

**These Rules are Current to July 1, 2025*****MUNICIPAL PENSION PLAN RULES***

Effective April 1, 2000

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## ***MUNICIPAL PENSION PLAN RULES***

### **Background**

Pursuant to the *Pension (Municipal) Act*, R.S.B.C. 1996, c. 355 (the “former Act”), a pension plan was provided for the benefit of certain public service employees. The Municipal Pension Fund was continued under the former Act.

The *Public Sector Pension Plans Act*, S.B.C. 1999, c. 44 (the “Act”), which received Royal Assent on July 15, 1999, introduced certain changes to British Columbia’s four statutory pension plans, including the plan provided for under the former Act. Effective April 1, 2000: (i) the plan provided for under the former Act was continued as the Municipal Pension Plan under Schedule B to the Act and the regulations made pursuant to section 16 (1) of Schedule B to the Act (the *Municipal Pension Plan Regulation*, B.C. Reg. 113/2000) and (ii) the Municipal Pension Fund was continued under Schedule B to the Act.

Section 18 of Schedule B to the Act provided for the government, the Union of British Columbia Municipalities (UBCM), the Health Employers Association of British Columbia (HEABC) and the Municipal Employees’ Pension Committee (MEPC) (which was constituted by the Hospital Employees’ Union, the Canadian Union of Public Employees, B.C. Division, the Health Sciences Association of British Columbia, the British Columbia Nurses’ Union, the British Columbia Federation of Police Officers, the British Columbia Professional Fire Fighters’ Association, and the Council of Joint Organizations and Unions) to enter into a joint management agreement to provide for the joint management of the Municipal Pension Plan and the Municipal Pension Fund.

Accordingly, the government, the UBCM, the HEABC and the MEPC entered into a joint trust agreement dated April 2, 2001, which constitutes a joint management agreement for the purpose of the Act.

Following the constitution of the joint trust agreement, sections 113 and 120 of the Act came into force on April 5, 2001, which amended section 1 of the Act and repealed Part 1 of Schedule B to the Act. Consequently, from April 5, 2001 onwards, the joint trust agreement and the pension plan rules made thereunder (which replaced the *Municipal Pension Plan Regulation*, B.C. Reg. 113/2000) govern the Municipal Pension Plan and the Municipal Pension Fund.

This document constitutes the pension plan rules of the Municipal Pension Plan made under Article 11 of the joint trust agreement.

**Interpretation**

- 1** (1) This document constitutes the pension plan rules of the Municipal Pension Plan which replace the *Municipal Pension Plan Regulation*, B.C. Reg. 113/2000. These pension plan rules are referred to in this document as the “Plan”.
- (2) Part 13 contains definitions of terms used in this Plan.
- (3) Pursuant to subsections 3.1(b) to (d) of the Municipal Pension Plan Joint Trust Agreement, the Plan applies to every person who, immediately before April 5, 2001, was an employer, an eligible employee or member under the *Municipal Pension Plan Regulation*, B.C. Regulation 113/2000 or any predecessor legislation or regulation.
- (4) In this Plan, unless the context requires otherwise:
- (a) the use of the word “individual” refers to a natural person and the use of the word “person” refers to a natural person, a corporation, partnership or party;
  - (b) words in the singular include the plural, and words in the plural include the singular;
  - (c) where a word or expression is defined, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
  - (d) headings are used for ease of reference only and do not form part of the Plan;
  - (e) the use of the word “may” is to be construed as permissive and empowering; and
  - (f) the use of the word “must” is to be construed as imperative.

*[NOTE: Sections of this Plan that are identical or similar to, or that correspond to, the rules made for the College Pension Plan, the Public Service Pension Plan, and the Teachers’ Pension Plan under the Act are given identical section numbering to the rules of those other pension plans, even though this means breaking the normal sequential section numbering system of this Plan.]*

**PART 1 – ENROLLMENT IN THE PENSION PLAN****Employer eligibility**

- 2** (1) This Plan applies to the following employers with respect to their eligible employees:
- (a) a municipality;
  - (b) a body designated under the *College and Institute Act*, including a college and a Provincial institute;
  - (b.1) a body formerly designated as a university college under the *College and Institute Act* and continued as a special purpose, teaching university pursuant to section 71(4) of the *University Act*;
  - (c) any other body designated by the board or former board as an employer,

on terms and conditions of eligibility specified by the board or former board, including but not limited to:

- (i) provincial or local government bodies, including:
    - (A) an integral part of the government of British Columbia (including any of its municipalities) that possesses a regulatory power, police power, taxing power, and/or significant unilateral expropriation power which was granted and may be revoked by legislative enactment or municipal order;
    - (B) to the extent not described in subclause (A), other local government organizations;
  - (ii) educational institutions, including boards of education and francophone education authorities;
  - (iii) health services organizations, including health authorities and societies that operate health care facilities or provide health care services;
  - (iv) social services organizations, including child and family services agencies; and
  - (v) unions and associations representing employees or employers that operate within the public sector.
  - (vi) an entity that is wholly owned and controlled (“controlled entity”) directly by the government of British Columbia, a municipality and/or an integral part thereof specified under subsection (c) (i) (A) (a “controlling entity”) or that is wholly owned and controlled by one or more controlling entities indirectly through one or more other controlled entities.
- (2) Employers shall be subject to the board’s employer withdrawal policy in effect from time to time.
- (3) Withdrawal as an employer under the Plan is subject to the approval of the board on such terms and conditions as the board may determine appropriate.
- (4) Should an employer withdraw as an employer under the Plan, the employer shall remain liable for:
- (a) all contributions owing for the period up to the date of withdrawal, and
  - (b) all amounts identified under section 80.
- (5) An employer designated under subsection 1 (c) (i) (B), (ii), (iii) or (iv) shall at all times meet at least two of the three following criteria:
- (a) the employer is:
    - (i) recognized as carrying out a public purpose or function, or;
    - (ii) is required to carry out a public purpose or function as determined by legislation;
  - (b) the employer is listed as a public sector employer in legislation; or
  - (c) the employer is financed in part by public funds.
- (5.1) An employer designated under subsection 1 (c) (vi) shall at all times meet the following criteria:
- (a) it is organized under the laws of the province of British Columbia;

- (b) all of its substantial management decisions are controlled exclusively by one or more controlling entities or other controlled entities, either through the right to appoint a majority of the members of its governing body (such as a board of directors), or through other direct legal or contractual rights;
  - (c) it has issued ownership interests, such as stock or share capital;
  - (d) all of the ownership interests (including any options, warrants, or rights to acquire ownership interests) are held exclusively by one or more controlling entities directly or indirectly through one or more other controlled entities;
  - (e) its controlling entities:
    - (i) have held all of its ownership interests directly or indirectly since its formation, or in case where the ownership interests were acquired by the government, have demonstrated a purpose for the acquisition other than pecuniary gain;
    - (ii) expect to hold all of its ownership interests indefinitely, rather than in anticipation of sale to private persons;
  - (f) its net earnings are credited to its own account, or to the account of one or more controlling entities or controlled entities in the chain of ownership;
  - (g) in the event of dissolution, either:
    - (i) under its governing documents and applicable law, any assets remaining after satisfaction of liabilities will vest in one or more controlling entities or controlled entities in the chain of ownership; or
    - (ii) its governing documents and applicable law do not make provision for its assets on dissolution, and any remaining assets will be applied at the unrestricted discretion of one or more controlling entities or controlled entities in the chain of ownership;
  - (h) no portion of its income inures to the benefit of a private person; and
  - (i) it does not provide financial services to any private person, including extending credit, managing investments, or acting as custodian.
- (6) The enrolment of an employer designated under subsection 1 (c) (i) (B), (ii), (iii), or (iv) shall only be on behalf of employees who are employed exclusively in an undertaking of the employer that meets the public purpose criteria described in subsection (5) and who otherwise qualify as an eligible employee under subsection (9) and section 3.
- (7) An employer designated under subsection 1 (c) (i) (B), (ii), (iii) or (iv) shall give the plan administrative agent prompt written notice should the employer cease to meet or anticipate a failure to meet two of the three criteria described in subsection (5).
- (7.1) An employer designated under subsection 1 (c) (vi) shall give the plan administrative agent prompt written notice should the employer cease to meet or anticipate a failure to meet all the criteria described in subsection (5.1).
- (8) The board may revoke an employer's enrolment as an employer under the Plan on 30 days written notice to the employer in any of the following circumstances:



- (a) an employer designated under subparagraph (1) (c) (i) (B), (ii), (iii) or (iv) ceases to meet two of the three criteria described in subsection (5),
  - (a.1) an employer designated under subsection 1 (c) (vi) ceases to meet all the criteria described in subsection (5.1),
  - (b) an employer designated under paragraph (1) (c) ceases to meet any of the terms and conditions specified by the board in respect of its participation in the Plan, or
  - (c) an employer is in breach of any provision of the Plan, or any of its obligations under subsection 80 (4).
- (9) The enrolment of an employer designated under paragraph 1 (c) shall only be on behalf of employees who are deemed to be employed in British Columbia under the provisions of the *B.C. Pension Benefits Standards Act*. In no case shall employees engaged in “included employment” as defined in the *Pension Benefits Standards Act*, 1985 (Canada) (the “Federal PBSA”) be enrolled in the Plan unless the Plan is then exempt from the application of the Federal PBSA under section 28.1 of the Federal PBSA regulations, or the employment of the employees has been excepted from the definition of “included employment” pursuant to a regulation made pursuant to paragraph 4 (6) (b) of the Federal PBSA.
- (10) In accordance with terms and conditions specified by the board, the plan administrative agent may, on behalf of the board, designate a body as an employer under paragraph 1 (c).

### **Employee eligibility**

- 3** (1) Subject to terms and conditions of eligibility specified by the board or former board, this Plan applies to the following employees who have not attained latest retirement age:
- (a) an individual who
    - (i) is receiving a salary as compensation for services rendered as an employee on the permanent staff of the employer and is engaged on a continuous full time basis, or
    - (ii) has been employed in a continuous full time capacity by the same employer for a period of 12 months, including an employee who is employed on the basis of at least 10 months of full time employment each year,whichever first occurs;
  - (b) an individual who is not within paragraph (a) and who has completed 2 years of continuous employment with earnings from an employer of not less than 35% of the year’s maximum pensionable earnings in each of 2 consecutive calendar years, unless the employee elects not to participate in this Plan and makes the waiver required by subsection (4);
  - (c) an employee designated by a resolution of the employer to be included under this Plan, subject to terms and conditions specified by the board or former board.

- (2) Despite subsection (1), this Plan does not apply to an employee of an employer who, by virtue of that employment, is making contributions to the College Pension Plan, the Public Service Pension Plan or the Teachers' Pension Plan in respect of that employment.
- (3) Despite subsection (1), if an employee is in the employ of an employer to whom this Plan begins to apply on or after April 1, 2000, the employee may, by giving written notice to the employer not more than 90 days after the date this Plan begins to apply to the employee, elect not to participate in this Plan by making the waiver required by subsection (4).
- (4) An employee referred to in subsection (1) (b) or (3) who elects not to participate in this Plan must sign a waiver form to that effect, and the employer must retain a copy of the waiver form.
- (5) The waiver form referred to in subsection (4) is effective until
  - (a) subsection (1) (a) applies to the employee, or
  - (b) the employee elects coverage under subsection (6).
- (6) An employee who elected not to participate in this Plan may, at any time, on application to the employer, elect coverage under this Plan and that employee must begin making contributions with the first pay period following the date of application to become a member of this Plan.
- (7) For the purposes of this section, an employee is deemed to be on the permanent staff of an employer when the employee
  - (a) completes the employee's probationary period, or
  - (b) has completed 2 years of continuous employment with earnings of not less than 35% of the year's maximum pensionable earnings in each of 2 consecutive calendar years.
- (8) If an employer has different probationary periods for different classes of employees, the employer may, by resolution, elect to have this Plan apply at an earlier date to one or more classes of employees.
- (9) If an active member transfers from the service of one employer to whom this Plan applies (the former employer) to the service of another employer to whom this Plan applies (the new employer) and does not make application for a benefit,
  - (a) the contributions by the new employer must continue without interruption, and
  - (b) the new employer must
    - (i) continue deductions from the member's salary without interruption, and
    - (ii) pay the employer contributions under section 6,provided that the transfer is made without a break in service, or with a break in service of not more than one month between the last day of employment with the member's former employer and the first day of employment with the

member's new employer.

- (10) If an employee is making contributions to some other fund for pensions during a period of temporary absence of not more than 3 years, the employee may apply for exemption from coverage and the board may exempt the employee from making contributions under this Plan.
- (11) An employee exempt under subsection (10) may not
  - (a) make contributions under this Plan if making contributions to some other pension plan, or
  - (b) purchase service under this Plan in respect of the period of temporary absence.
- (12) This section does not apply to a retired member (other than a person who is considered a retired member solely because the person is receiving a pension or monthly benefit following the death of a member).
- (13) After this Plan begins to apply to an employee, it continues to apply to that employee as an active member until termination of employment.

#### **Application of this Plan to the Nisga'a Nation and Nisga'a Villages**

- 3.1** (1) In this section:

**“Nisga'a Lisims Government”, “Nisga'a Nation”, “Nisga'a Village” and “Nisga'a Village Government”** have the same meaning as they have in the Nisga'a Final Agreement;

**“Nisga'a Final Agreement”** has the same meaning as in section 1 of the *Nisga'a Final Agreement Act*.

- (2) This Plan applies to:

- (a) the Nisga'a Nation, as an employer, but only if declared to be applicable by order of the board on receipt of a resolution passed by the Nisga'a Lisims Government, and only in respect of those eligible employees or groups of employees recommended by the Nisga'a Lisims Government and approved by the board, and
- (b) a Nisga'a Village, as an employer, but only if declared to be applicable by order of the board on receipt of resolutions passed by
  - (i) the applicable Nisga'a Village Government, and
  - (ii) the Nisga'a Lisims Government,
 and only in respect of those eligible employees or groups of employees recommended by the applicable Nisga'a Village Government and by the Nisga'a Lisims Government and approved by the board.

#### **Transfers of active member groups between Plan employers**

- 3.2** (1) Despite any other provision of this Plan, if an identifiable group of active members is transferred from the service of one employer to whom this Plan applies (the former employer) to the service of another employer to whom this

Plan applies (the new employer) due to workforce re-structuring or any other transaction that results in a successor employer situation, then

- (a) the transfer does not constitute a termination of employment by any of the affected active members,
- (b) the new employer must take into account an affected active member's earnings with the former employer in the calendar year in which the transfer occurs in determining the amounts to deduct and pay to the pension fund in respect of that active member under sections 5 and 6,
- (c) the new employer is bound by any order under subsection 9(1) or 10(1) to pay enrolment arrears or payroll arrears which arose prior to the transfer of employment in respect of an affected active member to the same extent the former employer is bound by that order,
- (d) the new employer is bound to make payments for enrolment arrears or a purchase of service for a period of leave which arose prior to the transfer of employment in respect of an affected member under subsection 9(7) or 19(2) to the same extent the former employer is bound to do so, and
- (e) for the purposes of paragraphs 19(5)(b) and 27(1)(b) the employer is deemed to be the new employer.

#### **Application of this Plan to volunteer firefighters**

- 4 (1) On receipt of a joint request in writing from a municipality and the majority of the volunteer firefighters employed by the municipality, the board may declare this Plan to apply to the municipality and all of the municipality's volunteer firefighters who have completed, or could complete, at least 15 years of pensionable service before reaching age 60, and on that declaration this Plan applies.
- (2) For the purposes of this section, the following conditions apply:
  - (a) the board, subject to the prior consent of the municipality, must determine the amount of salary on which employer and employee contributions are to be made, and on which benefits are to be calculated;
  - (b) if a volunteer firefighter becomes totally and permanently disabled, Part 6 applies only if the volunteer firefighter is unable to fill or occupy a position for remuneration or profit, or engage in any gainful occupation;
  - (c) the board or former board may specify, for the purposes of this section, the method by which the expenses of administration of this Plan are determined.

## **PART 2 – CONTRIBUTIONS TO THE PENSION PLAN**

#### **Active member contributions**

- 5 (1) From each payment of salary made to an active member, the employer must deduct and pay to the pension fund, as a contribution from the member, the sum of the following amounts:

- (a) an amount equal to
  - (i) 7.34% of the member's salary for members in group 1,
  - (ii) 7.14% of the member's salary for members in group 2, and
  - (iii) 9.08% of the member's salary for members in group 5;
- (b) an amount equal to
  - (i) 1.27% of the member's salary for members in group 1,
  - (ii) 1.78% of the member's salary for members in group 2, and
  - (iii) 2.04% of the member's salary for members in group 5.
- (2) Member contributions must stop on the earlier of
  - (a) the member reaching latest retirement age, in which case the member is deemed to have terminated employment for the purposes of this Plan, and
  - (b) the member accruing 35 years of pensionable service, in which case the member is deemed to continue as an active member until termination of employment.
- (3) [Repealed]

**Employer contributions**

- 6
- (1) Each time an employer deducts and pays active member contributions in accordance with section 5, the employer must pay to the pension fund, as a contribution from the employer, the sum of the following amounts:
    - (a) an amount equal to
      - (i) 7.34% of the member's salary for members in group 1,
      - (ii) 10.84% of the member's salary for members in group 2, and
      - (iii) 12.79% of the member's salary for members in group 5;
    - (b) an amount equal to
      - (i) 1.97% of the member's salary for members in group 1,
      - (ii) 1.58% of the member's salary for members in group 2, and
      - (iii) 1.88% of the member's salary for members in group 5.
  - (2) Using a method approved by the board, the plan administrative agent will assign at such intervals as the board directs one or more rates to each employer for all the employer's active members, or for each member class designated by that employer, representing the total of the payments required under subsection (1).
  - (3) Despite any other provision of this Plan, an employer to whom this Plan applies may on or after January 1, 2007 enter into an agreement with the board by which the benefit for a member or member group, or former members, may be increased in an amount and with the modifications that are set out in the agreement.
  - (4) The agreement referred to in subsection (3) may make an increase in benefits conditional on increased contributions being made by the members in the manner set out in the agreement.

- (5) The contributions required to be paid in accordance with the terms of the agreement must be paid in addition to contributions required to be made under this Plan.
- (5.1) Subsections (3) through (5) do not apply to any pre-2007 special agreement as defined in section 107.
- (5.2) Any agreement entered into pursuant to subsection (3) must provide for contributions and benefits which comply with the *Income Tax Act* (Canada). If necessary to achieve such compliance the board shall adopt amendments to the Plan which reflect the terms of any agreement entered into pursuant to subsection (3).
- (6) Employer contributions must stop on the earlier of
  - (a) the member reaching latest retirement age, and
  - (b) the member accruing 35 years of pensionable service.

#### **British Columbia Teachers' Federation indemnity fund**

- 7 (1) An active member who is absent from service by reason of the member's illness and who
- (a) has taken the member's total entitlement of sick leave for that year,
  - (b) is not entitled to a benefit under a group disability plan, and
  - (c) is receiving benefits from the salary indemnity fund administered by the British Columbia Teachers' Federation,
- must make contributions each month during the period of the member's absence, calculated by multiplying the amount of the member's salary payable during the last complete month of employment immediately before the member's absence by the percentage rates referred to in section 5 (1), and the period to which the contributions relate is deemed to be service with an employer.
- (2) During the member's absence, the British Columbia Teachers' Federation must remit contributions under subsection (1) to the plan administrative agent monthly on behalf of the member.
  - (3) During the period a member is absent from service and is receiving benefits referred to in subsection (1) (c), an employer must make contributions on the same basis as the contributions under subsection (1) but the reference to section 5 (1) in that subsection is deemed to be a reference to section 6 (1).

#### **Contribution remittances**

- 8 (1) In this section, "**pay period end date**" means the date on which the employer normally pays the members.
- (2) For an employer with total annual active member and employer pension contribution remittances of \$100,000 or more per year based on the last reported year, contribution remittances must be received by the pension fund within 15 calendar days after the pay period end date for each payroll.

- (3) For an employer with total annual active member and employer pension contribution remittances of less than \$100,000 per year based on the last reported year, contribution remittances must be received by the pension fund within 30 calendar days after the pay period end date for each payroll.
- (4) Interest, compounded annually, at the fund interest rates, is charged on late payments from the due date for receipt of the payment as set out in subsection (2) or (3) to the date of payment.
- (5) An employer must pay the interest charge under subsection (4) within 30 calendar days from the date of the assessment notice.
- (6) If the interest payment is not received by the pension fund within the 30 calendar days referred to in subsection (5), additional interest will be charged in accordance with subsection (4).
- (7) Late payment includes a pension contribution remittance that
  - (a) is less than that required under this Plan, or
  - (b) arises from the application of incorrect contribution rates or other miscalculations.
- (8) All contributions or amounts that are due or owing to the pension fund, regardless of source, must be kept separate and apart from the employer's own assets.

**Enrollment arrears**

- 9 (1) If an employer has not made deductions under section 5 (1) from the date an employee becomes eligible to contribute to the pension fund, the plan administrative agent must order the employer
  - (a) to commence making deductions immediately, and
  - (b) to pay to the pension fund, at the time and in the manner specified by the plan administrative agent,
    - (i) an amount determined in accordance with section 6 (1) but using
      - (A) the member's full time equivalent salary payable for the most recent month of employment, and
      - (B) the current contribution rate applicable to the employer with respect to the group the member would have been in had the member enrolled in the Plan at the eligibility datemultiplied by
    - (ii) the number of months and fractions of a month of pensionable service to be credited from the eligibility date to the date contributions commenced in accordance with paragraph (a),and the employer must comply with the order.
- (1.1) [Repealed]
- (1.2) Despite subsection (1), if the employer who failed to make the deductions has ceased to be an employer to whom this Plan applies the member may, at the member's option, apply to pay the amount determined under subsection (1) (b),

in accordance with the provisions of subsection (2). The member's exercise of the purchase shall not relieve the employer of any obligation to pay for the purchase under the plan rules.

- (1.3) For greater certainty, if the arrears apply to a period when the member was in a class of employees for whom the employer no longer participates in the Plan and the employer continues to be an employer under the Plan, the employer must comply with the order under subsection (1).
- (2) An active member who receives a notice of enrollment arrears on or after April 1, 2002 may, at the member's option, apply to the plan administrative agent to purchase those arrears but such application must be made on or before the earlier of
  - (a) the date which is 5 years from the time the arrears notice is sent to the employee, and
  - (b) the date which is 30 days after the date of termination of employment.
- (2.1) For greater certainty, if an active member applies to purchase enrollment arrears in accordance with subsection (2), but fails to complete the purchase of such enrollment arrears in the time and manner specified by the plan administrative agent in accordance with subsection (4), that individual is thereafter ineligible to purchase such enrollment arrears unless that individual makes a further application under subsection (2) on or before the earlier of the dates specified in subsection (2).
- (2.2) If an active member's termination of employment is the result of the employer applying to withdraw from the Plan, or modify its participation in the Plan for the member's employee class and the employer has not provided its employees with satisfactory notice of the purchase application deadline in subsection 2 (b) the plan administrative agent may provide the member with an additional 90 days to apply to purchase the arrears period.
- (3) An application under subsection (2) cannot be made if the member received notice of the enrollment arrears before April 1, 2002.
- (4) For the purposes of subsection (2), the active member must pay to the pension fund, at the time and in the manner specified by the plan administrative agent,
  - (a) an amount determined in accordance with section 5 (1) but using
    - (i) the member's full time equivalent salary payable for the most recent month of employment, and
    - (ii) the current contribution rate applicable to the group the member would have been in had the member enrolled in the Plan at the eligibility datemultiplied by
  - (b) the number of months and fractions of a month of pensionable service to be credited from the eligibility date to the date contributions commenced in accordance with subsection (1) (a).
- (4.1) [Repealed]
- (5) Despite subsection (1), if an employer, before January 1, 1988, has not made



deductions under section 5 (1) from the date an employee becomes eligible to contribute to the pension fund, the member may, at the member's option, apply to purchase those arrears but such application must be made on or before the earlier of

- (a) the date which is 5 years from the time the arrears notice is sent to the employee, and
  - (b) the date which is 30 days after the date of termination of employment.
- (5.1) For greater certainty, if an active member applies to purchase enrollment arrears in accordance with subsection (5), but fails to complete the purchase of such enrollment arrears in the time and manner specified by the plan administrative agent in accordance with subsection (6), that individual is thereafter ineligible to purchase such enrollment arrears unless that individual makes a further application under subsection (5) on or before the earlier of the dates specified in subsection (5).
- (5.2) If an active member's termination of employment is the result of the employer applying to withdraw from the Plan, or modify its participation in the Plan for the member's employee class and the employer has not provided its employees with satisfactory notice of the purchase application deadline in subsection 5 (b) the plan administrative agent may provide the member with an additional 90 days to apply to purchase the arrears period.
- (6) For the purposes of subsection (5), the active member must pay to the pension fund, at the time and in the manner specified by the plan administrative agent,
  - (a) an amount determined in accordance with section 5 (1) but using
    - (i) the member's full time equivalent salary payable for the most recent month of employment, and
    - (ii) the current contribution rate applicable to the group the member would have been in had the member enrolled in the Plan at the eligibility datemultiplied by
  - (b) the number of months and fractions of a month of pensionable service to be credited from the eligibility date to the date contributions actually commenced.
- (6.1) [Repealed]
- (7) If the member makes the payment under subsection (6), the employer who failed to make the deductions must pay to the pension fund, at the time and in the manner specified by the plan administrative agent,
  - (a) an amount determined in accordance with section 6 (1) but using
    - (i) the member's full time equivalent salary payable for the most recent month of employment, and
    - (ii) the current contribution rate applicable to the employer with respect to the group the member would have been in had the member enrolled in the Plan at the eligibility datemultiplied by
  - (b) the number of months and fractions of a month of pensionable service to be credited from the eligibility date to the date contributions actually

commenced.

- (7.1) [Repealed]
- (7.2) Despite subsection (7), if the employer who failed to make the deductions has ceased to be an employer to whom this Plan applies the member may, at the member's option, pay the amount determined under subsection (7) in accordance with the provisions of subsection (5). The member's exercise of the purchase shall not relieve the employer of any obligation to pay for the purchase under the plan rules.
- (7.3) For greater certainty, if the arrears apply to a period when the member was in a class of employees for whom the employer no longer participates in the Plan and the employer continues to be an employer under the Plan, the employer must comply with the order under subsection (7).
- (8) Despite subsection (7), if when a member makes a payment under subsection (6) the member has not terminated employment and has not attained earliest retirement age, the employer is not required to make the payment under subsection (7) until the earlier of
  - (a) the date the member terminates employment, and
  - (b) the date the member reaches earliest retirement age.
- (9) If both the employer and member contributions are paid as referred to in subsections (1) (b) and (4) or in subsections (6) and (7), the period of service in respect of which contributions are made is contributory and pensionable service within the meaning of this Plan.
- (10) If only the employer portion is paid under subsection (1) (b) or (7),
  - (a) all of the period of service in respect of which employer contributions have been made is contributory service, and
  - (b) 1/2 of the period of service in respect of which employer contributions have been made is pensionable service.
- (11) This section does not apply to a period of service waived by an employee under section 3 (1) (b) or 3 (3).
- (12) An order to pay made under subsection (1) is due and payable by the employer immediately upon receipt in accordance with the terms of the order.
- (13) [Repealed]
- (14) [Repealed]

#### **Payroll arrears**

- 10** (1) If an employer has failed at any time to make the deductions required by section 5 (1) or the contributions required by section 6 (1), or both, in respect of an active member, the plan administrative agent must order the employer to make those deductions and contributions in accordance with subsection (2) for the period during which the required deductions and contributions were not made, and the employer must comply with the order.

- (1.1) Despite subsection (1), if the employer who failed to make the deductions has ceased to be an employer to whom this Plan applies, an active member may at the member's option, pay the amount determined under subsection (2). The member's exercise of the purchase shall not relieve the employer of any obligation to pay for the purchase under the plan rules.
- (1.2) Where an active member elects to pay for the payroll arrears under subsection (1.1), such application must be made on or before the earlier of
  - (a) the date which is 5 years from the time the arrears notice is sent to the member, and
  - (b) the date which is 30 days after the date of termination of employment.
- (1.3) For greater certainty, if an active member applies to purchase payroll arrears in accordance with subsection (1.2), but fails to complete the purchase of such payroll arrears in the time and manner specified by the plan administrative agent in accordance with subsection (2), that individual is thereafter ineligible to purchase such payroll arrears unless that individual makes a further application under subsection (1.2) on or before the earlier of the dates specified in subsection (1.2).
- (1.4) For greater certainty, if the payroll arrears apply to a period when the member was in a class of employees for whom the employer no longer participates in the Plan and the employer continues to be an employer under the Plan, the employer must comply with the order under subsection (1).
- (2) The amount payable under subsection (1) is
  - (a) the sum of the amounts determined in accordance with sections 5 (1) and 6 (1) but using
    - (i) the member's full time equivalent salary payable for the most recent month of employment, and
    - (ii) the current contribution rates applicable to the member and employer with respect to the group the member was in for the period during which the required deductions and contributions were not mademultiplied by
  - (b) the number of months and fractions of a month of pensionable service to be credited for which the failure to make deductions or contributions, or both, occurred.
- (2.1) [Repealed]
- (3) Subsection (1) does not apply to enrollment arrears under section 9.
- (4) An order to pay made under subsection (1) is due and payable by the employer immediately upon receipt.

**Income Tax Act (Canada) limits**

- 11** (1) Contributions made under section 5 (1) must not exceed the maximums set out in section 8503 (4) of the Income Tax Regulations under the *Income Tax Act* (Canada) unless the board has obtained a waiver of those maximums under

section 8503 (5) of the Income Tax Regulations under the *Income Tax Act* (Canada).

- (2) Contributions made under section 5 (1) in respect of a calendar year must not be paid before January 1 of that year.
- (3) Contributions made under section 6 (1) must qualify as eligible contributions under section 147.2 (2) of the *Income Tax Act* (Canada).

### **PART 3 – RECOGNITION OF SERVICE**

#### **Division 1 – Contributory and Pensionable Service**

##### **Limitation on accrual of contributory and pensionable service**

- 12**
- (1) When determining contributory service, every calendar month in respect of which the member has pensionable service must be counted as one month's contributory service.
  - (2) When determining pensionable service, part time service must be adjusted to its full time equivalent.
  - (3) The maximum contributory service that can be accrued in a calendar year is 12 months.
  - (4) The maximum pensionable service that can be accrued in a calendar year is 12 months.
  - (5) If an active member to whom this Plan applies is paid an annual salary in 10 equal installments on the basis of at least 10 months of employment in every year, the number of years of service of the member must be calculated on the basis of 10 months of the employment being equivalent to one year of service.
  - (6) If an active member has applied for and is entitled to receive a benefit from a group disability plan,
    - (a) the member is deemed to have made a contribution to the pension fund during each month for which the member is entitled to the benefit, and
    - (b) the period of service during which the member is or would have been employed, had the member not been receiving that group disability plan benefit, is deemed to be pensionable service.
  - (7) If the employer of an active member referred to in subsection (6) ceases to be an employer to whom the Plan applies or ceases to participate in the Plan with respect to the member's employee class, subsection (6) will continue to apply to the member, subject to the member or employer providing the plan administrative agent on an annual basis satisfactory proof they remain entitled to receive a benefit from the group disability plan.
  - (8) If the group disability plan an active member referred to in subsection (6) is entitled to receive benefits from ceases to meet the definition of group disability plan, after the member becomes entitled to those benefits, subsection (6) will

continue to apply to the member, subject to the member or employer providing the plan administrative agent on an annual basis satisfactory proof they remain entitled to receive a benefit from the group disability plan.

## **Division 2 – Child Rearing**

### **Child rearing**

- 13** (1) This section applies to a member who
- (a) terminates employment on or after July 1, 1994, and
  - (b) at the time of making an election under subsection (2),
    - (i) is an active member, or
    - (ii) was an active member within the preceding 30 days.
- (1.1) Despite subsection (1), if an active member's termination of employment is the result of the employer applying to withdraw from the Plan, or modify its participation in the Plan for the member's employee class and the employer has not provided its employees with satisfactory notice of the purchase application deadlines the plan administrative agent may provide the member with an additional 90 days to apply for a child rearing period.
- (2) If a member terminated employment, or took a leave of absence approved by the employer, for the purpose of child rearing, engaged in the child rearing and again becomes an active member, the member may elect to have a period of time equivalent to the period of time during which the member was engaged in child rearing included as contributory service.
- (3) The child rearing period is only to be included as contributory service if
- (a) the member did not accrue, during the time the member was engaged in child rearing, an entitlement under any pension plan registered under the *Income Tax Act* (Canada),
  - (a.1) the member who took the leave of absence for the purpose of child-rearing has not already been credited with service for the period by purchasing it as a leave of absence under section 18, and
  - (b) the member
    - (i) left member contributions on deposit for service preceding the child rearing period, or
    - (ii) reinstated or reinstates the full period of service preceding the child rearing period.
- (4) There is no restriction on the number of child rearing periods that can be included as contributory service, but the total amount of contributory service must not exceed 5 years.

**14** [SECTION NOT USED]

## **Division 3 – Leaves of Absence**

**Application of this Division**

- 15 This Division applies to an active member who takes a leave of absence.

**Leaves of absence regulated under *Employment Standards Act* or *Canada Labour Code***

- 16 (1) If an active member is or was absent from service by reason of
- (a) required attendance at court as a juror;
  - (b) a leave under any of the following sections of the *Employment Standards Act*:
    - (i) section 49.1 [*illness or injury leave*];
    - (ii) section 50 [*maternity leave*];
    - (iii) section 51 [*parental leave*];
    - (iv) section 52 [*family responsibility leave*];
    - (v) section 52.1 [*compassionate care leave*];
    - (vi) section 52.11 [*critical illness or injury leave*];
    - (vii) section 52.12 [*COVID-19-related leave*];
    - (viii) section 52.3 [*leave respecting disappearance of child*];
    - (ix) section 52.4 [*leave respecting death of child*];
    - (x) section 52.5 [*leave respecting domestic or sexual violence*];
    - (xi) section 53 [*bereavement leave*];
  - (c) any other circumstance in which subsection 56 (2) of the *Employment Standards Act* obligates an employer to make contributions to a pension plan in respect of a period of absence if the employee pays the employee's contributions to the plan in respect of that period of absence; or
  - (d) any circumstance in which Part III of the *Canada Labour Code* obligates an employer to make contributions to a pension plan in respect of a period of absence if the employee pays the employee's contributions to the plan in respect of that period of absence,
- the active member may apply to purchase that leave of absence in accordance with section 19 or 19.1.
- (2) [Repealed]
- (3) [Repealed]
- (4) [Repealed]

**Extended leave of absence for pregnancy or parental reasons**

- 17 [Repealed]

**Leaves of absence for other reasons**

- 18 (1) Subject to section 19, if an active member is or was absent from service for a reason other than under section 16 and the period of leave of absence is

approved by the employer, the active member may apply to purchase that leave and must pay to the pension fund an amount determined in accordance with section 19 (3).

(2) [Repealed]

(3) [Repealed]

#### **Payment and conditions for leaves of absence**

**19** (1) In order to purchase a period of leave of absence under section 16, the member must pay to the pension fund, at the time and in the manner specified by the plan administrative agent,

(a) an amount determined in accordance with section 5 (1) but using

(i) the member's full time equivalent salary payable for the most recent month of employment, and

(ii) the current contribution rate applicable to the group the member was in during the leave period

multiplied by

(b) the number of months and fractions of a month of pensionable service to be credited for the leave period.

(1.1) [Repealed]

(2) If the member pays the amount required by subsection (1), the employer who employed the member during the leave of absence must pay to the pension fund, at the time and in the manner specified by the plan administrative agent,

(a) an amount determined in accordance with section 6 (1) but using

(i) the member's full time equivalent salary payable for the most recent month of employment, and

(ii) the current contribution rate applicable to the employer with respect to the group the member was in during the leave period

multiplied by

(b) the number of months and fractions of a month of pensionable service to be credited for the leave period.

(2.1) [Repealed]

(3) In order to purchase a period of leave of absence under section 18, the member must pay to the pension fund, at the time and in the manner specified by the plan administrative agent

(a) the sum of the amounts determined in accordance with sections 5 (1) and 6 (1) but using

(i) the member's full time equivalent salary payable for the most recent month of employment, and

(ii) the current contribution rates applicable to the member and employer with respect to the group the member was in during the leave period

multiplied by

(b) the number of months and fractions of a month of pensionable service to

be credited for the leave period.

(3.1) [Repealed]

- (4) If payment is made in accordance with subsections (1) and (2) or subsection (3),
  - (a) the payment is considered to be contributions made by the member under section 5 (1) and by the employer under section 6 (1), and
  - (b) the period of service to which payment relates is contributory and pensionable service.
- (5) An application under section 16 or 18 to purchase a period of leave of absence that ends on or after April 1, 2002 must be made on or before the earlier of
  - (a) the date which is 5 years from the end of the period of leave that is being purchased, and
  - (b) the date which is 30 days after the date of termination of employment with the employer with which the leave of absence occurred.
- (5.1) For greater certainty, if an active member applies to purchase a leave of absence in accordance with subsection (5), but fails to complete the purchase of such leave of absence in the time and manner specified by the plan administrative agent in accordance with subsection (1) or (3), that individual is thereafter ineligible to purchase such leave of absence unless that individual makes a further application under subsection (5) on or before the earlier of the dates specified in subsection (5).
- (5.2) If an active member's termination of employment is the result of the employer applying to withdraw from the Plan, or modify its participation in the Plan for the member's employee class and the employer has not provided its employees with satisfactory notice of the purchase application deadline in subsection 5 (b) the plan administrative agent may provide the member with an additional 90 days to apply to purchase the leave period.
- (6) An application under section 16 or 18 cannot be made to purchase a period of leave of absence that ended before April 1, 2002.

**Payment and conditions for contributions while on leaves of absence regulated under *Employment Standards Act* or *Canada Labour Code***

- 19.1**
- (1) Despite section 19, a member may elect to purchase a period of leave of absence under section 16 by electing no later than 30 days after the commencement of that period of leave of absence in the manner specified by the plan administrative agent to continue to contribute to the pension fund in accordance with this section 19.1.
  - (2) A member who elects under subsection (1) to continue to contribute to the pension fund during a period of leave of absence must in respect of each payroll period during that period of leave of absence pay to the pension fund, at the time and in the manner specified by the plan administrative agent, an amount determined in accordance with subsection 5 (1) using
    - (a) what would have been the member's full time equivalent salary for that payroll period had the member not been on a leave of absence,



- and
- (b) the contribution rates in effect under subsection 5 (1) during that payroll period applicable to the group the member would have been employed in during that payroll period.
- (3) If the member pays the amount required by subsection (2) in respect of a payroll period, the employer who would have employed the member during that payroll period must pay to the pension fund, at the time and in the manner specified by the plan administrative agent, an amount determined in accordance with subsection 6 (1) using
- (a) what would have been the member's full time equivalent salary for that payroll period had the member not been on a leave of absence, and
  - (b) the contribution rates in effect under subsection 6 (1) during that payroll period applicable to the group the member would have been in during that payroll period.
- (4) If payment is made in accordance with subsections (2) and (3),
- (a) the payment is considered to be contributions made by the member under subsection 5 (1) and by the employer under subsection 6 (1), and
  - (b) the payroll period to which the payment relates is contributory and pensionable service of the member.
- (5) If a member who elects under subsection (1) to continue to contribute to the pension fund during a period of leave of absence fails to make timely payment of a contribution in respect of a payroll period in accordance with subsection (2), that individual is thereafter ineligible to purchase that payroll period or any subsequent payroll period during that period of leave of absence pursuant to this section 19.1.
- (6) A member to whom subsection (5) applies may purchase pursuant to section 19 the portion of the period of leave of absence not purchased pursuant to this section 19.1.
- (7) An election under subsection (1) can only be made in respect of a period of leave of absence that commences after April 30, 2020.

#### **Division 4 – Reinstatement of Service**

##### **Application of this Division**

- 20** (1) If an inactive member who has not taken a commuted value or refund with respect to a period of service again becomes an active member, that period of service for which the member's previous contributions remain on account in the pension fund must be reinstated immediately upon the member again becoming an active member.
- (2) If a former member who has taken a commuted value with respect to a period of

service again becomes an active member, that period of service cannot be reinstated.

- (2.1) If a former member who has taken a refund with respect to a period of service which ended on or after January 1, 1998 again becomes an active member, that refund may not be reinstated.
- (3) If a former member who has taken a refund with respect to a period of service which ended before January 1, 1998 again becomes an active member, that period of service may be reinstated under section 21 or 22.
- (4) If the member to whom subsection (3) applies does not reinstate a refund under section 21 or 22 (1), the member is deemed to be a new member from the date on which the member again becomes a contributor to the pension fund and the member has no rights or obligations with respect to the previous service.
- (5) [Repealed]

**Reinstatement at the rate of 6% or at the refund interest rates**

- 21**
- (1) Subject to section 20 and subsections (3) and (4) of this section, if an active member who previously discontinued contributions
    - (a) makes application in writing to the plan administrative agent for reinstatement of a period of previous service, and
    - (b) pays to the pension fund, at the time and in the manner specified by the plan administrative agent, an amount equal to any refund taken with respect to that service, together with interest, compounded annually, at the interest rates determined in accordance with subsection (2), from the date of the refund to the date of repayment,the plan administrative agent must reinstate that service.
  - (2) For the purpose of subsection (1), the interest rates are calculated as follows:
    - (a) at the rate of 6% a year for any part of the period that occurs before January 1, 1984;
    - (b) at the refund interest rates for any part of the period that occurs on or after January 1, 1984.
  - (3) This section applies only in respect of one reinstatement during the member's entire membership in the pension plan and is limited to the earliest period of time eligible to be reinstated.
  - (4) For greater certainty, if an active member has already reinstated a period of service at the rate of 6% or at the refund interest rate, no further period of service may be reinstated under this section.
  - (5) An individual who becomes an active member on or after April 1, 2002 may apply to reinstate a refund under this section on or before the earlier of
    - (a) the date which is 5 years from the time contributions to the Plan recommenced, and
    - (b) the date which is 30 days after the date of termination of employment.

- (5.1) For greater certainty, if an active member applies to reinstate a refund in accordance with subsection (5), but fails to complete the reinstatement of such refund in the time and manner specified by the plan administrative agent in accordance with subsection (1), that individual is thereafter ineligible to reinstate such refund unless that individual makes a further application under subsection (5) on or before the earlier of the dates specified in subsection (5).
- (5.2) If an active member's termination of employment is the result of the employer applying to withdraw from the Plan, or modify its participation in the Plan for the member's employee class and the employer has not provided its employees with satisfactory notice of the purchase application deadline in subsection 5 (b) the plan administrative agent may provide the member with an additional 90 days to apply to purchase the reinstatement period.
- (6) An individual who was an active member on March 31, 2002 is not eligible to reinstate a refund under this section.

**Reinstatement at the fund interest rates**

- 22**
- (1) Subject to sections 20 and 21, if an active member who previously discontinued contributions
    - (a) makes application in writing to the plan administrative agent for reinstatement of a period of previous service, and
    - (b) pays to the pension fund, at the time and in the manner specified by the plan administrative agent, an amount equal to any refund taken with respect to that service, together with interest, compounded annually, at the fund interest rates, from the date of the refund to the date of repayment, the plan administrative agent must reinstate that service.
  - (2) An individual who becomes an active member on or after April 1, 2002 may apply to reinstate a refund under this section on or before the earlier of
    - (a) the date which is 5 years from the time contributions to the Plan re-commenced, and
    - (b) the date which is 30 days after the date of termination of employment.
  - (2.1) For greater certainty, if an active member applies to reinstate a refund in accordance with subsection (2), but fails to complete the reinstatement of such refund in the time and manner specified by the plan administrative agent in accordance with subsection (1), that individual is thereafter ineligible to reinstate such refund unless that individual makes a further application under subsection (2) on or before the earlier of the dates specified in subsection (2).
  - (2.2) If an active member's termination of employment is the result of the employer applying to withdraw from the Plan, or modify its participation in the Plan for the member's employee class and the employer has not provided its employees with satisfactory notice of the purchase application deadline in subsection 2 (b) the plan administrative agent may provide the member with an additional 90 days to apply to purchase the reinstatement period.
  - (3) An individual who was an active member on March 31, 2002 is not eligible to

reinstate a refund under this section.

**23** [SECTION NOT USED]

**Reinstatement and transfer to another plan**

**24** [Repealed]

**Reinstatement on transfer back from a reciprocal employer**

**24.1** [Repealed]

**Division 5 – Other Recognition of Service**

**Purchase of service**

- 25** The board may grant recognition as pensionable service to all or part of the service of an active member as an employee of any employer to whom this Plan applies, but the member and the current employer must contribute to the pension fund additional sums specified by the plan administrative agent in accordance with requirements established by the board or former board.

**Service recognized as contributory and pensionable service**

- 26** (1) In this section “**plan employer**” includes any current or former employer who,
- (a) at the relevant time the service was performed, participated in or currently participates in the Municipal Pension Plan,
  - (b) subsequent to the relevant time, amalgamated with an employer referred to in paragraph (a), or
  - (c) subsequent to the relevant time, was taken over by an employer referred to in paragraph (a).
- (2) Subject to sections 27 and 28, service of a member is declared to be contributory and pensionable service if the service
- (a) was service with a plan employer,
  - (b) was not service for which the member participated in a registered pension plan,
  - (c) was not service for which the member waived enrollment under section 3 (1) (b) or (3) on or after April 1, 2000, and
  - (d) is not pensionable service at the time an application is made under section 27 (1) or (2).

**Conditions for recognition of contributory and pensionable service**

- 27** (1) An individual who becomes a member under this Plan on or after April 1, 2002 may apply to purchase service under section 26 on or before the earlier of
- (a) the date which is 5 years from the date the member enrolls in the Plan, and
  - (b) the date which is 30 days after the date of termination of employment with the employer with whom the member accrued the service to be purchased.

- (1.1) For greater certainty, if an active member applies to purchase non-contributory service in accordance with subsection (1), but fails to complete the purchase of such non-contributory service in the time and manner specified by the plan administrative agent in accordance with section 28(1), that individual is thereafter ineligible to purchase such non-contributory service unless that individual makes a further application under subsection (1) on or before the earlier of the dates specified in subsection (1).
- (1.2) If an active member's termination of employment is the result of the employer applying to withdraw from the Plan, or modify its participation in the Plan for the member's employee class and the employer has not provided its employees with satisfactory notice of the purchase application deadline in subsection 1 (b) the plan administrative agent may provide the member with an additional 90 days to apply to purchase the non-contributory period.
- (2) An individual who was an active member on March 31, 2002 is not eligible to purchase service completed prior to March 31, 2002 under section 26.

#### **Calculation of member and employer contributions**

- 28**
- (1) Subject to subsections (2), (3) and (4), in order to purchase service under section 26 the active member must pay to the pension fund, at the time and in the manner specified by the plan administrative agent, the full cost to purchase the period of non-contributory service.
  - (2) The amount payable under subsection (1) is
    - (a) the sum of the amounts determined in accordance with sections 5 (1) and 6 (1) but using
      - (i) the member's full time equivalent salary payable for the most recent month of employment, and
      - (ii) the current contribution rates applicable to the member and employer with respect to the group the member would have been in had the member contributed to the pension fund during the period of non-contributory servicemultiplied by
    - (b) the number of months and fractions of a month of pensionable service to be credited for the period of non-contributory service.
  - (2.1) [Repealed]
  - (3) Despite subsection (2), the amount payable under subsection (1) to purchase service with an employer participating in the Municipal Pension Plan, for a period of service that was performed before the Plan applied to that employer in respect of the class of employees the member belonged to at the time, shall be the actuarial value of the increase in retirement benefit for the member, determined by the plan administrative agent, which results from the purchase of service.
  - (4) Despite subsection (1), the full cost to purchase the period of non-contributory service may be shared by the active member and the employer in such proportions as they may agree.

#### **Transfer of service agreements**

- 29 (1) The board may enter into an agreement with another pension plan, in accordance with the terms and conditions established by the board or former board, to transfer an inactive member's contributory and pensionable service to another pension plan, and to transfer an active member's contributory and pensionable service from the other pension plan to this Plan.
- (2) [Repealed]
- 30 to 40 [SECTIONS NOT USED]

### Division 6 – Limitations on Recognition of Service

#### **Income Tax Act (Canada) limits**

- 41 (1) In this section, “**defined benefit limit**” for a calendar year means the greater of
- (a) \$1,722.22, and
  - (b) 1/9 of the money purchase limit for the year.
- (2) If the period of a leave of absence of an active member is included as contributory and pensionable service by another employer under this Plan or by another plan registered under the *Income Tax Act* (Canada), the period of the leave of absence may be purchased under this Part provided that
- (a) the benefits for the period of leave are retroactively provided after April 30 of the year immediately following the year in which the member returns to work, and
  - (b) Canada Revenue Agency certifies the past service pension adjustment associated with the purchase.
- (3) A member cannot purchase service under this Part that would result in pensionable service in excess of
- (a) 12 months pensionable service in a calendar year, or
  - (b) a cumulative total of 35 years pensionable service.
- (4) Contributions must not exceed the maximums set out in section 8503 (4) of the Income Tax Regulations under the *Income Tax Act* (Canada) unless the board has obtained a waiver of those maximums under section 8503 (5) of the Income Tax Regulations under the *Income Tax Act* (Canada).
- (5) Contributions made in respect of a calendar year must not be paid before January 1 of that year.
- (6) The maximum service that an active member may purchase for leaves of absence completed after December 31, 1991 is restricted to
- (a) 3 years of pensionable service in respect of any periods of parenting of an individual as defined in section 8507 (3) of the Income Tax Regulations made under the *Income Tax Act* (Canada), and
  - (b) 5 years of pensionable service in respect of other recognized leaves of absence.

- (7) Service before January 1, 1990 will only be recognized if the lifetime retirement benefit for the year does not exceed  $\frac{2}{3}$  of the defined benefit limit for the year in which the benefits begin to be paid, or such greater amount as is permitted by subsection 8504(6) of the Income Tax Regulations made under the *Income Tax Act* (Canada).
- (8) Subsection (7) does not apply for a particular calendar year if
  - (a) a period in the particular calendar year was pensionable service under a registered pension plan before June 8, 1990,
  - (b) the member was entitled, on June 7, 1990, under an arrangement in writing, to be provided with lifetime retirement benefits in respect of a period in the particular calendar year, whether or not the entitlement was conditional on contributions being made, and
  - (c) at the beginning of the particular calendar year, a period in the preceding calendar year was pensionable service of the member and the member was disabled or on a leave of absence.
- (9) For service after December 31, 1989, only service for which the plan administrative agent has received Canada Revenue Agency certification of the past service pension adjustment is eligible for reinstatement.
- (10) Service recognized under this Part must be eligible service as defined under the *Income Tax Act* (Canada) and its regulations.

#### **PART 4 – TERMINATION BENEFITS**

##### **Eligibility for termination benefits**

- 42** (1) Subject to subsections (2) through (4), a member who terminates employment on or after September 30, 2015, is eligible to receive one of the following:
  - (a) [Repealed]
  - (b) a deferred retirement benefit under section 45 (1) or;
  - (c) a commuted value under section 46 if the member's age is less than earliest retirement age.
- (2) Despite subsection (1), an inactive member is not eligible to receive a termination benefit under this Part if the member is eligible to receive an immediate retirement benefit under Part 5.
- (2.1) Subsection 2 does not apply to an inactive member who terminates employment within the 90 day period preceding earliest retirement age and who elects the commuted value option within the guarantee period as provided for in the termination benefits statement.
- (3) [Repealed]
- (4) A member is not eligible to receive a termination benefit under this Part if the member again becomes an employee, in respect of whom an employer is required to deduct contributions under section 5, within 90 days of termination

of employment.

#### **Termination benefits statement**

- 43** (1) The plan administrative agent must provide the inactive member with a termination benefits statement in the manner required by the *Pension Benefits Standards Act*.
- (2) If a member who is eligible for a termination benefit in accordance with section 42 elects an option as provided for in the termination benefits statement and returns the completed election to the plan administrative agent, the plan administrative agent must make the payment, if applicable, in accordance with this Part.

#### **Calculation of a refund of member's contributions**

- 44** (1) If a member is eligible, on application, to receive a payment in the amount of the member's contributions, including interest, the interest will be compounded annually, at the refund interest rates determined in accordance with subsections (2) and (4) from the member's enrollment date to the end of the month immediately before the date of calculation.
- (2) The interest payable under subsection (1) must be calculated as if
- (a) the contributions made during the fiscal year in which the refund is paid were due and payable in a lump sum on the first day of the month in which payment of the refund is made, and
  - (b) the contributions made during any other fiscal years were due and payable in a lump sum on December 31 in those other fiscal years.
- (3) The contributions referred to in subsection (1) do not include the employer's contributions.
- (4) Interest is also payable from the date of calculation to the end of the month immediately before the date of payment.
- (5) If under this Part a refund or other amount is payable to a member on an unlocked basis, the payment may be transferred to an RRSP or RRIF.

#### **Calculation of deferred retirement benefit**

- 45** (1) A member who
- (a) is eligible for a termination benefit under section 42 (1) (b), and
  - (b) elects to receive a deferred retirement benefit,
- is eligible to receive a retirement benefit calculated in accordance with sections 54 and 55 when the member reaches earliest retirement age.
- (2) For greater certainty, an inactive member who
- (a) terminated employment before April 1, 2000,
  - (b) was eligible to receive a deferred retirement benefit under the rules of the *Pension (Municipal) Act*, R.S.B.C. 1996, c. 355, or any predecessor to that Act, as it read at the date of termination of employment, and



- (c) applies to receive the deferred retirement benefit,  
is entitled to receive that retirement benefit in accordance with the rules in force at the date of termination of employment.
- (3) Despite subsection (2), if an inactive member terminated employment before April 1, 2000 and is entitled to a reduced retirement benefit with an effective date on or after April 1, 2000, the retirement benefit must be calculated by using the formula described in section 54, but any reduction required by the rules in force at the date of termination must be applied to each of the amounts determined under section 54 (1) and (2) and, if applicable, section 54 (1.1).

**Calculation of commuted value benefit**

- 46** (1) Subject to subsection (2), an inactive member who
- (a) is eligible for a termination benefit under section 42 (1) (c), and
  - (b) elects to receive a commuted value, including interest, if any, on the commuted value,
- will receive that payment calculated on the basis of the method specified by the board.
- (1.1) For greater certainty, an inactive member who
- (a) terminated employment before April 1, 2000,
  - (b) was eligible to receive a commuted value under the rules of the *Pension (Municipal) Act*, R.S.B.C. 1996, c. 355, or any predecessor to that Act, as it read at the date of termination of employment, and
  - (c) applies to receive the commuted value,
- is entitled to receive that payment in accordance with the rules in force at the date of termination of employment.
- (1.2) Despite subsection (1.1), if an individual described in subsection (1.1) is entitled to a reduced retirement benefit with an effective date on or after April 1, 2000, then the commuted value, if not yet paid, must be calculated by using the formula described in section 54, but any reduction required by the rules in force at the date of termination must be applied to each of the amounts determined under section 54 (1) and (2) and, if applicable, section 54 (1.1).
- (2) If the plan administrative agent is satisfied that the commuted value must be transferred on a locked-in basis, it may be transferred to
- (a) another registered pension plan,
  - (b) a locked-in retirement account,
  - (c) a life income fund, or
  - (d) an insurance company or other financial institution
- in accordance with the requirements of the *Pension Benefits Standards Act* for the transfer of locked-in funds.
- (3) The locked-in requirement of subsection (2) does not apply to a member who
- (a) has been absent from Canada for 2 or more years, and
  - (b) has become a non-resident of Canada as determined for the purpose of the *Income Tax Act* (Canada).

**Voluntary contributions benefit**

- 47 A member who is entitled to a benefit under this Part and who has voluntary contributions in the retirement annuity account is entitled to a refund of the voluntary contributions balance in that account including interest at fund interest rates.

**Lump sum payment instead of small deferred retirement benefit**

- 48 (1) Despite section 42 and sections 45 to 47, a member may elect to receive, instead of a deferred retirement benefit, a payment equal to the commuted value of the retirement benefit if the commuted value is not greater than 20% of the year's maximum pensionable earnings for the calendar year in which the most recent calculation of the commuted value was made.
- (2) Despite any provision of this Plan respecting the payment of the commuted value, if the amount of a member's contributions plus accrued interest exceeds the commuted value, the member's contributions plus accrued interest, at refund interest rates, must be paid.

**Income Tax Act (Canada) limits**

- 49 (1) Benefits payable under this Part for service accrued after December 31, 1991 are limited
- (a) by the maximum benefit accrual rate set out in paragraph 8503 (3) (g) of the Income Tax Regulations under the *Income Tax Act* (Canada), and
  - (b) to pension benefits in accordance with the maximum lifetime retirement benefits as set out in section 8504 of the Income Tax Regulations under the *Income Tax Act* (Canada).
- (2) The manner in which benefits are payable under this Part for service accrued after December 31, 1991 must be in accordance with section 8517 of the Income Tax Regulations under the *Income Tax Act* (Canada).
- (3) Commencement of the payment of benefits must not be delayed beyond latest retirement age.

**PART 5 – RETIREMENT BENEFITS****Eligibility for retirement benefit**

- 50 An active member who, on or after September 30, 2015, terminates employment on or after reaching earliest retirement age is, on application, entitled to receive a retirement benefit calculated in accordance with sections 54 and 55.

- 51 [Repealed]

**Retirement benefits statement**

- 52 (1) The plan administrative agent must provide to the member a retirement benefits statement in the manner required by the *Pension Benefits Standards Act*.
- (2) If a member who is eligible for a retirement benefit under section 50 elects an option as provided in the retirement benefits statement and returns the

completed election to the plan administrative agent, the plan administrative agent must make the payment in accordance with this Part.

**Effective date of retirement benefit**

- 53** (1) A retirement benefit will be granted on
- (a) the first day of the month following the month for which final payment of salary is made,
  - (b) the first day of the month in which the application for a retirement benefit is filed with the plan administrative agent, or
  - (c) the first day of the month following the month in which the member first becomes eligible to receive a retirement benefit,
- whichever is latest.
- (2) Despite subsection (1) (b), if a member fails to apply for a retirement benefit on or before its eligibility date and, in the opinion of the plan administrative agent, the failure to apply is due to
- (a) the member being incapable of managing the member's affairs, or
  - (b) another good and sufficient reason,
- the plan administrative agent may grant a retirement benefit effective the date the member would have, but for the failure to apply, begun receiving it.
- (3) Commencement of the payment of benefits must not be delayed beyond latest retirement age.

**Calculation of unreduced retirement benefits**

- 54** (1) Subject to subsections (1.1) and (3) and sections 55 and 56, a member referred to in subsection 45 (1) or section 50 is entitled to receive a pension that is the sum of
- (a) 1.3% of the lesser of
    - (i) the member's highest average salary, and
    - (ii) 1/12 of the year's maximum pensionable earnings for the calendar year immediately before the calendar year of the effective date of the retirement benefit payable to the member,multiplied by the number of years of pensionable service accrued before January 1, 2022 while the member participated in group 1,
  - (b) 2% of the excess of the member's highest average salary over the amount determined under paragraph (a), multiplied by the number of years of pensionable service accrued before January 1, 2022 while the member participated in group 1,
  - (c) 1.9% of the member's highest average salary multiplied by the number of years of pensionable service accrued after December 31, 2021 while the member participated in group 1,
  - (d) 1.3% of the lesser of
    - (i) the member's highest average salary, and

- (ii) 1/12 of the year's maximum pensionable earnings for the calendar year immediately before the calendar year of the effective date of the retirement benefit payable to the member,  
multiplied by the number of years of pensionable service accrued while the member participated in group 2,
  - (e) 2% of the excess of the member's highest average salary over the amount determined under paragraph (d), multiplied by the number of years of pensionable service accrued while the member participated in group 2,
  - (f) 1.63% of the lesser of
    - (i) the member's highest average salary, and
    - (ii) 1/12 of the year's maximum pensionable earnings for the calendar year immediately before the calendar year of the effective date of the retirement benefit payable to the member,  
multiplied by the number of years of pensionable service accrued before January 1, 2022 while the member participated in group 5,
  - (g) 2.33% of the excess of the member's highest average salary over the amount determined under paragraph (f), multiplied by the number of years of pensionable service accrued before January 1, 2022 while the member participated in group 5, and
  - (h) subject to subsection 87 (6), 2% of the member's highest average salary multiplied by the number of years of pensionable service accrued after December 31, 2021 while the member participated in group 5.
- (1.1) If a member does not have 35 years of pensionable service for the purposes of subsection (1) and has, before April 1, 2002, purchased pensionable service in respect of service that occurred before the date on which this Plan first applied to the member's employer, subsection (1) applies to that service as follows:
  - (a) the 1.3% referred to in paragraphs (1) (a) and (1) (d) is deemed to be 1.05%,
  - (b) the 1.63% referred to in paragraph 1 (f) is deemed to be 1.05%,
  - (c) the 2% referred to in paragraphs (1) (b) and (e) is deemed to be 1.75%,
  - (d) the 2.33% referred to in paragraph (1) (g) is deemed to be 1.75%, and
  - (e) for the purposes of the calculations under subsection (1), the pensionable service accrued before the date on which this Plan first applied to the member's employer must be used, but the cumulative pensionable service cannot exceed 35 years.
- (2) Subject to subsection (3) and section 55, a member entitled to a pension under subsection (1) is also entitled to a monthly bridge benefit, payable until the earlier of the death of the member and the member reaching age 65, that is the sum of
  - (a) 0.7% of the lesser of
    - (i) the member's highest average salary, and
    - (ii) 1/12 of the year's maximum pensionable earnings for the calendar year immediately before the calendar year of the effective date of the retirement benefit payable to the member,  
multiplied by the number of years of pensionable service accrued before January 1, 2022 while the member participated in group 1, group 5 or both, as applicable,
  - (b) 0.7% of the lesser of

- (i) the member's highest average salary, and
  - (ii) 1/12 of the year's maximum pensionable earnings for the calendar year immediately before the calendar year of the effective date of the retirement benefit payable to the member,

multiplied by the number of years of pensionable service accrued while the member participated in group 2, and
- (c) 0.21% of the lesser of
  - (i) the member's highest average salary, and
  - (ii) 1/12 of the year's maximum pensionable earnings for the calendar year immediately before the calendar year of the effective date of the retirement benefit payable to the member,

multiplied by the number of years of pensionable service accrued after December 31, 2021 while the member participated in group 5.
- (3) Despite subsections (1) and (2), only the first 35 years of pensionable service of a member shall be recognized in the calculations provided for in subsections (1) and (2). Any service after the date employer contributions stop in respect of a member pursuant to paragraph 6 (6) (b) shall be ignored for all purposes of the calculations in subsections (1) and (2) other than the determination of the member's highest average salary.
- (4) A member who is entitled to a benefit under this section and who has voluntary contributions in the retirement annuity account is entitled to
  - (a) a benefit in an amount obtained by converting to a pension the voluntary contributions balance in that account, including interest at fund interest rates on those contributions, or
  - (b) a refund of the voluntary contributions balance in that account, including interest at fund interest rates on those contributions.

#### **Calculation of reduced retirement benefits**

- 55**
- (1) If on the effective date of the retirement benefit payable to a member referred to in subsection 45 (1) or section 50 the member has not reached age 65, the retirement benefit payable to the member under subsections 54 (1) and (2) shall be subject to adjustment in accordance with this section 55.
  - (2) If the member has not completed two years of contributory service, the portions of the retirement benefit payable in respect of:
    - (a) the member's participation in group 1 before January 1, 2022 pursuant to paragraphs 54 (1) (a) and (b) and paragraph 54 (2) (a) must each be reduced by 3% for each year by which the member's age is less than age 65,
    - (b) the member's participation in group 1 after December 31, 2021 pursuant to paragraph 54 (1) (c) must be reduced by 5.2% for each year of age by which the member's age is less than age 65,
    - (c) the member's participation in group 2 or group 5 pursuant to paragraphs 54 (1) (d) through (h) and paragraphs 54 (2) (a) through (c) must each be reduced by 3% for each year of age by which the member's age is less than age 60,

and in each case the percentage must be prorated for fractions of years.

- (3) If the member has completed at least two years of contributory service, the portions of the retirement benefit payable in respect of:
- (a) the member's participation in group 1 before January 1, 2022 pursuant to paragraphs 54 (1) (a) and (b) and paragraph 54 (2) (a) must each be reduced by 3% for each year of age by which
    - (i) the member's age is less than age 60, or
    - (ii) the sum of the member's age plus years of contributory service is less than 90 years,whichever is less,
  - (b) the member's participation in group 1 after December 31, 2021 pursuant to paragraph 54 (1) (c) must be reduced by 6.2% for each year of age by which the member's age is less than age 60,
  - (c) the member's participation in group 2 or group 5 pursuant to paragraphs 54 (1) (d) through (h) and paragraphs 54 (2) (a) through (c) must each be reduced by 3% for each year of age by which
    - (i) the member's age is less than age 55, or
    - (ii) the sum of the member's age plus years of contributory service is less than 80 years,whichever is less,
- and in each case the percentage must be prorated for fractions of years.
- (4) Despite paragraph 3 (a), if the member terminated employment,
- (a) before age 50, or
  - (b) after age 50 and before age 55 without completing at least 10 years of contributory service,
- the 3% referred to in paragraph 3 (a) is deemed to be 5%.
- (5) Despite paragraph 3 (c), if the member terminated employment,
- (a) before age 45, or
  - (b) after age 45 and before age 50 without completing at least 10 years of contributory service,
- the 3% referred to in paragraph 3 (c) is deemed to be 5%.
- (6) For the purposes of this section, a member is deemed to attain age 45, 50, 55, 60 or 65 on the last day of the month in which the member attains the relevant age.
- (7) A reduced pension under this Part must have an actuarial present value that is at least equal to the actuarial present value of the pension payable at normal retirement age.

**Options and conditions at retirement**

- 56** (1) Except as otherwise provided in this section, a pension calculated in accordance with sections 54 and 55 is payable for the lifetime of the member with no guaranteed period.
- (2) Despite subsection (1), if the member was employed in group 2 or group 5 after December 31, 2021, the pension calculated in respect of the member's participation in group 2 or group 5, or both, pursuant to paragraphs 54 (1) (d)

through (h) is payable for the lifetime of the member with a 10 year guaranteed period.

- (3) Instead of receiving a pension payable in the form specified in subsection (1) or (2), as applicable, a member may elect to have the pension paid in one of the following options:
  - (a) single life pension with no guaranteed period, payable for the life of the member;
  - (b) single life pension guaranteed, payable for the longer of
    - (i) the life of the member, or
    - (ii) a term certain of 5, 10 or 15 years;
  - (c) joint life and last survivor pension, payable
    - (i) during the joint life of the member and
      - (A) the spouse, or
      - (B) a former spouse who, as a result of a written agreement or court order, has such an entitlement, and
    - (ii) during the life of the survivor;
  - (d) temporary annuity equal to 25%, 50% or 100% of the maximum pension then payable under the *Old Age Security Act* (Canada), payments to cease when the member dies or reaches age 65, whichever first occurs; or
  - (e) a combination of options under paragraphs (a), (b), (c) and (d) as the member, with the approval of the plan administrative agent, may request.
- (4) If a member elects or is required to elect to have the member's pension paid in one of the options specified in subsection (3), the pension must be adjusted so that it is the actuarial equivalent of the pension otherwise payable to the member in the form specified in subsection (1) or (2), as applicable.
- (5) A temporary annuity under paragraph (3) (d) may only be granted in combination with an option under paragraphs (3) (a), (b), (c) or (e).
- (6) If a member has a spouse on the effective date of the member's retirement benefit, the member's pension must be paid on the joint life and last survivor option under subsection (3) (c) pursuant to which on the death of the member the pension payable to the spouse is not less than 60% of the amount of the pension that would have been payable in respect of the member had the member not died, unless the spouse waives this requirement in writing by completion of a form specified by the plan administrative agent or there is filed with the plan administrative agent a written agreement or court order made under Part 5 or 6 of the *Family Law Act* with the same effect.
- (7) If the pension granted to a member includes the single life guaranteed option under subsection (3) (b), and the member dies before the expiration of the term certain, the payments for the remainder of the term must be made to the beneficiary as determined by section 81, in the form of
  - (a) a choice of a monthly payment or lump sum equal to the commuted value of the remaining payments if the beneficiary is a spouse entitled under section 81 (1), or is one or more individuals designated under section 81 (2)
    - (a) (i) or is one or more trustees designated by the member in respect of a minor beneficiary; or

- (b) a lump sum equal to the commuted value of the remaining payments for any other beneficiary including, without limitation, a beneficiary designated under section 81 (2) (a) (ii) or (iii) and a trustee not referred to in paragraph (a) including a trustee of a family or charitable purpose trust.
- (8) If the pension granted to a member includes the single life guaranteed option under subsection (3) (b) and the member dies before the expiration of the term certain, and a beneficiary designated by the member under section 81 (2) (a) (i) dies after the member dies but before the expiration of the term certain
  - (a) where the beneficiary that died was the only beneficiary designated by the member under section 81 (2) (a) (i) the commuted value of the remaining payments must be made to that beneficiary's estate;
  - (b) where the member designated more than one beneficiary under section 81 (2) (a) (i) the commuted value of the remaining payments otherwise payable to the deceased beneficiary must be paid to that beneficiary's estate.
- (9) If the pension granted to a member includes a joint life and last survivor option under subsection (3) (c) and if
  - (a) the joint annuitant and the member die before the expiration of the term certain but the joint annuitant survives the member, the commuted value of the remaining payments must be paid to the estate of the spouse or former spouse;
  - (b) the joint annuitant and the member die before the expiration of the term certain but the member survives the joint annuitant, a choice of a monthly benefit or the commuted value of the remaining payments must be paid to the beneficiary designated by the member under section 81.
- (10) Within 60 days after the date on which the member's retirement benefit is granted, the member may change the pension option initially elected by the member to another option under subsection (3) by notice in writing filed with the plan administrative agent.
- (11) A member may elect to receive, instead of a retirement benefit, a payment equal to the commuted value of the retirement benefit if the commuted value is not greater than 20% of the year's maximum pensionable earnings for the calendar year in which the most recent calculation of the commuted value was made.
- (12) Except as set out in section 60 (7), a disabled member who reaches pensionable age is not entitled to benefits under this Part.
- (13) If under this Part an amount is payable to a member on an unlocked basis, the payment may be transferred to an RRSP or RRIF.

**Special retirement incentive plan**

- 57**
- (1) An employer may, by resolution, request that the plan administrative agent waive or alter any of the reduction factors provided for in section 55, and the plan administrative agent, with the approval of the board or former board and subject to subsection (2), may make the waiver or alteration.
  - (2) The plan administrative agent must, on request for a waiver or alteration under subsection (1), determine all of the following:
    - (a) the additional cost to the pension fund that results from the payment of a



- retirement benefit to a member by the application of subsection (1);
  - (b) the amount and the time at which additional payments must be made to the pension fund by the employer;
  - (c) the class of members to whom subsection (1) applies;
  - (d) the period of time during which subsection (1) applies;
  - (e) the conditions under which the reduction factors, as applicable, are waived or altered.
- (3) Benefits payable under this Part are subject to the restrictions on early retirement provisions set out in section 8503 (3) of the Income Tax Regulations under the *Income Tax Act* (Canada).

**58** [SECTION NOT USED]

**Income Tax Act (Canada) limits**

- 59** Pension benefits payable under this Part for service accrued after December 31, 1991 are limited
- (a) by the maximum benefit accrual rate set out in paragraph 8503 (3) (g) of the Income Tax Regulations under the *Income Tax Act* (Canada), and
  - (b) to the maximum lifetime retirement benefits set out in section 8504 of the Income Tax Regulations under the *Income Tax Act* (Canada).

## **PART 6 – DISABILITY BENEFITS**

**Eligibility for disability benefits**

- 60** (1) This Part applies to an active member who terminates employment on or after June 26, 2024 and who has not been granted a benefit under Part 4 or 5.
- (1.1) An active member who terminated employment before June 26, 2024 and who has not been granted a benefit under Part 4 or 5 is entitled to receive a disability benefit in accordance with the terms of this Part as it read on the day the active member terminated employment.
- (1.2) In this Part, and subject to subsections (4) and (4.1), “**totally and permanently disabled**” means, in relation to an individual, to be suffering from a mental or physical condition that
- (a) prevents the individual from engaging in any employment for which the individual is reasonably suited by virtue of the individual’s education, training or experience, and
  - (b) can reasonably be expected to last for the remainder of the individual’s lifetime.
- (2) An individual described in subsection (1) is eligible to receive a disability benefit determined in accordance with section 63 if the individual:
- (a) has terminated employment,
  - (b) has completed at least 2 years of contributory service,
  - (c) is totally and permanently disabled before reaching pensionable age, and

- (d) is not eligible to receive a monthly income benefit under a group disability plan.
- (2.1) Despite subsection (2), an individual who has received a lump sum payment in lieu of a continued monthly income benefit under a group disability plan is not eligible to receive a disability benefit under this Part.
- (3) The disability benefit that an individual is eligible to receive under subsection (2) is only to be granted on application by the individual within 2 years after the date of the last contribution, or deemed contribution, made to the pension fund and with the approval of the plan administrative agent.
- (3.1) Despite subsection (3), if an individual fails to apply for a disability benefit within 2 years after the date of the last contribution, or deemed contribution, made to the pension fund and, in the opinion of the plan administrative agent, the failure to apply is due to
  - (a) the individual being incapable of managing the individual's affairs, or
  - (b) another good and sufficient reason,the plan administrative agent may grant a disability benefit to the individual.
- (4) An individual is not totally and permanently disabled unless, within 2 years after the date of the last contribution, or deemed contribution, made to the pension fund,
  - (a) the individual has been examined by a medical doctor or a nurse practitioner who is licensed to practice under the laws of a province or of the place where the individual resides,
  - (b) the medical doctor or nurse practitioner determines that the disability arises from the mental or physical condition of the individual,
  - (c) the medical doctor or nurse practitioner certifies in writing, in a form acceptable to the plan administrative agent, that, to the best of their knowledge and belief, the individual is totally and permanently disabled, and
  - (d) a medical practitioner appointed by the plan administrative agent reviews the written certification provided pursuant to paragraph (c), and confirms the individual is totally and permanently disabled.
- (4.1) Despite subsection (4), for purposes of granting a disability benefit under subsection (3.1), an individual is not totally and permanently disabled unless
  - (a) the individual has been examined by a medical doctor or a nurse practitioner who is licensed to practice under the laws of a province or of the place where the individual resides,
  - (b) the medical doctor or nurse practitioner determines that the disability arises from the mental or physical condition of the individual,
  - (c) the medical doctor or nurse practitioner certifies in writing, in a form acceptable to the plan administrative agent, that, to the best of their knowledge and belief, the individual
    - (i) was totally and permanently disabled within 2 years after the date of

- the last contribution, or deemed contribution made to the pension fund, and
- (ii) continues to be totally and permanently disabled, and
  - (d) a medical practitioner appointed by the plan administrative agent reviews the written certification provided pursuant to paragraph (c), and confirms the individual is totally and permanently disabled.
- (5) [Repealed]
- (6) If for any reason the plan administrative agent determines that a disabled member has recovered and is no longer totally and permanently disabled, the disability benefit must, immediately after that determination is made, be discontinued as follows:
- (a) if the individual does not re-enter service and resume contributions, the individual is entitled to apply for a benefit under Part 4 or 5 when the individual qualifies for a benefit;
  - (b) if the individual re-enters service and resumes contributions, any later calculation or determination with respect to that individual must be made as if the disability benefit had not been paid during the disability.
- (7) If a disabled member reaches pensionable age, then despite any other provision of this Plan, the disabled member will:
- (a) continue to receive the benefit then being paid to the disabled member in accordance with sections 63 and 64 for the remainder of the disabled member's lifetime, or, if applicable, the disabled member's spouse's lifetime, regardless of whether after reaching pensionable age the disabled member remains totally and permanently disabled or returns to work;
  - (b) in respect of such benefit, be deemed to be a retired member in receipt of a pension under Part 5; and
  - (c) cease to be a disabled member.

**Disability benefits statement**

- 61** (1) The plan administrative agent must provide to an individual described in section 60 (2) a disability benefits statement upon request.
- (2) If such individual elects an option provided for in the disability benefits statement and returns the completed election to the plan administrative agent, the plan administrative agent must make the payment in accordance with this Part.

**Effective date of disability benefits**

- 62** (1) A disability benefit will be granted on
- (a) the first day of the month following the month for which final payment of salary was made, or
  - (b) the first day of the month in which the application for a disability benefit is filed with the plan administrative agent,

whichever is later.

- (2) Despite subsection (1) (b), if an individual fails to apply for a disability benefit on or before its eligibility date and, in the opinion of the plan administrative agent, the failure to apply is due to
  - (a) the individual being incapable of managing the individual's affairs, or
  - (b) another good and sufficient reason,the plan administrative agent may grant a disability benefit effective the date the individual would have, but for the failure to apply, begun receiving it.

#### **Calculation of disability benefits**

- 63**
- (1) A disabled member is entitled to receive a disability benefit calculated in accordance with section 54 (1) without any adjustment under section 55.
  - (2) For the purpose of calculating the disability benefit payable under subsection (1), the disabled member's years of pensionable service shall be deemed to be the sum of
    - (a) the years of pensionable service accrued by the disabled member to the date of the disabled member's termination of employment, and
    - (b) one half of the period of pensionable service the disabled member would have accrued in accordance with section 12 between the disability benefit effective date determined in accordance with section 62 and the disabled member's pensionable age had the disabled member remained in service during that period on the basis that the disabled member was employed during the disabled member's last twelve months of active employment.
  - (3) A disabled member who has voluntary contributions in the retirement annuity account is entitled to
    - (a) a benefit in an amount obtained by converting to a pension the voluntary contributions balance in that account, including interest at fund interest rates on those contributions, or
    - (b) a payment of the voluntary contributions balance in that account, including interest at fund interest rates on those contributions.
  - (4) If a payment is payable to a disabled member under subsection (3) (b), the payment may be transferred to an RRSP or RRIF.

#### **Options and conditions at commencement of disability benefit**

- 64**
- (1) Subject to subsections (1.1), (2) and (3), and to section 60 (6), the disability benefit that a disabled member is entitled to receive under this Part is payable for the lifetime of the disabled member with no guaranteed period.
  - (1.1) Despite subsection (1), and subject to section 60 (6), if a disabled member entitled to receive a disability benefit under this Part was employed in group 2 or group 5 after December 31, 2021, the disability benefit otherwise payable under subsection (1) in respect of the disabled member's participation in group 2 or group 5, or both, must be adjusted so that it is the actuarial equivalent of a benefit payable for the lifetime of the disabled member with a 10 year

guaranteed period.

- (2) Despite subsection (1), and subject to section 60 (6), if the disabled member has a spouse on the date the disability benefit commences payment, the disability benefit is paid on the joint life and last survivor option under section 56 (3) (c) on the basis that the survivor receives 100% of the pension that was payable during the joint life of the disabled member and the spouse, unless the spouse waives this requirement in writing by completion of a form specified by the plan administrative agent or there is filed with the plan administrative agent a written agreement or court order made under Part 5 or 6 of the *Family Law Act* with the same effect. The disability benefit payable under this subsection (2) must be adjusted so that it is the actuarial equivalent of the disability benefit otherwise payable to the disabled member pursuant to subsection (1) and, if applicable, subsection (1.1).
- (3) When the disability benefit stops, other than in the circumstances described in section 60 (6), there must be paid to the estate of the disabled member or of the spouse, as the case may be, the amount by which the value of the disabled member's contributions under this Plan, together with interest at the refund interest rates to the end of the month preceding the effective date of the disability benefit payable to the disabled member, exceeds the total value of all benefit payments made to or on behalf of the disabled member under this Plan.

#### **Income Tax Act (Canada) limits**

- 65 (1) Benefits payable under this Part are limited to the maximums set out in section 8503 (3) of the Income Tax Regulations under the *Income Tax Act* (Canada).
- (2) Pension benefits payable for service accrued after December 31, 1991 are limited to the maximum lifetime retirement benefits set out in section 8504 of the Income Tax Regulations under the *Income Tax Act* (Canada).

### **PART 7 – PRE-RETIREMENT DEATH BENEFITS**

#### **Eligibility for pre-retirement death benefits**

- 66 This Part applies to a member who dies on or after November 1, 1999 but before being granted a benefit under Part 4 or 5.

#### **Pre-retirement death benefits statement**

- 67 (1) The plan administrative agent must provide to the member's beneficiary a pre-retirement death benefits statement in the manner required by the *Pension Benefits Standards Act*.
- (2) If the member's beneficiary is eligible for a pre-retirement death benefit under this Part and applies to the plan administrative agent for that benefit, the plan administrative agent must pay the benefit in accordance with this Part.

#### **Effective date of pre-retirement death benefit**

- 68 If payable, a pension determined in accordance with section 69 will be granted on

the first day of the month following the member's date of death.

**Calculation of pre-retirement death benefit**

**69** (1) [Repealed]

- (2) If a member dies and there is no surviving spouse or a valid spousal waiver or satisfactory confirmation that section 145 of the *Family Law Act* applies has been filed with the plan administrative agent, a benefit equal to the greater of
- (a) a refund calculated in accordance with section 44, and
  - (b) the commuted value calculated in accordance with section 46, which the member would have been entitled to in respect of the member's pensionable service had the member terminated employment immediately before death

is payable to the beneficiary as determined by section 81 (2) and 81.1.

For greater clarity, if a valid spousal waiver or satisfactory confirmation that section 145 of the *Family Law Act* applies has been filed with the plan administrative agent, in no case is the surviving spouse entitled to receive the benefit as a designated beneficiary under sections 81 or 81.1.

- (3) If a member who has not attained earliest retirement age dies, there is a surviving spouse, and a valid spousal waiver or satisfactory confirmation that section 145 of the *Family Law Act* applies has not been filed with the plan administrative agent, the spouse may elect to receive either
- (a) a benefit equal to the greater of
    - (i) a refund calculated in accordance with section 44, and
    - (ii) the commuted value calculated in accordance with section 46which the member would have been entitled to in respect of the member's pensionable service had the member terminated employment immediately before death, or,
  - (b) an immediate pension that is actuarially equivalent to the amount calculated under paragraph (a) (ii), and payable for the life of the spouse.
- (4) If a member who has attained earliest retirement age dies, there is a surviving spouse, and a valid spousal waiver or satisfactory confirmation that section 145 of the *Family Law Act* applies has not been filed with the plan administrative agent, the spouse is entitled to an immediate pension that is actuarially equivalent to the amount calculated under subsection (3) (a) (ii), and payable for the life of the spouse.
- (4.1) If a surviving spouse dies prior to making an election under subsection (3), or prior to receiving an immediate pension under subsection (4), a benefit equal to the greater of
- (a) a refund calculated in accordance with section 44, and
  - (b) the commuted value calculated in accordance with section 46
- which the member would have been entitled to in respect of the member's pensionable service had the member terminated employment immediately before death is payable to the surviving spouse's estate.

- (5) [Repealed]
- (6) A surviving spouse may elect to receive, instead of a pension calculated under subsection (3) or (4), a payment equal to the commuted value of the pension if the commuted value is not greater than 20% of the year's maximum pensionable earnings for the calendar year in which the most recent calculation of the commuted value was made.
- (7) If the plan administrative agent is satisfied that the commuted value must be transferred on a locked-in basis, it may be transferred to
  - (a) another registered pension plan,
  - (b) a locked-in retirement account,
  - (c) a life income fund, or
  - (d) an insurance company or other financial institution,in accordance with the requirements of the *Pension Benefits Standards Act* for the transfer of locked-in funds.
- (8) The locked-in requirement of subsection (7) does not apply to a surviving spouse or former spouse who
  - (a) has been absent from Canada for 2 or more years, and
  - (b) has become a non-resident of Canada as determined for the purpose of the *Income Tax Act* (Canada).
- (9) The beneficiary of a member who has voluntary contributions in the retirement annuity account must be paid a refund of the voluntary contributions balance in that account including interest at fund interest rates.
- (9.1) Despite subsection (9), if the spouse of the member is the beneficiary, the spouse is entitled to a benefit in the amount obtained by converting to a pension the voluntary contributions in the retirement annuity account including interest at fund interest rates.
- (10) Despite any other provision of this Part, if a member who terminated employment before January 1, 1998 dies on or after April 1, 2000, and
  - (a) was not entitled to a deferred or immediate retirement benefit or a commuted value at the time of termination of employment, then the entitlement to a pre-retirement death benefit is a refund calculated in accordance with section 44,
  - (b) was entitled to a deferred retirement benefit at the time of termination of employment and was not entitled to an immediate retirement benefit at the time of death, then the entitlement to a pre-retirement death benefit is
    - (i) the benefit described in subsection (2) if there is no surviving spouse or a valid spousal waiver has been filed with the plan administrative agent, or
    - (ii) the benefit described in subsection (3) if there is a surviving spouse and a valid spousal waiver has not been filed with the plan administrative agent, or
  - (c) was entitled to an immediate retirement benefit at the time of termination

of employment or was entitled to a deferred retirement benefit at the time of termination of employment and to an immediate retirement benefit at the time of death, then the entitlement to a pre-retirement death benefit is

- (i) the pension described in subsection (4) if there is a surviving spouse and a valid spousal waiver has not been filed with the plan administrative agent, or
  - (ii) the benefit described in subsection (2) if there is no surviving spouse or a valid spousal waiver has been filed with the plan administrative agent.
- (11) If under this Part a refund or other amount is payable on an unlocked basis, the payment may be transferred to an RRSP or RRIF to the extent permitted by the *Income Tax Act* (Canada).

#### **Options and conditions of pension benefits**

- 70** (1) Despite any other provision of this Part, if a member is separated or divorced and, as a result of a written agreement or court order made under Part 5 or 6 of the *Family Law Act*, the former spouse is entitled to a portion of the benefit payable under section 69 on the death of the member, the former spouse is entitled to that portion whether or not the member has nominated the former spouse or any other beneficiary.
- (2) Despite subsection (1), if the plan administrative agent has paid a benefit under section 69 on the death of a member before receiving notice of an agreement or court order, the plan administrative agent is not liable to make any payment to the former spouse except in accordance with section 77.
- (3) Despite any other provision of this Part, the remainder of the benefit over the amount of the court order or separation agreement must be paid to the beneficiary described in section 81 as the benefit would have been paid under section 69 had there been no court order or separation agreement.

#### ***Income Tax Act* (Canada) limits**

- 71** Benefits payable under this Part are limited to the maximums set out in section 8503 (2) of the *Income Tax Regulations* under the *Income Tax Act* (Canada).

## **PART 8 – RETIRED MEMBER BENEFITS**

#### **Source of payments**

- 72** The pensions, bridge benefits, temporary annuities, monthly benefits and disability benefits paid under Parts 5, 6 and 7 must be paid monthly from the pension fund, including a full payment for the month in which the member dies or payment of the benefit ends.

#### **Cost of living benefits**

- 73** (1) Cost of living benefits to members who receive an indexable benefit under this Plan are funded from the inflation adjustment account.



- (2) On January 1 of each year, the board must grant cost of living benefits to members in accordance with this section. If on the day a cost of living benefit is granted, the indexable benefit has been paid for a period of less than 12 months, the cost of living benefit must be reduced to the amount obtained by multiplying it by  $\frac{1}{12}$  for each complete month during which the indexable benefit was paid.
- (3) The portion of the indexable benefit eligible for adjustment is the total amount of the indexable benefit, including any previous cost of living benefit, less the sum of any pension provided in respect of voluntary contributions.
  - (a) [Repealed]
- (4) The amount of a cost of living benefit granted on any January 1 must not exceed the amount obtained by multiplying
  - (a) the percentage increase in the consumer price index over the 12 months ending on the immediately preceding September 30by
  - (b) the portion of the indexable benefit eligible for adjustment on that January 1.
- (5) Subject to subsection (4), the cost of living benefits must be
  - (a) an amount, in total, that has a capitalized value less than or equal to the amount in the inflation adjustment account on the preceding September 30, and
  - (b) calculated to provide a uniform percentage increase in the portion of the indexable benefit eligible for adjustment.
- (6) The total capitalized value of all cost of living benefits granted on any January 1 under this section must not exceed the amount the plan administrative agent determines is in the inflation adjustment account on the preceding September 30.
- (7) The capitalized value of the aggregate of the cost of living benefits granted annually under this section must be transferred from the inflation adjustment account to the basic account.
- (8) A cost of living benefit ends when the part of the indexable benefit on which the cost of living benefit is based ends.

**Public sector remuneration after retirement**

- 74**
- (1) If a retired member becomes an employee to whom this Plan would otherwise apply, the retired member must continue to receive a retirement benefit. For greater clarity, the retired member is not eligible to make contributions and accrue service in respect of the re-employment.
  - (2) This section does not apply to a person who is considered a retired member solely because the person is receiving a pension or monthly benefit following the death of a member.
  - (3) Despite subsections (1) and (2), if prior to June 24, 2015 a re-employed retired

member elected to become an active member and began making contributions with respect to a period of re-employment pursuant to subsection 74 (1) (b) as it read immediately prior to June 24, 2015, the retirement benefit payable to that member on termination of that period of re-employment must be determined in accordance with the terms of subsection 74 (4) as it read immediately prior to June 24, 2015. If after commencing such a retirement benefit that individual again becomes an employee to whom this Plan would otherwise apply, subsection (1) applies to that individual.

## **PART 9 – PENSION FUND**

### **Accounts in the pension fund**

- 75** (1) The pension fund is divided into the following 4 accounts:
- (a) the basic account;
  - (b) the inflation adjustment account;
  - (c) the supplemental benefits account;
  - (d) the retirement annuity account.
- (2) The basic account consists of all the assets of the pension fund other than assets in the inflation adjustment account, the supplemental benefits account and the retirement annuity account.
- (3) The inflation adjustment account consists of
- (a) member contributions made under section 5 (1) (b),
  - (b) employer contributions made under section 6 (1) (b) less
    - (i) 0.6% of salaries deducted from such contributions in accordance with the Municipal Pension Plan Joint Trust Agreement to fund the Municipal Retiree Benefit Trust, and
    - (ii) amounts in excess of those described in subparagraph (i) deducted from such contributions in accordance with the Municipal Pension Plan Joint Trust Agreement to fund the Municipal Retiree Benefit Trust.
  - (iii) [Repealed]
  - (iv) [Repealed]
  - (c) net investment income earned on the account, and
  - (d) [Repealed]
- (d.1) amounts transferred to the inflation adjustment account under section 75 (5) less
- (e) amounts transferred to the basic account under sections 73 and 88,
  - (f) amounts refunded to a former member in respect of contributions made under section 5 (1) (b), or transferred out of the pension fund in respect of member contributions made under section 5 (1) (b), employer contributions made under section 6 (1) (b) or transfers under section 29,

- (g) amounts determined by the plan administrative agent in respect of the portion of the commuted value or transfer of the actuarial reserve value that is attributable to the cost of living adjustment that is transferred out of the pension fund in accordance with section 29 or 46, section 69 (2) (b) or (3) (a),
  - (h) amounts transferred to the basic account that are equal to the capitalized value of the increase in a member's retirement benefit resulting from any increase in the member's highest average salary under section 100, and
  - (i) amounts contributed to the supplemental benefits account under subsection (4) (d).
- (4) The supplemental benefits account consists of
- (a) contributions to the pension fund provided for in section 86,
  - (a.1) amounts deducted from employer contributions under section 75 (3) (b) in accordance with the Municipal Pension Plan Joint Trust Agreement to fund the Municipal Retiree Benefit Trust,
  - (b) amounts deducted from contributions under section 6 (1) (a) specified by the plan administrative agent as necessary to cover any annual shortfall between current assets in the account and the cost of providing benefits under section 87 and the cost of providing cost of living benefits under section 88,
  - (c) amounts deducted from contributions under section 6 (1) (a) which are specified by the plan administrative agent to be required to pay for the cost of administering the account, including the costs to administer any benefits under Part 11, and
  - (d) other amounts that may be specified by the board or former board,
- less
- (e) amounts paid in respect of benefits under section 87,
  - (f) amounts paid in respect of cost of living benefits under section 88,
  - (g) amounts deducted from employer contributions under section 75 (3) (b) in accordance with the Municipal Pension Plan Joint Trust Agreement and paid to the Municipal Retiree Benefit Trust, and
  - (g.1) [Repealed]
  - (h) amounts determined by the plan administrative agent as the cost of administering the account, including the costs to administer any benefits under Part 11.
- (5) The retirement annuity account consists of
- (a) voluntary contributions made under section 5 (3) of the *Pension (Municipal) Act*, R.S.B.C. 1979, c. 317, as it read on December 31, 1992,
  - (b) the credit balance in the retirement annuity account on March 31, 1958 under the *Municipal Superannuation Act*, R.S.B.C. 1948, after deducting the value of the retirement annuities then being paid,
  - (c) special agreement contributions made under Part 15 or any predecessor

- provisions relating to special agreements, and
  - (d) net investment income earned on the account,
- less amounts transferred to the basic account and the inflation adjustment account for the retirement annuity portion of the benefits paid.
- (6) The plan administrative agent must keep an account of
    - (a) all contributions and money received and all money paid out, and
    - (b) all assets and liabilities of the pension fund.
  - (7) Subject to section 59 of the *Pension Benefits Standards Act*, the plan administrative agent may return to a member or employer, or to the supplemental benefits account, any contributions that are inadvertently made to the basic account which are in excess of the maximum contributions set out in the *Income Tax Act* (Canada).

## **PART 10 – GENERAL ADMINISTRATIVE REQUIREMENTS**

### **Assignment**

- 76 Benefits payable under the Plan must not be assigned, charged, attached, anticipated, surrendered or given as security, and any transaction purporting to assign, charge, attach, anticipate, surrender or give as security a benefit is void.

### **Separation agreements and court orders**

- 77 (1) If a member is separated or divorced and there is a written agreement or court order made under Part 5 or 6 of the *Family Law Act* under which the former spouse is entitled to, or relinquishes entitlement to, the benefits under this Plan or has that entitlement cancelled, a copy of that written agreement or court order must be filed with the plan administrative agent before the earlier of
  - (a) the death of the member, and
  - (b) the date the member begins receiving a benefit.
- (2) If the written agreement or court order is not filed within the time required by subsection (1), the plan administrative agent must not make any adjustment in the payment of a benefit
  - (a) other than a pension granted under Part 7, or
  - (b) except as required by the *Family Law Act*.
- (3) If an adjustment is made under subsection (2), the adjustment applies only to payments made after the written agreement or court order is filed.

### **Proof**

- 78 (1) When required by the plan administrative agent, a member or other person claiming a benefit must submit
  - (a) proof respecting
    - (i) age,

- (ii) identity,
  - (iii) marital status,
  - (iv) employment,
  - (v) termination of employment, or
  - (vi) spouse, or
- (b) any proof necessary for the determination of entitlement to a benefit.
- (2) The plan administrative agent may defer the granting of a benefit until proof satisfactory to the plan administrative agent has been submitted.
- (3) The plan administrative agent may require the person to provide evidence to establish the claim, including evidence by way of affidavit or declaration or by certified copy of a certificate or other required document.

**Address of members or persons claiming an interest**

- 79** A member or a person with an interest or entitlement must
- (a) keep the plan administrative agent informed of the member's or person's current address, and
  - (b) in the case of a retired member, report in person or by certificate, using the form specified by the plan administrative agent, as the plan administrative agent may require.

**Employer's duties and rights**

- 80** (1) An employer must do all of the following:
- (a) provide to the plan administrative agent, in the manner and within the time limits specified by the plan administrative agent, complete, accurate and sufficient personal information and records respecting any member or employee as may be necessary for the administration of this Plan;
  - (b) collect and remit to the plan administrative agent all required member and employer contributions in accordance with Part 2;
  - (c) provide each member or employee with the information supplied by the plan administrative agent as required by the *Pension Benefits Standards Act*, and provide any other information and records in the manner, and within the time limits, established by the plan administrative agent;
  - (d) enroll all employees who are eligible to become members of this Plan, or obtain and retain a form of written waiver signed by the employee who is eligible to enroll under section 3 (1) (b) or 3 (3) evidencing the employee's election not to become a member of this Plan; and
  - (e) in the event of the employer's withdrawal from the Plan, or modification of its participation in the Plan, pay to the plan administrative agent:
    - (i) such fees and expenses associated with the withdrawal from the Plan or modification of its participation in the Plan as the board determines; and

- (ii) such sum as the board determines to be necessary to negate any adverse effect the withdrawal from the Plan or modification of its participation in the Plan has on the contribution rate to the basic account or the funded status of the inflation adjustment account.
- (2) An employer must reimburse the Plan for and make the pension fund whole against all damages, claims, liabilities, costs, expenses, fines and penalties which arise from:
  - (a) the employer's failure to report information in the form or within the deadlines specified by the plan administrative agent,
  - (b) the employer's submission to the plan administrative agent of incomplete, inaccurate or insufficient data, or
  - (c) the employer's failure to comply with any of its obligations under this Plan, including without limitation section 80 (4), or any agreement between the board and the employer.
- (3) Nothing in this Plan impairs or affects the rights of an employer to remove or dismiss an individual from service.
- (4) An employer is bound by
  - (a) the Municipal Pension Plan Joint Trust Agreement,
  - (b) the Plan,
  - (c) the policies and procedures adopted by the board,
  - (d) the policies and procedures adopted by the plan administrative agent, and
  - (e) if the employer was designated under paragraph 2 (1) (c), the terms and conditions of eligibility specified by the board or former board pursuant to the employer's designation as an employer under paragraph 2 (1) (c)
 all as may be amended from time to time, and must observe and perform all of the obligations and duties imposed on the employer by any provision thereof.
- (5) An employer shall permit the board, through the plan administrative agent, from time to time to conduct periodic audits and reviews of the employer's business records as they pertain to the employer's obligations under the Plan.
- (6) An employer shall ensure that any communication it makes concerning the Plan shall be in a form and content provided by or approved by the plan administrative agent. A person making any inquiry concerning the Plan shall be referred to the Plan member web site or the plan administrative agent as appropriate.

#### **Beneficiary designation**

- 81** (1) Despite the member's designation of one or more beneficiaries pursuant to subsection (2) and despite subsection (5), if a member has a spouse at the member's pension commencement date and the spouse has signed a valid spousal waiver pursuant to section 80 (4), but not section 80 (6), of the *Pension Benefits Standards Act*, the spouse will be the member's beneficiary.

- (2) If a member does not have a spouse at the relevant time or a valid spousal waiver has been filed with the plan administrative agent, the member's beneficiary will be determined in accordance with the following:
- (a) the member may designate as the member's primary beneficiary, any one of or a combination of the following:
    - (i) one or more individuals,
    - (ii) one or more corporations, partnerships, societies, associations or any other entities that are acceptable to the plan administrative agent,
    - (iii) the personal representative of the estate of the member in a representative capacity,
    - (iv) one or more trustees including, without limitation, trustees of a family trust, trustees of a minor designated by the member as a beneficiary or trustees of a charitable purpose trust;
  - (b) for any primary beneficiary designated pursuant to subsection (a) the member may designate an alternate beneficiary that will only receive the applicable share of the benefit if the primary designated beneficiary dies, winds-up or terminates (as is applicable) before the member's death;
  - (c) the member may designate the percentage of the benefit to be paid to each of the beneficiaries designated pursuant to subsections (a) and (b). If the member does not specify how the benefit will be shared between or among the beneficiaries designated pursuant to subsections (a) and (b), the beneficiaries will receive an equal share of the payment;
  - (d) if the member does not designate an alternate beneficiary and the primary beneficiary dies, winds-up or terminates (as is applicable) before the member's death, the share that would have been paid to the primary designated beneficiary will be payable:
    - (i) to the surviving designated beneficiary,
    - (ii) among the surviving designated beneficiaries in equal shares if there is more than one surviving designated beneficiary, or
    - (iii) to the member's estate if there are no surviving designated beneficiaries.
- (3) A person granted power over an adult's financial affairs under
- (a) Part 2 of the *Power of Attorney Act*, or
  - (b) the *Patients Property Act*
- may make, alter or revoke a designation under this section only if expressly authorized to do so by the court and the designation is not made in a will.
- (4) Subject to subsection (7), any designation, alteration or revocation of a beneficiary designation made pursuant to subsection (2) or (3) must be
- (a) in writing,

- (b) signed by the person making it, or by another person in the presence of the person making it and by the direction of the person making it and the signature may be in the name of the person making it or the person signing by the direction of the person making it, and
  - (c) in a form acceptable to the plan administrative agent.
- (5) A member may make any beneficiary designation made pursuant to this section an irrevocable designation of beneficiary to which subsection (7) applies if
  - (a) the member completes the form approved by the plan administrative agent for that purpose in order to irrevocably designate a beneficiary, and
  - (b) the irrevocable beneficiary designation form referred to in subsection (a) is filed with the plan administrative agent before the member's death.
- (6) For greater clarity, if a member's irrevocable beneficiary designation does not comply with subsection (5) including, without limitation, because the irrevocable beneficiary designation is made in a will or because the member does not file the form referred to in subsection (5) (a) with the plan administrative agent before the member's death, the designation will be subject to the normal alteration and revocation rules as set out in subsection (4).
- (7) If a member makes an irrevocable beneficiary designation in accordance with subsection (5), despite subsection (4):
  - (a) the member may only alter or revoke that designation during the lifetime of the beneficiary that is the subject of the irrevocable designation with that beneficiary's express consent and using the form approved by the plan administrative agent for that purpose, and
  - (b) the benefit about which the irrevocable beneficiary designation has been made does not form part of the member's estate upon the member's death and is not subject to the control of the member or of the member's creditors.

**Beneficiary designation in a member's will**

- 81.1** (1) Subject to section 81 (5), a member's beneficiary designation may be made in the member's will.
- (2) If a member designates a beneficiary in the member's will:
- (a) such designation is only effective if the designation relates expressly to the plan either generally or specifically,
  - (b) the member may alter or revoke that designation by:
    - (i) altering or revoking the designation in a subsequent will provided that alteration or revocation complies with paragraph (a), or
    - (ii) completing a form acceptable to the plan administrative agent for the purpose of altering or revoking a beneficiary designation and by filing that form with the plan administrative agent before the member's death,



- (c) revocation of the member's will also revokes any beneficiary designations made in the will, and
- (d) revocation of that beneficiary designation does not revive an earlier designation of beneficiary.

**Discharge of liability**

- 81.2** (1) If a payment is made to a designated beneficiary, the board and the plan administrative agent are discharged in respect of that benefit even if the plan administrative agent later receives notice of a change of designated beneficiary.
- (2) Any payment to a trustee including, without limitation, payment to a trustee for a minor designated as a beneficiary or a trustee of a family or charitable purpose trust, discharges the board and the plan administrative agent in respect of that payment.
- (3) In the event of a payment referred to in subsection (1) or (2), the board and the plan administrative agent may set up any defence that would have been available had a claim to enforce payment been brought by the member or the member's personal representative.

**Benefit payable to a minor**

- 82** (1) If, on the death of a member, a benefit becomes payable to a minor, the benefit must be paid to the Public Guardian and Trustee, in trust for the minor, for payment to the minor on reaching the age of 19 years.
- (2) Subsection (1) does not apply if the member has designated a trustee in respect of the minor under subsection 81 (2) (a) (iv).

**Creditor's claim respecting a benefit**

- 83** (1) If, on the death of a member, a benefit becomes payable to
- (a) the spouse of the member if there is a spouse and a valid spousal waiver has not been filed with the plan administrative agent, or
  - (b) a beneficiary of the member if there is no spouse or a valid spousal waiver has been filed with the plan administrative agent,
- the amount is not subject to the control of the creditors of the deceased member and does not form part of the member's estate.
- (c) Repealed
  - (d) Repealed
- (2) If, on the death of a member, a benefit becomes payable and no spouse or beneficiary exists who qualifies to receive the benefit under subsection (1), the benefit is payable to the estate of the member and forms part of the member's estate and is subject to the control of the creditors.

**Election to convert locked-in benefits in the event of shortened life expectancy**

- 84** (1) If a member, other than a retired member in receipt of a benefit under this Plan, who is entitled to receive a benefit from this Plan has an illness or a disability that is certified by a medical practitioner to be terminal or to likely shorten the

member's life considerably, that member may, subject to and in accordance with the Pension Benefits Standards Regulations,

- (a) elect to convert all or part of the benefit to a series of payments for a fixed term to that member, or
  - (b) elect to withdraw as a lump sum an amount equal to the commuted value of the benefit or any lesser amount that the member may select, on a basis acceptable to the board.
- (2) If a member who wishes to make an election under subsection (1) has a spouse, the member is not eligible to make that election unless a valid spousal waiver has been filed with the plan administrative agent.
  - (3) If a payment is made to a member pursuant to subsection (1), any subsequent payments made in respect of that member will be actuarially reduced to reflect any payments made under subsection (1).
  - (4) An amount payable to an individual under subsection (1) (b) may be transferred to an RRSP or RRIF to the extent permitted by the *Income Tax Act* (Canada).

#### **Benefits under a group disability plan**

- 85**
- (1) A member who receives a monthly income benefit under a group disability plan for a particular period of time is not entitled to a benefit under this Plan for that same period of time.
  - (2) If a benefit was paid under this Plan for a period of time during which the member received a monthly income benefit under a group disability plan, the benefit paid under this Plan must be repaid to the Plan by the member as an amount due and owing by the member to the Plan.

### **PART 11 – SUPPLEMENTAL BENEFITS**

#### **Supplemental benefit contributions**

- 86**
- (1) If an active member contribution required under section 5 (1) is limited by section 11 (1), the difference between what would have been contributed and what is actually contributed under Part 2 must be contributed under this Part.
  - (2) If an employer contribution required under section 6 (1) is limited by section 11 (3), the difference between what would have been contributed and what is actually contributed under Part 2 must be contributed under this Part.
  - (3) If a member contribution required for a benefit under Part 3 is limited by section 41 (4) or (7) to (10), the difference between what otherwise would have been contributed and what was actually contributed under Part 2 may, with the approval of the board or former board, be contributed under this Part.
  - (4) If an employer contribution required for a benefit under Part 3 is limited by section 41 (4) or (7) to (10), the difference between what otherwise would have been contributed and what was actually contributed under Part 2 may, with the approval of the board or former board, be contributed under this Part.

- (5) The contributions required by this section must be made to the supplemental benefits account.

**Supplemental benefits**

- 87**
- (1) If a benefit resulting from recognition of service that would be provided under Part 3 is limited by section 41 (7) to (10), the difference between what would have been provided and what is actually provided under Part 3 must, with the approval of the board or former board, be provided under this Part.
  - (2) If a benefit that would be provided under Part 4 is limited by section 49 (1), the difference between what would have been provided and what is actually provided under Part 4 must, with the approval of the board or former board, be provided under this Part.
  - (3) If a benefit that would be provided under Part 5 is limited by section 59, the difference between what would have been provided and what is actually provided under Part 5 must, with the approval of the board or former board, be provided under this Part.
  - (4) If a benefit that would be provided under Part 6 is limited by section 65, the difference between what would have been provided and what is actually provided under Part 6 must, with the approval of the board or former board, be provided under this Part.
  - (5) If a benefit that would be provided under Part 7 is limited by section 71, the difference between what would have been provided and what is actually provided under Part 7 must, with the approval of the board or former board, be provided under this Part.
  - (6) Despite paragraph 54 (1) (h), for the purposes of calculating the amounts payable under this section, the reference to “2%” in paragraph 54 (1) (h) shall be deemed to be “2.12%”, and all benefits payable under this Part shall be calculated and paid on that basis.

**Supplemental cost of living benefits**

- 88**
- (1) If a member receives or is entitled to receive a cost of living benefit under section 73, the member must receive or is entitled to receive an additional cost of living benefit with respect to the amount of a supplemental benefit payable under section 87.
  - (2) The additional cost of living benefit provided under this section must
    - (a) be calculated using the same percentage increase as the increase provided with respect to an indexable benefit, and
    - (b) be provided in the same manner as a cost of living benefit provided with respect to an indexable benefit.

**Payment of supplemental benefits**

- 89**
- If a benefit is payable under this Part, the benefit is payable on the same terms and conditions as the original benefit payable under Parts 4 to 7 unless

- (a) the benefit was to be in the form of a commuted value transfer to a locked-in retirement account, in which case the payment of the commuted value amount under this Part must be made directly to the individual,
- (b) the person has elected different options for the payment of benefits under Parts 4 to 7 and benefits under this Part, or
- (c) different treatment is required under the *Income Tax Act* (Canada) or some other authority.

#### **Supplemental benefits on re-employment**

- 90** If a member receiving supplemental benefits becomes an employee to whom this Plan applies, the provisions of section 74 respecting a retirement benefit also apply to the supplemental benefits.

### **PART 12 – REPEALED**

**91 to 95** [Repealed]

### **PART 13 – DEFINITIONS AND PLAN INTERPRETATION**

#### **Division 1 – General Definitions**

##### **Definitions**

- 96** (1) In this Plan, unless the context requires another meaning, the following defined terms have the following meanings:
- “**Act**” means the *Public Sector Pension Plans Act*, S.B.C. 1999, c. 44;
- “**active member**” means an employee who is making, or is deemed to be making, contributions to the pension fund, including an employee
- (a) on a leave of absence approved by the employer,
  - (b) receiving a group disability plan benefit,
  - (c) no longer required by section 5 (2) to contribute, or
  - (d) receiving a benefit under this Plan as the spouse or beneficiary of a member,
- but does not include an employee who has terminated employment or is receiving a retirement benefit under this Plan that arises as a result of providing service to an employer;
- “**actuarial interest rate**” [Definition Repealed]
- “**beneficiary**” means one or more of the following as permitted by the application of section 81:
- (a) the member’s spouse,
  - (b) one or more individuals,
  - (c) one or more corporations, partnerships, societies, associations or any other entities that are acceptable to the plan administrative agent,

- (d) the personal representative of the estate of the member in a representative capacity,
- (e) one or more trustees including, without limitation, trustees of a family trust, trustees of a minor designated by the member as a beneficiary or trustees of a charitable purpose trust;

**“benefit”** means a commuted value, pension, refund, bridge benefit, temporary annuity, monthly benefit or any other entitlement payable under this Plan to a member or the beneficiary of a member;

**“board”** means the Municipal Pension Board of Trustees established under the Municipal Pension Plan Joint Trust Agreement;

**“bridge benefit”** means a monthly payment payable pursuant to subsection 54(2);

**“capitalized value”** means, in relation to a retirement benefit or indexable benefit or part of a retirement benefit or indexable benefit, its actuarial present value determined, at the date of the calculation, in accordance with

- (a) generally accepted actuarial methods, and
- (b) mortality and investment rates assumed by the actuary in the most recent actuarial valuation of this Plan,

as approved by the board or former board;

**“certified copy”** means, in relation to a document, a copy of the document certified to be a true copy by a person authorized by the employer or plan administrative agent to certify the document;

**“chief executive officer”** means the chief executive officer of the British Columbia Pension Corporation;

**“child rearing”** means the direct and active caring for a dependant who is under the age of 7 years;

**“College Pension Plan”** means the pension plan which was continued under Schedule A of the *Act*;

**“commuted value”** means, in relation to a benefit that a member has a present or future entitlement to receive, the actuarial present value of the benefit determined, at the date of calculation, in accordance with

- (a) generally accepted actuarial methods, and
- (b) mortality and investment rates that are adequate and appropriate, and in accordance with generally accepted actuarial principles,

as approved by the board or former board;

**“consumer price index”** means the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act* (Canada), used for calculating the amount of any benefit payable under this Plan and, if the Consumer Price Index for Canada is adjusted to reflect a new time basis or a new content basis, includes a corresponding percentage adjustment in the consumer price index;

**“continuous employment”** means employment with an employer for a continuous

period of time where there has not been i) an interruption by a temporary absence of more than 52 weeks, or ii) a termination of employment;

**“contributory service”** means the period of service of a member for which contributions were made by the member or the employer, or are deemed to have been made by the member or by the employer with respect to the member;

**“dependant”** [Definition Repealed]

**“disabled member”** means an individual entitled under section 60 (2) to receive a disability benefit and who has been granted a disability benefit;

**“earliest retirement age”** means the end of the calendar month in which a member reaches normal retirement age minus 10 years;

**“effective date”** [Definition Repealed]

**“employee”** means an individual who

- (a) has reached the age of 18 years, and
- (b) provides a service to an employer and is in receipt of, or entitled to, a salary for the service, but;
- (c) does not include an individual employed by an employer who is considered “connected” with that employer, as determined under section 8500(3) of the Income Tax Regulations under the *Income Tax Act* (Canada), or “related” to that employer, as determined under section 251(2) of the *Income Tax Act* (Canada), unless the individual is employed by the employer under a collective agreement which applies to one or more individuals who are not so connected or related to that employer;

**“employer”** means a person or organization, whether incorporated or not, described in section 2 (1) from whom an employee receives or received salary;

**“firefighter”** means individuals who are employed in the fire sector as firefighters, as a fire chief and any other individual employed in, or appointed to, a fire department and assigned to undertake fire protection services which includes fire suppression, fire prevention, fire safety education, communication, training of persons involved in the provision of fire protection services, rescue and emergency services and the delivery of all those services;

**“fiscal year”** means the year beginning on January 1 and ending on December 31 next following, or the period that the board establishes as the fiscal year;

**“former Act”** means the *Pension (Municipal) Act*, R.S.B.C. 1996, c. 355;

**“former board”** means the Municipal Pension Board established under section 3 of Schedule B to the *Act*;

**“former member”** means an individual, other than a beneficiary,

- (a) whose membership is terminated upon pre-retirement death, or
- (b) who has received a benefit and has no further entitlement to a benefit;

**“fund interest rates”** means the net earned rate of the pension fund as specified by the board or former board;

**“government”** means His Majesty in Right of British Columbia;

**“group 1”** means those members that are not in group 2 or 5, and includes those members who participated in the Plan in group 4 prior to January 1, 2019;

**“group 2”** means the group of members comprised of police officers and firefighters employed by an employer that became an employer under the Plan in respect of its employees who are police officers or firefighters prior to January 1, 2025, other than members of group 5;

**“group 3”** [Definition Repealed]

**“group 4”** [Definition Repealed]

**“group 5”** means the group of members comprised of police officers and firefighters employed by:

- (a) an employer that became an employer under the Plan in respect of its employees who are police officers or firefighters after December 31, 2024, or
- (b) an employer that:
  - (i) became an employer under the Plan in respect of its employees who are police officers or firefighters before January 1, 2025, and
  - (ii) meets the terms and conditions specified by the board to have its employees who are police officers or firefighters participate in group 5;

**“group disability plan”** means a disability plan, approved by the plan administrative agent, which meets criteria established by the board or former board;

**“highest average salary”** has the meaning given to it in Division 2 of this Part;

**“inactive member”** means an individual who

- (a) was an active member,
- (b) has terminated employment,
- (c) is entitled to receive a benefit from this Plan, and
- (d) is not currently receiving a benefit from this Plan except as a spouse or beneficiary of a member;

**“indexable benefit”** means a pension, bridge benefit, temporary annuity or monthly benefit payable to a retired member, or a disability benefit payable to a disabled member under Part 6;

**“insurance company”** means a corporation authorized to carry on life insurance business in Canada;

**“Interplan Pension Transfer Agreement”** [Definition Repealed]

**“latest retirement age”** means, in respect of an individual, November 30<sup>th</sup> of the calendar year in which the individual attains the age prescribed under section 8502(e) of the Income Tax Regulations under the *Income Tax Act* (Canada) for the latest commencement of retirement benefits under a registered pension

plan;

**“life income fund”** has the same meaning as defined in the *Pension Benefits Standards Act*;

**“locked-in”** means that the pension plan funds must be used to provide a lifetime benefit;

**“locked-in retirement account”** has the same meaning as defined in the *Pension Benefits Standards Act*;

**“member”** means

- (a) an active member,
- (b) a former member,
- (c) an inactive member,
- (d) a retired member, or
- (e) a disabled member;

**“minor”** means an individual under the age of majority;

**“monthly benefit”** means a monthly payment payable pursuant to Part 5 for the balance of a guarantee period after the death of a member;

**“Municipal Pension Plan”** means the plan provided for under the former Act which, pursuant to section 2 of Schedule B to the *Act*, was continued under Schedule B to the Act and the regulations made pursuant to subsection 16(1) of Schedule B, and which is further continued under the Municipal Pension Plan Joint Trust Agreement;

**“Municipal Pension Plan Joint Trust Agreement”** means the agreement among the government, the Union of British Columbia Municipalities and the Health Employers Association of British Columbia, and the Municipal Employees’ Pension Committee constituted by the Hospital Employees’ Union, the Canadian Union of Public Employees, B.C. Division, the Health Sciences Association of British Columbia, the British Columbia Nurses’ Union, the British Columbia Federation of Police Officers, the British Columbia Professional Fire Fighters’ Association, and the Council of Joint Organizations and Unions concluded pursuant to section 18 of Schedule B to the *Act*;

**“municipality”** has the meaning given to it in the *Local Government Act* and includes a regional district and the City of Vancouver;

**“normal retirement age”** means the end of the calendar month in which a member reaches

- (a) age 65 for employees in group 1, or
- (b) age 60 for employees in group 2 or group 5;

**“pension”** means a monthly lifetime payment payable pursuant to Parts 4, 5 or 7;

**“pension fund”** means the Municipal Pension Fund which was continued under the former Act and which, pursuant to section 9 of Schedule B to the *Act*, was continued under Schedule B to the Act, and which is further continued under the Municipal Pension Plan Joint Trust Agreement;



- “pension index”** means, for the purpose of the highest average salary, in any one year, the average of the consumer price index over a 12 month period ending on December 31 in that year;
- “pensionable age”** means the end of the calendar month in which a member reaches normal retirement age minus 5 years;
- “pensionable service”** means the period of service of a member, used to determine the amount of the benefits payable to a member under this Plan, for which contributions were made by the member or the employer, or are deemed to have been made by the member or by the employer, but does not include service which the member is, because of this Plan, not permitted to count as pensionable service;
- “plan administrative agent”** means the British Columbia Pension Corporation established under section 5 of the *Act*;
- “police officer”** means an individual appointed under the *Police Act* as a provincial constable, special provincial constable, designated constable, municipal constable, special municipal constable, auxiliary constable or enforcement officer, but does not include an individual who is a member of the Royal Canadian Mounted Police;
- “Public Service Pension Plan”** means the pension plan which was continued under Schedule C of the *Act*;
- “refund”** means the value of the member’s contributions, together with interest, at the refund interest rates to the end of the month preceding the date of payment;
- “refund interest rates”** means
- (a) for periods before January 1, 1993, the rates specified by the board or former board,
  - (b) for periods on or after January 1, 1993, and before January 1, 2004, the rates of interest calculated on the basis of the average yields of 5 year personal fixed term chartered bank deposit rates, published in the Bank of Canada Review as CANSIM Series B 14045,
  - (c) for periods on or after January 1, 2004, and before October 1, 2019, the rates of interest calculated on the basis of the average yields of 5 year personal fixed term chartered bank deposit rates, published in the Bank of Canada Review as CANSIM Series V122515, and
  - (d) for periods on or after October 1, 2019, the rates of interest calculated on the basis of the average yields of the 5 year personal fixed term chartered bank deposit rates, determined by reference to CANSIM Series V80691336, or its future equivalent, published by the Bank of Canada, using the value of the last weekly series for each month;
- “RRIF”** means a retirement income fund that is within the meaning of the *Income Tax Act* (Canada) and that is registered under that Act;
- “RRSP”** means a retirement savings plan that is within the meaning of the *Income Tax Act* (Canada) and registered under that Act;

**“reinstate” or “reinstatement”** means to include, or the inclusion of, a period of previous service of a former member as contributory service or pensionable service or both;

**“retired member”** means a person who

- (a) has terminated employment, and
- (b) is receiving a retirement benefit from the pension fund,

and includes a person who receives a pension or monthly benefit following the death of the member;

**“retirement benefit”** means a pension and, if applicable, a bridge benefit payable pursuant to Part 5;

**“salary”** means the base salary received by a member, and includes any additional amounts which the board or former board may specify;

**“service”** means service in the employment of an employer;

**“spouse”** individuals are spouses for the purposes of the *Pension Benefits Standards Act* and this Plan on any date on which one of the following applies:

- (a) they
  - (i) are married to each other, and
  - (ii) have not been living separate and apart from each other for a continuous period longer than 2 years;
- (b) they have been living with each other in a marriage-like relationship for a period of at least 2 years immediately preceding the date;

**“Teachers’ Pension Plan”** means the pension plan which was continued under Schedule D of the *Act*;

**“temporary absence”** for the purposes of enrolment under this Plan, means the absence of an employee from employment if all of the following apply:

- (a) no cessation of employment has occurred;
- (b) immediately before the absence the employee was in the employment of an employer;
- (c) during the absence the employee is not doing work, or providing a service, for an employer for remuneration; and
- (d) after the absence the employee is again in the employment of an employer;

**“temporary annuity”** means a monthly payment payable pursuant to paragraph 56 (3) (d);

**“termination of employment” or “terminated employment”** means,

- (a) in the case of a member who is not entitled to receive benefits from a group disability plan, the cessation by a member of employment in a class of employment for which the employer has been approved to participate in the Plan in circumstances where section 3(9) does not apply;
- (b) in the case of a member who is entitled to receive benefits from a group

disability plan and whose contributions to the pension fund have been discontinued because of that entitlement, the cessation of entitlement to benefits from the group disability plan and the cessation by the member of employment in a class of employment for which the employer has been approved to participate in the Plan in circumstances where section 3(9) does not apply;

provided that if at the time paragraph (a) or (b) is satisfied the member has a right under a collective agreement to be recalled to employment after being laid off, the member will not be considered to have terminated employment until the earlier of the date that is 275 days after the date paragraph (a) or (b) is satisfied and the date that the member's right under a collective agreement to be recalled to employment expires;

**“termination of membership” or “terminates membership”** [Definition Repealed]

**“voluntary contributions”** means voluntary contributions made by the member under section 5 (3) of the *Pension (Municipal) Act*, R.S.B.C. 1979, c. 317, as it read on December 31, 1992;

**“year's maximum pensionable earnings”** has the meaning given to it in the *Canada Pension Plan*.

(2) [Repealed]

(3) [Repealed]

(4) [Repealed]

## Division 2 — Highest Average Salary

### Calculation of highest average salary – full time service

- 97 (1) This section only applies to a member whose service was full time during the 60 months immediately preceding termination of employment.
- (2) Subject to subsection (3), the highest average salary of a member who is entitled to a retirement benefit is the average of 1/12th of the annual salary that the member earned, or is deemed to have earned, in each calendar year
- (a) during the 5 years of service in which the member received, or is deemed to have received, the member's highest salary before the date on which the member begins receiving a retirement benefit, or
  - (b) during the member's actual period of pensionable service, if the member's period of pensionable service is less than 5 years.
- (3) If a member does not terminate employment at the end of a calendar year, and if the annualized salary for that partial year is equal to or higher than the annual salaries received, or deemed to have been received, in each of the 5 full years of highest annual salary as determined under subsection (2), the partial year may be combined as required with a portion of the salary of the lowest of the 5 years in order to calculate a highest annual salary for the combined year, and the

combined year can be used in place of the lowest of the 5 years, but in no case can the total of the 2 portions exceed one year of salary.

- (4) Despite subsections (1), (2) and (3), if the member was employed in group 2 or 5 after December 31, 2021, the retirement benefit calculated in respect of the member's participation in group 2 or group 5, or both, pursuant to paragraphs 54 (1) (d) through (h) and subsection 54 (2) shall be calculated on the basis that:
  - (a) the 60 months referred to in subsection (1) is deemed to be 48 months, and
  - (b) the 5 years referred to throughout subsections (2) and (3) is deemed to be 4 years.

**Calculation of highest average salary – less than full time service**

- 98**
- (1) This section only applies to a member whose service was less than full time during the 60 months immediately preceding termination of employment.
  - (2) The highest average salary of a member who is entitled to a retirement benefit is the greater of
    - (a) the average of 1/12th of the annual salary that the member earned, or is deemed to have earned, in each fiscal year during the 5 years of service immediately before the date on which the member begins receiving a retirement benefit, adjusted in each of those years by an additional amount which is calculated by using salary from a year or multiple years of previous service, to compensate for those periods in a year that the member was not working, multiplied by the ratio that the pension index for the calendar year before the year of adjustment bears to the pension index for the calendar year of previous service, and
    - (b) subject to subsection (3), the average of 1/12th of the annual salary that the member earned, or is deemed to have earned, in each fiscal year
      - (i) during the equivalent of 5 full time years of service in which the member received, or is deemed to have received, the member's highest salary before the date on which the member begins receiving a retirement benefit, or
      - (ii) during the member's actual period of pensionable service, if the member's period of pensionable service is less than the equivalent of 5 full time years,adjusted to its full time equivalent.
  - (3) For the purpose of calculating the highest average salary in subsection (2) (b), if a member does not terminate employment at the end of a fiscal year, and if the annualized full time equivalent of the salary for that partial year as determined under subsection (2) (b) is equal to or higher than the annual salaries received, or deemed to have been received, in each of the equivalent of 5 full time years of highest annual salary as determined under subsection (2) (b), the partial year may be combined as required with a portion of the salary of the lowest of the equivalent of 5 full time years in order to calculate a highest annual salary for the combined year, and the combined year can be used in place of the lowest of

the 5 years, but in no case can the total of the 2 portions exceed one year of full time equivalent salary.

- (4) Despite subsections (1), (2) and (3), if the member was employed in group 2 or group 5 after December 31, 2021, the retirement benefit calculated in respect of the member's participation in group 2 or group 5, or both, pursuant to paragraphs 54 (1) (d) through (h) and subsection 54 (2) shall be calculated on the basis that:
- (a) the 60 months referred to in subsection (1) is deemed to be 48 months,
  - (b) the 5 years referred to in subsection (2) is deemed to be 4 years, and
  - (c) the 5 full time years referred to throughout subsections (2) and (3) is deemed to be 4 full time years.

**Adjustment to highest average salary – group disability plan service**

- 99** (1) This section only applies to a member who terminates employment or becomes a retired member immediately following cessation of benefits from a group disability plan.
- (2) The plan administrative agent must adjust the highest average salary of the member, as determined under section 97 or 98, by the ratio that the pension index for the calendar year immediately before the calendar year in which the retirement benefit is granted bears to the pension index for the calendar year in which the member last began to receive a monthly income benefit under the group disability plan.

**Adjustment to highest average salary – deferred retirement benefit**

- 100** (1) This section only applies to an inactive member who is entitled to and applies for a deferred retirement benefit when the member reaches earliest retirement age or later.
- (2) In this section, “**percentage increase granted to retirement benefits**” means the percentage increase in a deferred retirement benefit that results from the granting on January 1 in each year of a cost of living benefit under section 73.
- (3) If an inactive member, whose employment terminated before January 1, 1981, is entitled to and applies to receive a deferred retirement benefit under this Plan, the plan administrative agent must adjust the highest average salary of the member, as determined under section 97 or 98,
- (a) by the ratio that the pension index of the year ending December 31, 1980 bears to the pension index of the calendar year in which the member terminated employment, and
  - (b) by the method set out in subsection (5) from January 1, 1981 to the end of the month immediately preceding the month in which the retirement benefit is to be granted.
- (4) If an inactive member, whose employment terminated on or after January 1, 1981, is entitled to and applies to receive a retirement benefit under this Plan,

the plan administrative agent must adjust the highest average salary of the member, as determined under section 97 or 98, by the method set out in subsection (5) from the first of the month following the month in which termination of employment occurred to the end of the month immediately preceding the month in which the retirement benefit is to be granted.

- (5) The inactive member's highest average salary is increased in each calendar year during the period referred to in subsections (3) and (4) by the percentage, for each of those calendar years, as follows:
- (a) if the member's retirement benefit is granted in the same calendar year as the year in which termination of employment occurred, the proration, for the number of complete months from the date of termination of employment to the end of the month immediately preceding the effective date of the retirement benefit, of the percentage increase granted to retirement benefits on January 1 of the calendar year of termination;
  - (b) if the member's retirement benefit is granted in a calendar year other than that referred to in paragraph (a),
    - (i) the proration, for the number of complete months from the date of termination of employment to the end of the calendar year, of the percentage increase granted to retirement benefit on January 1 of the calendar year following termination,
    - (ii) for each complete year between the years referred to in subparagraphs (i) and (iii), the percentage increase granted to retirement benefits on each January 1 following the calendar year following termination until January 1 of the year that the retirement benefit is granted, and
    - (iii) the proration, for the number of complete months from January 1 of the year the retirement benefit is granted to the end of the month immediately preceding the effective date of the retirement benefit, of the percentage increase granted to retirement benefits on January 1 of that calendar year.

#### **Limitation on calculation of highest average salary**

- 101** (1) For the purpose of this Division, only salary paid to a member after the date on which this Plan first applies to the member must be counted in calculating the member's highest average salary.
- (2) For the purpose of this Division, salary paid to a member on a rehabilitation program while the member is receiving a benefit from a group disability plan must not be counted in calculating the member's highest average salary.

**102** [Section Not Used]

## **PART 14 – TRANSITIONAL**

### **Transitional Definitions**

103 [Repealed]

104 [Repealed]

105 [Section Not Used]

#### **Determination by chief executive officer**

106 For the purpose of section 36 (d) of the former Act, any amount payable may be dealt with for the benefit of the plan member or of the spouse or children of the plan member in a manner the chief executive officer determines.

### **PART 15 – SPECIAL AGREEMENTS**

#### **Definitions**

107 In this Part:

“**member’s account balance under a post-2006 special agreement**” means the accumulated value of the contributions made to a member’s account under a post-2006 special agreement, together with interest at the fund interest rates to the end of the month preceding the relevant date;

“**member’s account balance under a pre-2007 special agreement**” means the accumulated value of the contributions made to a member’s account under a pre-2007 special agreement, together with interest at the fund interest rates to the end of the month preceding the relevant date;

“**member’s account under a post-2006 special agreement**” means the account established within the retirement annuity account for a member that participates in a post-2006 special agreement, which account shall hold the accumulated value of the employer and member contributions made in respect of the member pursuant to that agreement and this Part;

“**member’s account under a pre-2007 special agreement**” means the account established within the retirement annuity account for a member that participates in a pre-2007 special agreement, which account shall hold the accumulated value of the employer and member contributions made in respect of the member pursuant to that agreement and this Part;

“**post-2006 special agreement**” means an agreement entered into after December 31, 2006 by the board with an employer to whom this Plan applies and which provides for employer and member contributions in excess of those specified in Part 2 for the purpose of providing a lump sum benefit for members employed by the employer in accordance with this Part;

“**pre-2007 special agreement**” means an agreement entered into prior to January 1, 2007 by the board with an employer to whom this Plan applies and which provides for employer and member contributions in excess of those specified in Part 2 for the purpose of increasing the benefit of the members employed by the employer in accordance with this Part;

**“special agreement”** means a pre-2007 special agreement or a post-2006 special agreement.

#### **Application of this Part**

- 108**
- (1) This Part applies to every special agreement between the board and an employer to whom this Plan applies.
  - (2) Every special agreement is subject to and must comply with the terms of this Part, the *Pension Benefits Standards Act* and the *Income Tax Act* (Canada), and if there is any inconsistency between the terms of a special agreement and the terms of this Part, the *Pension Benefits Standards Act* or the *Income Tax Act* (Canada), each as is amended from time to time, the special agreement shall be deemed to be amended to the extent necessary to resolve such inconsistency.
  - (3) For the purposes of the *Income Tax Act* (Canada), the terms of each special agreement, as modified by this Part, constitute a money purchase provision, as defined in the *Income Tax Act* (Canada).

#### **Components of special agreements**

- 109**
- (1) A special agreement must specify:
    - (a) the effective date of the agreement,
    - (b) the rates of employer and member contributions that are required to be made pursuant to this Part,
    - (c) the member or member group employed by the employer to whom the agreement applies,
    - (d) that despite any other provision of this Plan, all employer contributions made pursuant to the special agreement immediately vest in the member for whom they are made,
    - (e) the methodology for refunding contributions made pursuant to the agreement that exceed the maximum amounts allowable under the *Income Tax Act* (Canada),
    - (f) that if an employer makes a contribution, as provided for in the special agreement, that would cause the Plan’s registration to be revocable under the *Income Tax Act* (Canada) then, subject to approval under the *Pension Benefits Standards Act*, the contribution must be returned to the employer,
    - (g) that if a member makes a contribution, as provided for in the special agreement, that would cause the Plan’s registration to be revocable under the *Income Tax Act* (Canada) then, subject to approval under the *Pension Benefits Standards Act*, the contribution must be returned to the member, and
    - (h) that it may be terminated by the board providing written notice to the employer as specified in the agreement.
  - (2) Despite any other provision of this Plan, a special agreement may require that employer and member contributions continue to be paid pursuant to this Part in



respect of a member after the member has accrued 35 years of pensionable service.

#### **Special agreement contributions**

- 110** (1) Contributions by employers and members under this Part:
- (a) must be made in accordance with the terms of the applicable special agreement,
  - (b) are in addition to the contributions required to be made under Part 2,
  - (c) that are due or owing to the pension fund must be kept separate and apart from the employer's own assets,
  - (d) must be paid to the pension fund at the same time and in the same manner as the contributions required to be made by the employers and members under Part 2, and
  - (e) must be credited to the applicable account of the member for whom they are paid.
- (2) Despite subsection (1), contributions made under this Part must stop in respect of a member when the member becomes a member in group 5.

#### **Income Tax Act (Canada) limits**

- 111** (1) Contributions under this Part must
- (a) qualify as eligible contributions under section 8502 (b) of the Income Tax Regulations under the *Income Tax Act* (Canada), and
  - (b) stop upon the member reaching latest retirement age.
- (2) Contributions under this Part must not:
- (a) cause the member's pension adjustment to exceed the pension adjustment limit under section 147.1 (9) of the *Income Tax Act* (Canada), or
  - (b) in respect of a calendar year, be paid before January 1 of that year.

#### **Termination Benefits**

- 112** (1) If a member terminates employment and elects to receive a commuted value under Part 4, including a payment equal to a commuted value under section 48(1), the member must be paid a lump sum payment of the member's account balance under a pre-2007 special agreement and the member's account balance under a post-2006 special agreement.
- (2) If a member terminates employment and does not elect to receive a commuted value under Part 4, the member's account under a pre-2007 special agreement and the member's account under a post-2006 special agreement will remain within the retirement annuity account until the member or the member's beneficiary becomes entitled to a benefit under section 113 or 115.
- (3) If under this Part an amount is payable on an unlocked basis, the payment may be transferred to an RRSP or RRIF.

#### **Retirement Benefits**

- 113** (1) If a member elects to receive a retirement benefit under Part 5, the member is entitled to
- (a) a lump sum payment of the member's account balance under a pre-2007 special agreement, or
  - (b) a monthly retirement annuity converted from the member's account balance under a pre-2007 special agreement commencing at the same time and payable under the same option and conditions as the retirement benefit granted under Part 5, and
  - (c) a lump sum payment of the member's account balance under a post-2006 special agreement.

#### **Disability Benefits**

- 114** (1) If a member terminates employment and elects to receive a disability benefit under Part 6, the member is entitled to
- (a) a lump sum payment of the member's account balance under a pre-2007 special agreement, or
  - (b) a monthly retirement annuity commencing at pensionable age converted from the member's account balance under a pre-2007 special agreement and payable under the same option and conditions as the disability benefit granted under Part 6, and
  - (c) a lump sum payment of the member's account balance under a post-2006 special agreement.
- (2) If a member elects to receive a monthly retirement annuity under subsection (1) (b) but dies before reaching pensionable age, the member's beneficiary must be paid a lump sum payment of the member's account balance under a pre-2007 special agreement.
- (3) Despite subsection (2), if the spouse of the member is the beneficiary and the spouse elects to receive a pension, the spouse is entitled to a monthly retirement annuity converted from the member's account balance under a pre-2007 special agreement and payable in addition to any pension granted to the spouse pursuant to section 64 (2).

#### **Pre-Retirement Death Benefits**

- 115** (1) A deceased member's beneficiary who is entitled to a benefit under Part 7 is also entitled to a lump sum payment of the member's account balance under a pre-2007 special agreement and the member's account balance under a post-2006 special agreement.
- (2) Despite subsection (1), if the deceased member's spouse is the beneficiary, and the spouse elects to receive a pension under Part 7, the spouse is entitled to a monthly retirement annuity converted from the member's account balance under a pre-2007 special agreement commencing at the same time and payable under the same option and conditions as the pension granted under Part 7.

- (3) If under this Part an amount is payable on an unlocked basis, the payment may be transferred to an RRSP or RRIF to the extent permitted by the *Income Tax Act* (Canada).

**Former spouse's entitlements**

- 116**
- (1) Despite any other provision of this Part, if a member is separated or divorced and, as a result of a written agreement or court order made under Part 5 or 6 of the *Family Law Act*, the former spouse is entitled to a portion of the benefits payable under section 115 derived from the member's account under a pre-2007 special agreement or the member's account under a post-2006 special agreement on the death of the member, the former spouse is entitled to that portion of those accounts, whether or not the member has nominated the former spouse or any other beneficiary.
  - (2) Despite subsection (1), if the plan administrative agent has paid a benefit under this Part on the death of a member before receiving notice of an agreement or court order, the plan administrative agent is not liable to make any payment to the former spouse except in accordance with section 77.
  - (3) Despite any other provision of this Part, the remainder of the member's account under a pre-2007 special agreement and the member's account under a post-2006 special agreement over the amount of the court order or separation agreement must be paid to the beneficiary described in section 81 as the benefit would have been paid under section 115 had there been no court order or separation agreement.

**Transfer of service agreements**

- 117**
- If an inactive member elects to transfer the member's contributory and pensionable service to another pension plan under a transfer agreement entered into by the board pursuant to section 29, the member must be paid a lump sum payment of the member's account balance under a pre-2007 special agreement and the member's account balance under a post-2006 special agreement.

**Calculation and payment of benefits**

- 118**
- (1) A lump sum payment of a member's account balance under a pre-2007 special agreement or a member's account balance under a post-2006 special agreement paid as a benefit under this Part shall be a cash payment equal to the member's account balance under a pre-2007 special agreement or the member's account balance under a post-2006 special agreement, respectively, as of the end of the month preceding the date of payment.
  - (2) A retirement annuity converted from a member's account balance under a pre-2007 special agreement granted as a benefit under this Part shall have a capitalized value equal to the member's account balance under a pre-2007 special agreement as of the end of the month preceding the date the retirement annuity commences payment.

- (3) The conversion under subsection (2) of a member's account balance under a pre-2007 special agreement to a retirement annuity payable under this Part will be determined using the methodology recommended by the actuary and adopted by the board.
- (4) After a lump sum payment of a member's account balance under a pre-2007 special agreement or a member's account balance under a post-2006 special agreement is made pursuant to this Part, the member's account under a pre-2007 special agreement or the member's account under a post-2006 special agreement, respectively, shall cease to exist, and the member or beneficiary to whom it is paid shall have no further entitlement under this Part.
- (5) When a retirement annuity commences payment pursuant to this Part, the affected member's account balance under a pre-2007 special agreement shall be transferred from the retirement annuity account to the basic account and the inflation adjustment account, and the member's account under a pre-2007 special agreement shall cease to exist. Thereafter, the retirement annuity granted under this Part shall be paid from the basic account.
- (6) Amounts transferred from the retirement annuity account under subsection (5) shall be credited to the basic account and the inflation adjustment account using the methodology recommended by the actuary and adopted by the board.

**Locked-in benefits**

- 119** (1) If the plan administrative agent is satisfied that a lump sum payment of a member's account balance payable under this Part must be transferred on a locked-in basis, it may be transferred to
- (a) another registered pension plan,
  - (b) a locked-in retirement account,
  - (c) a life income fund, or
  - (d) an insurance company or other financial institution
- in accordance with the requirements of the *Pension Benefits Standards Act* for the transfer of locked-in funds.

**PART 16—EMPLOYMENT IN MORE THAN ONE BENEFIT GROUP  
OR WITH MORE THAN ONE EMPLOYER****Definitions and Interpretation**

- 120** (1) In this Part:
- “**benefit group**” means group 1, group 2 or group 5;
- “**effective date**” means, in respect of a member, the earlier of
- (a) January 1, 2014, and
  - (b) the date the member first accrues service in group 5;
- (2) The definitions in section 96, except where a contrary definition is set out in this Part, apply to this Part.

- (3) If there is a conflict between a provision in this Part and any other provision of this Plan, the provision in this Part prevails.

#### **Deemed separate membership**

- 121** (1) Despite any other provision of this Plan, and except as otherwise provided in this Part, each member is deemed for all purposes of the Plan to be a separate member of the Plan in respect of the member's service in each benefit group.
- (2) Without limiting the generality of subsection (1), and except as otherwise provided in this Part:
- (a) active member and employer contributions must be paid to the pension fund pursuant to sections 5, 6 and 7 in respect of every benefit group in which a member participates, which contributions must be calculated having regard solely to the salary received by the member while participating in that benefit group;
  - (b) amounts payable in respect of enrollment arrears pursuant to section 9, payroll arrears pursuant to section 10, the purchase of periods of leaves of absence pursuant to section 19 or 19.1, the purchase of periods of non-contributory service pursuant to section 28 must be calculated for each benefit group having regard solely to salary received by the member while participating in that benefit group;
  - (c) a member may receive a disability benefit pursuant to Part 6 in respect of each benefit group in which the member participates, calculated having regard solely to the member's service and salary (and the contributions made to the pension fund in connection with such service and salary) while participating in that benefit group;
  - (d) a separate retirement benefit must be granted to a member in respect of each benefit group in which the member participates, which retirement benefit must be calculated having regard solely to the member's service and salary (and the contributions made to the pension fund in connection with such service and salary) while participating in that benefit group.

#### **Contributory Service Recognition**

- 122** Despite section 121, for the purposes of determining whether a member has satisfied the two years of contributory service requirement in sections 60 (2) in respect of any benefit group, or the rule of 80 or 90 in section 55 in respect of any benefit group, the member's contributory service in respect of each benefit group is deemed to equal the sum of
- (a) the member's contributory service recognized in respect of that benefit group, and
  - (b) the member's contributory service recognized in respect of every other benefit group.

#### **Application of 35 year limit**

- 123** Despite section 121, for the purposes of determining whether a member has reached the Plan's 35 years of pensionable service limit in respect of any benefit group, including the 35 year limit in sections 5 (2) (b), 6 (6) (b), 41 (3) (b), 54 and 109 (2), the member's pensionable service in respect of each benefit group is deemed to equal the sum of
- (a) the member's pensionable service recognized in respect of that benefit group, and
  - (b) the member's pensionable service recognized in respect of every other benefit group.

**Special rules for group 2 and group 5**

- 124** (1) Despite section 121, a member's highest average salary in respect of service in group 2 or group 5 must be calculated having regard to all of the salary the member received while participating in either group 2 or group 5.
- (2) Despite section 121, the retirement benefits granted to a member in respect of group 2 and group 5 must be granted in the same form and commence on the same date.

**Receipt of benefits from different benefit groups**

- 125** (1) Despite section 121, if a member becomes a retired member in respect of any benefit group, for the purposes of subsection 3 (12) the member is deemed to be a retired member in respect of every benefit group.
- (2) [repealed]
- (3) Despite section 121, but subject to subsection (4), if a member has terminated employment in respect of a benefit group (the "first benefit group") and is actively participating in another benefit group, the member is deemed to have not terminated employment in respect of the first benefit group so long as the member is actively participating in another benefit group.
- (4) Despite section 121 and subsection (3), if a member who is deemed not to have terminated employment in respect of a benefit group (the "first benefit group") pursuant to subsection (3) is otherwise eligible in accordance with Part 5 to commence the member's retirement benefit in respect of the first benefit group, the member may elect to commence that retirement benefit in accordance with Part 5, in which event the member is deemed for all purposes of the Plan to have terminated employment in every other benefit group in which the member is actively participating immediately prior to the commencement of the retirement benefit in respect of the first benefit group.

**Transitional: Allocation of pre-effective date service and salary to groups 1 and 2**

- 126** (1) Despite section 121, but subject to subsection (3), if a member is participating in only group 1 immediately before the effective date, for the purposes of this Part all of the member's service and salary prior to the effective date is deemed to be group 1 service and salary.

- (2) Despite section 121, but subject to subsection (3), if a member is participating only in group 2 immediately before the effective date, for the purposes of this Part all of the member's service and salary prior to the effective date is deemed to be group 2 service and salary.
- (3) Despite subsections (1) and (2), if a member is participating in group 1 and in group 2 immediately before the effective date, the member's highest average salary in respect of both group 1 and group 2 must be calculated having regard to all of the salary the member received prior to the effective date while participating in any benefit group.

### **Concurrent employment**

- 127** (1) Despite any other provision of this Plan, but subject to subsections (2), (3) and (4), if in a calendar month an active member is accruing service in the same benefit group with two or more employers, the following rules apply:
- (a) the member's contributory service in respect of that month and that benefit group equals one month of contributory service;
  - (b) the member's pensionable service in respect of that month and that benefit group equals the lesser of
    - (i) one month of pensionable service, and
    - (ii) the sum of the periods of pensionable service otherwise determined pursuant to subsection 12 (2) in respect of the employment with those employers in that benefit group;
  - (c) the member's salary in respect of that month and that benefit group equals the sum of all salary received by the member for employment in that benefit group in that month; and
  - (d) the member's contributions pursuant to sections 5, 6 and 7 in respect of that month and that benefit group equals the sum of all contributions made pursuant to sections 5, 6 and 7 in respect of the salary received by the member for employment in that benefit group in that month.
- (2) Despite subsection 1 (a), if the sum of a member's periods of contributory service recognized in respect of a calendar month prior to or after the effective date in respect of all benefit groups exceeds one month, the member's period of contributory service recognized in respect of each benefit group for that calendar month must be proportionately reduced so the sum of such periods equals one month, provided further that the sum of a member's periods of contributory service in respect of all benefit groups cannot exceed 35 years.
- (3) Despite subsection 1 (b), if the sum of a member's periods of pensionable service recognized in respect of a calendar month prior to the effective date in respect of all benefit groups exceeds one month, the member's period of pensionable service recognized in respect of each benefit group for that calendar month must be proportionately reduced so the sum of such periods equals one month.

- (4) Despite subsection 1 (b), if the sum of a member's periods of pensionable service recognized in respect of a calendar month after the effective date in respect of group 2 and group 5 exceeds one month, the member's period of pensionable service recognized in respect of those benefit groups for that calendar month must be proportionately reduced so the sum of such periods equals one month.