of the optional forms described in Section 11 of the Plan whereby the annuity payments are not equal, neither the Member, nor the Member's beneficiary, may elect to commute the pension when the pension is decreased or reduced according to the optional form of pension selected.

SECTION 11 - OPTIONAL FORMS OF PENSION

11.1 Subject to the provisions of Section 10.2 of the Plan, instead of the Normal Form of Pension, a Member may elect to receive the Actuarial Equivalent of the Normal Form of Pension in one of the optional forms described below provided that such election is made in the form prescribed by the Employer and in accordance with the Act, prior to the Member's actual retirement date:

(a) Life Pension Guaranteed 5 Years

A pension payable in equal installments for the Member's lifetime in any event and guaranteed to be paid for 5 years. In the event of the Member's death prior to the expiration of the guaranteed period, the pension payments for the remainder of the guaranteed period will be commuted and paid to the Member's designated beneficiary or to the Member's estate.

(b) Life Pension Guaranteed 15 Years

A pension payable in equal installments for the Member's lifetime in any event and guaranteed to be paid for 15 years. In the event of the Member's death prior to the expiration of the guaranteed period, the pension payments for the remainder of the guaranteed period will be commuted and paid to the Member's designated beneficiary or to the Member's estate.

(c) Integrated With Government Retirement Benefits

A Member who retires before attaining an age that would qualify him for pension benefits under the Old Age Security Act and/or the Canada/Quebec Pension Plan may elect to receive a pension in a greater amount until no later than the end of the month following the month in which the Member attains 65 years of age, decreasing to a lesser amount thereafter which shall provide, where possible, a level pension for his lifetime.

(d) Joint and Survivorship

The pension is payable for the Member's lifetime and upon the death of the Member payable in the same amount or a reduced amount, or at 75%, 66 2/3%, or 50% of the amount paid to the Member, to his Spouse for her lifetime.

11.2 In lieu of a pension, the Member may elect to transfer the commuted value of the pension benefit to a Life Income Fund.

SECTION 12 - DEATH BENEFITS

12.1 In the event of the death of a Member while in the employ of the Employer prior to his retirement, the Member's Spouse shall receive the Accumulated Value of the Member's Account and the Member's Employer Account as:

- (i) a lump sum refund, or
- (ii) a transfer to a registered pension plan to which the Spouse belongs, subject to the approval of the

administrator of that plan, or

- (iii) a transfer to a registered retirement savings plan, or
- (iv) an immediate or deferred life pension with payments to commence on or before the Spouse's 65th birthday. If the Spouse is more than 65 years of age at the date of the Member's death, the pension payments must commence within 12 months of the Member's date of death. Such annuities may be purchased with or without a guaranteed period, provided that the guaranteed period does not exceed the lesser of 15 years and the period from the date of the Member's death to the day before the date on which the Spouse's 86th birthday would occur. In the event of the Spouse's death prior to the expiration of a guaranteed payment period, the pension may provide for: (a) commutation of the benefits for the balance of the guaranteed period for payment to the estate or to the Spouse's designated beneficiary, (b) pension payments to continue to the Spouse's designated beneficiary for the balance of the guaranteed period.

12.2 In the event of the death of a Member who is entitled to receive a pension under the provisions of Section 13 of the Plan and has not yet commenced to receive such benefits, the Member's Spouse shall receive the commuted value of such benefit in one of the forms described in Section 12.1.

12.3 If, at the date of the Member's death, the Member:

- (a) has no Spouse, or
- (b) is living separate and apart from the Spouse,

the benefits payable under Sections 12.1 or 12.2 of the Plan, as applicable, shall be paid to the Member's designated beneficiary or estate as a lump sum refund.

12.4 The Member and the Member's Spouse may, by providing the Employer with a written notice in a form prescribed by the Act, provide that benefits shall be provided under Section 12.3 of the Plan.

12.5 When the death of a retired Member occurs, the benefits, if any, payable to the beneficiary shall be governed by the form of pension elected at retirement. The pension may provide for: (a) commutation of the benefit for the balance of the guaranteed period for payment to the estate or to the Member's designated beneficiary, (b) pension payments to continue to the Member's designated beneficiary for the balance of the guaranteed period. In the absence of an election the Normal Form of Pension shall apply. If, however, the Member has a Spouse, the Spouse will be entitled to receive 60% of the pension that was payable to the Member.

12.6 A settlement made in accordance with this Section shall be in full satisfaction of the rights of the Spouse, beneficiary or estate of the deceased Member under the Plan, notwithstanding any future amendments which may be made to

the Plan resulting in retroactive changes in death benefits provided.

12.7 In no event shall the benefit payable under this Section be less in value than the benefit which could be provided by the aggregate of the Member's required contributions made in accordance with Section 7.1 of the Plan.

SECTION 13 - TERMINATION BENEFITS

13.1 Benefits in Respect of Continuous Service Prior to January 1, 1987

(a) In the event that a Member's employment with the Employer is terminated other than by death or retirement, such Member shall receive either (i) or (ii) as follows:

(i) the Accumulated Value of the Member's Account in respect of Continuous Service prior to January 1, 1987, in the form of:

a lump sum refund, or

a transfer to another registered pension plan to which the Member belongs, subject to the approval of the administrator of that plan, or

a transfer to a registered retirement savings plan.

(ii) the Accumulated Value of the Member's Account plus the Member's Employer Account in respect of Continuous Service prior to January 1, 1987, in the form of

a transfer to a Locked-in RRSP, or

a transfer to a Life Income Fund, or

a transfer to another registered pension plan to which the Member belongs, subject to the approval of the administrator of that plan, or

a deferred life pension commencing on or after the Member's Early Retirement Date.

(b) Notwithstanding paragraph (a) above, if the Member at the date of termination was at least 45 years of age and had completed at least 10 years of Continuous Service, the Member shall receive the Accumulated Value of the Member's Account and the Member's Employer Account in respect of Continuous Service prior to January 1, 1987. This benefit may be received in the form of

(i) a transfer to a Locked-in RRSP, or

(ii) a transfer to a Life Income Fund, or

(iii) a transfer to another registered pension plan to which the Member belongs, subject to the approval of the administrator of that plan, or

- (iv) a deferred life pension commencing on or after the Member's Early Retirement Date.

The Member may elect to receive an amount in the form of a lump sum refund that in total does not exceed 25% of the commuted value of the benefit.

13.2 Benefits in Respect of Continuous Service On and After January 1, 1987:

- (a) In the event that a Member's employment with the Employer is terminated other than by death or retirement prior to the completion of 24 months of continuous membership in the Plan, such Member shall receive the Accumulated Value of his Member's Account in respect of Continuous Service on and after January 1, 1987, in the form of:
 - (i) a lump sum refund, or
 - (ii) a transfer to another registered pension plan to which the Member belongs, subject to the approval of the administrator of that plan, or
 - (iii) a transfer to a registered retirement savings plan.
- (b) Notwithstanding paragraph (a) above, in the event that a Member's employment with the Employer is terminated other than by death or retirement subsequent to the completion of 24 continuous months of membership in the Plan, such Member shall receive the Accumulated Value of his Member's Account and the member's Employer Account in respect of Continuous service on and after January 1, 1987, in the form of:
 - (i) a transfer to a locked-in RRSP, or
 - (ii) a transfer to a Life Income Fund, or
 - (iii) a transfer to another registered pension plan to which the Member belongs, subject to the approval of the administrator of that plan and in accordance with the Act, or
 - (iv) a deferred life pension commencing on or after the Member's Early Retirement Date.

13.3 A benefit paid and/or to be paid under the terms of this Section shall constitute settlement in full satisfaction of the rights of the terminated Member under the Plan, and such terminated Member shall have no further claim upon the Plan in respect of his employment with the Employer to the date of termination of employment.

13.4 A deferred life pension to which a Member is entitled under Sections 13.1 or 13.2 of the Plan may be purchased from an Underwriter or the proceeds used to provide the deferred pension may be left in the Pension Trust Fund until such Member's Normal Retirement Date, at which time the pension shall be purchased from an Underwriter. The member may elect, however, to commence receiving pension benefits at any time within 10 years of the Normal Retirement Date.

13.5 Where a Member terminates employment with the Employer, the Accumulated Value of his Employer Account, if any, not applied to his benefit in accordance with the provisions of this Section shall accrue to the benefit of the Employer in the form of a credit against contributions required to be made by the Employer under the terms of the Plan. The Employer may, however, direct that such credit be reallocated amongst the remaining Members. In such circumstances such reallocation shall be made at the Fiscal Year end of the Plan by distributing all such credits to the then active Members of the Plan in the proportion that the accumulated Value of such Member's Employer Account is to the total of the Accumulated Value of all such Members' Employer Accounts. An amount allocated to a Member in this manner shall be deposited in the Member's Employer Account. Any credits not reallocated amongst the remaining Members will be returned to the Employer no later than December 31 of the year immediately following the calendar year in which the credit arose.

13.6 The value of the benefits to which the Member is entitled to receive under this Section shall in no event be less than the benefit which could be provided by the aggregate of the required contributions made by the Member as provided for in Section 7.1 of the Plan.

SECTION 14 - BENEFITS APPLICABLE TO VOLUNTARY CONTRIBUTIONS:

14.1 Upon a Member's termination of employment, or upon retirement, the Member shall receive a benefit such as can be provided by the Accumulated Value of the Member's Additional Voluntary Contributions Account. The benefit may be received as:

(i) a lump sum refund, or

(ii) a transfer to a registered pension plan to which the Member belongs, subject to the approval of the administrator of that plan, or

(iii) a transfer to a registered retirement savings plan, or

(iv) a life pension, commencing at the Member's termination of employment or retirement, whichever is applicable, such pension to be governed by the form of pension elected in accordance with Sections 10 or 11 of the Plan, whichever is applicable.

The life pension may be paid directly from the Pension Trust Fund or be provided through the services of an Underwriter and to effect the provision of benefits the Trustee shall have full power to employ such agents or counsel as the Trustee in its sole discretion sees fit.

14.2 If the Member dies prior to retirement, the Member's Spouse shall receive a benefit such as can be provided by the Accumulated Value of the Member's Additional Voluntary Contribution Account. The benefit may be received as:

(i) a lump sum refund, or

- (ii) a transfer to a registered pension plan to which the Member's Spouse belongs, subject to the approval of the administrator of that plan, or
- (iii) a life pension, commencing not later than one year after the Member's date of death and the end of the calendar year in which the Spouse attains age 71, whichever is later, such pension to be governed by the form of pension elected in accordance with Sections 10 or 11 of the Plan, whichever is applicable. The life pension may be paid directly from the Pension Trust Fund or be provided through the services of an Underwriter and to effect the provision of benefits the Trustee shall have full power to employ such agents or counsel as the Trustee in its sole discretion sees fit.

If the Member does not have a Spouse at the date of death, or has designated as his beneficiary someone other than his Spouse, a benefit such as can be provided by the Accumulated Value of the Member's Additional Voluntary Contributions Account shall be paid a lump sum to the Member's designated beneficiary or to the Member's estate.

SECTION 15 - PROTECTION OF BENEFITS

15.1 No right of a person under the Plan is capable of being assigned, charged, anticipated, given as security or surrendered either by voluntary action or by process of law other than by election of an optional form of pension involving joint lives or by the appointment of a beneficiary to receive any death benefits, except as is expressly provided for in the Act and in the provisions of the Income Tax Act applicable to registered pension plans.

SECTION 16 - PAYMENT OF BENEFITS

16.1 Benefits under the Plan shall be paid to the Member, the Member's Spouse, the Member's designated beneficiary or estate, as the case may be, within 60 days after receipt by the Trustee of all relevant documentation to enable the payment to be made.

Notwithstanding the above, benefits under the Plan must be paid no later than on the later of one year after the date of death of the Member and the end of the calendar year in which the beneficiary reaches age 71.

16.2 Each and every payment made from the Plan shall be a Permissible Distribution.

SECTION 17 - AMENDMENT AND DISCONTINUANCE

17.1 The Employer expects to continue the Plan indefinitely, but necessarily reserves the right to amend or discontinue the Plan should future conditions, in the judgment of the Employer, so warrant, provided that such action shall be in accordance with the Act and the rules of the Income Tax Act applicable to registered pension plans and shall not result in a reduction of the benefits that have accrued hereunder prior to such amendment or discontinuance.

17.2 In the event of the discontinuance of the Plan, each Member shall be entitled to receive the Accumulated Value of both his Member's Account and the Member's Employer Account as determined in accordance with Section 13 of the Plan, and the Accumulated Value of his Member's Additional Voluntary Contributions Account as determined in accordance with Section 14.1 of the Plan. Any amounts credited to the Employer in accordance with Section 13.5 of the Plan shall be distributed amongst the remaining Members in accordance with Section 13.5 of the Plan at the date of the Plan's discontinuance.

17.3 Notwithstanding Section 17.2, in the event of the discontinuance of the Plan, a Member at the date of such discontinuance whose age plus years of Continuous Service equals or exceeds 55 is entitled to receive an immediate or deferred life pension in accordance with Sections 9 and 10 of the Plan.

17.4 No disbursements from the Pension Trust Fund under Sections 17.2 and 17.3 will be made without the written authorization of the Pension Commission of Ontario.

SECTION 18 - PAYMENTS ON MARRIAGE BREAK-DOWN

18.1 A benefit of a Member under the Plan may be subject to a domestic contract as defined in Part IV of the Ontario Family Law Act, 1986.

18.2 No benefit under Section 18.1 above is payable before the earlier of:

- (a) the date upon which the pension benefit commences to the Member, or
- (b) the Member's Normal Retirement Date.

18.3 The former Spouse of a Member who becomes entitled to receive a benefit under Section 18.1 of the Plan shall not be entitled to receive more than 50% of the value of the benefit earned by the Member while the Member and his former Spouse were Spouses.

SECTION 19 - APPLICABLE LEGISLATION

19.1 The Plan will be operated in such a manner as to be in compliance at all times with the Act and the provisions of the Income Tax Act applicable to registered pension plans.

SECTION 20 - EFFECTIVE DATE

20.1 That this By-Law become effective as of January 15, 1992.

20.2 That By-Law No. 62-93 is hereby repealed.

READ A FIRST TIME IN OPEN COUNCIL THE 4th DAY OF July, 1994.

READ A SECOND TIME IN OPEN COUNCIL THE 4th DAY OF July, 1994.

READ A THIRD TIME IN OPEN COUNCIL AND ENACTED AND PASSED THIS
4th day of July, 1994.


MAYOR


CITY CLERK