


The Halifax Regional Municipality

Pension Plan

Certified to be a true and complete copy of the text of the Halifax Regional Municipality Pension Plan, as amended and restated, including Amendments 2016-01, 2017-01 and 2019-01, to June 13, 2019.

Date: December 10, 2021

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Section 1 - Introduction

- 1.01 The Halifax Regional Municipality Pension Plan (the “Plan”) was established by the Halifax Regional Municipality and its employees effective April 1, 1998.
- 1.02 The Halifax Regional Municipality was established by the Halifax Regional Municipality Act, and comprises the amalgamation of the municipal units of the Halifax County Municipality, the City of Halifax, the City of Dartmouth, and the Town of Bedford (collectively, “the Former Municipalities”). The Former Municipalities and the Metropolitan Authority sponsored the Prior Plans as follows: the Metropolitan Authority Employees’ Pension Plan; the Halifax County Municipality Full-time Retirement Pension Plan; the City of Dartmouth Employees’ Retirement Pension Plan; and the City of Halifax Superannuation Plan, as applicable.

On the Effective Date, the Prior Plans merged to form the Plan. The Plan contains in its Appendices A to E, the terms and provisions of the Prior Plans, as well as the terms and conditions of the Current Plan.

Each Employee of the Municipality hired before the Effective Date will have the option as of the Effective Date to accrue benefits under the Plan in accordance with:

- (i) the Appendix relating to the Prior Plan of which he was a member; or
- (ii) the Appendix relating to the Current Plan.

Members who have elected to accrue future benefits in accordance with Section 1.02(ii) will have the option to convert benefits accrued to the Effective Date under a Prior Plan, to the terms and provisions set out in the Appendix relating to the Current Plan.

- 1.03 Some Employees accrued pension benefits under the Town of Bedford Employee Pension Plan or the Halifax County Municipality Part-time Retirement Pension Plan (referred to as the DC Plans). These Employees are provided the option to continue to accrue benefits under their respective DC Plan, or under the Appendix relating to the Current Plan, starting January 1, 1999. In addition, in respect of Employees who did not elect to accrue benefits under the Appendix relating to the Current Plan on January 1, 1999, they may so elect on the first day of any calendar year thereafter. For the Employees choosing to accrue future benefits in accordance with the Appendix relating to the Current Plan, such election cannot be revoked, and the DC Plan under which they had accrued benefits prior to their election is succeeded by this Plan. For Employees who elect to remain in their respective DC Plan, as applicable, those DC Plans are not succeeded by this Plan, unless and until any such Employee makes a subsequent election as permitted above.
- 1.04 On and after the Effective Date, new Employees of the Municipality/Participating Employer will join the Plan and will accrue benefits under the provisions of the Plan described in the Appendix relating to the Current Plan.
- 1.05 (1) Effective January 1, 2000, active members of the Halifax County- Bedford District School Board U.S.B.E. Pension Plan (registration number C-588970) (the “USBE Plan”) sponsored by the Halifax Regional School Board, ceased to participate in the USBE Plan and became Members of the Plan under the Appendix related to the Current Plan. The applicable period of membership in the USBE Plan is recognized in determining the vested status of such Members under the Plan and Continuous Service (including service with the Halifax Regional School Board prior to joining the Plan, in accordance with Section A1.01) is used to determine eligibility for early retirement under Section A2.02 and Section A2.03.

(2) A transfer of assets from the USBE Plan to the Plan will be made subject to the consent of the Superintendent of Pensions. Such asset transfer will fund the cost of recognizing part or all of a Member's Continuous Service prior to January 1, 2000 as Credited Service under the Plan in accordance with subsection A1.02 (2). The Members eligible for such an asset transfer from the USBE Plan to the Plan are those who became Members of the Plan on January 1, 2000 and who, at the time approval is granted by the Superintendent of Pensions:

- (i) are actively employed by the Halifax Regional School Board;
- (ii) are in receipt of long term disability benefits, on a leave of absence, or in receipt of workers' compensation benefits;
- (iii) have retired and commenced receipt of a monthly pension from the USBE Plan; or
- (iv) have terminated employment but remain entitled to a deferred pension under the Plan and the USBE Plan.

For greater clarity and certainty, only and all of such individuals who qualify as Transferring Members within the meaning of that term in the USBE Plan are eligible for the asset transfer described here.

1.06 Unless stated otherwise, the terms of the Plan shall apply to Members who retire, die, or otherwise terminate employment on and after April 1, 1998. To the extent that Members who retired, died, or otherwise terminated employment prior to this date have an entitlement to benefits by the terms of the plan in effect at the time of that event, such entitlement becomes the responsibility of this Plan.

Section 2 - Definitions

In this Plan, the following words and phrases have the meanings described below, unless a different meaning is clearly and specifically required by the context, or unless the same word or phrase is defined in an Appendix, in which case the definition set out in that Appendix applies in that Appendix, except where specific reference is made to this Master Text.

- 2.01 **Actuarial Equivalent** means a pension of an equivalent value determined using actuarial tables and other methods and assumptions that are adopted by the Committee on the recommendation of the Actuary for the purposes of the Plan, subject to any requirements of the Pension Benefits Act and the Income Tax Act (Canada).
- 2.02 **Actuary** means a person or firm retained by the Committee who is, or one of whose employees is, a Fellow of the Canadian Institute of Actuaries.
- 2.03 **Administrator** means the Halifax Regional Municipality Pension Committee, the duties of which are set out in Section 6.
- 2.03.1 **Auditor** means such person, firm, or corporation as may, from time to time, be appointed by the Committee to be the auditor of the Pension Fund and Plan, provided that such person, or at least one principal of such firm or corporation, is a member of the Chartered Professional Accountants of Canada.
- 2.04 **Average Industrial Wage** means for a Plan Year the amount that is obtained by dividing by 12 the total of all amounts each of which is the average weekly wages and salaries of the industrial aggregate for the month as published by Statistics Canada for every month in the 12 month period ending on June 30 of the immediately preceding calendar year.

2.05 **Beneficiary** means a beneficiary designated by a Member in accordance with Section 5.

2.06 **Committee** means the Halifax Regional Municipality Pension Committee constituted and maintained pursuant to Section 6.

2.07 **Commuted Value** means, in relation to benefits that a person has a present or future entitlement to receive, a lump sum amount which is the actuarial present value of those benefits computed using rates of interest, the actuarial tables and other assumptions that are adopted by the Committee on the recommendation of the Actuary for purposes of the Plan, subject to any requirements of the Pension Benefits Act and the Income Tax Act.

2.08 **Credited Interest** means:

- (1) interest on Member Required Contributions compounded annually and calculated:
 - (a) at the end of each Plan Year, on the balance of contributions at the beginning of the Plan Year, at a rate equal to the average of the yields of 5 year personal fixed term chartered bank deposits (CANSIM series V 122515) for that Plan Year; plus
 - (b) at the end of each Plan Year, on the balance of contributions made during the Plan Year, a pro-rata portion of the rate calculated in accordance with (a) above; plus
 - (c) at the date a Member's Continuous Service terminates, on the balance of contributions at the beginning of the Plan Year, and the balance of contributions made during the Plan Year, a pro-rata portion of the rate calculated in accordance with (a) above for the preceding Plan Year, for the period in the current Plan Year to the date the Member's Continuous Service terminates;

- (2) interest on lump sum payments out of the Pension Fund, other than the Commuted Value of a former Member's deferred pension, compounded annually and calculated from the date at which determination is required to the beginning of the calendar month of payment at the rate that is being credited to Member Required Contributions under (1) above;
- (3) interest on the payment of the Commuted Value of a former Member's deferred pension, compounded annually and calculated from the date at which determination is required to the beginning of the calendar month of payment at the rate that was used to calculate the Commuted Value.

2.09 ***Current Plan means Appendix A, the terms and conditions of which apply to each*** Employee who elects to accrue benefits under its provisions as of its Effective Date of April 1, 1998 and to each new Employee of the Municipality/Participating Employer commencing employment on or after that Effective Date.

2.09.1 ***Earnings*** shall be as defined in the Appendix applicable to the Member in issue, except in the case of Members participating in Appendix A, in respect of whom a reference to Earnings shall be interpreted as a reference to "Defined Benefit Earnings", as defined in Appendix A.

2.10 ***Effective Date*** means the date specified as such in the Appendix describing the terms and conditions of benefits for each Member or former Member. Effective Date for the portions of the Plan identified as the Master Text and the Current Plan means April 1, 1998, the date of amalgamation described in Section 1.02.

2.11 ***Employee*** means any person who is employed by the Municipality/Participating Employer. For purpose of eligibility under the Plan, Employee includes the Mayor and Councillors of the Municipality.

2.12 **Former Municipality** means the former municipal units of the Halifax County Municipality, the City of Halifax, the City of Dartmouth, and the Town of Bedford, and where the context requires, the Metropolitan Authority and any affiliated or associated agencies or employers.

2.12.1 **Fundamental Change** means an amendment to the Plan that changes:

- (a) existing pension benefit levels, unless such change is a reduction in existing pension benefit levels required to avoid revocation of the registration of the Plan under the Income Tax Act in accordance with Section 7.04;
- (b) the fundamental governance structure of the Plan, including the composition of the Committee as detailed under Section 6.01 and the decision-making procedure for Fundamental Changes as outlined under Section 7.02; or
- (c) the contribution rates of Members or the Municipality/Participating Employer, including as a result of the application of surplus to reduce contribution rates, unless such change in contribution rates is required because of a requirement of the Pension Benefits Act or a change to the actuarial assumptions or methods used by the Actuary for the purposes of the Plan.

2.13 **Funding Agent** means an insurance company authorized to carry on a life insurance business in Canada, a trust company, or a group of at least 3 individuals resident in Canada at least one of whom is independent of the Municipality, and includes any combination or successors thereof appointed by the Committee to hold, administer and invest the Pension Fund.

2.14 **Funding Agreement** means any agreement or agreements now or hereafter executed between the Committee and the Funding Agent for purposes of this Plan.

- 2.14.1 ***Halifax Water Agreement*** means the Amended and Restated Agreement made the 28th day of November 2013 and effective as of October 1, 2012 between the Committee and the Halifax Regional Water Commission, as amended, restated, supplemented, or replaced from time to time.
- 2.15 ***Income Tax Act*** means the *Income Tax Act*, Statutes of Canada and the Regulations thereunder, as amended or replaced from time to time.
- 2.16 ***Interest*** means all investment income resulting from the investment of the Member's Account. Interest shall be calculated using the rate of return for the Pension Fund, net of all expenses paid from the Pension Fund. Interest shall be allocated not less than annually to the Member's Account.
- 2.17 ***Master Text*** means the portion of the Plan, including this Section 2, describing the provisions of common application to each of the Current and Prior Plans.
- 2.17.1 ***Master Trust*** means the master trust established by the Committee and administered in accordance with the Master Trust Agreement.
- 2.17.2 ***Master Trust Funding Agent*** means an insurance company authorized to carry on a life insurance business in Canada, a trust company, or a group of at least 3 individuals resident in Canada at least one of whom is independent of the Municipality, and includes any combination or successors thereof appointed by the Committee to hold, administer, and invest the Master Trust.
- 2.17.3 ***Master Trust Agreement*** means any agreement or agreements now or hereafter executed between the Committee and the Master Trust Funding Agent for the purposes of the Master Trust.
- 2.18 ***Member*** means an Employee who has become a Member of the Plan, or a former Employee who continues to be entitled to benefits under the Plan.

- 2.19 **Municipality** means the Halifax Regional Municipality.
- 2.19.1 **Non-Member** means a person who is not a Member.
- 2.20 **Participating Employer** means any corporate body or other employer organization, including organizations not related to or affiliated with the Halifax Regional Municipality, which is recognized by the Committee as eligible to participate in the Plan, based on criteria established by the Committee, from time to time.
- 2.21 **Pension Benefits Act** means the Pension Benefits Act, Statutes of Nova Scotia and the Regulations thereunder, as amended or replaced from time to time.
- 2.22 **Pension Fund** means the fund maintained to provide benefits under or related to the Plan.
- 2.23 **Plan** means the Halifax Regional Municipality Pension Plan, comprised of the Master Text and the Appendices A through E. Any reference to “Plan” within Appendices A through E shall be construed as a reference to the provisions of the specific appendix applicable to that Current or Prior Plan, unless the context dictates that it is a reference to the Master Text.
- 2.24 **Plan Year** means the calendar year.
- 2.25 **Prescribed Reduction** means the reduction in the amount of normal retirement date pension of at least $\frac{1}{4}$ of 1% for each complete month by which the early pension commencement date precedes the earliest of:
- (a) the day on which the Member will attain 60 years of age (55 for the reduction applicable to the portion of the pension accrued while the Member is in a Public Safety Occupation);

- (b) the day on which the Member would have completed 30 (25 for the reduction applicable to the portion of the pension accrued while the Member is in a Public Safety Occupation) years of Continuous Service, excluding periods of lay-off and absence from employment that are not capable of inclusion in Credited Service, had the Member continued employment with the Municipality/Participating Employer; and
- (c) the day on which the Member's age (measured in years and fractions thereof) plus the Member's years of Continuous Service, excluding periods of lay-off and absence from employment that are not capable of inclusion in Credited Service, would have equaled 80 (75 for the reduction applicable to the pension accrued while the Member is in a Public Safety Occupation) had the Member continued employment with the Municipality/Participating Employer, except that no reduction applies if the Member has a Total and Permanent Disability (as defined in the Income Tax Act) at the date of pension commencement.

2.26 **Prior Plans** means the following pension plans of the Municipality: the Metropolitan Authority Employees' Pension Plan; the Halifax County Municipality Full-time Retirement Pension Plan; the City of Dartmouth Employees' Retirement Pension Plan; and the City of Halifax Superannuation Plan.

2.27 **Public Safety Occupation** means a sworn officer in the police service or the fire service of the Municipality.

2.27.1 **Sponsor Union** means a union representing Members employed in a bargaining unit identified in Section 6.01(b).

2.28 **Spouse** means either of two persons who:

- 1) are married to each other,
- 2) are married to each other by a marriage that is voidable and has not been

annulled by a declaration of nullity,

- 3) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, where they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement,
- 4) are domestic partners within the meaning of Section 52 of the Vital Statistics Act, or
- 5) not being married to each other, are cohabiting in a conjugal relationship with each other, and have done so continuously for at least
 - (i) three years, if either of them is married, or
 - (ii) one year, if neither of them is married.

Notwithstanding this definition, for all applications of the Income Tax Act, the relevant definition(s) therein shall apply. Any right, privilege or benefit available to a Spouse under or incidental to this Plan is subject to the limits of applicable legislation in force at the relevant time.

2.29 **YMPE** means, in respect of any Plan Year, the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan.

In this Plan, reference to the male gender will include the female gender and vice versa, and words importing the singular number include the plural number and vice versa.

Section 3 - Eligibility for Membership

3.01 **Full-Time Employees**

Each full-time Employee hired on or after the Effective Date of the Plan shall become a Member on his date of full-time employment with the Municipality/Participating Employer, or such earlier date as may apply under the terms of Section 3.02. For non-bargained positions, full-time employment shall mean 35 hours per week for an indefinite term. For bargained positions, full-time employment shall be as specified by the respective collective agreement. Contract employees are eligible to join the Plan on the same cost-sharing basis as other Members providing their specific contract of employment provides for such membership.

Each full-time Employee who was hired by a Former Municipality or the Municipality before the Effective Date of the Plan will become a Member of the Plan as of the Effective Date. Each such Member of the Plan will have the option as of the Effective Date to accrue benefits under the Plan in accordance with:

- a) the Appendix relating to the Prior Plan of which he was a member; or
- b) the Appendix relating to the Current Plan.

3.02 **Other than Full-Time Employees**

An Employee who is employed on a less than full-time employment basis by the Municipality/Participating Employer may become a Member on or after the Effective Date of the Plan, on the first day of January or July coincident with or next following the completion of 12 months of Continuous Service, provided he has attained at least one of the following:

- a) earnings of at least 25% of the YMPE from employment with the Municipality/Participating Employer; or

b) 700 hours of employment with the Municipality/Participating Employer, in the immediately preceding 12 months of Continuous Service prior to joining the Plan, or as may otherwise be provided by an applicable collective agreement. If an Employee does not elect to become a Member upon becoming eligible, the Employee may join the Plan on the first day of January or July of any calendar year thereafter, provided he continues to meet the Continuous Service and earnings or hours criteria specified in this Section 3.02 immediately prior to joining the Plan. A part-time Employee who was a Member of a Prior Plan immediately prior to the Effective Date shall become a Member of the Plan on the Effective Date of the Plan.

3.03 **Mayor and Councillors**

The Mayor and Councillors of the Municipality as of the Effective Date of the Plan may join the Plan on the Effective Date. Thereafter, a person who becomes the Mayor or a Councillor may join the Plan on or after his taking office with the Municipality.

3.04 **Termination of Participation Not Permitted**

A Member's participation in the Plan must continue while he remains an Employee, the Mayor or a Councillor. A Member does not cease to be a Member merely because he earns less than 25% of the YMPE, or is employed for fewer than 700 hours, in a calendar year.

3.05 **Re-Employment**

(1) **Non-Pensioners**

If a former Employee, other than a person described in Section 3.05(2), is re-hired by the Municipality/Participating Employer, the Employee is a new employee for purposes of eligibility for membership and benefits under the Plan, except with respect to any vested benefits which he may have to his credit in the Plan for his previous service. Any benefit earned after the date of re-hire shall be calculated based on Continuous and Credited Service after that date.

Notwithstanding the above, if a former Employee, other than a person described in Section 3.05(2) is rehired by the Municipality/Participating Employer, and his employment with the Municipality/Participating Employer was interrupted for less than a year, the Employee has the option to return to the Plan any transfer/refund (not to exceed the actuarial cost for the service in accordance with Section 4.01(7)) that was made upon his termination of employment plus Interest up to the date the transfer/refund is returned to the Plan, and forego any deferred pension the Member may have been entitled to in respect of his membership to his termination of employment, and receive credit for his Continuous Service, Credited Service, and Earnings accrued prior to his termination of employment. Any such repayment in respect of service before January 1, 1990 must be transferred from a registered retirement savings plan, a deferred profit-sharing plan, or from another registered pension plan. Any such Employee who had not received any transfer/refund, may opt to forego any transfer/refund or deferred pension he may have been entitled to in respect of his membership to his termination of employment, and receive credit for his Continuous Service, Credited Service, and Earnings accrued prior to his termination of employment.

(2) Pensioners

If an individual who is receiving a pension from the Plan or another registered pension plan sponsored by the Municipality is re-hired by the Municipality/Participating Employer, the individual may elect either:

- (a) to join the Plan immediately upon hire, in which case:
 - (i) his pension will be suspended immediately;
 - (ii) the amount of accrued pension will not be altered and recommences on his subsequent termination of Continuous Service; and
 - (iii) any benefit earned after the date of re-employment will be calculated based on service after that date; or
- (b) to continue to receive his pension and not accrue further benefits during this or any subsequent period of re-employment.

Section 4 - Contributions

4.01 **Required Contributions**

- 1) Subject to Sections 4.01(2) and A6.01, the Member and the Municipality/Participating Employer shall make contributions in equal proportions to the Plan for each Member until the Member's retirement, death, or termination of employment, equal to such percentage of the Member's Earnings as is required to pay the cost of providing the benefits to which such Member is entitled as determined by the Actuary. Contribution rates will be determined by class, as acceptable to the Superintendent of Pensions (Nova Scotia).

Notwithstanding the first paragraph of this Section 4.01(1), for Members contributing to the Plan and participating in accordance with Appendix A (Current Plan), Earnings upon which such Members contribute in any Plan Year shall be limited to an amount of Earnings which, when used to calculate the retirement benefit under Section A3.01 for the Plan Year, does not result in a retirement benefit in excess of the limit set out in Section A3.05(a). A Member whose contributions have been limited in any Plan Year by virtue of this provision shall be deemed, in any event, to be making contributions for the purposes of Section A1.02.

Notwithstanding the first paragraph of this Section 4.01(1), for Members contributing to the Plan and participating in accordance with Appendix B (former City of Dartmouth Employees' Retirement Pension Plan), Member and Municipality/Participating Employer contributions shall be made based upon a ratio of 1:1.1.

- 2) Contributions to the Pension Fund, in accordance with Section 4.01, shall be eligible contributions as defined by the Income Tax Act, and a Member's contribution for any Plan year shall not exceed the maximum amount permitted by the Income Tax Act for that Plan Year.
- 3) A Member in a Public Safety Occupation hired by the Municipality prior to the Effective Date, may elect as of the Effective Date to have his Required Contributions in accordance with Section 4.01(1) increased by .70% of the Member's Earnings. The Municipality shall not contribute such additional contribution as made by the Member pursuant to this Section 4.01(3). This Section 4.01(3) shall not apply to Members who became members of the City of Halifax Superannuation Plan on or after January 1, 1994 and were members of that plan immediately prior to the Effective Date.
- 4) A Member in a Public Safety Occupation hired after the Effective Date shall have his Required Contributions under Section 4.01(1) increased by .35% of the Member's Earnings. For purpose of this Section 4.01(4), Members who became members of the City of Halifax Superannuation Plan on or after January 1, 1994 and were members of that plan immediately prior to the Effective Date shall contribute in accordance with this Section 4.01(4).
- 5) Notwithstanding Sections 4.01(1), 4.01(3) and 4.01(4), Members who were members of the City of Dartmouth Employees' Retirement Pension Plan and who were members of the respective bargaining units of the Police and Fire Fighters unions, and who continue to accrue future benefits under Appendix B, shall contribute an additional 1.32% of Earnings, in addition to the contributions specified in Sections 4.01(1), 4.01(3), and 4.01(4), and the Municipality shall contribute in respect of such Members an additional 1.45% of Earnings, both until December 31, 2004. Thereafter, contributions shall be determined in accordance with Section 4.01(1).

- 6) Each Member accruing benefits under the terms and conditions of Appendix A may elect by September 30, 1998 or upon becoming a Member if later, and each September 30 thereafter to contribute to the Plan a percentage equal to 6.3% of his Defined Contribution Earnings, with such contributions allocated to the Member's Account, as defined in Appendix A. Each such election will have effect from the first pay period in January following the Member's election.

If a Member elects to contribute under Section 4.01(6), then the Municipality/Participating Employer shall contribute, subject to Section 4.01(2), on behalf of the Member, an amount equal to the Member's contribution under this Section 4.01(6), with such contributions allocated to the Member's Account, as defined in Appendix A.

Notwithstanding the above, for compensation related to extra duty performed by police officers (as provided under pay codes DXP 1316 and DXP 1317 of the Municipality) falling under the definition of Defined Contribution Earnings, a Member who elected to contribute on Defined Contribution Earnings will contribute at a rate of 12.6% of such extra duty Defined Contribution Earnings and the Municipality will not match such contributions.

- 7) A Member who wishes to purchase Credited Service, as defined in Appendix A, Appendix B, Appendix D, or Appendix E shall contribute an amount equal to the actuarial cost of such Credited Service as determined by the Actuary and approved by the Committee. The procedures for the purchase of such Credited Service shall be determined by the Committee.
- 8) The Pension Fund shall accept contributions payable by a disability income plan on account of the disability of a Member. The contribution amount and rate of contribution for any such Member shall be the amount and rate payable by the insurance company as at the date of the commencement of the disability.

4.02 **Remittance of Contributions**

The Municipality/Participating Employer shall remit to the Funding Agent, for deposit to the Pension Fund, all sums received by the Municipality/Participating Employer from a Member or deducted from a Member's pay and contributions payable by the Municipality/Participating Employer, as soon as possible, and no later than 30 days following the month in which the sums are received or deducted, or payable by the Municipality/Participating Employer.

4.03 **Increase in Contributions**

If, on the advice of the Actuary, the contributions described in Section 4.01(1) are not sufficient to provide the minimum funding, as required by the Pension Benefits Act, of the benefits accruing in the Plan Year and any unfunded actuarial liability or solvency deficiency that may exist, then the Municipality/Participating Employer's and the Members' Required Contributions shall be increased in equal amounts (expressed as a percentage of Member Earnings) so that the contributions are sufficient to provide the minimum funding required, subject to acceptability under the Income Tax Act. Contributions shall remain within the limits of Regulations 8503(4)(a) or (5) of the Income Tax Act, as applicable.

4.04 **Decrease in Contributions**

If, on the advice of the Actuary, and taking into account any funding excess that may exist, the contributions described in Section 4.01(1) are more than sufficient to provide the minimum funding, as required by the Pension Benefits Act, of the benefits accruing in the Plan Year and any unfunded actuarial liability or solvency deficiency that may exist, then the Committee may reduce the Municipality/Participating Employer's and Members' Required Contributions, in equal amounts (expressed as a percentage of Member's Earnings).

If the contributions described in Section 4.01(1) would not be eligible contributions under the Income Tax Act then the Committee shall reduce the Municipality/Participating Employer's and Members' Required Contributions, in equal amounts

(expressed as a percentage of Members' Earnings), such that contributions become eligible contributions under the Income Tax Act.

4.05 **Return of Contributions**

An amount contributed by a Member or the Municipality/Participating Employer under Section 4.01 may be refunded at any time to the Member or Municipality/Participating Employer as applicable where required to avoid the revocation of registration of the Plan under the Income Tax Act, subject to the approval of the Superintendent of Pensions of Nova Scotia.

Section 5 - Designation of Beneficiary

5.01 Designation of Beneficiary

A Member may, by written notice delivered to the administrator of the Plan, as appointed by the Committee, designate a Beneficiary to receive any benefits payable to a Beneficiary on the death of the Member. A Member may revoke or amend such designation in the same manner at any time, subject to any applicable laws governing the designation of beneficiaries. The right to revoke or amend a Beneficiary designation continues after pension commencement.

Notwithstanding the designation of a Beneficiary hereunder, the Member's surviving Spouse who was the Spouse at the earlier of death or pension commencement, if there is one, may be entitled to receive death benefits payable in accordance with the Plan provisions applicable to that Member in place of any benefits otherwise payable to a Beneficiary had there not been a Spouse.

5.02 No Beneficiary

If a Member does not validly designate a Beneficiary, or if the Beneficiary predeceases the Member, any benefits payable to the Member's Beneficiary will be paid in a lump sum to the estate of the Member.

5.03 Death of Beneficiary

If a Beneficiary, as a result of a Member's death, is entitled to payments under the Plan and if the Beneficiary dies before receiving any or all of the payments due to him, the Commuted Value of the remainder of the payments will be paid in a lump sum to the estate of the Beneficiary.

Section 6 - Administration

6.01 **Joint Committee**

The Halifax Regional Municipality Pension Committee (“Committee”) consists of 12 persons each of whom are Members of the Plan designated as follows:

- (a) Five persons designated by the Municipality,
- (b) One person designated by each of the respective unions representing Plan Members employed in the following bargaining units:
 - (i) transit workers
 - (ii) inside workers
 - (iii) outside workers
 - (iv) police service personnel
 - (v) fire service personnel

Notwithstanding the foregoing, should a union cease to be a bargaining agent for the respective Employee group, the person designated by that union shall cease to be a member of the Committee.

Notwithstanding Section 6.01(e), where the bargaining agent is replaced in its entirety by a bargaining agent not already represented on the Committee, the respective Employee group shall designate a single representative who shall become a member of the Committee.

- (c) One person designated by the Non-Union Municipality Employees Association (NUMEA),

- (d) One person who shall be designated by the Committee in the following manner:
 - (i) At the first annual Committee meeting, a Committee member may nominate any person or persons from among the retired employees of the Municipality or Former Municipality;
 - (ii) The Committee members shall vote and a majority agreement with the majority including at least one vote from a Committee member from each of Sections 6.01(a), (b), and (c) above, shall be required for a person to be designated;
- (e) an additional member or members, representing groups not already represented in Sections 6.01(a), (b), and (c), which may be added to the Committee upon unanimous agreement of the Committee members as described in Sections 6.01 (a), (b), and (c)

Notwithstanding the foregoing, all persons designated by any of the parties authorized to appoint members to the Committee (hereinafter “Authorized Parties”) shall comply with any Code of Conduct prescribed by the Committee. Failure to accept and comply with the Code of Conduct shall result in the refusal to permit the proposed member to take a position or to allow a current member to continue to be a voting member or an alternate member. If a designated person is not permitted to serve as a voting member or alternate member, the Authorized Party shall designate a new member to fill the applicable positions.

6.02 **Liability of Joint Committee**

The Committee acts as an independent body, and at arm’s length from the Municipality. In the performance of their duties, Committee members shall exercise the care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person.

6.03 **Term of Office**

The term of office of a member of the Committee shall be at the discretion of the entity which appointed the member under Section 6.01. Such term shall be renewed automatically at its expiry unless the entity which appointed a member otherwise notifies in writing both the Committee and the affected individual, pursuant to Section 6.04(2).

6.04 **Resignation, Termination or Vacancy**

(1) **Resignation**

A member of the Committee may resign from office by giving written notice to that effect to the Committee. Such resignation shall become effective upon delivery or any later date specified in the notice.

(2) **Termination**

The entity which appointed the Committee member and/or alternate may terminate the term of office of a Committee member and/or alternate they have appointed, following written notice both to the Committee and the affected individuals. The term of office of a Committee member and/or alternate who is also an Employee shall be terminated automatically on the individual's date of termination of employment with the Municipality.

(3) **Vacancy**

If a Committee member becomes unable to act or if a seat of the Committee is vacant, the entity which appointed the Committee member, shall designate a person to fill the vacancy.

6.05 **Officers**

- (a) The Committee members shall elect two Co-Chairpersons from among their number. Each Co-Chairperson must be a Member.
- (b) The terms of such Co-Chairpersons shall be one year.
- (c) At all times, one Co-Chairperson shall be a Committee member appointed under Section 6.01(a) and the other Co-Chairperson shall be a Committee member appointed under Section 6.01(b).
- (d) The Co-Chairpersons shall alternate as the Chairperson for meetings of the Committee, unless the Co-Chairpersons agree otherwise.

6.06 **Recording Secretary**

The Committee shall appoint a secretary who shall keep minutes and records of all meetings, proceedings and acts of the Committee. Such recording secretary (“Secretary”) need not necessarily be a Committee member in which case any fees associated with the services of the Secretary shall be paid out of the Pension Fund.

6.07 **Duties of the Committee**

(1) **Duty of Disclosure**

The Committee shall have the duty to report regularly and openly to all parties on all matters which arise with respect to the operation of the Plan, in such manner as the Committee shall decide. The Committee, however, shall not be required to report on matters which concern entitlement to individual benefits by a specific beneficiary.

(2) General Duties, Powers, and Responsibilities

The Committee shall have the duty, power, and responsibility to ensure that the Plan operates so as to provide the benefits and entitlements under the Plan, and further, the Committee shall ensure that all provisions of the Pension Benefits Act and the Income Tax Act, as it relates to the Committee, are complied with.

(3) Specific Duties, Powers, and Responsibilities

Without limiting the generality of the foregoing, the Committee shall have the following duties, powers, and responsibilities:

- (a) to be the administrator of the Plan for the purposes of the Pension Benefits Act and the Income Tax Act and administer the Plan in accordance with the provisions of the Plan so as to ensure that the Plan provides the pension benefits and other entitlements as set out herein;
- (b) to adopt, amend, and approve such procedures, guidelines, policies, rules or regulations, as they deem necessary, for the administration of the Plan, consistent with the provisions of the Plan and the requirements of the Pension Benefits Act and the Income Tax Act;
- (c) to interpret and apply all provisions of the Plan and such interpretation shall be binding upon the parties and all beneficiaries, their heirs, successors, and assigns;
- (d) to lease such premises and lease or purchase such materials, supplies, and equipment and to retain and employ such services or persons as they in their discretion deem necessary or appropriate for the performance of their duties and to pay the costs thereof out of the Plan;
- (e) notwithstanding the generality of paragraph (d), to select and terminate the Plan's Chief Executive Officer and establish the terms and conditions of employment of the Plan's Chief Executive Officer;

- (f) notwithstanding the generality of paragraph (d), to hire or cause the Plan's Chief Executive Officer to hire such plan manager, counsel, instructors, directors, educators, and other assistance, professional or otherwise, as may be required for the performance of their or the Plan's Chief Executive Officer's duties and to ensure the fulfillment of the Plan;
- (g) to delegate any of their duties, powers, or responsibilities to any of their employees or agents;
- (h) to enter into any and all contracts and agreements, either with private individuals, corporations or with any government agency which can directly or indirectly assist in the purpose of carrying out the terms of this Plan;
- (i) to approve the actuarial methods and assumptions to be used in the administration of the Plan and for actuarial valuation reports for the Plan prepared by the Actuary;
- (j) to authorize the Actuary to prepare an actuarial valuation report for the Plan and to approve and file such actuarial valuation report with the regulatory authorities at such frequency as is required by the Pension Benefits Act and the Income Tax Act or at such greater frequency as determined by the Committee;
- (k) to set contribution rates for the Plan, subject to the provisions for Fundamental Changes under Section 7.02;
- (l) to amend or restate the Plan, subject to the provisions for Fundamental Changes under Section 7.02;

- (m) to have the Plan and Pension Fund audited every year by the Auditor and review and approve such annual audit;
- (n) to merge or consolidate the Pension Fund with the trust fund of any similar pension plan established to provide pension and related benefits;
- (o) to oversee the administration of the Master Trust;
- (p) to oversee the administration of the Halifax Water Agreement and any pension plan assets administered under such agreement;
- (q) to establish an internal administrative process to resolve disputes raised by Members and others concerning entitlement to benefits under the Plan;
- (r) to oversee the payment of benefits in accordance with the Plan to those persons eligible to receive them;
- (s) to establish or approve procedures to be followed in filing applications for benefits under the Plan and for the furnishing and certification of evidence necessary to establish a right to such benefits;
- (t) to collect, compromise, settle, submit to arbitration, and release claims or demands in favour of or against the Plan on such terms and conditions as the Committee may deem advisable;
- (u) to establish and accumulate a Pension Fund adequate, in the opinion of the Committee, to carry out the purposes of the Plan;
- (v) to pay out of the Plan all real and personal property taxes, income taxes and any other taxes of any kind levied or assessed upon the Plan or any monies or securities forming part thereof;

- (w) to receive for the purposes of and on behalf of the Pension Fund, contributions or payments from any source whatsoever to the extent permitted by law;
- (x) to appoint such agents, investment managers, brokers, bankers, and others as they consider necessary or desirable for the purposes of investing capital and income of the Plan on such terms as the Committee determines from time to time;
- (y) to authorize such persons appointed under paragraph (x) to invest, reinvest, and divest the monies of the Plan; however, notwithstanding the generality of the foregoing, the Committee may direct its investment counsellors as to the specific and particular nature and type of investments that meet the objectives of the Committee;
- (z) to pay out of the Plan such fees and expenses to such persons making investments on behalf of the Pension Fund as may reasonably be required;
- (aa) to obtain from the Municipality/Participating Employer such information as may be deemed necessary for the proper administration of the Plan, and is permitted by law;
- (bb) to pay out of the Plan all reasonable and necessary expenses, costs and fees in connection with the collection of contributions and administration of the Plan including, but not limited to regulatory fees, and the expenses, costs and fees of actuaries, administrators, legal counsel, accountants, pre-retirement experts, and clerical assistance. However, no Committee member shall be employed by the Plan in any capacity;
- (cc) to do all acts, including the establishments of separate committees, and such other acts whether or not expressly authorized herein which the

Committee deems necessary to accomplish the general objectives and enable the beneficiaries to obtain the greatest benefits under the Plan in the most efficient and economical manner;

- (dd) to authorize borrowings at a chartered bank, trust company or credit union, when necessary for the effective operation of the Plan;
- (ee) to provide for training of the Committee at seminars, through the retention of trainers, through attendance at conventions and other such bodies, anywhere the Committee deems appropriate and beneficial to the beneficiaries as a whole; and
- (ff) to the extent not here before enumerated, all the powers under the Trustee Act, R.S.N.S. 1989, c. 479, as amended, except that the Committee in investing the Plan shall not be restricted to investments authorized by the Act.

(4) Books of Account Records and Minutes

- (a) The Committee shall keep true and accurate books of account and records of all their transactions, meetings and any action taken at such meetings or by informal action of the Committee and such other data as may be necessary for the administration of the Plan. The books, accounts and records shall be audited annually or more often by the Auditor. Copies of such audit shall be made available at all times upon reasonable notice for inspection by parties to this agreement at the office of the Committee.
- (b) The Committee shall prepare, execute, file and retain records of all reports required by law or deemed by them to be necessary or appropriate for the proper administration of the Plan. The Committee shall also maintain on a current basis all information necessary for the actuarial studies required

to be made from time to time in connection with the Plan.

- (5) The Committee shall select, appoint, and oversee the performance of the Actuary, the Auditor, and the trustee/custodian. The Committee may without cause remove any of the foregoing and select and appoint a successor. The Actuary, Auditor, and trustee/custodian shall assume such duties and responsibilities as may be delegated to them by the Committee or the Plan's Chief Executive Officer. The Committee or, by its express written delegation, the Plan's Chief Executive Officer, shall select, appoint, and oversee the investment manager or investment managers and may without cause remove any investment manager and select and appoint a successor. An investment manager shall assume such duties and responsibilities as may be delegated to him by the Committee or the Plan's Chief Executive Officer.

6.08 **Committee Advice**

The Committee may retain consultants and professionals to give advice to it with respect to any matters within its power in a manner and frequency as it determines necessary to execute its administrative duties under the Plan.

6.09 **Actuarial Assumptions**

With respect to advice, recommendations, and options obtained from the Plan's Actuary, the Committee shall maintain the discretion to make a final decision with respect to the Actuary's recommendations respecting actuarial assumptions for the Plan. Additionally, the Committee shall, by majority agreement of the Committee Members, decide the actions to be taken with respect to changes in contribution rates required because of a requirement of the Pension Benefits Act or a change to the actuarial assumptions or methods used by the Actuary for the purposes of the Plan.

Notwithstanding Sections 4.03 and 4.04, in the event contribution rates are changed, including as part of a Fundamental Change, the Committee shall give to the affected

Member groups and the Municipality/Participating Employer written notice of such change in contributions at least 180 days prior to the scheduled change (for the purposes of this Section 6.09, the "Notice Period").

Immediately after the Notice Period, the Committee may take steps to implement the change in contributions, pursuant to Sections 4.03 and 4.04, as applicable, or as a result of a Fundamental Change.

6.10 **Meetings**

(1) Committee Meetings

The Committee shall meet at least quarterly each year.

(2) Notice of Committee Meetings

Either Co-Chairperson or a Committee member if instructed to do so by one of the Co-Chairpersons, may call a meeting of the Committee at any time, by giving at least ten days written notice of the time and place of the meeting to each Committee member. Such notice may be delivered in person, by telephone, by mail, by email or by fax.

Meetings of the Committee may be held at any time without notice, if all Committee members consent thereto.

Notwithstanding the foregoing, the Co-Chairperson shall call a special meeting of the Committee at any time in response to a request in writing addressed to the Secretary of the Committee by any four members of the Committee, which request shall state the purpose of the meeting.

(3) Quorum and Vote

Two-thirds of the Committee members shall constitute a quorum, provided that at least three Municipality representatives and three Union representatives are present.

If no quorum exists at a Committee meeting, a second special meeting will be held within 10 business days of the meeting. If a quorum still does not exist at the second special meeting, it shall be deemed to exist. Decisions arising out of this second special meeting, provided that a quorum did not exist and was deemed to exist, shall only be overturned at a meeting at which quorum exists.

The decisions of the Committee shall be determined by majority vote of the Committee members present at the meeting except as provided herein. Each Committee member has one vote. If the number of votes cast in favour of a motion or resolution is tied with the number of votes cast against that motion or resolution, the motion or resolution will not carry.

Unanimous concurrence of the Committee members of any decision, as evidenced in writing signed by them, is effective without a meeting of the Committee.

(4) Alternates

(a) Each body that appoints Committee members may appoint up to two alternates for each Committee member appointed by that body. No more than two alternates for the Committee members appointed under Section 6.01(a) and no more than two alternates for the Committee members appointed under Section 6.01(b) may be Non-Members.

(b) Either alternate for a Committee member may act in the place of that Committee member when that Committee member is not in attendance at

the meeting. Subject to paragraphs (c) and (d), the alternate for a Committee member shall be entitled to do all acts or things that the applicable Committee member could do if that Committee member were present at the meeting.

(c) Any alternate appointed under this Section 6.10(4) is entitled to attend any meeting of the Committee but shall have no right to vote unless he has been designated to do so on behalf of the Committee member on account of the absence of such member.

(d) At any meeting of the Committee, no more than two alternates who are Non-Members shall be entitled to vote. In the event that more than two Committee members are absent (including at least one Committee member appointed pursuant to Section 6.01(a) and at least one Committee member appointed pursuant to Section 6.01(b)) and more than two alternates who are Non-Members would, in the absence of this provision, be entitled to vote, the two alternates who may vote shall be selected by the Chairperson such that one alternate who is a Non-Member votes in the place of a Committee member appointed pursuant to Section 6.01(a) and one alternate who is a Non-Member votes in the place of a Committee member appointed pursuant to Section 6.01(b).

(e) An alternate shall speak through the Committee member for whom he is an alternate or he may be recognized by the Chairperson for a particular purpose at the discretion of the Chairperson.

(5) Annual General Meeting

The Committee shall hold an annual general meeting once each year. The meeting will be open to all Members of the Plan. Notice of the time and place of the meeting will be provided to Members at least ten days in advance. The

meeting will be an information session for Members. Topics to be covered include the Plan's previous calendar year performance. Minutes of the AGM will be taken and reviewed by the Committee at the next regularly scheduled meeting.

6.11 **Indemnification of Committee**

- (1) This Section 6.11 shall be effective as of the Effective Date;
- (2) For the purposes of this Section 6.11, "Observer" shall mean a representative of a Participating Employer or a representative of a trade union or employee group for employees of such Participating Employer who has been designated by his or her employer, trade union or employee group to attend meetings of the Committee on behalf of the Participating Employer, trade union, or employee group.
- (3) Every member, alternate, Observer and employee of the Committee shall be indemnified out of the Pension Fund and it shall be the duty of the Committee to pay out of the Pension Fund all liabilities, costs, losses and expenses, including any amount paid to settle an action or judgment, that the Committee or any Member, Alternate, Observer or employee may incur or become liable to pay by reason of any contract entered into, or acts, neglects or defaults of such member, alternate, Observer or employee or in respect of any civil, criminal or administrative claim, action or proceeding or in any way in the discharge of his or her duties as member, alternate, Observer or employee of the Committee;
- (4) No member, alternate, Observer or employee of the Committee shall, in the absence of any dishonesty or willful misconduct on his or her part, be liable for the acts, neglects,

or defaults or otherwise for any liabilities of the Committee or the Plan;

- (5) Nothing in this Section shall exempt any member, alternate, Observer or employee of the Committee from any liability, costs, losses and expenses arising out of his or her dishonesty or willful misconduct.
- (6) The Committee shall have the duty and exclusive responsibility to retain and instruct legal counsel to defend any claims, actions or proceedings against the Committee, or any member, alternate, Observer, or employee of the Committee.

6.12 **Fees and Expenses**

Committee members shall not be entitled to any fee or payment on account of their holding office but shall be reimbursed by the Pension Fund for all reasonable and necessary expenses incurred by them in the performance of their duties.

Such reimbursement shall include payment in accordance with the policy of the Committee, where such payment meets the criteria established by the Committee for eligibility for reimbursement.

The Municipality shall be responsible for lost wages, if any, of any Committee member and their alternates while attending Committee meetings, sub-committee meetings, and other related Committee meetings.

6.13 **Execution of Documents**

All documents to be executed by or on behalf of the Committee shall be signed by the appropriate individual or individuals and in such form and manner as determined by the Committee from time to time.

6.14 **Conflict of Interest**

A Committee member shall not knowingly permit his interest to conflict with his duties in respect of the Plan. Committee members shall abstain from deliberating and voting on any matters likely to place themselves in a situation of conflict between their personal interests and the duties of their office.

During meetings, should a Committee member find himself in a situation of conflict, he shall declare such conflict and physically leave the meeting.

6.15 **Plan Summary**

The Committee shall provide each Employee who is eligible to become or required to become a Member of the Plan with a written explanation of the terms and conditions of the Plan and amendments thereto applicable to him, together with an explanation of the rights and duties of the Employee with reference to the benefits available to him under the terms of the Plan, within the time period prescribed by the Pension Benefits Act.

6.16 **Notice of Amendment**

The Committee shall provide a notice and written explanation of an amendment to the Plan to each Member, or any other person entitled to payment from the Pension Fund, who is affected by the amendment, within the applicable time period prescribed by the Pension Benefits Act.

6.17 **Annual Statement**

The Committee shall provide annually to each active Member a written statement containing the information prescribed by the Pension Benefits Act in respect of the Member's benefits under the Plan within the time period prescribed under the Pension Benefits Act.

6.18 **Statement on Termination of Employment or Membership**

When a Member of the Plan terminates employment or otherwise ceases to be a Member, the Committee shall give to the Member, or to any other person who becomes entitled to a benefit under the Plan, a written statement setting out the information prescribed by the Pension Benefits Act in respect of the benefits of the Member or other person, within the time period prescribed under the Pension Benefits Act.

6.19 **Inspection of Documents**

The Committee shall make available, at the office of the Committee, for inspection by eligible individuals the documents and information concerning the Plan and the Pension Fund as prescribed by the Pension Benefits Act.

Section 7 - Amendments

7.01 **Amendments to the Plan**

The Committee may from time to time amend the Plan by majority vote, provided, however, that no such amendment:

- (a) may be in respect of a Fundamental Change; or
- (b) modify this Article 7.

Any amendment to the Plan affecting one bargaining unit is the financial responsibility of that bargaining unit and notwithstanding any other provision of this Plan, such an amendment is not a Fundamental Change.

7.02 **Fundamental Changes**

- (1) The Plan may be amended in respect of a Fundamental Change if:
 - (a) the motion in respect of the Fundamental Change is supported by at least a majority of the members of the Committee, which shall include at least two of the members of the Committee appointed by a Sponsor Union;
 - (b) at least four of the Sponsor Unions subsequently approve the proposed Fundamental Change and provide the Committee with written notice of such approval; and
 - (c) the Municipality subsequently approves the proposed Fundamental Change and provides the Committee with written notice of such approval.

- (2) The Co-Chairpersons shall be responsible for reviewing all proposed amendments on the agenda for each Committee meeting and identifying any such proposed amendments that would constitute Fundamental Changes if they were to be adopted in accordance with the process outlined under this Section 7.02. If

a proposed amendment would constitute a Fundamental Change, the Co-Chairpersons must advise the Committee that the decision-making process outlined under this Section 7.02 applies in respect of the proposed amendment.

A dispute concerning whether a proposed amendment would constitute a Fundamental Change may be initiated by a member of the Committee. Such a dispute shall be resolved pursuant to an arbitration conducted under the Arbitration Act, R.S.N.S. 1989, c. 19.

- (3) If a motion in respect of the Fundamental Change is supported by at least a majority of the members of the Committee, which shall include at least two of the members of the Committee appointed by a Sponsor Union, the Committee shall provide the Sponsor Unions with notice of the proposed Fundamental Change (the "Notice").
- (4) Following receipt of the Notice, the Sponsor Unions will commence a ratification process in respect of the proposed Fundamental Change. Each Sponsor Union must complete such ratification process as soon as reasonably possible, but in no event, no later than sixty (60) days after the day the Committee provided the Notice to the Sponsor Unions.
- (5) Within five (5) business days after the day the Committee provided the Notice to the Sponsor Unions, the Co-Chairperson who is a Committee member appointed by a Sponsor Union will notify the Sponsor Unions that a meeting of the Sponsor Unions will be convened and advise them of the date for such meeting. Such meeting of the Sponsor Unions shall be convened as soon as reasonably possible, but in no event, no later than seven (7) business days after the end of the sixty (60) day period after the day the Committee provided the Notice to the Sponsor

Unions.

- (6) A motion in respect of a Fundamental Change may be amended by agreement amongst all of the following:
 - (a) the Committee, pursuant to a vote that meets the requirements of Section 7.02(3);
 - (b) four of the Sponsor Unions; and
 - (c) the Municipality.

- (7) As soon as reasonably possible, but in no event, no later than seven days after the end of the sixty (60) day period after the day the Committee provided the Notice to the Sponsor Unions, a meeting of the Sponsor Unions will be convened at which each of the Sponsor Unions will be asked to formally approve the proposed Fundamental Change (as it may be amended pursuant to subsection (6)), in writing, and to provide written evidence of their approval to the Committee. If a Sponsor Union does not attend this meeting, that Sponsor Union will be considered to have rejected the proposed Fundamental Change (as it may be amended pursuant to subsection (6)).

- (8) Sponsor Unions may, in their discretion, hold a vote of bargaining unit members with respect to ratification of a proposed Fundamental Change before the meeting of the Sponsor Unions described under subsection (7). All communications to bargaining unit members about the proposed Fundamental Change provided by a Sponsor Union will be developed with support from the Committee member designated by the applicable Sponsor Union and the Plan's Chief Executive Officer. The reasonable costs of such communications will be paid from the Pension Fund.

7.03 **Restrictions on Amendments**

- (1) Notwithstanding any other provision of the Plan, no amendment shall operate to reduce the pension benefits which have accrued to any Member before the date of the amendment, based on Earnings up to the date of the amendment, subject to Section 7.04.

- (2) Notwithstanding any other provision of the Plan, where an amendment results in a certifiable past service pension adjustment as defined by the Income Tax Act in respect of the Member, the amendment shall not apply to the Member prior to certification.

7.04 **Reduction of Benefits**

The Municipality, on the recommendation of the Committee, may at any time amend the Plan to reduce the benefits provided under the Plan where required to avoid the revocation of registration of the Plan under the Income Tax Act, subject to the approval of the Superintendent of Pensions of Nova Scotia.

7.05 **Amendment to Amendment Rules**

No amendment may be made to any of Sections 7.01 to 7.04 or this Section 7.05 without the approval of the Municipality and each of the Sponsor Unions.

Section 8 - Pension Fund

8.01 Pension Fund Administration

The Pension Fund shall be administered by the Funding Agent in accordance with the Funding Agreement.

8.02 Expenses

All reasonable fees and expenses related to the operation of the Plan may be paid from the Pension Fund.

8.03 Investments

The Committee shall direct the investment of the Pension Fund in accordance with the provisions of the Pension Benefits Act and the Income Tax Act.

8.04 Ongoing Surplus

The treatment of any surplus while the Plan continues in existence, shall be decided upon by the Committee. Any improvements in benefits for Members, shall be subject to the limitations imposed by the Income Tax Act and Section 7.01.

Section 9 - Future of the Plan

9.01 Continuation of the Plan

It is intended that the Plan be maintained indefinitely. Notwithstanding, the Municipality and each bargaining unit whose members are Members of the Plan may, by mutual agreement, amend or discontinue the Plan either in whole or in part, with the express approval of the Committee.

9.02 Termination of the Plan

- (1) If the Plan is wound up, in whole or in part, the assets of the Pension Fund shall first be used to provide benefits in accordance with the terms of the Plan and the Pension Benefits Act.

- (2) If the Plan is wound up, in whole or in part, the Municipality/Participating Employer and the Members shall not make further contributions to the Pension Fund in respect of the Plan or the portion of the Plan being wound up, as applicable, except for amounts due, or that have accrued up to the effective date of the wind-up and have not been paid into the Pension Fund as required by the Plan and the Pension Benefits Act, plus amounts required to be contributed pursuant to the requirements of the Pension Benefits Act, subject to Section 4.01(2).

- (3) If the Plan is wound up, in whole or in part, and the assets in the Pension Fund are not sufficient to pay all the benefits under the Plan or the portion of the Plan being wound up, as applicable, the benefits payable shall be reduced in the manner prescribed by the Pension Benefits Act.

9.03 **Wind-Up Surplus**

If, after provision for benefits payable to or in respect of Members on the wind-up, in whole or in part, of the Plan, assets remain in the Pension Fund or the part of the Pension Fund affected by a partial wind-up, such assets shall be used first to make improvements to the benefits provided to Members, in a manner determined by the Committee and permitted by the Pension Benefits Act, and up to the maximum prescribed by the Income Tax Act. Any remaining assets shall be shared among the Members, in lump sum cash amounts, in a manner determined by the Committee and permitted by the Pension Benefits Act, and subject to the requirements of the Income Tax Act.

Section 10 - General Provisions

10.01 **Non-Alienation**

Except as specified to avoid the revocation of registration under the Income Tax Act, and subject to the approval of the Superintendent of Pensions in Nova Scotia, or in accordance with Section 10.02, money payable under the Plan is subject to the following restrictions:

(1) **Non-Enforceable Transactions**

any transaction that purports to assign, charge, anticipate, surrender, or give as security any right of a person under the Plan or money payable under the Plan shall not be enforceable against the Plan; and

(2) **Exemption from Seizure**

money payable under the Plan is exempt from execution, seizure or attachment.

10.02 **Alienation of Benefits on Marriage Breakdown**

(1) **Support Obligations**

Upon the breakdown of a Member's spousal relationship, payments under the Plan are subject to execution, seizure or attachment in satisfaction of a court order for support or maintenance enforceable in Nova Scotia or another relevant jurisdiction in accordance with the provisions of the Maintenance Enforcement Act.

(2) **Division of Property**

Upon the breakdown of the relationship between a Member or former Member and his or her Spouse, up to 50% of the pension benefit accrued under the Plan during the spousal relationship partnership may be assigned to such Spouse pursuant to a court order or separation agreement. All such assignments shall conform to the requirements of, and be calculated in accordance with, the Pension Benefits Act.

10.03 **Non-Commutation of Pensions**

A pension or deferred pension payable under this Plan is not capable of being commuted, except as follows:

- (1) if the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually, or
- (2) as permitted in accordance with the Pension Benefits Act in the event that the life expectancy of the Member is considerably shortened by reason of his mental or physical disability.

10.04 **No Right to Employment**

The Plan shall not be construed to create or enlarge any right of any person to remain in the employment of the Municipality/Participating Employer, nor shall it interfere in any manner with the right of the Municipality/Participating Employer to discharge any person.

10.05 **No Right to Municipality/Participating Employer Contributions**

Contributions made by the Municipality/Participating Employer shall not constitute an enlargement of the amount of any benefit defined in the Plan and shall not at any time create for any person any right, title or interest in the assets of the Pension Fund except as specifically provided in the Plan, or for any person other than the Municipality/Participating Employer, any right, title or interest in the assets of the Municipality/Participating Employer.

10.06 **Information to be Provided Before Administrator Pays Benefits**

Payment of benefits shall not be made until the person entitled to payment of the benefit delivers to the office of the administrator appointed by the Committee:

- (1) satisfactory proof of age of the person and any other person who may become entitled to payment of the pension and any other information that is required to calculate and pay the benefit; and
- (2) if the benefit is payable to a Member or Spouse, a signed declaration of marital or relationship status,

provided that after late delivery of the required documents and information, payment of a pension shall be made retroactively to the date on which the pension was to have commenced.

10.07 **Municipality/Participating Employer Records**

Wherever the records of the Municipality/Participating Employer are used for the purposes of the Plan, the records shall be conclusive of the facts with which they are concerned, unless and until they are proven to be in error.

10.08 **Severability**

If any provision of the Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the Plan and the Plan shall be construed and enforced as if such provision had not been in the Plan.

10.09 **Captions and Headings**

The captions, headings and table of contents of this Plan are included for convenience of reference only and shall not be used in interpreting the provisions of this Plan.

10.10 **Construction**

- (1) The Plan is intended to constitute an employees' pension plan qualified for registration under the Pension Benefits Act and the Income Tax Act.
- (2) Any provision of the Funding Agreement that is inconsistent with the terms of the Plan shall, to the extent of the inconsistency, be of no force or effect.
- (3) The Plan shall be governed and construed in accordance with the laws of the Province of Nova Scotia.

10.11 **Currency**

All benefits payable under the Plan shall be paid in the lawful currency of Canada.

10.12 **Reciprocal Transfer Agreements**

The Committee may in its sole discretion enter into reciprocal transfer agreements with other approved employers. An administration fee will be charged to administer such agreements. All such reciprocal transfer agreements shall be acceptable to and filed with the Superintendent of Pensions for the Province of Nova Scotia and with the Canada Revenue Agency.

10.13 **Portability of Benefits**

- (1) Notwithstanding any provision of this Plan respecting benefits on termination of employment other than by death or retirement, and subject to the provisions of paragraph (2), any Member (excluding any Member entitled to receive an immediate pension) may direct that any benefit to which he is entitled on termination of employment other than by death or retirement be transferred to another registered pension plan (if that plan accepts such transfers), to a Registered Retirement Savings Plan, prescribed retirement savings arrangement, or used to purchase a deferred annuity, subject to the requirements of Income Tax Regulation 8517 where applicable.
- (2) Where a Member elects to transfer the Commuted Value of his accrued pension, such transfer shall be made only on condition that the administrator of the plan receiving the funds agrees to administer the funds transferred in accordance with the Pension Benefits Act.
- (3) The Administrator of this Plan is authorized to accept transfers of funds from the pension plan of a new Member's former employer. In the absence of a reciprocal transfer agreement between this Plan and such former plan, any such transfer shall be administered as if it was an additional voluntary contribution made by the Member in order to purchase credited service under section A1.02(3), subject to the locking-in requirements of the former employer's pension plan and any pension benefits legislation which may apply.

10.14 **Pension Adjustment**

In no event shall the total of a Member's pension credits under the Plan in any Plan Year, determined in accordance with the Income Tax Act, result in a pension adjustment for the Member as defined by the Income Tax Act in excess of the limits for the year prescribed by the Income Tax Act.

10.15 **Multiple Claims**

If on the determination of any benefit under this Plan to a Spouse there is more than one person claiming to be the Spouse of a Member or former Member, the Plan shall not be liable for any payment of benefits in excess of the benefit that would have been payable had there been only one such person.

10.16 **Calculation of Excess Contributions**

If calculation of excess contributions are required upon the death, termination of employment, or retirement of a Member under more than one of the following sections, being Section A3.04, B3.04(b), C3.04, D4.12, E7.11, the Member's Required Contributions and Commuted Value of benefit shall be aggregated for purposes of the calculation for the various service accrual periods involved.

Section 11 - Limitation on Benefit Increases

11.01 Limitation

The aggregate percentage increase in any Member's pension in payment shall not exceed the lesser of 6% per year and the aggregate percentage increase in the Consumer Price Index from the Member's retirement date. The increase applicable for the year in which a Member commences to receive a pension shall be pro-rated based on the proportion of the year during which the Member was in receipt of pension payments.

Appendix A

Current Plan

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Section A1 – Appendix A Definitions

In the Master Text, specific words and phrases are defined and have applicability to this Appendix, unless the same word or phrase is defined in this Appendix, in which case the definition set out below applies to this Appendix, except where specific reference is made to the Master Text.

A1.01 ***Continuous Service*** means, subject to Section A6.02, an Employee's uninterrupted period of employment since his last date of hire by the Municipality/Participating Employer or any Former Municipality, including any period of lay-off or temporary suspension of employment, paid and unpaid periods of sabbatical, educational, total disability, maternity, parental, or adoption leave, service in the Armed Forces of Her Majesty or Her Allies excluding periods of enlistment in peace time, and any other approved leave. Continuous Service includes any period of Continuous Service reinstated pursuant to Section 3.05(1), and service transferred in accordance with a reciprocal transfer agreement entered into pursuant to Section 10.12 of the Master Text.

A1.02 ***Credited Service*** means:

- (1) the years and months and partial months of the following periods of a Member's Continuous Service while a Member of the Plan:
 - (a) periods in respect of which the Member receives remuneration from the Municipality/Participating Employer provided that the Member's contributions pursuant to Section 4.01 of the Master Text continue to be made.
 - (b) Municipality/Participating Employer-approved unpaid leaves of absence or unpaid leaves of absence as determined under an applicable collective agreement, provided that the Member's contributions pursuant to Section 4.01 of the Master Text continue to be made.

- (c) unpaid leaves of absence in respect of a period of Total Disability during which the Member remains an Employee and during which:
 - (i) the Member receives disability income benefits from a plan sponsored by the Municipality/Participating Employer or the Member's respective bargaining unit; or
 - (ii) the Member is entitled to receive disability income benefits under the Workers' Compensation Act or the Canada Pension Plan.
- (d) any period of absence required by law to be granted in respect of pregnancy, parental or compassionate-care leave, provided that the Member's contributions pursuant to Section 4.01 of the Master Text continue to be made during the absence;
- (e) any period of Continuous Service reinstated pursuant to Section 3.05(1) and any period of Continuous Service for which the Plan Member received Credited Service in accordance with a reciprocal transfer agreement pursuant to Section 10.12 of the Master Text;

provided that:

- (i) in respect of periods of absence before January 1, 1991, each period of Credited Service granted under (b) above is limited to a maximum full-time equivalent of 2 years or such other period as may be permitted under the Income Tax Act; and
- (ii) in respect of periods of absence after December 31, 1990, the

aggregate of Credited Service granted under (b) and (d) above is limited to a maximum full-time equivalent of 5 years, plus an additional 3 years credited in respect of absences that occur within the 12 month period which commences at the time of the birth or adoption of a child of the Member, or such other period as may be permitted under the Income Tax Act.

For a Member who is employed on less than a full-time basis, Credited Service is determined for each Plan Year by multiplying the Credited Service determined above by the ratio of the Member's actual hours worked, other than overtime hours, during the Plan Year as defined in the Master Text to the hours regularly scheduled to be worked by full-time Employees, provided that the ratio shall not exceed 1.0. For this purpose, for any period of absence for which Credited Service is granted, the hours the Member would have worked had the Member been actively employed on the same part-time basis that was in effect immediately before the absence, are included in the determination of the ratio.

- (2) A Member shall have the right to purchase as Credited Service all or a portion of the period of Continuous Service prior to joining the Plan or any period of leave of absence that is not already Credited Service and for which Credited Service may accrue. The cost to purchase such Credited Service shall be as described in Section 4.01(7) of the Master Text.

- (3) A Member shall have the right to purchase as Credited Service all or a portion of the service with a previous employer which was pensionable service under a pension plan after January 1, 1992, registered under the Income Tax Act, of the previous employer; providing that subsequent to the purchase of such Credited Service, the Member will have no entitlement remaining under the previous employer's pension plan for the period of service purchased. The cost to purchase such Credited Service shall be as described in Section 4.01(7) of the Master Text.

- (4) A Member shall have the right to purchase as Credited Service all or a portion of the service with a previous employer prior to January 1, 1992 with whom the Committee has entered into a reciprocal transfer agreement, providing such service does not continue to be service in respect of which a pension entitlement remains with the prior employer. The cost to purchase such Credited Service shall be described in Section 4.01(7) of the Master Text.
- (5) A Member shall have the right to purchase as Credited Service eligible service prior to January 1, 1992 of relatively short periods (three years or less), with an employer that is associated or affiliated with the Municipality/Participating Employer, subject to the Income Tax Act. The cost to purchase such Credited Service shall be as described in Section 4.01(7) of the Master Text.

A1.03 ***Defined Contribution Earnings*** means remuneration received by a Member from the Municipality/Participating Employer in excess of Defined Benefit Earnings. Defined Contribution Earnings include such non-regular earnings as overtime or other forms of differential pay except where such differential pay is part of the Member's regular compensation based on the Member's regular work schedule and is included in Defined Benefit Earnings.

A1.04 ***Defined Benefit Earnings*** means remuneration received by a Member from the Municipality/Participating Employer during a Plan Year in respect of the Member's regular work schedule, plus, with respect to periods of Credited Service during which a Member does not actually receive remuneration from the Municipality/Participating Employer, an amount deemed to be received based on the rate of Defined Benefit Earnings the Member was receiving immediately preceding that period. However, deemed Defined Benefit Earnings shall not exceed the amount of compensation that is prescribed for this purpose by the Income Tax Act.

“Regular” for purposes of this definition of Defined Benefit Earnings shall be interpreted in the context of the Member’s classification or position and normal work schedule or as specifically determined by a collective agreement applicable to the Member. For greater certainty, Defined Benefit Earnings shall exclude remuneration received by a Member for overtime or other forms of differential or premium pay or other allowances and entitlements (as determined in the context of the applicable collective agreement or contract of employment) except where such differential or premium pay is part of the Member’s regular compensation based on the Member’s regular work schedule.

For a Member who is employed on less than a full-time basis or for less than a full year, and only for the purpose of determining Highest Average Earnings, Defined Benefit Earnings will be determined for each Plan Year by multiplying the Member’s Defined Benefit Earnings determined above by the ratio of the hours regularly scheduled to be worked by full-time Employees in the Plan Year to the Member’s actual hours worked, other than overtime hours, during the Plan Year.

A1.05 ***Highest Average Earnings*** means the annual average of a Member’s Defined Benefit Earnings over the 3 consecutive calendar years of Continuous Service while a Member of the Plan and Prior Plans preceding the Member’s termination of Continuous Service for which the highest average is attained.

Notwithstanding the above, where the 3 consecutive years for which the highest average Defined Benefit Earnings were attained were the 3 consecutive years immediately preceding the termination of Continuous Service, Highest Average Earnings shall be based on the consecutive calendar years and proportions thereof, which in aggregate amount to 3 complete years, immediately preceding the Member’s termination of Continuous Service. In such cases, the annual average for partial years is determined as the sum of (1), (2), and (3), divided by 3 where:

- (1) is the portion of the Member's Defined Benefit Earnings for the most recent Plan Year included in the 3 consecutive year period, determined by pro-rating total Defined Benefit Earnings during that Plan Year based on the number of days from January 1 of the Plan Year to the date of termination of Continuous Service;
- (2) is the sum of the Member's Defined Benefit Earnings for each of the two Plan Years immediately preceding the Plan Year in (1) above; and
- (3) is the portion of the Member's Defined Benefit Earnings for the third Plan Year preceding the Plan Year in (1) above, determined by pro-rating total Defined Benefit Earnings during that Plan Year based on the number of days from that Plan Year as is necessary to complete the 3 consecutive year period.

If a Member has not completed 3 years of Continuous Service while a Member of the Plan, his Highest Average Earnings shall be his total Defined Benefit Earnings for the number of days of Continuous Service while a Member of the Plan in that shorter period divided by his Continuous Service while a Member of the Plan in that shorter period.

A1.06 ***Member's Account*** means the aggregate of contributions made in respect of the Member in accordance with Section 4.01(6) of the Master Text, plus Interest.

A1.07 ***Normal Retirement Date*** means the normal retirement date of a Member described in Section A2.01.

A1.08 ***Total Disability*** means a disability throughout which the Member is physically or mentally impaired so that he is prevented from performing the duties of employment in which he was engaged prior to the impairment and which is certified, in writing, by a medical doctor licensed to practice in Canada or where the Member resides.

Section A2 – Appendix A Retirement Dates

A2.01 **Normal Retirement Date**

Normal Retirement Date means the first day of the calendar month coincident with or next following the date on which the Member attains age 65. Notwithstanding the above, for a Member in a Public Safety Occupation, age 65 is replaced by age 60.

A2.02 **Early Retirement Date**

If the Continuous Service of a Member terminates for a reason other than death after:

- (1) he has attained age 55 (age 50 for a Member who has accumulated any part of his Credited Service while in a Public Safety Occupation), and before his Normal Retirement Date; or
- (2) he has attained his Optional Retirement Date pursuant to Section A2.03,

the Member is considered to have retired on his early retirement date. His early retirement date is the first day of the calendar month coincident with or next following the date on which the Member's Continuous Service terminates.

Notwithstanding the above, for a Member who has accumulated any part of his Credited Service while in a Public Safety Occupation, age 55 is replaced, for purposes of this Section A2.02 by age 50.

A2.03 **Optional Retirement Date**

Optional Retirement Date means the first day of the month coincident with or next following the earlier of:

- (1) the date on which the Member's age plus Continuous Service equals or exceeds 80; and
- (2) the date on which the Member attains age 60.

Notwithstanding the above, for a Member who has accumulated any part of his Credited Service while in a Public Safety Occupation, and who contributed in accordance with Sections 4.01(3) or 4.01(4) of the Master Text for those periods, 80 is replaced, for purposes of this Section A2.03, by 75.

A2.04 **Postponed Retirement Date**

If either:

- (1) the Continuous Service of a Member terminates after his Normal Retirement Date; or
- (2) a Member is still employed on December 1 in the calendar year in which he attains or will attain age 71, or such other age as may apply from time to time under the Income Tax Act,

the Member is considered to have retired on his postponed retirement date. His postponed retirement date is the first day of the calendar month coincident with or next following the earlier of the events in (1) and (2) above.

Section A3 – Appendix A Retirement Benefits

A3.01 **Normal Retirement Pension**

A Member whose Continuous Service terminates on his Normal Retirement Date or in the month immediately before his Normal Retirement Date is entitled to receive an annual pension payable in equal monthly instalments commencing on his Normal Retirement Date, in an amount equal to 2% multiplied by the Member's Highest Average Earnings multiplied by the Member's Credited Service.

A3.02 **Early Retirement Pension**

- (1) A Member who retires early pursuant to Section A2.02 is entitled to receive an annual pension payable in equal monthly instalments, commencing on the first day of any calendar month on or following his early retirement date but before his Normal Retirement Date, calculated in accordance with Sections A3.02(2) or A3.02(3) below.
- (2) A Member's pension payable under this Section A3.02 shall be calculated according to the formula in Section A3.01 based on his Credited Service to his early retirement date, and:
 - (a) for the pension calculated in respect of the period of Credited Service accumulated while in a Public Safety Occupation and while contributing in accordance with Sections 4.01(3) or 4.01(4) of the Master Text, reduced by $\frac{1}{2}$ of 1% for each month, if any, by which the Member's pension commencement date precedes the attainment of the Member's Optional Retirement Date assuming continued employment by the Municipality/Participating Employer; and

- (b) for the pension calculated in respect of any other periods of Credited Service, reduced by $\frac{1}{2}$ of 1% for each month, if any, by which the Member's pension commencement date precedes the earlier of:
 - (i) the first day of the month coincident with or next following the day the sum of his age and his Continuous Service would have equaled 80 assuming continued employment by the Municipality/Participating Employer,
 - (ii) the first day of the month coincident with or next following the date the Member attains age 60.
- (3) Notwithstanding this Section A3.02:
 - (a) where the conditions for the application of the Prescribed Reduction, as defined in the Master Text and as described therein apply, the early retirement pension paid under this Section A3.02 shall be reduced by said Prescribed Reduction; and
 - (b) the early retirement pensions calculated in accordance with subsections 2(a) and 2(b) shall be at least the Actuarial Equivalent of the pensions payable at the date from which the respective subsection 2(a) and 2(b) pensions are reduced.

A3.03 **Postponed Retirement Pension**

A Member who retires pursuant to Section A2.04 is entitled to receive a pension commencing on his postponed retirement date calculated according to the formula in Section A3.01 based on Credited Service to his postponed retirement date.

A3.04 **Minimum Benefit With Respect to Required Contributions**

If, upon the termination of a Member's Continuous Service:

- (a) the Member's Required Contributions under Section 4.01 of the Master Text of this Plan, and any Prior Plan plus Credited Interest to the date of the determination,

exceed
- (b) 50% of the Commuted Value of the Member's pension comprised of (i) and (ii) as follows:
 - (i) the pension accrued or granted to him under Section A3.01 and any Prior Plan, plus
 - (ii) any benefit improvement granted to him under this Plan and any Prior Plan,

the Member, or the Member's Spouse or Beneficiary, as applicable, is entitled to receive a refund of the excess of (a) over (b), if any.

Notwithstanding, this Section A3.04 shall not apply to Required Contributions or benefits in respect of Credited Service as defined in Section A1.02(2), A1.02(3), A1.02(4), and A1.02(5).

A3.05 **Maximum Pension Provisions**

Notwithstanding any other provision of this Plan to the contrary, the annual lifetime pension payable to a Member under this Plan in the form of pension to be paid to the Member, including any portion of any pension payable to a Member's Spouse or former Spouse pursuant to Section 10.02 of the Master Text, determined at the time of pension commencement, shall not exceed the years of pensionable service of the Member multiplied by the lesser of (a) and (b) where:

- (a) equals
- (i) for Members who terminate Continuous Service on or before December 31, 2006 (or after December 31, 2006 and in respect of whom the requirements of Section A3.05.1 are not met in respect of pensionable service before January 1, 2010), \$1,722.22 or, for the portion of Credited Service that is purchased after June 7, 1990 with respect to a period prior to 1990 that was not pensionable service under a defined benefit provision of a registered pension plan, \$1,150; and
 - (ii) for Members who terminate Continuous Service after December 31, 2006 and in respect of whom the requirements of Section A3.05.1 are met in respect of pensionable service before January 1, 2010, and in respect of all pensionable service after December 31, 2009, the defined benefit limit as prescribed for such purpose under the Income Tax Act from time to time, or, for the portion of Credited Service that is purchased after June 7, 1990 with respect to a period prior to 1990 that was not pensionable service under a defined benefit provision of a registered pension plan, 2/3rd of the defined benefit limit as prescribed for such purpose under the Income Tax Act from time to time; and
- (b) equals 2% of the average of the Member's best 3 consecutive years' highest average compensation from the Municipality/Participating Employer,
- reduced, if the pension commencement date precedes the earliest of the days described in the Prescribed Reduction (as defined in the Master Text), by the Prescribed Reduction.

This Section A3.05 does not apply to additional benefits payable as a result of any Actuarial Equivalent increase due to deferral of pension commencement after age 65 nor shall it apply to that portion, if any, of the pension derived from a Member's excess contributions, or the Member's Account.

For the purpose of this Section A3.05, pensionable service, highest average compensation and defined benefit limit shall have the meaning assigned in the Income Tax Act.

A3.05.1 The limit described in Section A3.05(a)(ii), as it relates to periods of service before January 1, 2010, will only apply if additional contributions equal to the additional amounts that would have been required from the Member and the Municipality/Participating Employer under Section 4.01(1) if the defined benefit limit under the Income Tax Act had applied for the Plan Years 2004 to 2009, inclusive. Such additional contributions are to be shared equally between the Member and the Municipality/Participating Employer. If such additional contributions are not paid to the Fund, the limit described in Section A3.05(a)(i) will apply in respect of periods of service before January 1, 2010, even if termination of the Continuous Service occurs after December 31, 2006. For greater certainty, the limit described in Section A3.05(a)(ii) will apply to all periods of service after December 31, 2009.

A3.06 **Small Benefit Commutation**

If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is

at the discretion of the Committee, but which shall be paid not less frequently than annually.

A3.07 **Benefit from Member's Account**

In addition to any other retirement benefits payable under this Section A3 on his pension commencement date the Member shall receive the annual pension which can be purchased with the value of the Member's Account payable in the normal form of pension in Section A4.02(a)(i) or A4.02(b)(i) as applicable, or, if applicable, an optional form of pension selected by the Member under Section A4.

A3.08 **Increases to Pensions in Payment**

Subject to Section 11.01 of the Master Text, pensions in the course of payment may be increased from time to time as provided by the Committee.

Pensions in the course of payment as at January 1, 2007 shall be increased by 0.5%, provided that this increase is in accordance with the general limitation on the pension increases set out in Section 11.01 of the Master Text.

Section A4 – Appendix A Form of Pension Benefits

A4.01 Pension Calculation According to Normal Form

The amount of pension to be provided to a Member is calculated according to the normal form of pension and is payable in that normal form of pension unless the Member elects the optional form of pension pursuant to Section A4.04. Payment of the pension shall be by electronic transfer of funds or by a method determined by the Committee.

A4.02 Normal Form of Pension Benefit

The normal form of pension is as follows:

(a) **Member With a Spouse**

- (i) For a Member who has a Spouse on the date on which pension payments commence, the normal form of pension is a joint and survivor pension which is payable in equal monthly instalments for the life of the Member, and payable after the Member's death to the Member's Spouse for the Spouse's life in monthly instalments and equal to $66\frac{2}{3}\%$ of the amount of the monthly pension being received by the Member at the time of the Member's death.

If both the Member and the Spouse die before receiving pension payments which in total equal the Member's Required Contributions made pursuant to Sections 4.01(1), 4.01(3), 4.01(4), 4.01(5) and 4.01(7) of the Master Text accumulated with Credited Interest to the Member's pension commencement date, the Member's Beneficiary (or the Spouse's Beneficiary if the Member predeceases the Spouse) is entitled to receive the value of the remaining balance of such contributions in a lump sum.

For purposes of this Section A4.02(a), Spouse means the Member's Spouse on the date on which pension payments commence.

(b) Member Without a Spouse

(i) For a Member who has no Spouse on the date on which pension payments commence, the normal form of pension is a pension payable in equal monthly instalments for the life of the Member and in any event for a period of not less than 120 months. If the Member dies before receiving 120 monthly payments, the Member's Beneficiary is entitled to receive the value of the remaining balance of the 120 monthly payments in a lump sum. If the Member dies after receiving 120 monthly payments, the last payment shall be the payment for the month in which the Member's death occurs.

(ii) Notwithstanding the above, on the Member's death, if the total of all payments made to the Member prior to his death and to the Beneficiary, if applicable, is less than the Member's Required Contributions under Sections 4.01(1), 4.01(3), 4.01(4), 4.01(5) and 4.01(7) of the Master Text, as applicable, accumulated with Credited Interest to the Member's pension commencement date, the Beneficiary is entitled to receive the value of the remaining balance of such contributions in a lump sum.

A4.03 Waiver of Automatic Form of Pension for Members with a Spouse

A Member who has a Spouse may elect the form of pension specified in Sections A4.02(b) or Section A4.05 if:

- (i) the Member delivers to the Committee, within the 12-month period immediately preceding the date upon which payment of the pension is to commence, the written waiver of the Member and the Member's Spouse in the form prescribed under the Pension Benefits Act; and
- (ii) this waiver is not revoked by the Member and the Member's Spouse prior to the

commencement of the pension.

A4.04 **Election of Optional Form**

In lieu of the normal form of pension payable according to Section A4.02, and subject to the restriction under Section A4.03, a Member may elect, before pension commencement, to receive the Member's pension benefit in an optional form of pension according to Section A4.05 (or Section A4.02(b) for a Member with a Spouse).

A4.05 **Optional Form of Pension Benefit**

For a Member who has no Spouse on the date on which pension payments commence, such Member may elect a form of pension that is a joint and survivor pension payable in equal monthly instalments for the life of the Member, and payable after the Member's death to the Member's infirm dependent child (who is dependent on the Member for support by reason of mental or physical infirmity), until such child's death or until such child otherwise ceases to be dependent on the Member for support by reason of mental or physical infirmity, if earlier. The pension payable to such infirm dependent child shall be payable in equal monthly instalments equal to $66\frac{2}{3}\%$ of the amount of the monthly pension in payment to the Member at the time of the Member's death, provided however, that the benefit payable from the Plan under this option shall be the Actuarial Equivalent of the pension payable under Section A4.02(b) and subject, in any event, to meeting any applicable federal and provincial legislative requirements.

Notwithstanding the above, if both the Member and the dependent die before receiving payments which in total equal the Member's Required Contributions made pursuant to Sections 4.01(1), 4.01(3), 4.01(4), 4.01(5) and 4.01(7) of the Master Text accumulated with Credited Interest to the Member's pension commencement date, the Member's Beneficiary (or the dependent's beneficiary if the Member predeceases the dependent) is entitled to receive the value of the remaining balance of such contributions in a lump sum.

A4.06 **Transfer of Lump Sum to RRSP**

If the person who is entitled to receive a lump sum payment under any of the forms of pension payable under the Plan is the Member's Spouse or former Spouse, subject to eligibility under the Income Tax Act, that person may elect to have the amount transferred directly on his or her behalf to a registered retirement savings plan.

Section A5 – Appendix A Termination Benefits

A5.01 Termination Benefits

A Member whose Continuous Service terminates for any reason other than death or retirement is not permitted to withdraw any of his Required Contributions, and in lieu thereof, is entitled to receive the deferred unreduced pension accrued to the member under Section A3.01 based on his Credited Service to his termination date, commencing to be paid as follows:

- (i) if the Member's termination date is on or after December 31, 2010, the Member's Normal Retirement Date pursuant to Section A2.01;

or

- (ii) if the Member's termination date is before December 31, 2010, the Member's Optional Retirement Date pursuant to Section A2.03(2).

A Member whose Continuous Service terminates for any reason other than death or retirement is also entitled to receive an immediate pension, purchased with the value of the Member's Account on his pension commencement date.

A5.02 Refund of Excess Required Contributions

Upon termination of Continuous Service, for any reason other than death or retirement, a Member is entitled to receive, if the Member is entitled to receive a deferred pension under Section A5.01, a refund of any excess contributions determined in accordance with Section A3.04.

A5.03 Early Commencement of Deferred Pension

A Member whose Continuous Service terminates before he is eligible to retire pursuant to Section A2.02 and who is entitled to receive a deferred pension under Section A5.01 may elect to commence receiving this pension on the first day of any calendar month coincident with or following his attainment of age 55 (age 50 for a Member who has accumulated any part of his Credited Service while in a Public Safety Occupation) if he is not otherwise entitled to commence to receive his pension at an earlier date pursuant to

Section A5.01, and prior to his Normal Retirement Date. The amount of his pension will be reduced by ½ of 1% for each month by which the pension commencement date precedes the date on which the deferred pension would have commenced pursuant to Section A5.01 as applicable, provided the resulting pension is at least the Actuarial Equivalent of the pension payable at the date on which the deferred pension would have commenced pursuant to Section A5.01.

Notwithstanding the above, the amount by which the pension is reduced under this section shall be at least equal to the applicable Prescribed Reduction.

A5.04 Transfer of Value of Pension

- (1) Subject to Sections A5.04(2) and (3),
 - (i) a Member who has terminated employment prior to becoming eligible for early retirement under Section A2.02 and who is not yet eligible to commence receiving pension payments under Section A5.03 may elect, in lieu of a deferred pension, to transfer the Commuted Value of such deferred pension, plus Credited Interest to:
 - (a) another registered pension plan, provided that the administrator of that pension plan agrees to accept the transfer and administer it on a locked-in basis;
 - (b) a registered retirement savings arrangement or life income fund or any other retirement funding arrangement that may be prescribed for this purpose by the Pension Benefits Act; or
 - (c) a life insurance company licensed to transact business in Canada to purchase a deferred life annuity under which the Member is the annuitant, provided payment of the annuity will not commence before the earliest date on which the Member was entitled to receive pension payments under the Plan, and

- (ii) a Member who has terminated employment or retired and has a Member's Account may elect prior to the commencement of pension payments not to receive the pension that may be purchased with the value of the Member's Account, and instead have the value of the Member's Account transferred to:
 - (a) another registered pension plan, provided that the administrator of that pension plan agrees to accept the transfer and administer it on a locked-in basis;
 - (b) a registered retirement savings arrangement or life income fund or any other retirement funding arrangement that may be prescribed for this purpose by the Pension Benefits Act; or
 - (c) a life insurance company licensed to transact business in Canada to purchase a deferred or immediate life annuity under which the Member is the annuitant, provided payment of the annuity will not commence before the earliest date on which the Member was entitled to receive pension payments under the Plan.

A Member who has a Member's Account and meets the criteria in (i), above and elects a transfer or purchase under (i), above must also make an election under (ii), above in respect of the Member's Account.

For greater certainty, effective September 1, 2016, a Member who terminates employment after becoming eligible for early retirement under Section A2.02 or a Member who is eligible to commence receiving pension payments under Section A5.03 is not eligible to make an election under (i), above.

- (2) The Committee shall not permit a transfer or purchase under Section A5.04(1) unless the Committee is satisfied that the transfer or purchase complies with the requirements of the Pension Benefits Act and the Income Tax Act.

- (3) Amounts transferred in accordance with Section A5.04(1)(i)(a) to a defined contribution provision of a registered pension plan, and amounts transferred in accordance with Sections A5.04(1)(i)(b) and A5.04(1)(ii)(b), shall not exceed the maximum amount prescribed for this purpose by the Income Tax Act. The excess of the Commuted Value plus Credited Interest, if any, over the amount transferred will at the Member's election be paid directly to the Member in cash, if permitted under both the Income Tax Act and the Pension Benefits Act.

A5.05 Transfer of Refund to RRSP

A Member who is entitled to a refund of contributions under A5.02 may elect to have that amount transferred directly on his behalf to a registered retirement savings plan, subject to the application of the maximum prescribed for this purpose by the Income Tax Act.

A5.06 Small Benefit Commutation

If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.

Section A6 – Appendix A Disability Accrual

A6.01 Member Required Contribution During Disability

A Member who becomes Totally Disabled after April 1, 1998 and whose net income while Totally Disabled is less than his net income immediately prior to becoming Totally Disabled, is exempted from the requirement to make contributions to the Plan during a period of Total Disability that is included in Credited Service under Section A1.02(1)(c) (referred to in this Section A6 as a period of credited Total Disability), except to the extent that the Member is entitled to benefits under a disability income plan for the purpose of providing payment of all or a portion of the Member's contributions to the Plan.

For the purposes of this Section A6.01 “net income” means income received from the Municipality/Participating Employer or any disability income plan less applicable income taxes and applicable deductions including Canada Pension Plan, Employment Insurance, and Plan contributions. Applicable income taxes and applicable deductions may be as deducted at source by the Municipality/Participating Employer or an insurance company, or as payable by the Member directly, either immediately or in conjunction with the filing of a tax return.

For purposes of this Section A6.01, “disability income plan” shall include disability income plans sponsored by the Municipality/Participating Employer or a bargaining unit of the Municipality/Participating Employer, the Canada Pension Plan, or the Workers Compensation Board.

At such time as a Member's net income while Totally Disabled is greater than or equal to his net income immediately prior to his Total Disability, such exemption from the requirement to make contributions to the Plan shall cease.

Notwithstanding this Section A6.01:

- (i) if a Member stops being Totally Disabled in respect of a disability which commenced prior to April 1, 1998, and within 12 months becomes Totally Disabled again for the same or related causes, the disability is considered to be a continuation of the previous disability and the Member would not be exempted from the requirement to make contributions to the Plan;
- (ii) for Members who join the Plan after April 1, 1998, or who elect to join the Plan after that date (through conversion of the benefit accrued under another plan sponsored by the Municipality), the provisions of this Section A6.01 exempting Members from the requirement to make contributions to the Plan will only apply in respect of Total Disability commencing after the later of the Member's date of joining the Plan or date of election to do so.

A6.02 Continuation and Termination of Continuous Service

During a period of credited Total Disability a Member's Continuous Service is deemed to continue until the earlier of:

- (1) his Normal Retirement Date; and
- (2) the day on which he ceases to receive benefits from a disability income plan as defined in Section A6.01.

For greater certainty, Continuous Service during a period of Total Disability terminates if the Member is no longer an Employee.

Section A7 – Appendix A Death Benefits

A7.01 Death Benefits Before Commencement of Pension

(1) Death Before Eligibility for an Immediate Pension

If a Member's Continuous Service terminates due to his death before becoming eligible to retire early pursuant to Section A2.02, the death benefit payable is calculated pursuant to Section A5.01, and is payable in a lump sum. Any death benefit under this Section A7.01(1) is payable to the Member's Spouse at the time of death, or if the Member had no Spouse, to the Member's Beneficiary.

(2) Death After Eligibility for an Immediate Pension

If a Member's Continuous Service terminates due to his death on or after becoming eligible to retire early pursuant to Section A2.02,

- (a) if the Member has a Spouse at the time of his death, such Spouse is entitled to the benefit described in either A or B, whichever has the greatest Commuted Value:

A = an immediate pension equal to $66\frac{2}{3}\%$ of the pension accrued to the Member under Section A3.01, plus the value of the Member's Account;

B = the Commuted Value of the benefit payable pursuant to Section A5.01 assuming the deceased Member had terminated employment immediately before death.

Should the greatest Commuted Value be the Commuted Value of the benefit described in A, then the Spouse shall receive such immediate pension. Should the greatest Commuted Value be the Commuted Value of the benefit described in B, the Spouse shall receive as a lump sum the portion of the Commuted Value of the benefit described in B that exceeds the Commuted Value of the benefit described in A, and shall

also receive the pension that can be provided with the remaining portion of the Commuted Value of the benefit described in B.

If the Spouse dies before receiving payments, including lump sums, which in total equal the Member's contributions accumulated with Credited Interest to the Member's date of death, the Spouse's beneficiary is entitled to receive the remaining balance up to the total of the Member's contributions with Credited Interest to the Member's date of death.

(b) if the Member has no Spouse at the time of death, his Beneficiary is entitled to receive a benefit calculated pursuant to Section A5.01, and payable in a lump sum.

(3) Notwithstanding the above, a Spouse who is eligible to receive a death benefit under Section A7.01(1) or A7.01(2) may elect to receive the Commuted Value of any immediate spousal pension payable in a lump sum or convert any lump sum payable to the actuarial equivalent immediate or deferred pension, subject to any limitations required under the Income Tax Act.

A7.02 **Refund of Excess Contributions**

In addition to any other death benefit payable under Section A7 the Member's Spouse, or if he has no Spouse, his Beneficiary is entitled to receive a refund of any excess contributions determined under Section A3.04.

A7.03 Payment of Death Benefit and Transfer to RRSP

- (1) Any death benefit payable in a lump sum under Section A7 shall be paid as soon as is practicable after the death of the Member.

- (2) If the person to whom a lump sum amount or a refund of the Member's contributions is payable under Section A7 is the Member's Spouse or former Spouse, that person may elect to have the amount transferred directly on his behalf to a registered retirement savings plan, subject to eligibility for such transfer under the Income Tax Act.

The entitlement to transfer to a registered retirement savings plan is subject to eligibility under the Income Tax Act.

A7.04 Death Benefit After Commencement of Pension

Any death benefit payable upon the death of a Member after his pension commencement date is determined in accordance with the form of the pension being paid to the Member pursuant to Section A4.

A7.05 Death Benefit After Pension Division

Notwithstanding any other provision of this Section A7, where a Member dies before commencement of his pension and where such Member has a Spouse from whom he is living separate and apart at the date of his death and in respect of whom the Member's pension benefit has been divided in accordance with subsection 10.02(2), such Spouse shall be entitled to receive a proportionate share (as defined in the Pension Benefits Act) of the benefit described in this Section A7 determined without taking such Spouse into account, in accordance with the Pension Benefits Act. Any remaining benefit payable on account of the Member's death shall then be determined and paid in accordance with the provisions of Section A7 and the Pension Benefits Act without reference to such Spouse.

A7.06 **Waiver of Pre-Retirement Death Benefits**

A Spouse may waive her entitlement to any pre-retirement death benefit payable under Section A7 by giving consent in the manner prescribed by the Pension Benefits Act.

Appendix B

*Prior City of Dartmouth
Employees' Retirement
Pension Plan*

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Section B1 – Appendix B Definitions

In the Master Text, specific words and phrases are defined and have applicability to this Appendix, unless the same word or phrase is defined in this Appendix, in which case the definition set out below applies to this Appendix, except where specific reference is made to the Master Text.

B1.01 ***Best Average Earnings*** means:

- (a) For a Member other than a Member described in paragraph (b), the average of a Member's earnings during the 5 consecutive years of Credited Service preceding the Member's retirement, death, or termination of employment in which the highest average is attained. If a Member has not completed 5 years of Credited Service, the Member's Best Average Earnings shall be based on the average of the Member's earnings during the years of the Member's Credited Service; or
- (b) For a Plan B Member who belongs to the respective bargaining unit of the police or fire fighters unions, the average of a Member's earnings during the 3 consecutive years of Credited Service preceding the Member's retirement, death, or termination of employment in which the highest average is attained. If a Member has not completed 3 years of Credited Service, the Member's Best Average Earnings shall be based on the average of the Member's earnings during the years of the Member's Credited Service.

B1.02 ***Continuous Service*** means an Employee's uninterrupted period of employment since the Member's last date of hire by the Municipality, including any period of lay off, any period of temporary suspension of employment, paid and unpaid periods of sabbatical, educational, Total Disability, maternity, paternity, adoption, or other leave approved by the Municipality/Participating Employer, subject always to the limits set out in Regulation 8507 of the Income Tax Act.

B1.03 *Credited Service* means the years of a Member's Continuous Service as a Member of the Plan and shall include the following:

- (a) For any Employee hired on a Full-Time basis prior to the Effective Date of the Plan and who joined within 60 days after the Effective Date, Credited Service shall include all time actively at work on a Full-Time basis. Those Employees who did not join within 60 days after the Effective Date shall have their Credited Service counted from the date Plan contributions are first deducted from their pay.
- (b) For any Employee hired after the Effective Date of the Plan, Credited Service shall be counted from the date that the Employee is first required to make contributions to the pension plan in compliance with Section 4.01(1) of the Master Text.
- (c) Any Credited Service with a previous employer transferred to the Municipality under the terms of a reciprocal transfer pension agreement between the Municipality and the previous employer.
- (d) Any paid leave of absence for which the Employee makes contributions to the plan.
- (e) Unpaid periods of layoff, sabbatical, educational, maternity, paternity, adoption or other leave approved by the Municipality/Participating Employer provided the Employee makes contributions to the pension plan at least equal to what the Employee would have contributed through payroll deduction had the Employee not taken the unpaid leave but not more than the Employee and Municipality/Participating Employer share combined. Such contributions must be completed within one year after return to work.

- (f) Any period during which the Member is Totally Disabled and in receipt of long-term disability benefits from a plan sponsored by the Municipality/Participating Employer or recognized by the Committee for this purpose, provided the Employee makes contributions to the Plan at least equal to what the Employee would have contributed through payroll deduction, or the disability plan sponsored by the Municipality or recognized by the Committee for this purpose pays benefits on account of pension contributions of the Employee that are contributed to the Pension Fund.

- (g) For police officers who were hired on a Full-Time basis prior to the Effective Date of the Plan, and who joined the Plan prior to January 1, 1975, Credited Service shall include all time actively at work as a police officer on a Full-Time basis. Those police officers who were hired on a Full-Time basis prior to the Effective Date of the Plan, and who did not join until after January 1, 1975, shall have their Credited Service counted from the date Plan contributions were first deducted from their pay.

- (h) Any Credited Service transferred from the Plan to a subsequent employer under the terms of a reciprocal transfer agreement between the Plan and the subsequent employer shall reduce the Member's Credited Service under this Plan.

Provided that:

- i. In respect of periods of absence before January 1, 1991, a period of Credited Service granted under (e) above is limited to a maximum Full-Time equivalent of two years; and

- ii. In respect of periods of absence after December 31, 1990, the aggregate of Credited Service granted under (e) above is limited to a maximum Full-Time equivalent of eight years provided that not more than five of those eight years are credited in respect of absences that are not within the 12 month period which commences at the time of the birth or adoption of

a child of the Member. The Full-Time equivalent years of Credited Service shall be determined as the sum of the ratio of A to B, for each Plan Year after 1991, where A and B are defined as follows:

- (A) The amount that it is reasonable to consider would have been the Member's remuneration for all periods of unpaid absence granted under above during the Plan Year if the Member had rendered services to the Municipality/Participating Employer throughout each such period of absence:
 - (a) on a regular basis;
 - (b) at the same Full-Time or Part-Time basis that applied before the absence; and
 - (c) at a rate of remuneration that is commensurate with the rate of remuneration the Member would have earned had the Member rendered services to the Municipality/Participating Employer throughout the period of absence.

- (B) The amount in A plus the amount of remuneration actually received by the Member from the Municipality/Participating Employer in the Plan Year, provided that for a Member who is employed for less than a full year or normal working hours this denominator is annualized to a rate of remuneration equivalent to Employees who are working a full year or normal working hours.

For a Member who is employed less than a full year or for less than normal working hours (for Employees in the same or an equivalent position), Credited Service will be determined for each Plan Year by multiplying the years of Continuous Service during which the Member was a Member of the Plan by the ratio of the Member's actual hours worked during the Plan Year to the hours regularly scheduled to be worked by Employees who are working a full year or normal working hours (for Employees in the same or an equivalent position). Such ratio shall not exceed 1.0.

B1.04 **Earnings** means remuneration, before all statutory and other deductions, received by a Member from the Municipality/Participating Employer during the Plan Year, plus, with respect to periods of Credited Service during which a Member does not actually receive remuneration from the Municipality/Participating Employer, an amount deemed to be received based on the rate of Earnings the Member was receiving immediately preceding that period. However, deemed Earnings shall not exceed the amount of compensation that is prescribed for this purpose by the Income Tax Act. For purposes of this definition, remuneration includes overtime, shift differential, retroactive pay and vacation pay, all to the extent the pension plan contributions have been deducted.

For a Member who is employed for less than a full year or for less than normal working hours (for Employees in the same or an equivalent position), the Member's earnings are multiplied by the ratio of the hours regularly scheduled to be worked by Employees who are working a full year or normal working hours (for Employees in the same or an equivalent position), to the Employee's actual hours worked during the Plan Year. Such ratio shall not exceed 1.0.

B1.05 **Effective Date** for this Appendix B means July 1, 1970.

B1.06 **Full-Time** means employment for 20 hours per week or more.

B1.07 **Normal Retirement Date** means the normal retirement date of a Member as described in Section B2.01.

B1.08 **Plan A Member** (Career Average Plan) means each employee of the Halifax Regional School Board who is a Member of the Plan who holds a position of:

- (i) Director of Finance and Support Services;
- (ii) Director of Maintenance and Operations;
- (iii) Supervisor, Pupil Transportation;
- (iv) Assistant Director of Finance;
- (v) Board Secretary;
- (vi) Executive Assistant, Finance; or
- (vii) Full-time Monitor.

B1.09 **Plan B Member** (Best Five Years Average Plan) means each employee who is a Member of the Plan who is an employee of:

- (i) the Municipality;
- (ii) the Regional Museum of Cultural Heritage Museum;
- (iii) the Halifax Regional Library Board;
- (iv) the Dartmouth Sportsplex; and
- (v) the Halifax Regional School Board (non-unionized), except teachers and those defined herein as Plan A Members.

B1.10 **Total Disability** means a disability throughout which the Member is physically or mentally impaired so that the Member is prevented from performing the duties of employment in which the Member was engaged prior to the impairment and which is certified, in writing, by a medical doctor licensed in Canada or where the Member resides.

Section B2 – Appendix B Retirement Dates

B2.01 Normal Retirement Date

(a) Plan A Members

For Plan A Members, Normal Retirement Date means the first day of the month coincident with or next following the date on which the Member attains age 60.

(b) Plan B Members at Lower Contribution Rate

For Plan B Members who contributed at the rate of 4% of the Member's Earnings prior to July 1, 1991, Normal Retirement Date means the first day of the month coincident with or next following the date on which the Member attains age 65.

(c) Plan B Members at Higher Contribution Rate

For Plan B Members who contributed at the rate of 5% of the Member's Earnings prior to July 1, 1991, or who became a Plan B Member on or after July 1, 1991, Normal Retirement Date means the first day of the month coincident with or next following the date on which the Member attains age 60.

B2.02 Optional Retirement Date

(a) For Plan A Members, and Plan B Members described in Section B2.01(c), Optional Retirement Date means the first day of the month coincident with or next following the date on which:

- (i) the Member attains age 50; and
- (ii) the Member's age plus Continuous Service equals or exceeds 80.

(b) This section takes effect as of the first day of July 1997.

B2.03 Early Retirement Date

If the Continuous Service of a Member terminates within the ten-year period prior to the Member's Normal Retirement Date,

- (a) the Member shall be considered to have retired early for the purposes of the Plan on the Member's early retirement date which is the first day of the month coincident with or next following the date on which the Member's Continuous Service terminates; and
- (b) the Member shall be entitled to receive an early retirement pension.

B2.04 Postponed Retirement Date

If, pursuant to legislation and the Municipality/Participating Employer's policy concerning retirement, a Member has remained in employment after the Member's Normal Retirement Date, the Member may retire on the first day of any month after the Member's Normal Retirement Date but the Member's pension shall, in any event, commence to be paid not later than the first day of December in the calendar year in which the Member attains age 71, or such other age as may apply from time to time under the Income Tax Act.

Section B3 – Appendix B Retirement Benefits

B3.01 Normal Retirement Pension

(a) Plan A Member

(i) Pension Formula

Subject to Section B3.01(a)(ii), a Plan A Member who retires on or after the Member's Normal or Optional Retirement Date shall be entitled to an annual pension, commencing on such retirement date, in an amount equal to:

- (A) 2% of the Member's Earnings on which the Member has made contributions; plus
- (B) For Employees who became Members on the Effective Date of the Plan, 1% of the Member's 1972 Earnings multiplied by the Member's Credited Service prior to the Effective Date.

The annual pension determined pursuant to Section B3.01(a), in respect of Credited Service prior to January 1, 1987, shall not be less than 1.5% of the Member's 1986 Earnings multiplied by the Member's Credited Service prior to January 1, 1987.

(ii) Special Minimum Supplement

A Plan A Member who retires on or after Normal or Optional Retirement Date after completing 25 years of Credited Service shall be entitled to a supplemental pension of such amount as may be required to be added to the pension provided under Section B3.01(a)(i) to provide an annual pension equal to 50% of the Member's Earnings during the 60

consecutive months of Credited Service immediately preceding the Member's retirement, death, or termination of employment.

(b) Plan B Member

A Plan B Member who retires on or after Normal or Optional Retirement Date shall be entitled to an annual pension, commencing on such retirement date, in an amount equal to:

- (i) 2% of the Member's Best Average Earnings, multiplied by
- (ii) the Member's Credited Service to a maximum of 35 years.

(c) Members with Periods of Plan A and Plan B Membership

Should a Member have Credited Service both as a Plan A Member and a Plan B Member, such Member's pension benefit at retirement shall be equal to the sum of the benefits earned for the period of Credited Service as a Plan A Member and the benefits earned for the period of Credited Service as a Plan B Member.

B3.02 Early Retirement Pension

A Member who retires early pursuant to Section B2.03 may elect to receive either:

- (a) a pension, commencing on the first day of the month coincident with or immediately following the Member's early retirement date. The Member's pension shall be the Actuarial Equivalent of the pension calculated in accordance with Section B3.01(a)(i), or B3.01(b), or B3.01(c) based on the Member's Credited Service to the Member's early retirement date and otherwise payable from the Member's Normal Retirement Date; or
- (b) a deferred pension, commencing anytime coincident with or following the attainment of age 60, calculated in accordance with Section B3.01(a)(i), or B3.01(b), or B3.01(c) based on the Member's Credited Service to the Member's early retirement date, and being the Actuarial Equivalent of the pension payable

at the Member's Normal Retirement Date.

Notwithstanding this Section B3.02, where the conditions for the application of the Prescribed Reduction, as defined in the Master Text and as described therein apply, the early retirement pension paid under this Section B3.02 shall be reduced by the Prescribed Reduction.

B3.03 Postponed Retirement Pension

A Member who remains in the employ of the Municipality/Participating Employer beyond the Member's Normal Retirement Date shall continue to contribute to the Plan and to accrue benefits during the Member's continued employment and will receive a pension commencing on the Member's postponed retirement date, calculated according to Section B3.01 based on the Member's Credited Service up to the Member's postponed retirement date.

B3.04 Minimum Benefit With Respect to Required Contributions

(a) Contributions Made Before January 1, 1988

Upon the earlier of the retirement, death, or termination of employment of a Member, the Commuted Value of the Member's pension accrued for Credited Service prior to January 1, 1988 under Section B3.01 shall be at least equal to the Member's required contributions made to the Plan prior to January 1, 1988 plus Credited Interest to the date of the determination.

(b) Contributions Made On and After January 1, 1988

If, upon the retirement, death, or termination of employment of a Member:

- (i) the Member's required contributions made on and after January 1, 1988, plus Credited Interest to the date of the determination; exceed

- (ii) 50% of the Commuted Value of the portion of a Member's pension comprised of (A) and (B) as follows:
 - (A) the pension accrued or granted to the Member under Section B3.01 for Credited Service on and after January 1, 1988, together with
 - (B) other benefits accrued or granted to the Member on and after January 1, 1988,

the Member, or the Member's Spouse or Beneficiary, as applicable, will be entitled to a refund of the excess.

For greater certainty, this Section B3.04 applies to Members who die, retire, or terminate employment on or after January 1, 1988.

B3.05 Maximum Pension

Notwithstanding any other provision of this Plan to the contrary, the annual lifetime pension payable to a Member under this Plan in the form of pension to be paid to the Member including any portion of any pension payable to a Member's Spouse or former Spouse pursuant to Section 10.02 of the Master Text, determined at the time of pension commencement, shall not exceed the years of the Member's pensionable service multiplied by the lesser of:

- (a) \$1,722.22 or, for Members who terminate Continuous Service after December 31, 2006, such other amount prescribed for such purpose under the Income Tax Act from time to time; and
- (b) 2% of the average of the Member's best three consecutive years of remuneration from the Municipality/Participating Employer.

reduced, if the pension commencement date precedes the earliest of the days described in the Prescribed Reduction (as defined in the Master Text), by the Prescribed Reduction.

This Section B3.05 shall not apply to additional benefits payable as a result of any Actuarial Equivalent increase due to deferral of pension commencement after age 65 nor shall it apply to that portion, if any, of the pension derived from a Member's excess contributions.

B3.06 Pension Adjustment

In no event shall the benefit accrued by a Member in a Plan Year under Section B3.01 result in a pension adjustment for the Member (as defined by the Income Tax Act) in excess of the limits for the year prescribed by the Income Tax Act.

B3.07 Small Benefit Commutation

If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.

B3.08 Pension Increases for Retired Members

The Committee may increase pensions that are in the course of payment to retired Members, subject to the required approvals as described in Section 7.01 of the Master Text. The aggregate percentage increase for a Member shall not exceed the aggregate percentage increase in the Consumer Price Index from the Member's retirement date.

The recommendation to make such increases are at the complete discretion of the Committee and represents no right or entitlement of Plan Members or retired Members.

Notwithstanding this provision, the calculation of any increase on or after April 1, 1996, shall be subject to the general limitation on pension increases set out in Section 11.01 of the Master Text.

B3.09 Purchase of Service

Subject to certification of any past service pension adjustment under the Income Tax Act and to any other limits under the Income Tax Act applicable to past service, a Member may make additional contributions into the Plan to purchase service for a period of employment with the Municipality/Participating Employer which was previously pensionable service. To be eligible to purchase service pursuant to this Section B3.09, all of the following conditions must be fulfilled:

- (a) the Member must have previously been a member of the Plan who terminated employment with the Municipality/Participating Employer and received a settlement for pension entitlement;
- (b) the Member must have become re-employed by the Municipality/Participating Employer not more than three months after the date upon which the Member's prior employment with the Municipality/Participating Employer terminated;
- (c) the purchased service shall be considered Continuous Service and Credited Service only upon payment of the required amount;
- (d) the period between termination of employment and re-employment shall be neither Credited Service nor Continuous Service;
- (e) the purchase of service must be completed within one year following the Member's date of re-employment;

- (f) the amount of the contribution for the purchase of service shall be determined by the Municipality on the advice of the Actuary;
- (g) the contributions for the purchase of service may be made in a lump sum, by payroll deduction, by transfer from the Member's RRSP, or by any other arrangement that is acceptable to the Municipality; and
- (h) the contributions shall be considered as employee required contributions for past service.

Section B4 – Appendix B Form of Pension Benefits

B4.01 Pension Calculation According to Normal Form

The amount of pension provided under Section B3 is calculated according to the normal form of pension and is payable in that normal form of pension unless the Member elects an optional form of pension.

B4.02 Normal Form of Pension Benefit

The normal form of pension is as follows:

(a) Member With a Spouse

- (i) For a Member, other than a Member described in subparagraph (ii), who has a Spouse on the date on which pension payments commence, the normal form of pension is a joint and survivor pension which is payable in equal monthly instalments for the life of the Member, and payable after the Member's death to the Member's Spouse for the Spouse's life in monthly instalments and equal to 60% of the amount of the monthly pension benefit received by the Member at the time of the Member's death.

For a Plan B Member who belongs to the respective bargaining unit of the police or firefighters unions, and who contributes in accordance with Section 4.01(5) of the Master Text, who has a Spouse on the date on which pension payments commence after January 1, 1997, the normal form of pension is a joint and survivor pension which is payable in equal monthly instalments for the life of the Member, and payable after the Member's death to the Member's Spouse for the Spouse's life in monthly instalments and equal to $66\frac{2}{3}\%$ of the amount of the monthly pension benefit received by the Member at the time of the Member's death.

(b) Member Without a Spouse

For a Member who has no Spouse on the date on which pension payments commence, the normal form of pension is a pension payable in equal monthly instalments for the life of the Member. If the Member dies before receiving payments which in total equal the Member's Required Contributions accumulated with Credited Interest to the Member's date of retirement, the Member's Beneficiary is entitled to receive the value of the remaining balance of the contributions with interest.

B4.03 Waiver of Normal Form of Pension

A Member who has a Spouse may elect the form of pension specified in Section B4.02(b) if:

- (i) the Member delivers to the Committee, within the 12-month period immediately preceding the date upon which payment of the pension is to commence, the written waiver of the Member and the Member's Spouse in the form prescribed under the Pension Benefits Act; and
- (ii) this waiver is not revoked by the Member and the Member's Spouse prior to the commencement of the pension.

B4.04 Election of Optional Forms

In lieu of the normal form of pension payable according to Section B4.02, and subject to the restriction under Section B4.03, a Member may elect, before pension commencement, to receive the Member's pension benefit in the optional form of pension specified in Section B4.05.

B4.05 Optional Forms of Pension Benefit

Level Income Option

Under the level income form of pension, a Member who retires prior to age 65 receives increased amounts of monthly pension until age 65 and a reduced pension thereafter, in order to provide a reasonably level pension income from the pension plan, OAS and

C/QPP throughout retirement, provided however, that the benefit payable from the Plan under this option shall be the Actuarial Equivalent of the pension payable under Section B4.02 and subject, in any event, to meeting the requirements of the Income Tax Act and the Pension Benefits Act, including the limits on bridging benefits under Regulation 8503(2) of the Income Tax Act.

Section B5 – Appendix B Termination Benefits

B5.01 Termination Benefits

A Member who terminates Continuous Service, for any reason other than death or retirement, is not permitted to withdraw any of the Member's required contributions made under the Plan and, in lieu thereof, is entitled to receive a deferred pension, commencing at the Member's Normal or Optional Retirement Date, in the amount accrued or granted to the Member under Section B3.01.

B5.02 Refund of Excess Required Contributions

Upon termination of Continuous Service, for any reason other than death or retirement, a Member will receive, if the Member is entitled to receive a deferred pension under Section B5.01, a refund of any excess contributions made under the Plan determined in accordance with Section B3.04(b).

B5.03 Early Commencement of Deferred Pension

A Member who terminates employment with the Municipality/Participating Employer before attaining age 50 and who is entitled to receive a deferred pension under Section B5.01 may elect to commence receiving this pension on the first day of any month coincident with or following the attainment of age 50 and prior to the Member's Normal Retirement Date. The amount of this pension shall be the Actuarial Equivalent of the deferred pension otherwise commencing on the Member's Normal Retirement Date.

The applicable reduction shall be at least equal to the reduction required under Regulation 8503(3)(c) of the Income Tax Act.

B5.04 Transfer of Value of Deferred Pension

- (a) Subject to Sections B5.04(b) and (c), a Member who terminates Continuous Service, for any reason other than death or retirement, and before attaining age 50 may elect to have the Commuted Value of the deferred pension to which the

Member is entitled under Section B5, with Credited Interest:

- (i) transferred to another registered pension plan, provided that the administrator of that pension plan agrees to accept the transfer;
- (ii) transferred to a retirement savings arrangement as prescribed in the Pension Benefits Act; or
- (iii) applied to purchase a deferred life annuity from an insurance company licensed to transact business in Canada provided payment of the annuity will not commence prior to attainment of age 50, and subject to the limits of Regulation 8503(3)(c) of the Income Tax Act.

Upon such a transfer or purchase, the Member will cease to be a Member and will have no further entitlement under the Plan.

- (b) The Committee shall not be obligated to permit a transfer or purchase under Section B5.04(a) unless the Committee is satisfied that the transfer complies with the requirements of the Income Tax Act.
- (c) Amounts transferred on and after January 1, 1989 in accordance with Section B5.04(a)(i) to a defined contribution provision of a pension plan and amounts transferred in accordance with Section B5.04(a)(ii) shall not exceed the maximum amount prescribed under the Income Tax Act, and the excess of the Commuted Value, plus Credited Interest, if any, over the amount transferred shall be paid to the Member directly in cash, as permitted by the Income Tax Act and the Pension Benefits Act.

- (d) Subject to Section B5.04(b), a Member who is entitled to a refund of contributions under Section B5 may elect to transfer the refunded amount to a registered retirement savings plan.

B5.05 Small Benefit Commutation

If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.

Section B6 – Appendix B Death Benefits

B6.01 Death Benefit Before Commencement of Pension

(a) Member Without a Spouse

If a Member's Continuous Service terminates due to the Member's death, and the Member has no Spouse, a death benefit is payable to the Member's Beneficiary which is a lump sum payment equal to:

- (i) the Member's required contributions made to the Plan prior to January 1, 1988 with Credited Interest to the date of determination, plus
- (ii) 100% of the Commuted Value of the pension accrued or granted to the Member under Section B3.01 for Credited Service on and after January 1, 1988, together with any other benefits accrued or granted to the Member on and after January 1, 1988.

(b) Member With a Spouse

Upon the death of a Member with a Spouse before pension commencement, where a group life insurance benefit of not less than 10% of the Commuted Value of the Member's deferred pension is payable to the Member's Spouse, the Member's Spouse to receive a pension equal to 50% of the pension accrued by the Member up to the Member's date of death in accordance with Section B3.01.

If the group life insurance benefit payable to the Spouse is less than 10% of the Commuted Value of the Member's deferred pension, the Member's Spouse is entitled to receive a pension equal to 60% of the pension accrued by the Member up to the Member's date of death in accordance with Section B3.01.

The Spouse's pension is paid in equal monthly instalments commencing on the first day of the month following the Member's death, with the last payment due on the first day of the month in which the Spouse dies.

For greater certainty, in no event shall the Commuted Value of the Spouse's pension be less than:

- (i) 60% of the Commuted Value of the Member's benefit accrued or granted under Section B3.01 for Credited Service prior to January 1, 1988 together with any other benefits accrued or granted to the Member prior to January 1, 1988 plus
- (ii) 100% of the Commuted Value of the pension accrued or granted to the Member under Section B3.01 for Credited Service on and after January 1, 1988, together with any other benefits accrued or granted to the Member on and after January 1, 1988.

Notwithstanding the above, in lieu of a spousal pension, a Spouse may elect to receive the Commuted Value of any immediate spousal pension payable in a lump sum.

(c) Refund of Excess Contributions

In addition to any other death benefit payable under Section B6, the Member's Spouse, or if there is no Spouse, the beneficiary or estate, is entitled to receive a refund of excess contributions made under the Plan as determined under Section B3.04(b).

B6.02 Payment of Death Benefit

Any death benefit payable shall be paid as soon as is practicable after the death of the Member.

B6.03 Death Benefit After Commencement of Pension

Any death benefit payable upon the death of a Member who has commenced to receive the Member's pension is determined in accordance with the form of the pension being paid to the Member pursuant to Section B4.

B6.04 Death Benefit After Pension Division

Notwithstanding any other provision of this Section B6, where a Member dies before commencement of his pension and where such Member has a Spouse from whom he is living separate and apart at the date of his death and in respect of whom the Member's pension benefit has been divided in accordance with subsection 10.02(2), such Spouse shall be entitled to receive a proportionate share (as defined in the Pension Benefits Act) of the benefit described in this Section B6 determined without taking such Spouse into account, in accordance with the Pension Benefits Act. Any remaining benefit payable on account of the Member's death shall then be determined and paid in accordance with the provisions of Section B6 and the Pension Benefits Act without reference to such Spouse.

B6.05 Waiver of Pre-Retirement Death Benefits

A Spouse may waive her entitlement to any pre-retirement death benefit payable under Section B6 by giving consent in the manner prescribed by the Pension Benefits Act.

Appendix C

Prior Halifax County Municipality

Full-Time

Retirement Pension Plan

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Section C1 – Appendix C Definitions

In the Master Text, specific words and phrases are defined and have applicability to this Appendix, unless the same word or phrase is defined in this Appendix, in which case the definition set out below applies to this Appendix, except where specific reference is made to the Master Text.

C1.01 *Continuous Service* means an Employee's uninterrupted period of full-time employment since his last date of hire by the Municipality/Participating Employer, and includes periods of temporary absence or reduced pay eligible to be included as periods of Credited Service, subject to the limits set out in Regulation 8507 of the Income Tax Act, including the following:

- (1) Approved paid leave of absence of definite duration by written permission of the Municipality/Participating Employer and any extension thereof, of defined period, granted in writing by the Municipality/Participating Employer at the request or with the consent of the Employee, provided employment by the Municipality/Participating Employer is resumed forthwith at the end thereof;
- (2) Periods of paid sick leave or periods of Total Disability;
- (3) Periods of active service in the Canadian Armed Forces or for periods of paid short-term appointment of the federal or provincial governments, committees or commissions (not more than one year) provided employment is resumed with the Municipality/Participating Employer within ninety days of the termination of said service;
- (4) Lay-off or approved unpaid leave of absence for a period of less than twelve months.

C1.02 *Credited Service* means the years and months of a Member's Continuous Service not exceeding 35 years since his last date of hire, while a Member of the Plan, provided the Member has contributed to the Plan in accordance with Section 4.01 of the Master Text, and provided that:

- (1) in respect of periods of layoff or unpaid leaves of absence before January 1, 1991, the aggregate of Credited Service granted in respect of such periods is limited to a maximum full-time equivalent of two years; and
- (2) in respect of periods of layoff or unpaid leaves of absence after December 31, 1990, the aggregate of Credited Service granted in respect of such periods is limited to a maximum full-time equivalent of eight years provided that not more than five of those eight years are credited in respect of absences that are not within the 12 month period which commences at the time of the birth or adoption of a child of the Member. The full-time equivalent years of Credited Service shall be determined as the sum of the ratio of A to B, for each Plan Year after 1991, where A and B are defined as follows:
 - A. The amount that it is reasonable to consider would have been the Member's remuneration for all periods of unpaid absence granted in respect of unpaid leaves during the Plan Year if he had rendered services to the Municipality/Participating Employer throughout each such period of absence:
 - (a) on a regular basis;
 - (b) at the same full-time or part-time basis that applied before the absence; and

(c) at a rate of remuneration that is commensurate with the Member's rate of remuneration before the period of absence.

B. The amount in A plus the amount of remuneration actually received by the Member from the Municipality/Participating Employer in the Plan Year, provided that for a part-time Member this denominator is annualized to a full-time rate of remuneration.

For a Member who is employed on a less than full-time basis, Credited Service will be determined for each Plan Year by multiplying the years and months (and fractions thereof) of Continuous Service during which the Member was a Member of the Plan by the ratio of the Member's actual days worked during the Plan Year to the days regularly scheduled to be worked by full-time Employees.

Notwithstanding the above, for those Employees who became Members on the Effective Date of the Plan, Credited Service shall include periods of Continuous Service prior to the Effective Date.

C1.03 **Earnings** means the Member's annual remuneration excluding such special compensation as bonuses, allowances, and overtime pay.

C1.04 **Effective Date** for this Appendix C means January 1, 1963.

C1.05 **Highest Average Earnings** means the average of a Member's Earnings during the highest three consecutive years.

If a Member has not completed three years of Credited Service, his Highest Average Earnings shall be based on the average of his Earnings during the years of his Credited Service following his entry into the Plan, to a maximum of three years.

C1.06 ***Normal Retirement Date*** means the normal retirement date of a Member as described in Section C2.01.

C1.07 ***Total Disability*** means a disability throughout which the Member is physically or mentally impaired so that he is prevented from performing the duties of employment in which he was engaged prior to the impairment and which is certified, in writing, by a medical doctor licensed in Canada or where the Member resides.

Section C2 – Appendix C Retirement Dates

C2.01 Normal Retirement Date

For purposes of the Plan, Normal Retirement Date means the first day of the month coincident with or next following the date on which the Member attains age 65.

C2.02 Early Retirement Date

A Member may retire within ten years of his Normal Retirement Date. However, should a Member's age plus Continuous Service with the Municipality total at least 80, such Member may retire as early as 15 years prior to his Normal Retirement Date. Each such Member may retire effective the first day of the month coincident with or next following the date he submits notification to the Municipality/Participating Employer of his intention to retire early.

C2.03 Postponed Retirement Date

If, pursuant to provincial law and the Municipality/Participating Employer's policy concerning retirement, a Member has remained in employment after his Normal Retirement Date, the Member may retire on the first day of any month after his Normal Retirement Date but his pension shall in any event commence to be paid not later than the first day of the month coincident with or next following the date the Member attains age 71. or such other age as may apply from time to time under the Income Tax Act.

Section C3 – Appendix C Retirement Benefits

C3.01 **Normal Retirement Pension**

A Member who retires on his Normal Retirement Date on or after August 1, 1995 shall be entitled to an annual pension, commencing on his Normal Retirement Date, in an amount equal to:

2.0% multiplied by the Member's Highest Average Earnings multiplied by the Member's Credited Service.

C3.02 **Early Retirement Pension**

- (1) A Member who retires early pursuant to Section C2.02 may elect to receive a pension, commencing on the first day of any month on or following his early retirement date up to his Normal Retirement Date. The Member's pension shall be reduced to the Actuarial Equivalent of the pension calculated according to the formula in Section C3.01 based on his Credited Service to his early retirement date.

For retirements occurring on and after January 1, 1992, the applicable reduction shall be at least equal to the Prescribed Reduction (as defined in the Master Text) when the conditions for the application of the Prescribed Reduction (as described therein) apply.

- (2) If, on the date a Member is deemed to have retired under the provisions of Section C2.02,
 - (a) the sum of his age plus Continuous Service with the Municipality totals at least 80 and the Member has attained age 50; or

- (b) the Member has completed fifteen years of Credited Service with the Municipality and has attained age 60,

the Actuarial Equivalent reduction in the pension benefit otherwise payable is waived.

- (3) If on the date the Member retires under this Section C3.02, the Member has not met the conditions specified for waiver of the Actuarial Equivalent reduction, then his pension benefit shall be the Actuarial Equivalent to the benefit which would have been payable on the earliest of the Member's Normal Retirement Date or the date on which either of the age and service conditions in Section C3.02(2) would have been met, had the Member continued employment with the Municipality/Participating Employer.

C3.03 Postponed Retirement Pension

A Member who remains in the employ of the Municipality/Participating Employer beyond his Normal Retirement Date shall continue to contribute to the Plan and to accrue benefits during his continued employment and will receive a pension commencing on his Postponed Retirement Date calculated according to the formula in Section C3.01 based on Credited Service up to his Postponed Retirement Date.

C3.04 Minimum Benefit With Respect to Required Contributions

If, upon the earlier of the retirement, death or termination of employment of a Member,

- (1) the Member's required contributions plus Credited Interest to the date of the determination,

exceed

- (2) 50% of the Commuted Value of a Member's pension accrued or granted to him under Section C3.01

the Member, or the Member's Spouse or Beneficiary, as applicable, will be entitled to a refund of the excess of (1) over (2) above.

C3.05 Maximum Pension

Notwithstanding any other provision of this Plan to the contrary, the annual lifetime pension payable to a Member under this Plan in the form of pension to be paid to the Member, including any portion of any pension payable to a Member's Spouse or former Spouse pursuant to Section 10.02 of the Master Text, determined at the time of pension commencement, shall not exceed the years of the Member's pensionable service multiplied by the lesser of:

- (a) \$1,722.22 or, for Members who terminate Continuous Service after December 31, 2006, such other amount as prescribed for such purpose under the Income Tax Act from time to time ; and
- (b) 2% of the average of the Member's best three consecutive years of remuneration from the Municipality/Participating Employer

reduced, if the pension commencement date precedes the earliest of the days described in the Prescribed Reduction (as defined in the Master Text), by the Prescribed Reduction.

This Section C3.05 shall not apply to additional benefits payable as a result of any Actuarial Equivalent increase due to deferral of pension commencement after age 65 nor shall it apply to that portion, if any, of the pension derived from a Member's excess contributions.

C3.06 Small Benefit Commutation

If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.

C3.07 Special Provision

For all purposes of the Plan, Member Gerard J. Kelly, former Municipal Clerk for the Municipality since 1980, is an eligible Member of the Plan, and entitled to all benefits described herein.

In the case of Mr. Kelly only, the pension payable to Mr. Kelly and his Spouse in accordance with Section C3 will be increased on September 1, 1994 and each September 1 thereafter, by the lesser of six percent (6%) and the percentage increase in the cost of living in the preceding year as measured by the change in the Consumer Price Index for Canada as prepared by Statistics Canada.

Section C4 – Appendix C Form of Pension Benefits

C4.01 **Normal Form of Pension Benefit**

(1) **Member with a Spouse**

The normal form of pension for a Member who has a Spouse at retirement is a pension payable in equal monthly instalments for the life of the Member as long as he shall live and payable after the Member's death to the Member's Spouse for her life in monthly instalments equal to $66\frac{2}{3}\%$ of the amount of each monthly instalment paid during the life of the Member.

Should both the Member and Spouse die within the first five years after retirement, the pension payments shall continue at $66\frac{2}{3}\%$ for the remainder of the five years to the beneficiary or estate as the case may be of the person last receiving pension payments.

(2) **Member Without a Spouse**

The normal form of pension for a Member who does not have a Spouse at retirement is a pension payable in equal monthly instalments for the life of the Member, and in any event for a period of not less than 180 months. If a Member dies before receiving 180 monthly payments, the Member's Beneficiary shall receive the balance of the payments remaining in the guaranteed period of fifteen years.

C4.02 **Waiver of Spouse Benefit**

Notwithstanding Section C4.01(1), a Member who has a Spouse may elect the form of pension under C4.01(2) which provides no benefit to the Spouse if:

- (a) the Member delivers to the Committee, within the 12-month period immediately preceding the date upon which payment of the pension is to commence, the written waiver of the Member and the Member's Spouse in the form prescribed under the Pension Benefits Act; and

- (b) this waiver is not revoked by the Member and his Spouse prior to the commencement of the pension.

Section C5 – Appendix C Termination Benefits

C5.01 Termination Benefits

A Member who terminates Continuous Service, for any reason other than death, disability or retirement is not permitted to withdraw any of his required contributions made under the Plan and, in lieu thereof, is entitled to receive a deferred pension, commencing at his Normal Retirement Date, in the amount accrued or granted to him under Section C3.01 for Credited Service and otherwise accrued or granted to him.

C5.02 Refund of Excess Required Contributions

Upon termination of Continuous Service, for any reason other than death or retirement, and if the Member is entitled to receive a deferred pension under Section C5.01, a refund of any excess contributions made under the Plan determined in accordance with Section C3.04.

C5.03 Early Commencement of Deferred Pension

A Member who terminates employment with the Municipality before attaining age 55 and who is entitled to receive a deferred pension under Section C5 may elect to commence receiving this pension on the first day of any month coincident with or following the attainment of age 55 and prior to his Normal Retirement Date. The amount of this pension shall be the Actuarial Equivalent of the deferred pension otherwise commencing on his Normal Retirement Date. For terminations on and after January 1, 1992, the applicable reduction shall be at least equal to the Prescribed Reduction (as defined in the Master Text) where the conditions for the application of the Prescribed Reduction (as described therein) apply.

C5.04 **Transfer of Value of Deferred Pension**

- (1) Subject to Sections C5.04(2) and (3), a Member who terminates Continuous Service, for any reason other than death or retirement, on and after January 1, 1988 and before attaining age 55 may elect to have the Commuted Value of the deferred pension to which the Member is entitled under Section C5, with Credited Interest:
 - (a) transferred to another registered pension plan, provided that the administrator of that pension plan agrees to accept the transfer;
 - (b) transferred to a retirement savings arrangement as prescribed in the Pension Benefits Act; or
 - (c) applied to purchase a deferred life annuity from an insurance company licensed to transact business in Canada provided payment of the annuity will not commence before the earliest date on which the Member was entitled to retire under the Plan.

Upon such a transfer or purchase, the Member will cease to be a Member and will have no further entitlement under the Plan.

- (2) The Committee shall not permit a transfer or purchase under Section C5.04(1) unless the Committee is satisfied that:
 - (a) the transfer or purchase is in accordance with the Pension Benefits Act;
 - (b) any restrictions in the Pension Benefits Act with regard to the solvency of the Plan have been met; and
 - (c) the transfer complies with the requirements of the Income Tax Act.

Amounts transferred in accordance with Section C5.04(1) on and after January 1, 1989 shall not exceed the maximum amount prescribed under the Income Tax Act, and the excess of the Commuted Value, plus Credited Interest, if any, over the amount transferred shall be paid to the Member directly in cash, or be paid to the Member as a benefit, as permitted by the Income Tax Act and the Pension Benefits Act.

- (3) Subject to Section C5.04(2)(c), a Member who is entitled to a refund of contributions under Section C5 may elect to transfer the refunded amount to a registered retirement savings plan.

C5.05 **Small Benefit Commutation**

If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.

Section C6 – Appendix C Disability Accrual

C6.01 Credited Service During Disability Period

Each year, or part thereof, during the period of Total Disability, while in receipt of benefits from the long term disability plan sponsored by the Municipality or recognized by the Committee for this purpose, counts as a year, or part thereof, of Credited Service for the Member and the benefit is determined based on the provisions of the Plan, as modified by Section C6.02, provided contributions in accordance with Section 4.01 of the Master Text are being made by the Employee for such periods of disability.

C6.02 Earnings and Contributions During Disability Period

For the purpose of disability accrual as described in Section C6.01, the Member's benefit accrual in accordance with Section C3.01 and required contributions in accordance with Section 4.01 of the Master Text during the disability period are based on the Member's Earnings immediately before the commencement of his disability.

C6.03 Disability Ending Before Normal Retirement

If the Member, for any reason, ceases to receive benefits from the long-term disability plan sponsored by the Municipality or recognized by the Committee for this purpose before his Normal Retirement Date, the Member shall cease to accrue Credited Service in accordance with Section C6.01 above.

C6.04 Disability Continuing Until Normal Retirement

A Member whose period of Total Disability continues until his Normal Retirement Date is deemed to retire on his Normal Retirement Date and the Member's pension is calculated based on the provisions of the Plan, as modified by Section C6.02.

Section C7 -- Appendix C Death Benefits

C7.01 Death Benefit Payable to Spouse

If a Member who has a Spouse dies before pension commencement, an immediate pension is payable to the Member's Spouse from the first day of the month following the date of death equal to $66\frac{2}{3}\%$ of the pension accrued to the Member under Section C3.01, and payable for the Spouse's lifetime subject to a minimum period of payment of 5 years. In no event shall the Commuted Value of the Spouse's pension be less than 60% of the Commuted Value of the Member's benefit accrued to January 1, 1988 plus 100% of the Commuted Value of the Member's benefit accrued on or after January 1, 1988 to the date of the Member's death. For deaths occurring on and after January 1, 1992, in no event shall the pension payable to the Member's Spouse exceed $66\frac{2}{3}\%$ of the lifetime retirement benefits that would have otherwise been payable to the Member at his Normal Retirement Date.

Notwithstanding the above, in lieu of a spousal pension, a Spouse may elect to receive the Commuted Value of any immediate spousal pension payable in a lump sum.

C7.02 Death Benefit Payable to Non-Spouse Beneficiary

If a Member who does not have a Spouse dies before pension commencement, a lump sum death benefit is payable to the Member's Beneficiary which is 60% of the Commuted Value of the Member's benefit accrued to January 1, 1988 plus 100% of the Commuted Value of the Member's benefit accrued on or after January 1, 1988 in the normal form of pension as specified in Section C4.01(2). On and after January 1, 1992, any death benefit payable under this Section C7.02 is subject to the limits of Income Tax Act Regulation 8503(2)(i).

C7.03 **Refund of Excess Contributions**

In addition to any other death benefit payable under Section C7, the Member's Spouse, or if he has no Spouse, his Beneficiary is entitled to receive a refund of any excess contributions made under the Plan determined under Section C3.04.

C7.04 **Payment of Death Benefit**

Any death benefit payable shall be paid as soon as is practicable after the death of the Member.

C7.05 **Death Benefit After Commencement of Pension**

Any death benefit payable upon the death of a Member who has commenced to receive his pension is determined in accordance with the form of the pension being paid to the Member pursuant to Section C4.

C7.06 **Death Benefit After Pension Division**

Notwithstanding any other provision of this Section C7, where a Member dies before commencement of his pension and where such Member has a Spouse from whom he is living separate and apart at the date of his death and in respect of whom the Member's pension benefit has been divided in accordance with subsection 10.02(2), such Spouse shall be entitled to receive a proportionate share (as defined in the Pension Benefits Act) of the benefit described in this Section C7 determined without taking such Spouse into account, in accordance with the Pension Benefits Act. Any remaining benefit payable on account of the Member's death shall then be determined and paid in accordance with the provisions of Section C7 and the Pension Benefits Act without reference to such Spouse.

C7.07 **Waiver of Pre-Retirement Death Benefits**

A Spouse may waive her entitlement to any pre-retirement death benefit payable under Section C7 by giving consent in the manner prescribed by the Pension Benefits Act.

Section C8 – Appendix C Benefit Increases

C8.01 Pension Increases for Retired Members

The Committee may increase pensions that are in the course of payment to retired Members, subject to the required approvals as described in Section 7.01 of the Master Text. The aggregate percentage increase for a Member shall not exceed the aggregate percentage increase in the Consumer Price Index from the Member's retirement date.

The recommendation to make such increases is at the complete discretion of the Committee and represents no right or entitlement to Plan Members or retired Members.

Notwithstanding this provision, the calculation of any increase on or after April 1, 1996, shall be subject to the general limitation on pension increases set out in Section 11.01 of the Master Text.

Schedule A – Early Retirement Program – Halifax County Regional Rehabilitation Centre

The Municipality is offering an Early Retirement Program (the “ERP”) to all eligible Members of the Plan.

1. Definitions

“Class A Member” means an active Member of the Plan who is a Member pursuant to this Appendix, or pursuant to the Appendix relating to the Current Plan, working at the Halifax Regional Rehabilitation Centre.

“Class B Member” means all Members of the Plan that are not falling under the definition of Class A Members.

2. Eligibility

A Class A Member who, between July 1, 1996 and June 30, 1999 is either:

- (a) age 60 and has completed a minimum of 5 years of Continuous Service; or
- (b) the sum of his age and Continuous Service totals at least 80,

may elect to retire under the terms of this ERP on the first day of any month following his eligibility, but not before July 1, 1996, and not later than July 1, 1999.

3. ERP Benefits

Upon retirement in accordance with this ERP, an eligible Member shall be entitled to the following benefits, in addition to the benefits otherwise normally provided under the Plan:

(a) Early Retirement Date

Notwithstanding Section C2.02, a Member may retire early under the ERP as soon as the eligibility requirements are met.

(b) Waiver of Early Retirement Reduction

The early retirement reduction otherwise applicable under Section C3.02 of the Plan shall be waived.

Notwithstanding the above, the early retirement reductions required by the Income Tax Act Regulation 8503(3)(c) shall continue to apply.

(c) Bridge Benefit

A temporary pension shall be payable during the Member's lifetime, commencing on his early retirement date up to and including the first day of the month during which the Member attains age 60, the annual amount of which is equal to 70% of the lower of (a) and (b):

(a) 25% of the average of the YMPE over the three year preceding the early retirement date; and

(b) 25% of his Highest Average Earnings,

multiplied by the lower of (c) and (d):

(c) 1; and

(d) his Credited Service at his early retirement date divided by 30.

Such temporary pension shall not be higher than allowed under the Income Tax Act Regulation 8503(2)(b).

Appendix D

Prior City of Halifax

Superannuation Plan

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Section D1 – Appendix D Definitions

In the Master Text, specific words and phrases are defined and have applicability to this Appendix, unless the same word or phrase is defined in this Appendix, in which case the definition set out below applies to this Appendix, except where specific reference is made to the Master Text.

D1.01 ***Augmented Past Service Benefit*** means two percent of a Member's 1944 Earnings for each year of service prior to December 31, 1944, from the date when he would have been eligible to join the Plan, namely when such Member had completed at least one year's continuous employment with the Municipality and had attained the age of twenty-one years, and two percent of each year's Earnings of the Member from January 1, 1945 to December 31, 1950.

D1.02 ***Canada Pensionable Earnings*** means that amount of salary or wages of a Member of the Plan received by him from the Municipality or from any board, commission or authority of the Municipality, as the case may be, upon which such Member's contribution to the Canada Pension Plan was based, including the amount of such Member's basic exemption under such Plan.

D1.03 ***Continuous Full-time Employee*** means an employee of the Municipality/Participating Employer who is permanent, probationary or regular in a classified or complement position and who works all of the hours normally associated with that position, and includes seasonal employees who are hired as permanent staff subject to seasonal layoff.

D1.04 ***Current Service Benefit*** means two percent of the Member's Earnings for each year of service that the Member has contributed or is deemed to have contributed to the Pension Fund, as the case may be, from January 1, 1951 to December 31, 1965.

- D1.05 ***Dependent Child*** means a child that is the natural or adopted child of a Member of the Plan, or a child in the custody and control of such Member, is unmarried, under the age of 19 years, or between the ages of 19 and 25 years and continuing to go to school or university full time;
- D1.06 ***Earnings*** means the basic regular hourly wages or annual salary, including shift and sewer bonuses, and like amounts received on a regular basis, but does not include overtime pay, cash in lieu of vacation, performance bonuses, clothing allowances or other amounts not part of a Member's basic remuneration.
- D1.07 ***Integrated Service Benefit*** means one and one-half percent of each year's Canada Pensionable Earnings of the Member for each year of employment from January 1, 1966 until the date of retirement of the Member, and two percent of the Member's Earnings for each year of service that the Member has contributed to the Pension Fund in excess of Canada Pensionable Earnings from January 1, 1966 until the date of retirement of the Member and forms part of the Member's pension at age sixty-five of the retired Member.
- D1.08 ***Interim Service Benefit*** means two percent of the Earnings of a Member of the Police Force or Fire Department for each year of service that the Member has contributed to the Pension Fund from January 1, 1966 to the date of retirement of the Member and forms part of the Member's pension from date of retirement to age sixty-five.
- D1.09 ***Life Annuity*** means an annuity that continues for the duration of the life of the annuitant, whether or not it is thereafter continued to some other person, and "deferred life annuity" means a Life Annuity that commences at retirement age under the Plan but in any event not later than age sixty-nine years.
- D1.10 ***Past Service Benefits*** means one and one-quarter percent of a Member's 1944 Earnings for each year of service prior to December 31, 1944, from the date when he would have been eligible to join the Plan, namely when such Member had completed at least one year's continuous employment with the Municipality and had attained the

age of twenty-one years, and one and one-quarter percent of each year's Earnings of the Member from January 1, 1945 to December 31, 1950.

D1.11 ***Pension Benefit*** means the aggregate annual, monthly or some other periodic amount to which an employee will become entitled upon retirement or to which any other person is entitled by virtue of his death after retirement under the Plan.

D1.12 ***Regulations*** means regulations made pursuant to the Pension Benefits Act.

D1.13 ***Supplementary Grant*** means the sum by which the result of the average salary of the Member in the years 1961, 1962, 1963, 1964 and 1965 multiplied by two percent times the number of years of service for which the Member has contributed to the Pension Fund in respect of Augmented Past Service Benefits (provided, however, that this calculation does not exceed sixty percent of the average salary of the Member in the years 1963, 1964 and 1965), exceeds the Augmented Past Service Benefit and Current Service Benefits earned prior to December 31, 1965.

D1.14 ***Totally and Permanently Disabled*** means, in relation to a Member of the Plan, suffering from a physical or mental impairment that prevents the Member from engaging in any employment for which the Member is reasonably suited by virtue of the Member's education, training or experience and that can reasonably be expected to last for the remainder of the Member's life.

D1.15 ***Voluntary Additional Contribution*** means an additional contribution by an employee to or under the Plan except a contribution the payment of which, under the terms of the Plan, imposes upon the Municipality/Participating Employer an obligation to make a concurrent additional contribution to or under the Plan.

Section D2 – Appendix D Retirement Dates

D2.01 Normal Retirement Date

The normal retirement date for a Member of the Plan shall be as follows:

- (a) for a Member of the Plan, other than a member of the Police Force or Fire Department, on the first day of the month following such Member's sixty-fifth birthday;
- (b) for a Member of the Plan who is or has been the mayor or a Councillor of the Municipality, on the first day of the month following such Member's sixty-fifth birthday;
- (c) for a Member of the Plan who is a member of the Police Force or Fire Department, on the first day of the month following such Member's sixtieth birthday.

D2.02 Optional Retirement Dates

- (a) Notwithstanding the provisions of Section D2.01, a Member of the Plan, at his own option, prior to July 1, 1997, may retire when the sum of the Member's age and the number of years of Credited Service with the Municipality/Participating Employer, as the case may be, totals eighty-five (provided however, no Member shall be permitted to retire prior to the Member's fifty-fifth birthday), or when the Member attains age 60.
- (b) Notwithstanding the provisions of Section D2.01, a Member of the Plan, at his own option on or after July 1, 1997, may retire when the sum of the Member's age and the number of years of Continuous Service, excluding any periods that do not qualify as early retirement eligibility service (as defined in the Income Tax Act), with the Municipality, or any board, commission or authority of the

Municipality/Participating Employer, as the case may be, totals eighty (provided, however, no Member shall be permitted to retire prior to the Member's fiftieth birthday), or when the Member attains age 60.

Notwithstanding this Section D2.02(b), if the Member's Optional Retirement Date in accordance with the provisions of Section D2.02(a) precedes the Member's Optional Retirement under this Section D2.02(b), the Member's Optional Retirement Date under this Section D2.02(b) shall be the earlier of D2.02(a) or D2.02(b) regardless of the effective date of this Section D2.02(b).

- (c) Notwithstanding Sections D2.01, D2.02(a) and D2.02(b), a Member of the Plan who is a member of the Police Force or the Fire Department and whose employment as such commenced on or after July 1, 1994, at that Member's own option may retire when the sum of the Member's age and the number of years of Continuous Service, excluding any periods that do not qualify as early retirement eligibility service (as defined in the Income Tax Act), with the Municipality of such Member totals seventy-five.
- (d) Notwithstanding Sections D2.01, D2.02(a) and D2.02(b), a Member of the Plan, other than a member of the Police Force or the Fire Department whose employment with the Municipality/Participating Employer or any board, commission or authority of the Municipality commenced on or after July 1, 1994, at that Member's own option may retire when the sum of the Member's age and the number of years of Continuous Service, excluding any periods that do not qualify as early retirement eligibility service (as defined in the Income Tax Act), with the Municipality/Participating Employer or any board, commission or authority of the Municipality totals eighty, or when the Member attains age 60.
- (e) Where a Member elects to retire pursuant to Section D2.02, the retirement date shall be the first day of any month following the month in which the election is made.

D2.03 **Postponed Retirement Date**

- (a) The Municipality/Participating Employer, or any board, commission or authority of the Municipality, as the case may be, may, with consent of the Member concerned, retain any Member in the employ of the Municipality/Participating Employer or of any board, commission or authority of the Municipality, as the case may be, after such Member's normal retirement date.

- (b) Where any Member is retained in the employ of the Municipality/Participating Employer, or of any board, commission or authority of the Municipality, after the Member's normal retirement date,
 - (i) contributions to the Pension Fund shall be made after the Member's normal retirement date by the Municipality/Participating Employer, or by the board, commission or authority of the Municipality, as the case may be, in respect of the Member and by the Member;

 - (ii) the contributions shall cease prior to the date Pension Benefits commence to be paid;

 - (iii) the Pension Benefits, otherwise payable at the Member's normal retirement date, are not payable until the earliest of the Member's deferred retirement date, and December 1 in the calendar year in which the Member attains or will attain age 71, or such other age as may apply from time to time under the Income Tax Act; and

- (iv) if the Member dies before the Member's retirement, survivor's benefits payable pursuant to the Plan apply as if the Member retired at the Member's normal retirement date and the Member's estate is entitled to all the Member's benefits that accrued up to the thirty-first day of December, 1965, with respect to the guarantee of sixty monthly payments by Section D4.01.

D2.04 **Disability Retirement Date**

- (a) Where a Member of the Plan
 - (i) ceases to be employed by the Municipality/Participating Employer or any board, commission or authority of the Municipality prior to the Member's normal retirement date by reason of the Member having become Totally and Permanently Disabled;
 - (ii) has been a Member of the Plan for at least two years prior to the date the Member ceased to be employed by the Municipality/Participating Employer or any board, commission or authority of the Municipality; and
 - (iii) has requested the Committee in writing to grant the Member a disability pension;

the Committee, after receiving a report from a medical doctor, licensed to practice under the laws of the Province or any other province of Canada or of the place where the Member resides, that the Member is Totally and Permanently Disabled, may, if it is satisfied that the Member is Totally and Permanently Disabled, grant the Member a disability pension commencing on the date the Member ceased to be employed by the Municipality/Participating Employer.

- (b) A Member of the Plan who is awarded a disability pension pursuant to Section D2.04(a) shall receive the full amount of the retirement income earned up to the date of the Member's early retirement and that would otherwise be payable at the Member's normal retirement date.

D2.05 **Early Retirement Date**

- (a) A Member of the Plan who is within ten years of attaining the normal retirement date may elect to receive an early retirement Pension Benefit.

- (b) A former Member of the Plan
 - (i) whose employment with the Municipality/Participating Employer terminated on or after the first day of January 1988,
 - (ii) who is entitled to a deferred pension, and
 - (iii) who is within ten years of attaining the normal retirement date,may elect to receive an early retirement Pension Benefit.

- (c) The Member or former Member may require the commencement of payment of the early retirement Pension Benefit at any time within the ten-year period referred to in (a) or (b) above respectively.

- (d) For the purposes of this Section D2.05, an early retirement Pension Benefit shall
 - (i) be the actuarial equivalent of the Member's Pension Benefit or the former member's deferred Pension Benefit under the plan; and

- (ii) be calculated in such a way that the commuted value of the early retirement Pension Benefit, as at the date upon which the Member or former Member elects to commence receipt of such benefit, is equal to the commuted value of the Pension Benefits to which the Member or former Member would be entitled if the Member or former Member retired on the Member's or former Member's normal retirement date, but only based on the Pension Benefits accrued to the Member or former Member up to the date upon which the Member elects to commence receipt of the early retirement Pension Benefit, except that the cost to the Plan of the early retirement Pension Benefit shall not exceed the maximum pension as specified in the Income Tax Act.

The reduction applied as a result of the calculation of actuarial equivalent Pension Benefit shall be at least equal to the Prescribed Reduction (as defined in the Master Text) where the conditions for the application of the Prescribed Reduction (as described therein) apply.

Section D3 – Appendix D Service Benefits and Supplementary Grants

D3.01 A Member's pension may consist of one or more of the following benefits:

- (a) a Past Service Benefit;
- (b) an Augmented Past Service Benefit;
- (c) a Supplementary Grant;
- (d) a Current Service Benefit;
- (e) an Interim Service Benefit;
- (f) an Integrated Service Benefit.

D3.02 (1) A Member, other than a member of the Police Force or Fire Department, who has joined the Plan subsequent to January 1, 1951, shall receive at his normal retirement date, the greater of either

(a) the result of the average annual Earnings of the Member during the three consecutive years of highest Earnings of the Member during his employment with the Municipality/Participating Employer, multiplied by the product of two percent times the number of years during which the Member contributed or is deemed to have contributed to the Pension Fund as the case may be, and in no case to exceed 35 years; or

- (b) (i) a Current Service Benefit; and
- (ii) an Integrated Service Benefit.

(2) A member of the Police Force or Fire Department who joined the Plan subsequent to January 1, 1951, shall receive at his normal retirement date, the greater of

- (a) the result of the average annual Earnings of the Member during the three consecutive years of highest Earnings of the Member during his employment with the Municipality, multiplied by the product of two percent times the number of years during which the Member contributed or is deemed to have contributed to the Pension Fund as the case may be, and in no case to exceed 35 years; or
 - (b)
 - (i) a Current Service Benefit;
 - (ii) an Interim Service Benefit; and
 - (iii) an Integrated Service Benefit.
- (3) In calculating Current Service Benefits, a part year of membership in the Plan shall be credited with its proportionate amount of a full year's benefits.
- (4) In calculating Pension Benefits in respect of an employee other than a continuous full-time employee,
- (a) years of service shall be calculated firstly by
 - (i) accumulating hours worked to calculate work weeks with the number of hours required to equal a work week being the same number of hours as would be required by a Continuous Full-time Employee in a comparable position, and then
 - (ii) accumulating work weeks to calculate work years, with fifty-two work weeks equaling a work year; and
 - (b) average annual Earnings shall be calculated on an annualized basis.

D3.03 Notwithstanding any other provisions of this Plan, where a Member of the Plan is on leave of absence from his employment with the Municipality/Participating Employer, or he is disabled but is not in receipt of a disability pension pursuant to the Plan, he may, at his option, contribute to the Pension Fund the payment which would otherwise have been made by deductions from his Earnings during time of normal employment with the Municipality/Participating Employer, provided that payment of the contribution of the Municipality/Participating Employer with respect to the member is also made by the Member, and subject to the limits of Regulation 8507 of the Income Tax Act.

D3.04 (1) A member who joined the Plan as of January 1, 1951, shall receive at his normal retirement date, the greater of either

(a) the result of the average annual Earnings of the Member during the three consecutive years of highest Earnings of the Member during his employment with the Municipality/Participating Employer, multiplied by the product of two percent times the number of years during which the Member contributed or is deemed to have contributed to the Pension Fund as the case may be, and in no case to exceed 35 years; or

(b) (i) a Past Service Benefit;

(ii) a Current Service Benefit;

(iii) an Interim Service Benefit; and

(iv) an Integrated Service Benefit.

(2) In calculating years of continuous employment, recognized leave of absence shall not be considered as a break in employment, but absence on such recognized leave, except in cases of leave of absence granted for war service or

under other special circumstances, shall not be included in determining the total period of continuous employment.

D3.05 (1) Members who joined the Plan as of January 1, 1951, may contribute five percent of their annual Earnings for each year of service during the period January 1, 1945 to December 31, 1950, together with such interest thereon as the Committee may designate, in order to increase their Past Service Benefits.

(2) For each year for which the appropriate five percent contribution and interest is so paid, the Augmented Past Service Benefit rate will be increased from one and one-quarter percent to two percent.

D3.06 Notwithstanding the provisions of Section D3.04(1) of this Plan, a Member of the Plan, other than a member of the Police Force or Fire Department, who joined the Plan as of January 1st, 1951 and who, in respect of service prior to that date has paid to the Pension Fund the contributions provided for under the Plan, shall receive at his normal retirement date, the greater of either

(a) the result of the average annual Earnings of the Member during the three consecutive years of highest Earnings of the Member during his employment with the Municipality, multiplied by the product of two percent times the number of years during which the Member contributed or is deemed to have contributed to the Pension Fund as the case may be, and in no case to exceed 35 years; or

(b) (i) an Augmented Past Service Benefit;

(ii) a Supplementary Grant;

(iii) a Current Service Benefit; and

- (iv) an Integrated Service Benefit.

D3.07 Notwithstanding the provisions of Section D3.04(1) of this Plan, a member of the Police Force or Fire Department, who joined the Plan as of January, 1951, and who, in respect of service prior to that date has paid to the Pension Fund the contributions provided for under the Plan, shall receive at his normal retirement date, the greater of either

- (a) the result of the average annual Earnings of the Member during the three consecutive years of highest Earnings of the Member during his employment with the Municipality, multiplied by the product of two percent times the number of years during which the Member contributed or is deemed to have contributed to the Pension Fund as the case may be, and in no case to exceed 35 years; or
- (b)
 - (i) an Augmented Past Service Benefit;
 - (ii) a Supplementary Grant;
 - (iii) a Current Service Benefit;
 - (iv) an Interim Service Benefit; and
 - (v) an Integrated Service Benefit.

D3.08 The Municipality, or any board, commission or authority of the Municipality, as the case may be, shall not make, grant or give any gratuitous pension grants to any retired employee of the Municipality or of any board, commission or authority of the Municipality, as the case may be, or to any survivors of such retired employee, or to the survivors of a deceased employee, who retires or dies after the date this Plan is effective.

D3.09 Notwithstanding any other provisions of this Plan, a Member of the Plan who retires subsequent to the first day of January, 1974, upon attaining his sixty-fifth birthday, or his survivor, shall receive from the Pension Fund an additional sum calculated annually on the first day of January in each year at the rate of two percent of his then Pension Benefits.

D3.10 Notwithstanding any other provisions of this Plan, a Member of the Plan who retired on or before the first day of January, 1974, or his survivor, shall receive from the Pension Fund an additional sum calculated annually on the first day of January in each year at the rate of two percent of his then Pension Benefits, the first such additional sum to be calculated on the first day of January, 1980.

D3.11 Notwithstanding Sections D3.09 and D3.10, no further additional sums shall be received from the Pension Fund pursuant to those Sections after the first day of January, 1994.

D3.12 Notwithstanding any other provision of this Plan, a retired Member of the Plan, or his survivor, who is in receipt of Pension Benefits under the provisions of the Plan, shall, commencing the first day of January, 1981, receive from the Pension Fund an additional sum which shall be the maximum as may be determined to be prudently available, calculated annually on the first day of January in each year at a rate to be established from time to time by the Committee after receiving advice from the actuary appointed by the Committee to advise it and provided in any event that

- (a) no such additional benefit shall be provided to any pensioner who has not attained his fiftieth birthday unless he has qualified for a disability pension in accordance with of Section D2.04; and
- (b) sufficient surplus funds exist in the Pension Fund to guarantee the continuation of these additional benefits at the same level during the full remaining lifetime of the pensioner or survivor as the case may be.

Any increases or sums calculated under this section on or after April 1, 1996 shall be subject to the general limitation on pension increases set out in Section 11.01 of the Master Text.

Notwithstanding the above, pensions in the course of payment as of January 1, 2007 shall be increased by 0.5%, provided that this increase is in accordance with the general limitation on pension increases set out in Section 11.01 of the Master Text.

D3.13 Notwithstanding any other provision of the Plan, Earnings may include prescribed compensation (as determined under the Income Tax Act). The accrual of Credited Service on account of periods of reduced pay or temporary absence is subject to the limits of Regulation 8507 of the Income Tax Act.

D3.14 No Pension Benefit paid under the Plan shall exceed the maximum pension permitted under the Income Tax Act.

Section D4 – Appendix D Payments Under the Plan

- D4.01 (1) Commencing at a Member's retirement date, such Member shall receive each month a sum equal to one-twelfth of the annual amount of his Pension Benefits for as long as such Member lives.
- (2) Should a Member die before sixty monthly sum payments have been paid, and the Member leaves no surviving Spouse or Dependent Child in respect of whom a survivor's pension is paid, payment, including Supplementary Grants, shall be paid to the Member's Beneficiary, of an amount equal to the remainder of the sixty payments.
- D4.02 (1) Subject to Section D4.02(5), if a Member of the Plan leaves the employ of the Municipality/Participating Employer or any board, commission or authority of the Municipality, as the case may be, before his retirement date, such Member shall be entitled to receive a refund of his contributions to the Plan, together with Credited Interest, and such Member shall cease to be a Member of the Plan.
- (2) A Member of the Plan, who leaving the employ of the Municipality/Participating Employer or any board, commission or authority of the Municipality has received a refund of contributions, shall, on becoming re-employed by the Municipality/Participating Employer or any board, commission or authority of the Municipality, be entitled to repay into the Plan the amount refunded plus Credited Interest at the rate of return of the Plan from the date of refund to the date of repayment. Any such repayment in respect of service prior to January 1, 1990 must be transferred from a registered retirement savings plan, a deferred profit-sharing plan, or another registered pension plan.

- (3) In Section D4.02(4), “service for a continuous period” means service for a period of time without regard to periods of temporary suspension of employment.
- (4) A Member of the Plan is, upon termination of employment with the Municipality/Participating Employer or membership in the Plan prior to attaining retirement age, entitled to a deferred life annuity commencing at normal retirement age and equal to the Pension Benefits in respect of service as an employee of the Municipality/Participating Employer or a board, commission or authority of the Municipality except Pension Benefits provided by Voluntary Additional Contributions.
- (5) Upon termination of his employment or upon termination of his membership in the Plan, a Member of the Plan who is entitled to a deferred life annuity under Section D4.02(4) is not entitled to withdraw any part of his contributions to or under the Plan, except voluntary additional contributions, and such contributions shall be applied under the terms of the Plan toward the provision of the deferred life annuity required to be provided to the employee under Section D4.02(4).
- (6) Small Benefit Commutation
If the annual lifetime pension payable at the Member’s Normal Retirement Date is not more than 4% of the YMPE in the year of the Member’s termination of Continuous Service, or if the Commuted Value of the Member’s pension is less than 20% of the YMPE in the year of the Member’s termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.

- D4.03 (1) A Member of the Plan entitled to a deferred pension may require the Committee to pay the commuted value of the deferred pension
- (a) to the Pension Fund related to another pension plan, if the administrator of the other pension plan agrees to accept the payment;
 - (b) into a retirement savings arrangement prescribed by the Regulations, subject to compliance with Section 147.3 of the Income Tax Act; or
 - (c) for the purchase for the Member of a deferred life annuity under which payment will not commence before pension payments would otherwise be permitted under the Plan.
- (2) Section D4.03(1) does not apply to a Member whose employment is terminated and who is entitled to receive immediate payment of a Pension Benefit pursuant to the Plan .
- (3) A Member may exercise the member's entitlement pursuant to Section D4.03(1) by delivering to the Committee a direction in a form prescribed by the Regulations.
- (4) The Committee shall not make payment pursuant to Section D4.03(1)(b) or (c) except upon receipt of evidence that the payment will be administered as a deferred pension in accordance with the conditions prescribed by the Regulations.

- (5) If a payment pursuant to Section D4.03(1) will or is likely to result in the Pension Fund failing to meet the solvency standards prescribed by the Regulations, the Committee shall not, except with the approval of the Superintendent of Pensions, make such payment.

D4.04 (1) If a Member of the Plan has left the employ of the Municipality/Participating Employer or of any board, commission or authority of the Municipality, as the case may be, and, under the provisions of Section D4.02, has elected not to withdraw his contributions under the Plan, and such Member subsequently dies before his normal retirement date, the Beneficiary of such Member may receive a payment from the Pension Fund equal to

- (a) all the contributions of such deceased Member made prior to January 1, 1988, together with Credited Interest thereon plus
- (b) 100% of the Commuted Value of the benefit accrued on and after January 1, 1988.

- (2) Survivors' benefits, under the provisions of Sections D4.10 and D4.11, shall not apply if the Beneficiary of a Member receives the payment as provided in Section D4.04(1).

D4.05 If a Member of the Plan dies while in the employ of the Municipality/Participating Employer or of any board, commission or authority of the Municipality, as the case may be, and survivors' benefits are not payable under the provisions of this Plan, the Beneficiary of such Member shall receive a payment from the Pension Fund equal to

- (a) all the contributions of such deceased Member made prior to January 1, 1988, together with Credited Interest thereon, plus
- (b) 100% of the Commuted Value of the benefit accrued on and after January 1, 1988.

D4.06 Commencing on January 1, 1966, the following survivors' benefits shall become available to survivors of deceased Members of the Plan:

- (a) a Spouse's benefit; and
- (b) an orphan's benefit;

and such survivors, who qualify as hereinafter provided, shall receive each month a sum equal to one-twelfth of the annual amount of such survivors' benefits.

D4.07 (1) A surviving Spouse of a deceased Member of the Plan entitled to a spousal benefit with full benefits shall, subsequent to January 1, 1969, annually receive the greater of either

- (a) the result of the average Earnings of the Member during the three consecutive years of highest earnings of the Member during his employment with the Municipality/Participating Employer, multiplied by the product of one and one-fifth percent times the number of years during which the Member contributed or is deemed to have contributed to the Pension Fund, as the case may be, and in no case to exceed 35 years; or
- (b)
 - (i) sixty percent of the Current Service Benefits of the deceased Member, plus any of the following where applicable;
 - (ii) sixty percent of the Member's Interim Service Benefits;
 - (iii) sixty percent of the Member's Integrated Service Benefits;
 - (iv) sixty percent of the Member's Supplementary Grant;
 - (v) sixty percent of the Member's Past Service Benefits; and
 - (vi) sixty percent of the Member's Augmented Past Service Benefits.

- (2) Notwithstanding the provisions of Section D4.07(1), where a Member of the Plan died prior to December 31, 1968, the surviving Spouse of the deceased Member shall receive from the Pension Fund
- (a) sixty percent of the Current Service Benefits of the deceased Member;
 - (b) sixty percent of the Member's Interim Service Benefits;
 - (c) sixty percent of the Member's Integrated Service Benefits;
 - (d) sixty percent of the Member's Supplementary Grant;
 - (e) sixty percent of the Member's Past Service Benefits; and
 - (f) sixty percent of the Member's Augmented Past Service Benefits;

provided, however, that if such surviving Spouse has received payment from the Pension Fund the contributions of such deceased Member and Credited Interest thereon, the surviving Spouse shall not receive further payments from the Pension Fund as set out above until such time as the amount of refund of contributions and Credited Interest has been off-set by pension the surviving Spouse would have received under the provisions of this Section had this Section been in force and effect at the time of the death of the Member; and further provided that if a surviving Spouse or the estate of a deceased Member is receiving the sixty payments guaranteed under Section D5.01, the surviving Spouse may, prior to July 1, 1969, elect to continue to receive payments after that date under Section D5.01, or in the alternative the surviving Spouse may receive the benefits payable under this Section.

Notwithstanding the above:

- (i) any pension payable to a Spouse under this Section D4.07 shall not exceed

the limits imposed by Regulation 8503(2)(e) of the Income Tax Act; and

- (ii) a spouse's benefit is payable only to an individual who was the Spouse of a Member at retirement.

- D4.08 (1) If a Member of the Plan dies, an orphan's benefit shall be payable from the Pension Fund on behalf of any dependent or disabled child, whether or not the other parent of such Dependent or disabled child is alive.
- (2) Every dependent or disabled child entitled to orphan's benefits shall annually receive from the Pension Fund a benefit equal to twenty percent of an annual spousal benefit with full benefits, calculated in the manner as provided in Section D4.07; provided, however, that orphan's benefits shall not be paid for more than four such Dependent or disabled children of such deceased Member.

Where a Member leaves no Spouse surviving or where the Spouse dies, the spousal benefit that would have been payable to the Spouse had the Spouse survived or that was being paid to the Spouse before the Spouse's death shall be paid in respect of the Dependent or disabled children in substitution for the orphan's benefit payable pursuant to Section D4.08(2) for as long as an orphan's benefit would be payable to any child, and the spousal benefit shall be divided equally among the children as would be entitled to an orphan's benefit from time to time.

- D4.09 (1) An orphan's benefit paid on behalf of a Dependent Child shall cease when such child is no longer a Dependent Child.
- (2) An orphan's benefit paid on behalf of a disabled child shall cease when such child is no longer disabled, or reaches the age of twenty-five years, whichever event happens first.

D4.10 Notwithstanding any other provision of this Plan, any orphan's benefit or other benefit paid to a disabled or Dependent Child shall be paid only for the duration of the eligible survivor benefit period, as defined in the Income Tax Act and shall not exceed the limits imposed by Regulation 8503(2)(e) thereunder.

D4.11 Notwithstanding the provisions of Sections D4.07 and D4.08, if a Member of the Plan dies within five years after the date of his retirement, and his estate is entitled to receive payments based on the benefits accrued to such deceased Member up to December 31, 1965, under the provisions of Section D4.01, any survivors' benefits to which the survivors of such deceased Member are entitled with respect to that portion of the Pension Benefits upon which such payment to the estate are based, shall not commence until such payment to the estate is terminated.

D4.12 **Minimum Benefit with Respect to Required Contributions**

If, upon the termination of a Member's Continuous Service:

(a) the Member's Required Contributions under Section 4.01 of the Master Text of this Plan and any Prior Plan, plus Credited Interest to the date of the determination

exceed

(b) 50% of the Commuted Value of the Member's pension comprised of (i) and (ii) as follows:

(i) the pension accrued or granted to him under this Plan and any Prior Plan, plus

(ii) any benefit improvement granted to him under this Plan and any Prior Plan,

the Member, or the Member's Spouse or Beneficiary, as applicable, is entitled to receive a refund of the excess contributions.

This Section D4.12 shall not apply in respect of a benefit from additional voluntary contributions.

D4.13 Death Benefit After Pension Division

Notwithstanding any other provision of this Section D4, where a Member dies before commencement of his pension and where such Member has a Spouse from whom he is living separate and apart at the date of his death and in respect of whom the Member's pension benefit has been divided in accordance with subsection 10.02(2), such Spouse shall be entitled to receive a proportionate share (as defined in the Pension Benefits Act) of the benefit described in this Section D4 determined without taking such Spouse into account, in accordance with the Pension Benefits Act. Any remaining benefit payable on account of the Member's death shall then be determined and paid in accordance with the provisions of Section D4 and the Pension Benefits Act without reference to such Spouse.

D4.14 Death Benefits Payable to Spouse

In no event shall the Commuted Value of the spousal benefit be less than

- (a) all the contributions of such deceased Member made prior to January 1, 1988, together with Credited Interest thereon, plus

- (b) 100% of the Commuted Value of the benefit accrued on and after January 1, 1988.

In lieu of a spousal benefit, a Spouse may elect to receive the Commuted Value of any immediate spousal benefit payable in a lump sum.

D4.15 **Waiver of Pre-Retirement Death Benefits**

A Spouse may waive her entitlement to any pre-retirement death benefit payable under Section D4 by giving consent in the manner prescribed by the Pension Benefits Act.

Appendix E

*Prior Metropolitan Authority
Employees' Pension Plan*

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SCHEDULE A TO APPENDIX E

Section E1 – Appendix E Definitions

In the Master Text, specific words and phrases are defined and have applicability to this Appendix, unless the same word or phrase is defined in this Appendix, in which case the definition set out below applies to this Appendix, except where specific reference is made to the Master Text.

E1.01A ***Additional Voluntary Contributions*** means voluntary contributions made under the Prior Metropolitan Authority Employees' Pension Plan which are held in respective member's accounts under the Plan.

E1.01 ***Best Average Salary*** means the average of the best five years of Earnings paid to the Employee by the Municipality.

E1.02 ***Compensation*** has the same meaning as assigned in subsection 147.1 of the Income Tax Act.

E1.03 ***Disabled*** means, in relation to a Member, suffering from a physical or mental impairment that prevents the Member from performing the duties of employment in which the Member was engaged prior to the commencement of the disability.

E1.04 ***DTS Service*** means, in respect of persons employed by Dartmouth Transit on February 28, 1981, and who are transferred to the Metropolitan Transit Commission on March 1, 1981, Continuous Service with Dartmouth Transit and any predecessor employers but excluding those periods of Service before January 1, 1967.

E1.05 ***Earnings*** means a Member's annual base salary, or in the case of a less than full-time Member the annualized base salary, or the total annual earnings if less, as determined by the Committee, on which the Member makes contributions to the Plan, and excludes other compensation such as bonuses, incentive compensation, compensation for overtime and other fluctuating emoluments as determined from time to time by the Committee. For the purpose of determining benefits and contributions, Earnings shall

include Prescribed Compensation where required.

E1.06 **Effective Date** for this Appendix E means January 1, 1967.

E1.07 **Maximum Bridging Benefit** means for a particular month, the amount determined by the following formula:

$$(A \times C \times E/F) + (G \times (1 - E/F))$$

where

A: equals (assuming member is age 65):

$$\text{Max. OAS Benefit} + \left\{ \text{Max. CPP Benefit} \times \text{lesser of} \left(\frac{\text{total of highest remuneration for 3 calendar years}}{\text{total of YMPE for same 3 years}}, 1 \right) \right\}$$

C: ratio of the CPI in the particular month to the CPI in month of retirement

E: is the member's Pensionable Service prior to 1992

F: the member's total Pensionable Service

G: the amount determined by the following formula

$$A \times (1 - .0025 \times B) \times C \times D/10$$

where

- A:** is the amount determined for **A** in the preceding formula

- B:** the number of months between actual retirement date and age 60 (or 0 in the case of a Totally and Permanently Disabled Member).

- C:** is the amount determined for **C** in the preceding formula

- D:** the lessor of 10 and the actual years of Pensionable Service (or 10 in the case of a Totally and Permanently Disabled Member)

E1.08 **Maximum Pension**, means, in respect of the annual amount of the lifetime retirement benefits payable to the Member under this Plan in the form of pension to be paid to the Member, including any portion of any pension payable to a Member's Spouse or former Spouse pursuant to Section 10.02 of the Master Text, determined at the time of pension commencement, shall not exceed the years of the Member's Pensionable Service (subject to a maximum of 35 years) multiplied by the lesser of:

- (a) \$1,722.22 or, for Members who terminate Continuous Service after December 31, 2006, such other amount as prescribed for such purpose under the Income Tax Act from time to time; and

- (b) 2% of the average of the Member's best three consecutive years of remuneration from the Municipality/Participating Employer."

E1.09 **Maximum Pre-65 Retirement Benefit** in respect of benefits for Service after December 31, 1991 means,

- (a) in respect of the total amount of lifetime retirement benefits and bridging benefits (expressed on an annualized basis) payable to the Member for the calendar year in which retirement benefits commence to be paid, the amount determined by the following formula:

$$(A \times B) + (.25 \times C \times D/35)$$

where

A: is the defined limit for the calendar year of retirement,

B: is the member's total Pensionable Service after 1991,

C: is the average of the YMPE in the year of retirement and the two preceding years, and

D: is the lesser of 35 and the amount determined for B; and

- (b) in respect of the total amount of lifetime retirement benefits and bridging benefits (expressed on an annualized basis) payable to the Member for any particular calendar year after the year in which retirement benefits commence to be paid, an amount equal to the product of:

(i) the amount determined under paragraph (a) above and,

(ii) the greatest of all amounts each of which is the ratio of

- (A) the average Consumer Price Index for a calendar year not earlier than the year of retirement and not later than the particular year to
- (B) the average Consumer Price Index in the calendar year in which benefit commenced to be paid.

- E1.10 **Normal Retirement Date** means the first day of the month coincident with or next following the sixty-fifth birthday of a Member.
- E1.11 **Pensioner** means a person for whom a pension under this Plan has commenced.
- E1.12 **Prescribed Compensation** means an amount calculated in accordance with Income Tax Regulation 8507(2) in respect of a period of Temporary Leave of Absence which is a qualifying period as defined in 8507(3) or a period during which the Member is Disabled. The total of the eligible periods of Reduced Pay and Temporary Leave of Absence as defined in 8507(3) for which Compensation can be prescribed for a Member is limited to the equivalent of 5 years of remuneration plus the equivalent of an additional three years of remuneration for periods of parental leave occurring within the twelve months immediately after the birth or adoption of a child.
- E1.13 **Retirement Date** means the date on which a Member's retirement is effective and is the date pension payments commence.
- E1.14 **Survivor's Pension** is a pension paid to a deceased Member's Spouse as long as the Spouse survives.
- E1.15 **Temporary Leave of Absence** of a Member with respect to the Municipality, means a period after 1991 throughout which the Member does not render services to the Municipality by reason of any circumstance acceptable to the Municipality and meets the requirements of Income Tax Regulation 8507(3), other than a period during which the Member is Disabled, and includes the following:

- (a) job-related training;
- (b) parental leave;
- (c) maternity leave; and
- (d) other leaves of absence as defined in a collective agreement between the Municipality and its representative unions.

E1.16 ***Year of Contribution*** means a period of twelve months in respect of which required contributions have been paid to the Plan by a Member and includes:

- (a) any month in which contributions have been made under Section E5.01,
- (b) any month in respect of which a Member who has made an election to purchase Transfer Service and pays a contribution to the Plan pursuant to that election,
- (c) any month in respect of which required contributions have been transferred to the Plan under the terms of a reciprocal agreement,
- (d) any month in respect of which required contributions have been transferred to the Plan from the pension plan of an employer referred to in Section E2.05,
- (e) a period of Service in respect of an approved leave of absence prior to January 1, 1992, for which the Member paid the necessary contributions to the Plan in respect of such Service,
- (f) a period of Service after December 1, 1991, during which a Member was on a Temporary Leave of Absence and in respect of which a Member has made the necessary contribution under Section 4.01(7) of the Master Text, or as required under the terms of the Plan at the time of the purchase, and
- (g) a period of Service after December 1, 1991, during which the Member was

Disabled and in respect of which a Member has made an election to contribute required contributions plus Interest during the qualification period for LTD benefits and pays the necessary contribution to the Plan pursuant to that election,

In calculating retirement benefits, credit shall be given on a pro-rata basis for any fractional portion of a year in which required contributions have been paid by a Member.

Section E2 – Appendix E Service

E2.01 *Service* means employment in Canada on a full-time or less than full-time basis with the Municipality. It includes periods during which an Employee is on sick leave or Disabled and in receipt of Long Term Disability benefits and any period during which an Employee is on leave of absence.

E2.02 *Credited Service* means Service after the Employee has become a Member of the Plan.

E2.03 An Employee whose employment with the Municipality is terminated due to resignation, discharge or lay-off for a period of six months or more, and who is re-employed by the Municipality shall not receive any Credited Service for employment prior to the date he is re-employed. This shall not be construed as alienating any previously granted benefits, however.

E2.04 *Continuous Service* means Service during a continuous period and employment shall be deemed continuous notwithstanding:

- (a) Leave of absence of definite duration by written permission of the Municipality and any extension thereof, of defined period, granted in writing by the Municipality at the request or with the consent of the Employee, provided employment by the Municipality is resumed forthwith at the end thereof;
- (b) Service in the Armed Forces of Her Majesty or Her Allies excluding periods of enlistment in peacetime, provided employment with the Municipality is resumed within ninety days of the termination of said service or within such longer period as may be provided by law for the protection of employment rights following military service.

(c) A lay-off for a period of less than six months.

E2.05 In the case of employees who were transferred to the employ of the Metropolitan Authority from a municipality participating in the Metropolitan Authority or a designated commission, “*Service*” shall also include continuous employment with the other municipality or commission, as the case may be, provided that in respect of periods after December 31, 1991, the other municipality or commission is a predecessor employer to the Metropolitan Authority.

E2.06 ***Pensionable Service*** means Service for which a pension is being provided under this Plan. Credit shall be given on a prorated basis for any fractional portion of a year in which required contributions have been paid by a Member and for less than full-time Members, credit shall be given on a pro-rata basis for the portion of hours worked in relation to a similar full-time position.

E2.07 ***Transfer Service*** means service resulting from the purchase of benefits under this provision. A Member, other than a Member who is eligible to receive benefits in respect of DTS Service, who was transferred to the employ of the Metropolitan Authority from a participating municipality or commission may elect to purchase benefits in respect of a period of Service with his previous employers subject to the following conditions:

- (a) such election must be made by December 31, 1981 or six months after the date of transfer to the Metropolitan Authority, whichever is the later,
- (b) such election may only apply to periods of Service during which the Member was not eligible to be a Member of a pension plan sponsored by the previous employers,

- (c) in respect of periods after December 31, 1991, such election may only apply if the previous employer is a predecessor employer to the Metropolitan Authority and if such period of employment with the previous employer was a period of participation, or a period of eligibility for the participation, of the Member in a registered pension plan of that employer,

- (d) the method by which contributions are to be calculated in respect of any such period of Service shall be subject to agreement between the Member and the Metropolitan Authority.

Section E3 – Appendix E Retirement Benefits

- E3.01 A Member is eligible for retirement benefits upon retirement, as provided in this Section. Retirement benefits shall be paid in the form of a pension commencing on the Retirement Date and monthly thereafter in an amount equal to one-twelfth of the annual benefit described in this Section E3. The annual benefit, however, excluding the benefit based on Additional Voluntary Contributions shall not exceed the Maximum Pension. Monthly payments shall continue to be made so long as the Pensioner lives.
- E3.02 A Member may retire after his Normal Retirement Date, while remaining in active employment for such period and upon such terms as specified by the Municipality but not later than December 1 in the calendar year in which the Member attains or will attain age 71 or such other age as may apply from time to time under the Income Tax Act. During the delayed period the Member shall continue to make required contributions and continue to earn Pension Credits.
- E3.03 (a) Each Member who has attained the age of 55 shall be eligible for early retirement benefits and may retire effective the first day of the month coincident with or next following the date on which he submits notification to the Administrator as defined in the Master Text of his intention to retire early.
- (b) The amount of the pension payable to a Member who retires early shall be calculated by applying an adjustment factor (taken from the table in Section E3.03(c) to the amount of the pension the Member would otherwise have been entitled to receive commencing at the Normal Retirement Date under Section E3.04 and Section E3.07 of this Plan.
- (c) Notwithstanding the above, the amount of pension payable to a Member who would have qualified for benefits under Section E3.05 of the Plan, prior to

Normal Retirement Date, shall be calculated by applying an adjustment factor (taken from the table below) to the amount of the pension the Member would otherwise have been entitled to receive, commencing at his earliest possible retirement date with unreduced benefits, under Section E3.05 and E3.07 of this Plan.

Number of Years Prior to Earliest Possible Retirement Date (with unreduced benefits)	Adjustment Factor
1	.94
2	.88
3	.83
4	.78
5	.73
6	.68
7	.64
8	.60
9	.57
10	.53

- (d) The early retirement pension is payable in monthly instalments, commencing on the Member's actual Retirement Date.
- (e) Notwithstanding the above, the amount of early retirement pension payable to a Member in accordance with this section shall be at least the Actuarial Equivalent of the amount of pension payable on the date upon which the Member would have met one of (i), (ii), or (iii) below had the Member remained in employment with the Municipality/Participating Employer.
- (f) Notwithstanding the above, the amount of pension payable to a Member who retires prior to the earliest of:
 - (i) attainment of age 60,

- (ii) completion of thirty years of Service or Pensionable Service, if greater,
or
- (iii) the date upon which the Member's age plus years of Service or Credited Service, if greater, total 80,

shall not be greater than the lesser of:

- (A) the amount of pension accrued to the Member's actual Retirement Date reduced by 1/4 of 1% for each month prior to the date upon which the Member would have met one of (i), (ii), or (iii) above had the Member remained in employment with the Municipality/Participating Employer,
or
- (B) the Maximum Pension of the Member reduced by 1/4 of 1% for each month prior to the date upon which the Member would have met one of (i), (ii), or (iii) above had the Member remained in employment with the Municipality/Participating Employer.

E3.04 Each Member who retires on or after his Normal Retirement Date shall receive a pension in accordance with the following:

- (a) In the case of a Member retiring from the employ of the Municipality prior to January 1, 1993 or a Member who ceased to be in the employ of the Municipality or who otherwise ceased to be an active Member of the Plan prior to January 1, 1993, the pension shall be calculated in accordance with the prevailing rules of the Plan as they existed at the time that the Member ceased to be an active Member.

- (b) In the case of a Member retiring from the employ of the Municipality or who ceased to be in the employ of the Municipality or who ceased to be an active Member of the Plan on or after January 1, 1993, the pension shall be an annual amount equal to:
 - (i) 1.50% per Year of Contribution multiplied by the Best Average Salary; and
 - (ii) 0.50% per Year of Contribution multiplied by the excess of Best Average Salary over and above the average of the YMPE in the year of retirement and the two preceding years.

In no event will the annual amount determined above exceed 70% of the Best Average Salary.

E3.05 Notwithstanding the above, a Member who meets the following eligibility criteria may retire earlier than his Normal Retirement Date and receive a pension in accordance with Section (a) or (b) below.

A Member who retires prior to January 1, 1996 is eligible if he has attained age 55 and if his age plus years of Service with the Municipality totals 85 (referred to as the “Rule of 85”). Retirement may occur any time after the first day of the month following the date upon which the eligibility criteria is met.

A Member who retires on or after January 1, 1996 is eligible regardless of his age if his age plus years of Service with the Municipality totals 80 (referred to as the “Rule of 80”). Retirement may occur any time after the first day of the month following the date upon which the eligibility criteria is met.

A Member who retires under either the “Rule of 85” or the “Rule of 80” will receive a pension in accordance with the following:

- (a) In the case of a Member retiring from the employ of the Municipality prior to January 1, 1993 or a Member who ceased to be in the employ of the Municipality or who otherwise ceased to be an active Member of the Plan prior to January 1, 1993, the total pension payable to the Member, including lifetime and bridging benefits, shall be calculated in accordance with the prevailing rules of the Plan as they existed at the time that the Member ceased to be an active Member.

- (b) In the case of a Member retiring from the employ of the Municipality or who ceased to be in the employ of the Municipality or who ceased to be an active Member of the Plan on or after January 1, 1993, the Member shall receive a lifetime pension in an annual amount equal to the total of:
 - (1) 1.50% per Year of Contribution multiplied by the Best Average Salary;
and
 - (2) 0.50% per Year of Contribution multiplied by the excess of Best Average Salary over and above the average of the YMPE in the year of retirement and the two preceding years.

In addition to the lifetime pension described above, the Member shall receive a bridging benefit payable for the period between his actual Retirement Date and his Normal Retirement Date in an annual amount equal to 0.50% per Year of Contribution multiplied by the lesser of (i) the Best average Salary or (ii) the average of the YMPE in the actual year of retirement and the two preceding years, provided that the amount so calculated in respect of Service after December 31, 1991 does not exceed the Maximum Bridging Benefit.

In no event will the total amount determined above exceed 70% of the Best Average Salary nor will the total benefits payable to the Member in any calendar year prior to Normal Retirement Date, in respect of Service after December 31, 1991, exceed the Maximum Pre-65 Retirement Benefit.

E3.06 A Member who is eligible to receive benefits in respect of DTS Service shall be entitled to receive such benefits if he elects, prior to April 30, 1982, to pay contributions in such amounts and over such period of years and including Credited Interest at such rate or rates as may be approved by the Committee to pay the cost of providing the benefits described in Section E3.06 determined on an actuarial basis on an equally shared basis with the Municipality.

In the event of the death of an Employee who has elected to make contributions in respect of former DTS Service, then his benefit shall be fully paid-up and his Spouse or Beneficiary shall be entitled to benefits as provided under Section E6 based on his full elected years of Credited DTS Service.

If upon termination, normal or early retirement, the full payment required to purchase the elected years of Credited DTS Service, as described in Section E3.06, has not been made, then the Member has the option of making a lump sum payment required to purchase the outstanding elected DTS Service.

This lump sum payment must be remitted to the Fund within 30 days of the date of termination or early/normal retirement.

The Municipality will match the lump sum payment remitted by the Member.

Former Employees of Dartmouth Transit who make the contributions required under this Section shall receive a pension of an annual amount equal to:

- (a) In the case of a Member retiring from the employ of the Municipality prior to January 1, 1993 or a Member who ceased to be in the employ of the Municipality or who otherwise ceased to be an active Member of the Plan prior to January 1, 1993, the total of:
 - (i) .625% per year of DTS Service multiplied by the Best Average Salary, and
 - (ii) .375% per year of DTS Service multiplied by the excess of Best Average Salary over and above the average of the YMPE in the year of retirement and the two preceding years.

- (b) In the case of a Member retiring from the employ of the Municipality or who ceased to be in the employ of the Municipality or who ceased to be an active Member of the Plan on or after January 1, 1993, the pension shall be an annual amount equal to:
 - (i) .715% per year of DTS Service multiplied by the Best Average Salary, and
 - (ii) .450% per year of DTS Service multiplied by the excess of Best Average Salary over and above the average of the YMPE in the year of retirement and the two preceding years.

E3.07 Each Member who was a member of the “Improved Pension Plan for All Employees of the Nova Scotia Light and Power Company Limited” as in effect on December 31, 1969 and who joined the Pension Plan of the Halifax Transit Corporation on January 1, 1970 will receive, subject to the further provisions of this Section, a Supplemental Pension. The amount of this Supplemental Pension will be the amount by which the Member’s compounded Settlement, in the amount set out in Schedule A attached to this Plan and compounded annually at a rate of interest of two and three-quarters per cent (2¾%) per

annum over the period from January 1, 1970 to his eventual Retirement Date, exceeds the Member's original Settlement, as documented in Schedule A.

A Member shall receive this Supplemental Pension only in the event of Normal, Early or Late Retirement. A Member whose employment terminates for any other reason shall not be entitled to receive any Supplemental Pension.

- E3.08 (a) The amount of additional pension payable, based on a Member's Additional Voluntary Contributions, if any, shall be the amount of pension that may be purchased by those contributions accumulated with Interest to the Member's Retirement Date from an insurance company duly authorized under the laws of Canada or a province to carry on an annuities business.
- (b) As an alternative to receiving additional pension, the Member may elect as at Retirement Date to transfer his accumulated Additional Voluntary Contributions to a registered retirement savings plan, or to receive such accumulated Additional Voluntary Contributions in the form of a single cash payment, subject to the requirements of the Income Tax Act and the Pension Benefits Act of Nova Scotia.
- E3.09 If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.

E3.10 Pensions in the course of payment on a direct basis from the Fund shall be increased from time to time, in the manner described below subject to approval by the Committee.

- (a) The first such increase, which shall be effective from January 1, 1980, shall be at the rate of 3% (compounded annually) for each completed year between the individual Pensioner's Retirement Date and December 31, 1979.
- (b) A further such increase, also at the rate of 3% (compounded annually) for each completed year since the individual Pensioner's Retirement Date, or the last such increase of this nature where applicable shall become effective as of March 1, 1981.
- (c) Further increases after March 1, 1981 shall be made as of January 1, 1982 and each January 1 thereafter to the extent that the Pension Fund earns interest at a rate greater than that required under the then current actuarial assumptions being used for the Plan. The percentage rate of increase applicable under this Section shall be determined by dividing:
 - (i) 100% plus the net earned rate of Interest (including capital gains and losses) expressed as a percentage of the Pension Fund by
 - (ii) 100% plus the rate of interest (expressed as a percentage) required under the above mentioned actuarial assumptions, and deducting 100% from the result thus obtained.

provided that in any event the percentage increase applied shall not exceed the corresponding increase in the Consumer Price Index over the same period, and the cumulative increases in Member's benefits after commencement of payment shall not exceed the corresponding cumulative increases in the Consumer Price Index for the same period.

Notwithstanding this provision, the calculation of any increase on or after April 1, 1996 shall be subject to the general limitation on pension increases set out in Section 11.01 of the Master Text.

- (d) Notwithstanding the foregoing, all pensions in the course of payment as at January 1, 1995 shall be increased by 2%, provided that this increase does not result in the cumulative increases in the Member's benefits after commencement of payment exceeding the corresponding cumulative increases in the Consumer Price Index for the same period. Should this latter result occur, the increase in the member's benefit shall be limited to the percentage increase that would result in the cumulative increases in the Member's benefits after commencement of payment equaling the corresponding cumulative increases in the Consumer Price Index for the same period.

- (e) Notwithstanding the foregoing, all pensions in the course of payment as at January 1, 1996 shall be increased by 2%, provided that this increase does not result in the cumulative increases in the Member's benefits after commencement of payment exceeding the corresponding cumulative increases in the Consumer Price Index for the same period. Should this latter result occur, the increase in the member's benefit shall be limited to the percentage increase that would result in the cumulative increases in the Member's benefits after commencement of payment equaling the corresponding cumulative increases in the Consumer Price Index for the same period.

- E3.11 A Member who is on a Temporary Leave of Absence may elect to purchase Pensionable Service in respect of such periods subject to the Prescribed Compensation requirements and pension adjustment limits to the Income Tax Act. A Member who elects to purchase such service shall contribute to the Plan, in respect of such periods, an amount equal to the Member's Required Contributions as determined in accordance with Section 4.01 of the Master Text plus Credited Interest as determined in accordance with the actuarial valuation. The Municipality shall remit to the Pension Fund the required amount in respect of such periods.
- E3.12 Notwithstanding anything else contained herein, a Member's contributions made on or after January 1, 1988 shall not be used to provide more than 50 per cent of the Commuted Value of the pension or deferred pension in respect of Pensionable Service after that date to which the Member is entitled under the Plan. In any situation where the Member's contributions made after that date (excluding Additional Voluntary Contributions) plus Credited Interest exceeds one-half the Commuted Value of the Member's pension or deferred pension in respect of Pensionable Service since January 1, 1988, the Member is entitled to a refund of any excess contributions and Credited Interest.

Section E4 – Appendix E Normal or Optional Forms of Retirement Benefit

E4.01 The normal form of a pension is a pension payable monthly during the lifetime of the Pensioner as long as he shall survive.

E4.02 The surviving Spouse of the deceased Pensioner (who was the Spouse at time of retirement) shall receive a Survivor's Pension as described in Section E6 (Death Benefits) provided that their marriage or minimum period of required cohabitation occurred prior to the Member's Retirement Date.

Section E5 – Appendix E Disability Waiver

- E5.01 (a) An active Member who becomes Disabled and also becomes eligible to receive benefits under a disability income plan sponsored by the Municipality or a bargaining unit of the Municipality, shall continue to make contributions to the Plan and, for the purpose of calculation of benefits under the Plan, will be deemed to continue as an active Member of the Plan and accrue Credited Service in the normal manner for so long as he continues to be eligible to receive benefits under the disability income plan or until the Member waives his entitlement to any benefits under the disability income plan and elects to receive benefits under Section E3.05 of this Plan. During such periods, the Municipality will contribute a matching amount to the Pension Fund.
- (b) In the event that the Member continues to be Disabled and entitled to long term disability benefits until age 65, his pension will commence in the normal manner at Normal Retirement Date.
- (c) Under no circumstance shall a Member be entitled to be in receipt of benefits from this Plan during any period in respect of which the Member was entitled to any benefits under a disability income plan sponsored by the Municipality or a bargaining unit of the Municipality.
- E5.02 During the period of disability, as defined above, eligible Earnings shall be deemed to be the Member's annual rate of Earnings upon the date he became Disabled.
- E5.03 Benefits shall not be paid in respect of any period during which the Member was Disabled on or after January 1, 1992 unless the Administrator has received satisfactory written certification from a medical doctor, licensed to practice under the laws of a province of Canada or of the place where the Member resides, that the Member was Disabled.

E5.04 A Member who is Disabled and not in receipt of sick leave benefits under a disability income plan sponsored by the Municipality or a bargaining unit of the Municipality, may elect to purchase Pensionable Service under the Plan in respect of that period of absence which is the Member's qualification period for long-term disability benefits under the Authority's LTD Plan, subject to the Prescribed Compensation requirements and Pension Adjustment limits. A Member who elects to purchase such service shall contribute to the Plan, in respect of such periods, an amount equal to the Member's required contributions as determined in accordance with Section 4.01 of the Master Text plus Credited Interest as determined in accordance with the actuarial valuation. The Municipality shall remit to the Pension Fund a matching amount in respect of such periods.

E5.05 Notwithstanding the foregoing, benefits and contributions under this Section in respect of Pensionable Service after January 1, 1992 shall be in accordance with the Prescribed Compensation requirements as per Income Tax Regulation 8507.

Section E6 – Appendix E Death Benefits

E6.01 Upon the death of a Pensioner whose Spouse is eligible to receive a Survivor's Pension, his Spouse will receive a Survivor's Pension equal to 60% of his pension.

E6.02 (a) In the event of the death of a Pensioner where no Survivor's Pension is payable, his Beneficiary shall be paid an amount equal to:

(i) The Member's required contributions under Section 4.01 of the Master Text with Credited Interest up to and including his actual Retirement Date

minus

(ii) The total of the pension payments received up to the date of the Member's death,

provided that the amount so calculated is positive.

(b) Following the death of a Member's Spouse who had been receiving a Survivor's Pension, the Spouse's beneficiary or estate as the case may be shall be paid an amount equal to:

(i) The Member's required contributions with Credited Interest up to and including his actual Retirement Date (or date of death, if earlier)

minus

- (ii) The total of the pension payments received by both the Member and the Member's Spouse up to the date of the Spouse's death,

provided that the amount so calculated is positive.

E6.03 If a Member with a Spouse dies before his actual Retirement Date, his Spouse will receive:

- (a) a Survivor's Pension equal to 60% of the pension he would have received at Normal Retirement age if he had retired on that date, and
- (b) a refund of the Member's Additional Voluntary Contributions accumulated with Interest to the date of payment.

In no event shall the Commuted Value of the Survivor's Pension be less than the Member's required contributions made prior to January 1, 1988 with Credited Interest plus 100% of the Commuted Value of the Member's benefit accrued on or after January 1, 1988 to the date of the Member's death.

In lieu of a Survivor's Pension, a Spouse may elect to receive the Commuted Value of any Survivor's Pension in a lump sum.

E6.04 If a Member dies before his actual Retirement Date and does not have a Spouse, there shall be paid to his designated beneficiary (if any), or failing that, to his estate, an amount equal to the greater of

- (a) twice the Member's required contributions with Credited Interest, and
- (b) the Member's required contributions made prior to January 1, 1988 with Credited Interest plus 100% of the Commuted Value of the Member's benefit accrued on or after January 1, 1988 to the date of the Member's death, increased by his Additional Voluntary Contributions, if any, to the Plan together with Interest as defined in this Plan subject to the requirements of

Regulation 8503(2)(j) of the Income Tax Act.

E6.05 Notwithstanding anything else contained herein, a Member's contributions made on or after January 1, 1988 shall not be used to provide more than 50 per cent of the Commuted Value of the pension or deferred pension in respect of Pensionable Service after that date to which the Member is entitled under the Plan. In any situation where the Member's contributions made after that date (excluding Additional Voluntary Contributions) plus Credited Interest exceeds one-half the Commuted Value of the Member's pension or deferred pension in respect of Pensionable Service since January 1, 1988, the Member is entitled to a refund of any excess contributions and Credited Interest.

E6.06 **Death Benefit After Pension Division**

Notwithstanding any other provision of this Section E6, where a Member dies before commencement of his pension and where such Member has a Spouse from whom he is living separate and apart at the date of his death and in respect of whom the Member's pension benefit has been divided in accordance with subsection 10.02(2), such Spouse shall be entitled to receive a proportionate share (as defined in the Pension Benefits Act) of the benefit described in this Section E6 determined without taking such Spouse into account, in accordance with the Pension Benefits Act. Any remaining benefit payable on account of the Member's death shall then be determined and paid in accordance with the provisions of Section E6 and the Pension Benefits Act without reference to such Spouse.

E6.07 **Waiver of Pre-Retirement Death Benefits**

A Spouse may waive her entitlement to any pre-retirement death benefit payable under Section E6 by giving consent in the manner prescribed by the Pension Benefits Act.

Section E7 – Appendix E Termination of Employment

E7.01 In the event that a Member ceases employment with the Municipality other than by death or retirement, he shall be entitled to a paid-up deferred annuity which will entitle the Member at his Normal Retirement Date to receive a pension subject to the conditions stated hereunder:

- (i) The amount of his pension shall be as determined under Section E3, taking into account his Earnings as an active Member, and shall be payable in the normal form.

- (ii) No further contributions shall be made to the Plan on his behalf.

- (iii) His entitlement shall be subject to the same conditions as apply to payments made under this Plan and shall not be commutable or assignable.

E7.02 Notwithstanding the above, in the event that a Member ceases employment with the Municipality other than by death or retirement, he shall be entitled to the following option in regards to benefits in respect of Service between January 1, 1977 and December 31, 1987:

A cash refund equal to 25% of the Commuted Value of his accrued benefit under the Plan with the remainder “Locked-in” to provide from the Plan a deferred annuity in the amount of 75% of his entitlement under Section E7.01 above.

- E7.03 If the annual lifetime pension payable at the Member's Normal Retirement Date is not more than 4% of the YMPE in the year of the Member's termination of Continuous Service, or if the Commuted Value of the Member's pension is less than 20% of the YMPE in the year of the Member's termination of Continuous Service, or such greater amount as may be permitted under the Pension Benefits Act, the Member may elect to receive a lump sum payment equal to the Commuted Value of the benefits to which he is entitled in full satisfaction of his entitlement to a pension. If the Member does not make such election, his entitlement will be paid as a pension, the payment frequency of which is at the discretion of the Committee, but which shall be paid not less frequently than annually.
- E7.04 A Member whose employment ceases by reason of an approved leave of absence, with or without pay, or disability leave with or without pay, shall not be deemed to have terminated employment for the purposes of this Section. He shall continue to be a Member of the Plan, entitled to the rights and benefits under the Plan, with Credited Service being earned in accordance with the provisions of Section E2 (Service).
- E7.05 If a terminated Member to whom a deferred pension is payable under this Section dies before the date when such pension is to commence, payment shall be made to his Spouse (if applicable) or else to his designated Beneficiary or estate in accordance with the provisions of Section E6 (Death Benefits).
- E7.06 In the case of a Member who was, as of February 28, 1981, a member of a pension plan sponsored by the Halifax Transit Corporation and who thereby was entitled to receive a portion of the distributable surplus under that Plan, such surplus having been transferred to the Plan and invested in the same manner as Additional Voluntary Contributions and accounted for separately from any Additional Voluntary Contributions paid into the Plan by payroll deduction, the benefit available upon termination of employment in respect of the portion of such surplus allocated to him shall be as follows:

- (a) If the Member was under age 45 at the date of termination of employment, he shall receive a refund of this amount together with Interest.
- (b) If the terminating Member is aged 45 or over at the date of termination of employment, he shall be required to leave this amount plus the Interest accrued to date invested in the Plan where it will continue to be credited with Interest so that the total accumulated balance will be available to provide a benefit at the time of his retirement or in the event of his death prior to retirement.

E7.07 In respect of Additional Voluntary Contributions paid into the Plan by payroll deduction (and, in particular, excluding the amounts referred to in Section E7.06 above), a terminating Member shall receive a refund of all Additional Voluntary Contributions with Interest.

E7.08 Notwithstanding anything else contained herein but subject to E7.09, a Member's contributions made on or after January 1, 1988 shall not be used to provide more than 50 per cent of the Commuted Value of the pension or deferred pension in respect of Pensionable Service after that date to which the Member is entitled under the Plan. In any situation where the Member's contributions made after that date (excluding Additional Voluntary Contributions) plus Credited Interest exceeds one-half the Commuted Value of the Member's pension or deferred pension in respect of Pensionable Service since January 1, 1988, the Member is entitled to a refund of any excess contributions and Credited Interest.

E7.09 In the event that a Member elects to transfer the Commuted Value of his accrued benefit for all Service, such amount shall not be less than twice the Member's required contributions with Credited Interest. In such event, no refund of excess contributions pursuant to E7.08 shall be payable.

Schedule A to Appendix E

METROPOLITAN AUTHORITY
SETTLEMENT OF NOVA SCOTIA LIGHT & POWER COMPANY LIMITED PLAN
(active members as at January 1, 1996)

Name	Amount
Walter George Dominix	\$75.00
Eric Grant MacDonald	\$244.92
Robert MacKinnon	\$64.44
Donald Theodore MacNaughton	\$154.68
Terrance Michael Tobin	\$27.12
