MEMBER HANDBOOK

PENSION AND DISABILITY BENEFITS

WCEBP

WINNIPEG CIVIC EMPLOYEES' BENEFITS PROGRAM

STAY IN TOUCH

At *The Winnipeg Civic Employees' Benefits Program* (WCEBP, or the "*Program*") we are committed to keeping you informed.

Before the end of June of each year, we will send each active (i.e., not retired) member of *The Winnipeg Civic Employees' Pension Plan* an *Annual Statement of Benefits*. This document provides you with your personal statement of benefits under the *Program*.

If, at any time, you have a question about your benefits, please contact us.

Fifth Floor
317 Donald Street
Winnipeg, Manitoba R3B 2H6
TELEPHONE: 204-986-2516
FAX: 204-986-3571
E-MAIL: wcebp@winnipeg.ca

OFFICE HOURS: Monday to Friday 8:30 a.m. to 4:30 p.m.

If you are inquiring about personal benefits information, please be sure to have your Member ID number handy. Your Member ID is provided with your enrolment or retirement package, and on the *Annual Statement of Benefits*.

When writing to WCEBP, please include your:

- Name printed clearly (as listed on your employer's payroll)
- Member ID number
- Full address and telephone number (including area code)

We are also on the Web at WCEBP.ca

Many of the forms referenced in this handbook can be printed from our website.

Whether you interact with us in person, in writing, or online, our goal is to provide you with the tools and information you need to understand your benefits and plan effectively for retirement.

YOUR PROGRAM

The *Program* provides you with an important source of financial protection, and a foundation for building a safe and secure future.

Whether you are just beginning your career with a Participating Employer, or you are a seasoned *Program* member approaching retirement, we urge you to keep this booklet on file and review it from time to time. In particular, we encourage you to understand the options available to you and the effect that your choices can and will have on your long-term financial situation.

The better you understand the benefits available to you, the easier it will be for you to plan for the future. Assuming you remain a member of the *Program* until your retirement, your pension could well be your single largest financial asset.

Your Rights

As a member of the *Program*, you are entitled to:

- Receive information about your benefits
- Know when and how often you should receive this information
- Know how to access your benefit information

Your Responsibilities

Membership in the *Program* carries certain obligations, including:

- Providing proof of age, and informing us of a change in your name, beneficiary designation, and marital status (including common-law relationships)
- Informing us of any change in your contact information, including your mailing address, e-mail, and telephone number, or banking information if you are in receipt of payments from the *Program*.

The Winnipeg Civic Employees' Benefits Program is comprised of your:

Pension Plan

Long Term Disability Plan

Early Retirement Benefits Arrangement

PARTICIPATING EMPLOYERS

Nine employers currently participate in the *Program*:

- City of Winnipeg
- Riverview Health Centre
- Manitoba Hydro (former Winnipeg Hydro employees)
- Winnipeg Convention Centre
- Assiniboine Park Conservancy
- Canlan Ice Sports Corp (former Highlander employees; excluding Disability Plan)
- St. Boniface Museum
- Transcona Historical Museum
- The Board of Trustees of The Winnipeg Civic Employees' Benefits Program

UNDERSTANDING YOUR PENSION PLAN

The *Pension Plan* is administered by *The Board of Trustees of The Winnipeg Civic Employees' Benefits Program (Pension Fund)*. The City of Winnipeg and the *Program* members have equal representation on this joint Board, with the Trustees being appointed equally by the City of Winnipeg and the civic unions.

The pension you receive is calculated using a pre-determined formula. This means you can expect a predictable income in retirement. However, Participating Employers and members share in the surpluses and the risks associated with the *Program*. Benefits are financed entirely by the assets (including investment earnings) of the *Program* and the contributions of the Participating Employers and the active members. *Program* benefits are not guaranteed by the City of Winnipeg or the other Participating Employers.

Over time, certain adjustments may be made to the *Program* in order to preserve its long-term sustainability. See the *Governance* section on page 6 for specific details.

Credited Service—This is the period of time that you have contributed to the *Pension Plan*. Your Credited Service may include past service you purchased or transferred into the *Pension Plan* from another pension plan.

Eligibility Service—This is the period of time that you have been employed and may include service prior to becoming a member of the *Pension Plan*. This service is used to determine when you are eligible to retire.

Best 5-Year Average—This is the average of your best five years of pensionable earnings during your final ten years of employment. (If you have fewer than five years of service at retirement, the average will be based on your full period of this service.) Your average pensionable earnings do not include any overtime pay; however, some pay adjustments are considered pensionable (for example, acting pay, night-shift premium, and long service pay).

CPP Earnings—The Canadian government sets the YMPE (Yearly Maximum Pensionable Earnings) annually—you are required to contribute to the Canada Pension Plan (CPP) on your earnings up to the YMPE. For the purpose of your pension calculation, your CPP Earnings are the lesser of your pensionable earnings and the YMPE. CPP earnings are used in the pension formula because the *Pension Plan* is designed to work together with CPP to provide pension benefits when you retire.

EXAMPLE

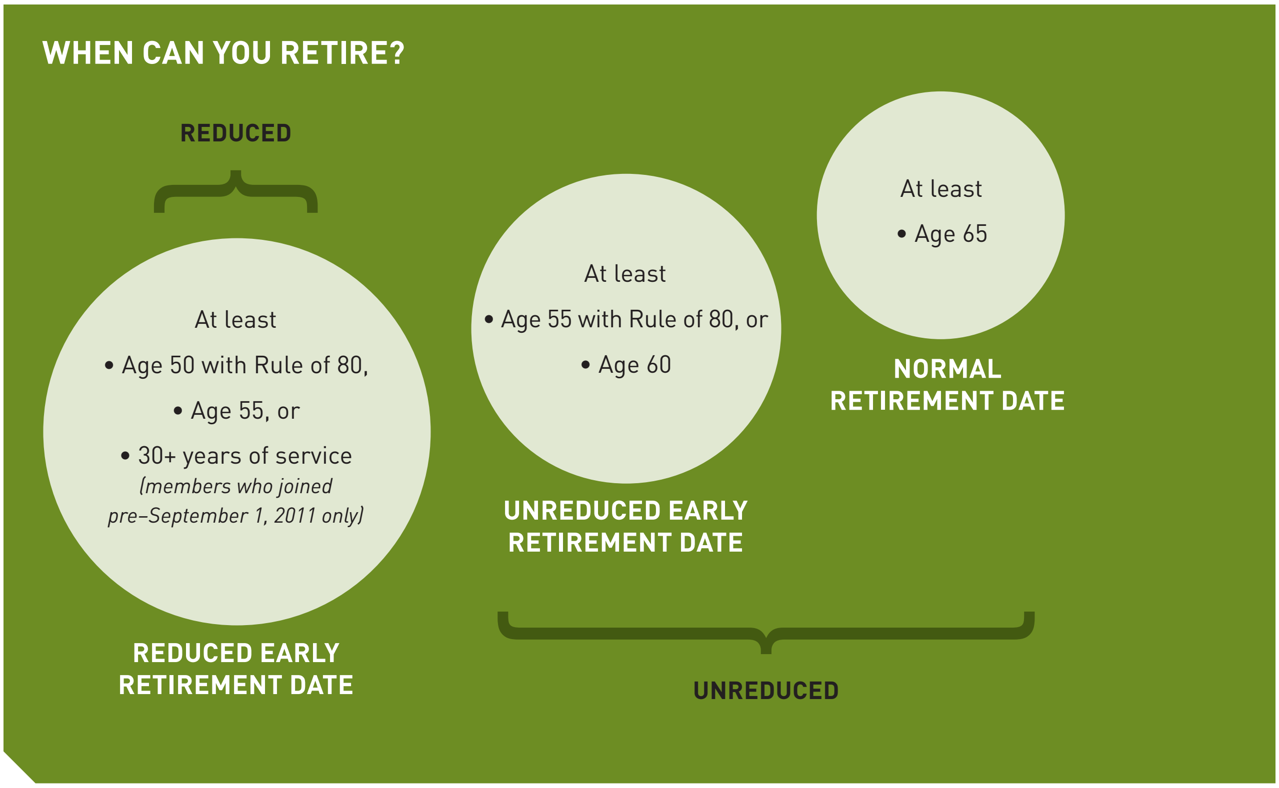
Assuming Best 5-Year Average = $62,000
and average YMPE = $50,000

What is commuted value?

Commuted value is a dollar value that is placed on your pension. In simple terms, it is the amount of money the *Pension Plan* would have to set aside today to pay your pension at retirement (based on your age and the pension credit you have earned to date, and using a calculation method approved by the Canadian Institute of Actuaries).

RETIREMENT DATES

Your age and your service are used to determine when you are eligible for a pension, and to calculate any early retirement reduction.



Rule of 80—You have attained Rule of 80 when your age plus Eligibility Service total at least 80.

Age + Eligibility Service = 80+

ANNUAL STATEMENT OF BENEFITS

Before the end of June of each year, we will send each active (i.e., not retired) member of the *Pension Plan* an *Annual Statement of Benefits*. This document provides you with your personal statement of benefits under the *Program* and includes such information as your Credited Service, your Best 5-Year Average, and your retirement dates.

EARLY RETIREMENT BENEFITS ARRANGEMENT

The Early Retirement Benefits Arrangement provides a supplementary benefit to those members who joined the *Pension Plan* before September 1, 2011, and who qualify for an unreduced early retirement pension under the terms of the *Pension Plan*, but whose pension is required to be reduced under the provisions of Canada's *Income Tax Act*. This reduction affects pension benefits earned for Credited Service after 1991.

Specifically, if you retire before age 60 and do not qualify for an unreduced early retirement benefit under the 30 years of service or Rule of 80 provisions, a portion of your pension benefit will be paid under *The Early Retirement Benefits Arrangement* in an amount equal to the early retirement reduction that would otherwise be required under the *Income Tax Act*.

You do not have to apply for this benefit. If your early retirement pension is affected by the *Income Tax Act* reduction requirement, you will automatically qualify.

A portion of employer contributions to the *Program* are used to pay these benefits as they fall due. *The Early Retirement Benefits Arrangement* is governed by the same Board of Trustees as the *Pension Plan*. It is not a registered pension plan under either the *Income Tax Act* or *The Pension Benefits Act* of Manitoba.

UNDERSTANDING YOUR DISABILITY PLAN

If a medical condition prevents you from working, you are protected from a loss of income as a Member* of *The Winnipeg Civic Employees' Long Term Disability Plan*.

Full-time employees are automatically enrolled in the *Disability Plan* from their date of hire, regardless of whether they have permanent or temporary status.

A part-time, casual or seasonal employee may be eligible for coverage, provided he or she is a member of the *Pension Plan* and has worked at least 200 days of *Eligibility Service* (i.e., a period during which an employee had continuous employment with a Participating Employer) in the 24 months immediately before the Date Disability Commenced.

Date Disability Commenced—This is generally the day after your last day worked.

26-week Waiting Period—If approved, benefit payments will not begin until 26 weeks after the Date Disability Commenced. You may qualify for sick leave from your employer during the 26-week waiting period. If you run out of sick credits during this period, you may be eligible for federal Employment Insurance sick benefits.

During the first 30 months of your leave, you may qualify for a disability benefit if, due to your medical condition, you are unable to perform the normal duties of your own occupation.

After 30 months, you are considered Totally Disabled if, due to your medical condition, you are unable to engage in any occupation that you are reasonably qualified for based on education, training, or experience. If you are capable of working in alternate employment (full- or part-time) with a Participating Employer, you may be considered Patially Disabled.

* Canlan Ice Sports Corp (former Highlander employees) does not participate in the *Disability Plan*.

GOVERNANCE

The Winnipeg Civic Employees' Benefits Program superseded the former Employee Benefits Program of the City of Winnipeg, effective January 1, 2003.

It is comprised of:

- *The Winnipeg Civic Employees' Pension Plan* (the *Pension Plan*), a registered pension plan under the *Income Tax Act*
- *The Winnipeg Civic Employees' Long Term Disability Plan* (the *Disability Plan*)
- *The Winnipeg Civic Employees' Early Retirement Benefits Arrangement*, which supplements the benefits under the *Pension Plan* in certain circumstances

The *Program* operates under a jointly-trusteed governance structure according to the terms and conditions of the *Pension Trust Agreement* and the *Disability Plan Trust Agreement*, entered into by the City of Winnipeg and ten Signatory Unions.

The plans within the *Program* are governed by the trust agreements and their respective plan documents.

Benefits are financed entirely by the assets (including investment earnings) of the *Program* and the contributions of the Participating Employers and the active Members.

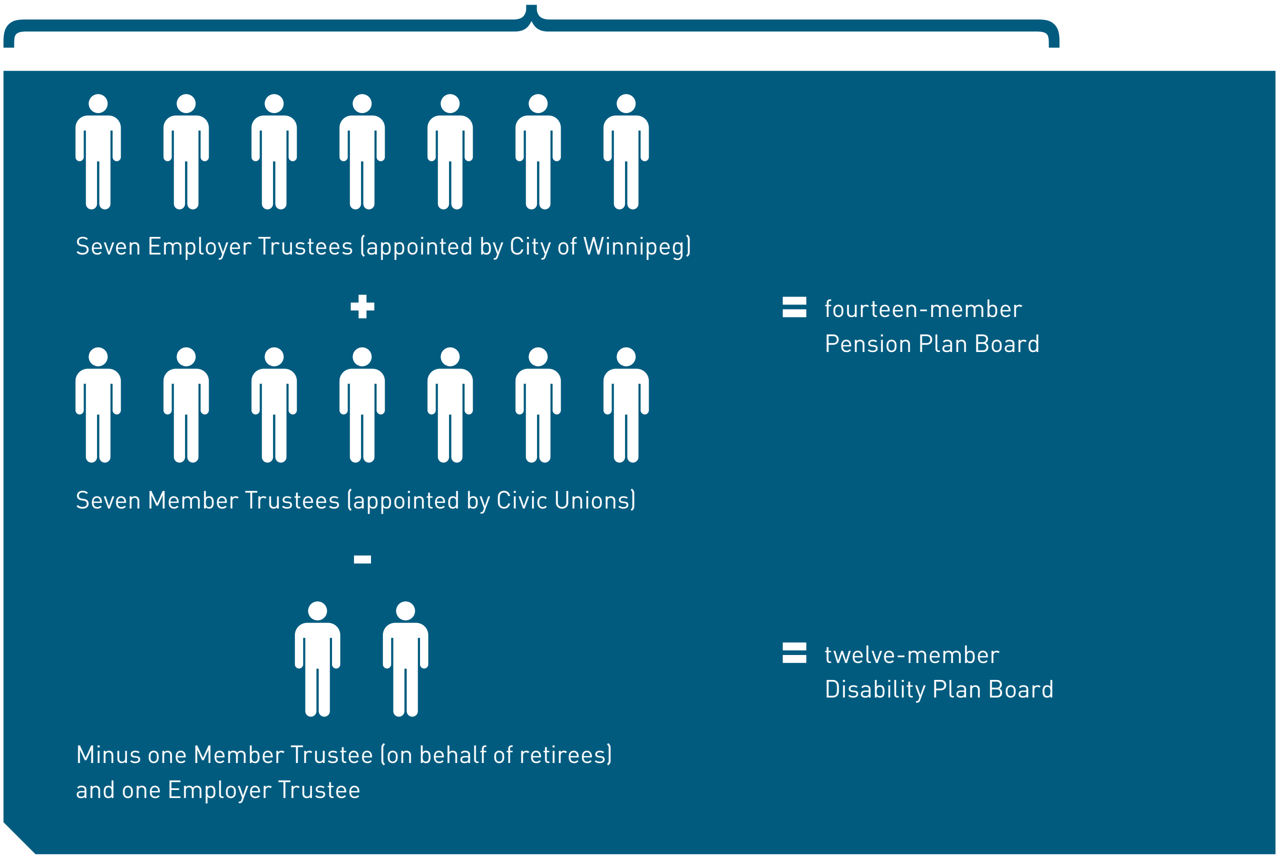
Benefits are not guaranteed by the City of Winnipeg or the other Participating Employers. Employers and members share in the surpluses and the risks associated with the *Program*.

The Pension Trust Agreement articulates what actions are to be taken in response to a funding deficiency. Remedies available under the *Pension Trust Agreement* generally include:

- Revising the actuarial assumptions;
- Reducing the level of cost-of-living adjustments;
- Drawing upon any available reserves;
- Increasing the average contribution rate beyond 10% of pensionable earnings (subject to agreement by the City of Winnipeg and the Signatory Unions); and
- Reducing benefits.

THE BOARD OF TRUSTEES

The *Program* is governed by two boards:



The Board of Trustees is responsible for:

- Ensuring that the *Program* is administered in accordance with the Trust Agreement, *Program* Text, and applicable legislation
- Adopting and reviewing the investment policy, and monitoring investment performance
- Adopting and reviewing the funding policy for the *Program*
- Ensuring adequate financial records are maintained
- Reporting annually on the operations of the *Program* to Participating Employers, Signatory Unions, and Members

The *Pension Plan* is regulated by federal and provincial legislation. It is registered under the *Income Tax Act* (registration #0397877), and is designated as a multi-unit pension plan under *The Pension Benefits Act* of Manitoba.

PROGRAM ADMINISTRATION

The day-to-day administration of the *Program* is carried out by the management and staff of WCEBP under the direction of its Chief Executive Officer.

GETTING STARTED

JOINING THE PROGRAM

The *Pension Plan* covers the employees of all Participating Employers.

Full-time—As a full-time employee with a Participating Employer, you are automatically enrolled in the *Pension Plan* from your date of hire, regardless of whether you have permanent or temporary status.

Part-time, Casual, Seasonal—If you are a part-time, casual, or seasonal employee, you may join the *Pension Plan* at any time by submitting a Voluntary Membership Declaration. You will be enrolled automatically once you earn at least 25% of the Canada Pension Plan (CPP) earnings ceiling (also known as the Year's Maximum Pensionable Earnings, or YMPE) during two consecutive calendar years. (See *CPP Earnings* on page 2 for an explanation of the YMPE.)

Full-time Student—If you are a full-time student, participation is optional. You may voluntarily join the *Pension Plan* at any time, or opt out of *Plan* membership, by submitting a Voluntary Membership Declaration.

RECIPROCAL PENSION TRANSFER

You may be eligible for a reciprocal pension transfer from your previous employer if that employer participated in one of the following pension plans:

- Canada Mortgage and Housing Corporation
- Canadian Union of Public Employees Pension Plan
- Civil Service Superannuation Board (Province of Manitoba)
- Healthcare Employees' Pension Plan
- Municipal Employees Benefits Board of Manitoba
- Winnipeg School Division No. 1 (administration)
- Workers' Compensation Board of Manitoba Retirement Plan

An election under a reciprocal transfer agreement must be made within a specified time frame as outlined in each agreement.

A reciprocal transfer agreement would allow you to transfer funds from your prior pension plan for credit of pensionable service in as far as those monies are sufficient. It is not uncommon that service credit under the *Program* would be less than your credited service with your previous employer.

Contact us for more information.

CONTRIBUTING TO YOUR PENSION PLAN

You and your employer contribute to the *Pension Plan*, and these contributions are used to fund your pension. Employees are required to make regular contributions each pay period. Employers match employee contributions either in cash or cash in combination with a transfer from the City Account—a reserve within the *Program* available to the City and other Participating Employers.

Employee contributions are made by payroll deduction. Your contributions are tax-deductible up to current Canada Revenue Agency limits, which means they will reduce the amount of income tax you pay each year. Your member contributions will not exceed the amount required to fund your share of the maximum annual pension permitted under the *Income Tax Act* (your full annual pensionable earnings will still be used to calculate your Best 5-Year Average).

To see what you contribute to the *Pension Plan*, check your Annual Statement of Benefits, your pay advice, or your T4 slip.

While contributions are important, your pension is based on service and earnings, not the amount you contribute.

Calculating Contributions

Contributions are lower on earnings up to the YMPE (Yearly Maximum Pensionable Earnings—see page 2 *CPP Earnings* for an explanation) and higher on earnings above it. The YMPE changes every year to reflect increases in the average wage. You can always find current contributions rates and an example showing how contributions are calculated on our website, WCEBP.ca.

Additional Voluntary Contributions

You may increase your retirement savings by making biweekly, voluntary Employee Additional Contributions to the *Pension Plan* by payroll deduction. You may contribute as much as you like (subject to annual income tax limits). You may start, increase, decrease or stop your Employee Additional Contributions during any pay period by completing an *Employee Additional Contributions* form. Employee Additional Contributions can be refunded to you on a one-time basis while an employee, or otherwise at retirement, termination of employment, or death. If you elect to make the one-time withdrawal while an employee, you will not be allowed to contribute under the Employee Additional Contributions provision again.

Employee Additional Contributions are tax-deductible. However, they are not matched by your employer, and they do not provide you with any additional Credited Service.

When Contributions End

Your contributions stop automatically when you leave the *Pension Plan* or retire. Under current tax rules, you must stop contributing to the *Pension Plan* (and begin collecting your pension) no later than December 31 of the year in which you reach age 71.

NAMING A BENEFICIARY

You are required to fill out a *Declaration of Pension Beneficiary* form when you join the *Pension Plan*. Beneficiary refers to the person who will receive any survivor benefits. Your Spouse or Common-law Partner, and, in certain circumstances, your Dependent Children, are automatically entitled to receive survivor benefits under the *Pension Plan*. A named beneficiary is applicable in the absence of a Spouse or Common-law Partner or eligible Dependent Children, and in the absence of a named beneficiary your survivor benefits would be paid to your estate.

Spouse of a member means the person who is married to the member and who is not living separate and apart from the member by reason of a breakdown of their relationship.
NOTE: If you want your Spouse to be eligible for full survivor benefits during your first year of marriage, you may obtain medical evidence of your good health from a medical doctor. Evidence must be submitted to, and found satisfactory by, *The Winnipeg Civic Employees' Benefits Program.* Otherwise, your Spouse may provide such evidence after your death.

Common-law Partner is a person who is in a registered common-law relationship with the member (per *Vital Statistics Act*), or who is living with the member in a conjugal relationship for at least three years if either of them is married, or for at least one year if neither of them is married; and who is not living separate and apart from the member by reason of a breakdown of their relationship.

Dependent Child means your unmarried child who is totally or substantially dependent on you for financial support, and is under age 18 (under age 25 if in full-time attendance at an educational institution), or qualified as a Dependent Child on the date of becoming totally disabled. If your Dependent Children are under 18 years of age, the benefit must be paid to the legal guardian. When a child no longer qualifies as a Dependent Child, his or her pension stops. Payments are then redistributed among the remaining Dependent Children, if any.

LIFE EVENTS

RELATIONSHIP BREAKDOWN

It is important to notify us of a separation from a Spouse or Common-law Partner. Your pension is a family asset. In the event that there is a written agreement or court order dividing family assets, section 31(2) of Manitoba's *Pension Benefits Act* (the *"Act"*) requires that pension benefits earned during the relationship be divided unless there is also an agreement or order that it is not to be divided. Under the *Act*, your Spouse or Common-law Partner could be entitled to up to 50% of the pension earned during the relationship.

A former Spouse or Common-law Partner's entitlement and the process for agreeing not to divide depend on the legislation in effect at the date of separation. WCEBP cannot provide legal or financial advice. We recommend that both parties obtain legal and financial advice for assistance to understand your options and complete the appropriate documents.

An agreement or order specifying the division of your pension (or that a division is not required) must be filed with WCEBP.

If, after the separation is settled, there is no written agreement nor court order dividing family assets, you must notify WCEBP in writing.

It is very important to note that if WCEBP has not received the required documentation prior to a benefit becoming payable from *The Winnipeg Civic Employees' Pension Plan*, it may affect processing times and amounts payable.

A division of the pension must be made only **after** the parties have received a *Statement for Division of Pension.* If family assets are being divided by way of a written agreement or court order, you may request a Statement by completing a *Request for Statement – Division of Pension on Relationship Breakdown* form. *The Statement* will provide you with the value of the pension earned during the period of the relationship and an explanation of the options available for resolving the matter.

Division Options

Effective October 1, 2021, the percentage of a Member's pension to be paid to the Member's former Spouse or Common-law Partner on a division must be specified in a written agreement or by an order of the court made under *The Family Property Act*. The percentage specified must not be more than 50%.

A written agreement or court order may specify that the Member's Spouse or Common-law Partner is not entitled to any portion of the Member's pension.

Before agreeing to receive a percentage of less than 50% on a division, the Member's Spouse or Common-law Partner should seek legal advice with respect to their family law entitlements, and financial advice as to the implication of agreeing to receive less than 50%.

WCEBP will not proceed with any option until all requirements have been met.

If your date of separation is prior to October 1, 2021, this change does not apply to you. Please contact us to learn more about the legislative requirements specific to you.

Separation Before Retirement

If an active Member's pension is required to be divided, the former Spouse or Common-law Partner would receive a lump sum Commuted Value of up to 50% of the pension benefit earned during the relationship, plus interest (positive or negative) to the date of payment in accordance with the *Plan's* policies and the *Pension Benefits Act*.

Unless the pension is a **small pension**, the Commuted Value would be **locked-in** and must be transferred to a LIRA (locked-in retirement account), LIF (life income fund), life annuity contract, or a pension plan administered in the manner prescribed by the *Act*. Locking in means that this amount must be used to provide retirement income – it cannot be withdrawn as a lump sum cash payment except in limited circumstances (for more information, contact Manitoba's Office of the Superintendent – Pension Commission).

The Member's Credited Service and Required Contributions would be reduced by an amount that corresponds to the percentage paid to the former Spouse or Common-law Partner. A reduction to the Member's Credited Service would reduce the amount of pension payable to the Member.

Separation After Retirement

If a relationship ends after retirement and the pension is required to be divided, the former Spouse or Common-law Partner is entitled to up to 50% of the pension earned during the period of cohabitation, which is determined, based on Credited Service, as a pro-rata portion of the total pension. There are two options to resolve the matter:

- The Member and former Spouse or Common-law Partner may agree to split the in-pay pension into two separate lifetime pensions going forward (payments retroactive from the pay period the pension is split back to the date of separation would need to be handled outside of the *Pension Plan).*
- The Member and former Spouse or Common-law Partner may agree not to divide the pension. The former Spouse or Common-law Partner would continue to be entitled to receive the survivor benefit elected at retirement**.**

LEAVE OF ABSENCE

The *Pension Plan* allows you to continue to earn Credited Service during a leave of absence by continuing to make pension contributions during the leave. It is also possible, if you have a period of employment with a Participating Employer for which you did not earn Credited Service, to purchase this service at retirement.

Leave with pay—You must continue to contribute to the *Pension Plan* as usual, and will continue to earn Credited Service in the *Pension Plan*.

Leave without pay—If you are on an approved leave without pay for longer than ten days, you may choose to continue to make pension contributions and continue to earn pension credit in the *Pension Plan*. If you do not make contributions during your leave, you may purchase your service within the 30-day period immediately prior to your retirement date. To do this, you must make the lump-sum contribution required to pay the full actuarial cost of the additional benefit you will receive. Periods of lay-off are not eligible for past service purchase.

TERMINATING EMPLOYMENT

Vesting refers to your legal right to the pension you have earned as a member of the *Pension Plan*—even if you terminate your employment with your Participating Employer before you retire. You have a vested right to benefits earned as a member of the *Pension Plan* beginning the day you join the *Program*.

If you stop working for a Participating Employer before you are eligible to retire, you will receive the commuted value of the benefit you have earned as a member of the *Pension Plan* to your termination date.

At that time, you may elect to:

- Leave your benefit in the *Pension Plan* and receive a deferred pension, or
- Transfer the commuted value of your benefit to a Locked-In Retirement Account (LIRA), or to your new employer's defined benefit pension plan, provided that plan accepts transfers. Income tax rules may limit the maximum amount that can be transferred on a tax-sheltered basis. (See page 2 for a definition of *commuted value*.)

If your new employer is a public sector employer, you may be eligible for a reciprocal pension transfer to the new employer's plan. A reciprocal transfer agreement allows you to transfer funds from one pension plan for credit of pensionable service in another pension plan.

This election must be made within a specified time frame as outlined in each agreement.

The *Program* currently has reciprocal agreements with the following pension plans:

- Canada Mortgage and Housing Corporation
- Canadian Union of Public Employees Pension Plan
- Civil Service Superannuation Board (Province of Manitoba)
- Healthcare Employees' Pension Plan (Manitoba)
- Municipal Employees Benefits Board of Manitoba
- Winnipeg School Division No. 1 (administration)
- Workers' Compensation Board of Manitoba Retirement Plan

Exception for small pensions—If your annual pension is not more than 4% of the YMPE (the Yearly Maximum Pensionable Earnings as set by the Canada Revenue Agency) for the year in which you terminate your employment, or the commuted value of your pension is less than 20% of the YMPE, it is considered a "small pension". Small pensions are not locked-in and will be paid to you as a lump-sum cash payment (less withholding tax) or transferred to your personal RRSP (subject to *Income Tax Act* limits).

The YMPE for current and past years is available on the Canada Revenue Agency's (CRA's) website. See page 2 for a definition of *commuted value*.

Locking in—By law, your vested benefit is "locked-in" up to certain *Income Tax Act* limits. The portion that is locked-in must be used to provide you with an income in retirement and cannot be taken as a lump-sum cash payment.

Fifty-percent rule

If your regular contributions plus interest add up to more than 50% of the commuted value of the pension you have earned under the *Pension Plan*, you are entitled to the excess contributions.

If you elect a commuted value transfer, the excess can be paid to you in cash (less withholding tax) or transferred directly on a tax-sheltered basis to your personal RRSP (Registered Retirement Savings Plan) or RRIF (Registered Retirement Income Fund), subject to *Income Tax Act* limits. If the transfer of your commuted value (including excess contributions) exceeds the *Income Tax Act* limit, the portion above the limit must be received as taxable income, although it may be transferred to an RRSP or RRIF if you have available contribution room.

If you elect a deferred pension, the excess can be paid to you as a lump sum taxable payment, transferred to your personal RRSP or RRIF if you have available contribution room, or converted to an increased pension that will be paid to you biweekly along with your deferred pension.

Collecting a Deferred Pension

You can collect a deferred pension starting at age 60 without any reduction. There is also the option to collect a deferred pension as early as age 55, and possibly even earlier; however all or a portion of your pension may be reduced. Your options are as follows

1. Members hired on/after April 11, 1992
    - Can collect a deferred pension as early as age 55 if employment was terminated on/after May 31, 2010. The pension will be actuarially reduced if commencing between age 55 and age 60, *or*
    - Can collect a deferred pension at age 60 if employment was terminated before May 31, 2010
2. Members hired before April 11, 1992
    - Can collect a deferred pension at age 55 or when age plus years of *eligibility service* total at least 80 (Rule of 80), if earlier. The portion of deferred pension for service on/after September 1, 2011 will be actuarially reduced if pension commences before age 60

Things to consider

The deferred pension option can be a valuable one, for the following reasons:

- Once you start collecting a deferred pension, it continues for life
- Cost-of-Living adjustments are currently applied to deferred pensions (see page 32 for details on the level of COLA granted)
- A deferred pension includes survivor benefits, so it can help protect your survivors
- Your money remains in the *Pension Plan* under the oversight of a professional investment manager

Re-Employment

If you are a former *Pension Plan* member who is re-employed with a Participating Employer, and you have a deferred pension in the *Pension Plan*, your deferred pension will be cancelled and your Credited Service for this deferred pension will be added to the Credited Service you earn in re-employment. If you had received a refund of excess contributions (fifty-percent rule), those contributions must be repaid (with applicable interest) in order to receive the full value of your Credited Service.

DEATH BEFORE RETIREMENT

The *Pension Plan* offers you more than just a retirement income. It is also designed to protect the financial interests of your survivors.

If you die before you retire, the survivor benefits payable depend on whether you are an active or deferred *Pension Plan* member prior to your death, whether you have a Spouse or Common-law Partner, and whether you have any Dependent Children. (See page 12 for definitions of *Spouse*, *Common-law Partner*, and *Dependent Child*.)

ACTIVE EMPLOYEE	

With a Spouse or Common-law Partner and/or Dependent Children	Your Spouse* or Common-law Partner will receive a lifetime survivor pension equal to 50% of your lifetime pension earned to the date of your death.
	• If you also have one or more Dependent Children at the time of your death, your survivors will receive an additional pension equal to:
	  • 10% while there is one Dependent Child,
	  • 20% while there are two Dependent Children, or
	  • 25% while there are three or more Dependent Children.
	***NOTE:** If you and your Spouse are married for less than one year at the time of your death, then your Spouse will receive a lifetime pension actuarially calculated and without additional pension for Dependent Children, unless your Spouse can provide medical evidence of your good health satisfactory to *The Winnipeg Civic Employees' Benefits Program*. If you want to ensure your Spouse is eligible for full survivor benefits during your first year of marriage, you may obtain medical evidence of your good health from a medical doctor. Evidence must be submitted to, and found satisfactory by, *The Winnipeg Civic Employees' Benefits Program*.
	If you do not have a Spouse or Common-law Partner when you die, your Dependent Children will share a survivor pension equal to 50% of your lifetime pension.

No Spouse or Common-law Partner or Dependent Children	If you do not have a Spouse or Common-law Partner or Dependent Children, your beneficiary or estate will receive: • the commuted value of your pension benefit for all Credited Service, plus • any excess contributions, plus interest (these are contributions you made to the *Pension Plan* after 1984 that exceed 50% of the amount required to fund your pension).

DEFERRED MEMBER	
With a Spouse or Common-law Partner	An individual who is your Spouse or Common-law Partner at your date of termination will receive a lifetime survivor pension based on the commuted value of the deferred pension. If your relationship began after your date of termination, the lifetime survivor pension will be reduced by the actuarial cost of the survivor benefit.
No Spouse or Common-law Partner	If you do not have a Spouse or Common-law Partner, your beneficiary or estate will receive a taxable lump-sum payment equal to the commuted value of your deferred pension.

Spousal waiver of pre-retirement benefits—A surviving Spouse or Common-law Partner can waive his/her entitlement to a pre-retirement death benefit before or after the member's death but prior to the date the pension commences. This waiver may be revoked with the agreement of the member and the Spouse or Common-law Partner any time before the member's death. This allows death benefits to be assigned to a beneficiary other than a Spouse or Common-law Partner, for example, to Dependent Children from a prior relationship.

DEATH AFTER RETIREMENT

At retirement, you will be required to choose the form of pension you would like to receive. The survivor benefits payable upon your death depend on the form of pension you choose.

You cannot change your form of pension once your first pension payment has been made.

Joint and $66^2/_3$% Survivor Pension (Normal Form)

The default, or *Normal Form*, of pension under the terms of the *Pension Plan* entitles a person who is your Spouse or Common-law Partner at the time of your retirement to a survivor pension equal to at least $66^2/_3$% of the lifetime pension you receive in retirement. (Definitions of *Spouse* and *Common-law Partner* are provided on page 12.) You cannot select a form of pension that is less than the required $66^2/_3$% survivor pension without the consent of your Spouse or Common-law Partner at the time of your retirement. This person remains entitled to benefits, even if there is a breakdown in the relationship (see *Relationship Breakdown* section on page 14). If your Spouse or Common-law Partner dies before you do and you subsequently enter into a new relationship, your new Spouse or Common-law Partner is not entitled to survivor benefits.

To help offset the cost of providing a survivor pension to a Spouse or Common-law Partner, your pension earned for service before September 1, 2011 will be reduced by 2%.

For service on/after September 1, 2011, the amount of the reduction in your pension will be based on the age difference between you and your Spouse or Common-law Partner:

- If you and your Spouse or Common-law Partner are the same age, your pension will be reduced by 6%
- If your Spouse or Common-law Partner is younger than you, the 6% reduction will increase 0.5% for each year of difference in your ages (prorated for partial years)
- If your Spouse or Common-law Partner is older than you, the 6% reduction will decrease 0.5% for each year of difference in your ages (prorated for partial years)

These reductions are permanent. In other words, the reduction is not reversed if your Spouse or Common-law Partner dies first.

If you are also survived by two or more Dependent Children (a definition of *Dependent Child* is provided on page 12), an additional pension for Credited Service prior to September 1, 2011 will be paid as follows:

- $3^1/_3$% while there are two Dependent Children, for a total of 70% of the lifetime pension, and
- $8^1/_3$% while there are three or more Dependent Children, for a total of 75% of the lifetime pension.

Life Only Pension

This is the default or *Normal Form* of pension if you do not have an eligible Spouse or Common-law Partner at retirement. A pension of 50% of the portion, if any, of the member's lifetime pension for Credited Service prior to September 1, 2011 will be paid to your Dependent Children. When the last Dependent Child ceases to be dependent, the residual benefit, if any, will be paid in equal amounts to the children who were Dependent Children at the date of death.

Optional forms of pension

Before your pension payments begin, you—and your Spouse or Common-law Partner, if applicable—may choose an optional form of pension. The optional forms of pension include:

Fifty Percent Surviving Spouse's or Common-law Partner's Pension	Fifty percent of your lifetime pension will continue to your Spouse or Common-law Partner for his/her life. To do this, you and your Spouse or Common-law Partner must sign a Waiver of Joint and Survivor Pension before your pension starts. The waiver is required only if your Spouse or Common-law Partner is agreeing to accept a pension that is less than the required $66^2/_3$% survivor pension. To help offset the cost of providing your Spouse or Common-law Partner's survivor pension, your pension earned for service on/after September 1, 2011 is reduced by 4%, plus or minus 0.5% for each year of difference in age between you and your eligible Spouse or Common-law Partner. Service earned before September 1, 2011 is not reduced. Reductions are permanent. In other words, the reduction is not reversed if your Spouse or Common-law Partner dies first. If you are also survived by one or more Dependent Children, an additional pension for Credited Service prior to September 1, 2011 will be paid as follows: • 10% while there is one Dependent Child, • 20% while there are two Dependent Children, and • 25% while there are three or more Dependent Children.
Joint and 100% Survivor	Only available to members with a Spouse or Common-law Partner; 100% of your lifetime pension will continue to your Spouse or Common-law Partner for his/her life. To cover the cost of this option, your pension will be actuarially reduced, based on an actuarial cost.
Life and Guaranteed 5, 10, or 15 Years	Provides a lifetime pension with regular biweekly payments guaranteed for either 5, 10 or 15 years. If you die before receiving all of the guaranteed payments under the optional form you select, the remaining installments of your lifetime pension will be paid to your named beneficiary or estate. To cover the cost of this option, your pension will be actuarially reduced.

Residual Benefit—A residual benefit equals your total *Pension Plan* contributions (plus interest), less the total pension benefits paid to you and your survivors. Residual benefits (if any) are paid to your named beneficiary or estate.

DISABILITY

The Winnipeg Civic Employees' Long Term Disability Plan provides members with income replacement if they are unable to work due to illness or injury. If you have been unable to work for medical reasons for more than three months, and expect to remain unable to work for 26 weeks or more, you are encouraged to consider applying for disability benefits.

To qualify for payments under the *Disability Plan* you must:

- suffer a disabling medical condition that keeps you from work for at least 26 weeks;
- be less than 65 years of age; and
- be under the regular and personal care of a medical doctor.

When you apply for benefits, a medical form will be given to you to be completed by your doctor. Additional medical information may be requested.

Medical evidence is requested during the initial application process and it can also be required at any point during your disability claim. This evidence is used to assess how your medical condition prevents you from working, the extent of your disability or any changes in it, and the date your disability began. You may also be asked to undergo a medical examination conducted by a medical professional selected by and paid for by the *Program*.

If you fail to provide required medical evidence—or refuse to undergo a medical examination as requested by the *Program*—your claim for *Disability Plan* benefits may be denied or terminated.

If your *Disability Plan* claim is denied, you may submit an appeal through the *Disability Plan's* appeal process.

Your Benefit

If approved, the minimum benefit payable, including income from all sources, is 66⅔% of your average biweekly earnings in the 13 pay periods before you became disabled (26 pay periods for part-time, casual and seasonal employees).

The maximum benefit payable if you are totally disabled, including income from all sources, could be 85% of your average biweekly earnings in the 13 pay periods before you became disabled (26 pay periods for seasonal, casual and part-time employees), if certain criteria are met.

Other sources of income may include:

- Canada Pension Plan benefits
- Workers' Compensation benefits
- Sick pay and/or holiday pay
- Manitoba Public Insurance Corporation (MPIC) benefits
- any other employment income

Upon approval of your disability claim, the *Program* may require you to apply for Canada Pension Plan Disability benefits if you are deemed eligible to receive them.

If you are partially disabled and are accommodated in alternate duties, your income could rise higher than 85% depending on the earnings payable from the alternate duties.

Your disability benefits will be adjusted annually to help protect you against increases in the cost of living. If your date of disability occurred on or after September 1, 2011, adjustments will be based on the *Pension Plan* Cost-of-Living Adjustment (COLA) rate. If your date of disability occurred before September 1, 2011, adjustments will be based on increases to the pay rate for your Position Regularly Occupied.

The *Disability Plan* is paid for in full by Participating Employers. As you do not contribute to the cost of your Disability Plan coverage, any benefit payments you receive will be taxed as employment income. This is an *Income Tax Act* rule.

Pension Plan Effect

During your period of total or partial disability, you will be considered an active employee on approved leave of absence. You will continue to earn Credited Service during your disability leave, but you are not required to make any contributions to the *Pension Plan*.

When you retire, your pension will be calculated using the assumed earnings of the Position Regularly Occupied plus applicable increases received while in receipt of disability benefits. Your pensionable earnings also include any periodic payments from the Workers' Compensation Board of Manitoba.

Case Management

If approved for a disability benefit, you will receive the services of a dedicated case manager. Your case manager will provide you with information and forms, and will guide you through the necessary processes. Your case manger will also help you to identify and apply for other sources of income that you might be entitled to. The case managers play an important role in the rehabilitative and return-to-work process, monitoring your recovery and helping you to transition smoothly back to the workplace.

Rehabilitation Employment

If and when you are medically able to return to work in some capacity, your participation in the return-to-work process will be required.

The priority will be to help you to return to your own occupation. If it is not possible to get you back to your own job, then your case manager will work with you and your employer to find you suitable alternate work.

You are entitled to a partial income supplement from the *Disability Plan* based on any loss of earnings in alternate duties in comparison to the Position Regularly Occupied.

After you have been disabled for 30 months your benefits may be reduced to a partial benefit if the case manager determines that you are capable of engaging in any occupation based on your education, training, experience and medical limitations. The Benefit reduction will be in proportion to your degree of disability, or based on your loss of earnings, whichever is applicable.

Maximum Payment Period

If you have less than two years of Credited Service at your date of disability, *Disability Plan* benefits will be limited to a maximum payment period of two years.

Effective September 1, 2011, provided you have at least two years of Credited Service, become disabled, and are approved for *Disibility Plan* benefits, the maximum disability payment period will be reached at age 65, or between ages 60 and 65 if age plus service total at least 80.

When your maximum payment period is reached, you may elect to retire, if you are eligible.

Your disability benefits may be terminated at any time for any of the following reasons:

- You are able to perform the normal duties of your occupation
- You have been disabled for less than 30 months and refuse rehabilitative employment
- You have been disabled for 30 months or more and you are able to work in an occupation that you are reasonably well qualified, or reasonably could become qualified to perform based on education, training, and experience
- You have failed to follow or are not actively participating in a prescribed or recommended treatment, therapy, procedure, or program prescribed or recommended by a Medical Doctor
- You refuse a reasonable accommodation offered by a Participating Employer, the terms of which you are deemed capable of fulfilling
- You refuse to provide, or cannot provide, satisfactory evidence of a continuing disability
- You are incarcerated for a period of time in a prison or similar place of confinement
- You no longer reside in Manitoba within reasonable distance of available rehabilitative employment
- You reach the maximum payment period provided by the Long Term Disability Plan
- You are entitled to retirement or termination benefits under the *Pension Plan*

If Your Disability Recurs

Your disability benefits will resume under your existing claim if your disability recurs within 74 weeks of your return to work. Your benefit payments will resume immediately if it has been 26 (or fewer) weeks since your disability benefits ended. If it has been longer than 26 weeks since your last benefit payment, you will need to satisfy a waiting period before your benefits resume.

Your waiting period is two weeks for each four-week period in excess of 26 weeks since your disability benefits ended. For example, if it has been 29 weeks since your last disability payment (three weeks in excess of 26), your waiting period is two weeks, as summarized in the table below.

This waiting period may be waived if you are working in your regular occupation immediately before the recurrence, and your disability results from what is defined by the *Disability Plan* to be a "chronic illness."

If your disability recurs more than 74 weeks after you return to work, or you become disabled due to an unrelated cause, it will be treated as a new disability. As such, you must re-apply for benefits and satisfy a new 26-week waiting period.

THE PERIOD SINCE YOU LAST RECEIVED DISABILITY BENEFITS	YOUR WAITING PERIOD
Less than 26 weeks	Nil
At least 26 weeks but less than 30 weeks	2 weeks
At least 30 weeks but less than 34 weeks	4 weeks
At least 34 weeks but less than 38 weeks	6 weeks
At least 38 weeks but less than 42 weeks	8 weeks
At least 42 weeks but less than 46 weeks	10 weeks
At least 46 weeks but less than 50 weeks	12 weeks
At least 50 weeks but less than 54 weeks	14 weeks
At least 54 weeks but less than 58 weeks	16 weeks
At least 58 weeks but less than 62 weeks	18 weeks
At least 62 weeks but less than 66 weeks	20 weeks
At least 66 weeks but less than 70 weeks	22 weeks
At least 70 weeks but less than 74 weeks	24 weeks

When Coverage Ends

Coverage under the *Disability Plan* ends when your employment terminates, you reach the maximum payment period, you reach age 65, you retire, or you die—whichever comes first.

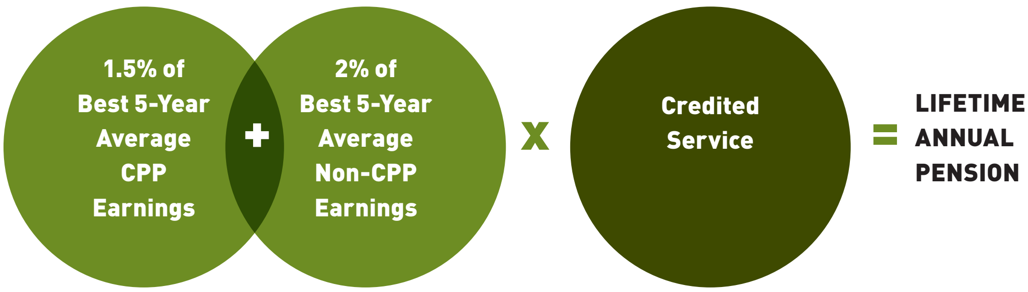
RETIREMENT

WHAT YOUR PENSION PROVIDES

Your pension is based on a formula that takes into account, among other things, your pensionable earnings history and your years of *Pension Plan* participation.

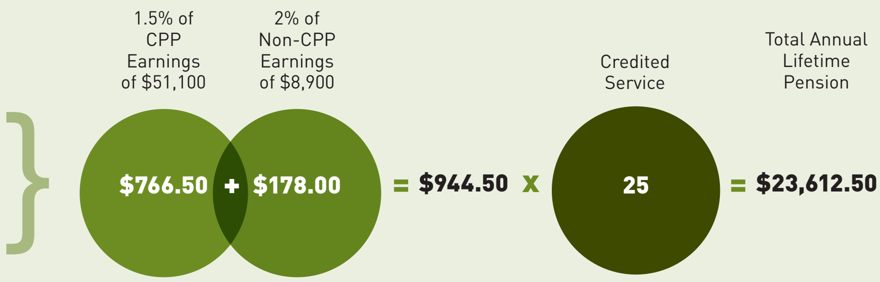
Your total benefit is subject to income tax limits at the time your benefit is calculated.

The Formula



EXAMPLE

If you are age 65 with 25 years of Credited Service and have best five-year average pensionable earnings of $60,000, your annual pension would be calculated as follows (using a CPP earnings average of $51,100):



You would receive an annual lifetime pension of $23,612.50 or approximately $908.17 biweekly.

See the *Understanding Your Benefits* section on page 2 for more information about CPP versus non-CPP earnings and an explanation of what is considered *pensionable* earnings (see Best 5-Year Average).

Your Temporary Bridge Benefit

If you retire before age 65, you will receive a temporary bridge benefit equal to:

Credited Service x **0.5% of Best 5-Year Average CPP Earnings**

The bridge benefit brings your total early retirement pension up to 2% of your best five-year average pensionable earnings for each year of Credited Service. The bridge benefit stops when you reach age 65 (when you may be eligible for government benefits).

Small Pension at Retirement

You will receive a one-time lump-sum payment equal to the commuted value of your pension, in lieu of a biweekly pension payment, if:

- your annual pension is not more than 4% of the Yearly Maximum Pensionable Earnings (YMPE) for the year in which you retire, or
- the commuted value of your pension is less than 20% of the YMPE for the year in which you retire.

The YMPE for current and past years is available on the Canada Revenue Agency (CRA) website.

Advance/Recovery Option Before Age 65

If you retire before age 65, you may choose the Advance/Recovery option, also known as Old Age Security *integration*.

The effect of the Advance will be to provide you with an increased pension until you reach age 65. Then, at age 65, for your lifetime, your pension will be reduced by the Recovery amount calculated at the time of your retirement. The amount payable will be actuarially calculated and depend on your age at retirement.

The advantages and disadvantages of this option vary depending on your individual circumstances, making this option one of personal preference.

The Advance and subsequent Recovery amounts are not subject to cost-of-living adjustments.

This option is only available to you at retirement. Upon death, any survivor benefits will be paid as if you had not elected this option. Your Spouse or Common-law Partner may choose the Advance/Recovery option at the time survivor benefits become payable, if they are under age 65 and entitled to a biweekly pension from the *Plan*.

WHEN YOU CAN RETIRE

Choosing when to retire is an important decision—one that can have a big impact on the size of your pension payments. While normal retirement under the *Pension Plan* is age 65, you may—depending on your age and years of service—be able to retire earlier than that, although all or part of your pension may be reduced to offset the cost of early retirement.

Reductions for early retirement are calculated as 4% for each year (prorated for partial years) that retirement precedes the date you would be eligible to receive an unreduced early retirement pension, based on your Eligibility Service at retirement. This reduction applies to pensions earned for service on/after September 1, 2011.

RETIREMENT DATE—YOUR OPTIONS

Normal retirement	Your normal retirement date is the end of the pay period in which you reach age 65.
Unreduced early retirement	Under the *Program*, you may retire before age 65 with an unreduced pension anytime after: • age 60, or • age 55 when age plus service total at least 80 (Rule of 80). * If you retire before age 60 and do not qualify for an unreduced early retirement benefit under the 30 years of service or Rule of 80 provisions, a portion of your pension benefit may be paid under the terms of the Early Retirement Benefits Arrangement. This provision only applies to service earned before September 1, 2011. For more information see the Early Retirement Benefits Arrangement section on page 4.
Reduced early retirement	You may retire under the *Program* before age 60 with a *reduced* pension anytime: • between ages 55 and 60 if Rule of 80 is not met, • between ages 50 and 55 when Rule of 80 is met, or • before age 50 if hired before September 1, 2011 and 30 years of service have been completed.

continued next page

**RETIREMENT DATE—
YOUR OPTIONS**

Late retirement	If you work past your normal retirement date, you will continue to contribute to the *Pension Plan*, and continue to earn Credited Service, up to the end of the calendar year in which you reach age 71.
Re-employment after retirement	If you retire and are then re-employed by a Participating Employer to work fewer than 28 hours a week, you will continue to collect your pension while you are working. However, you will not make pension contributions and you will not earn additional benefits under the *Pension Plan*. If, after retirement, you work 28 hours a week or more with a Participating Employer, your receipt of pension benefits will cease and you must re-commence making pension contributions for which you will earn Credited Service. Under current tax rules, you will be deemed to have retired at the end of the calendar year in which you reach age 71, even if you keep working past age 71.

Thirty days notice—the *Pension Plan* requires at least 30 days written notice of your intention to retire. You must retire on the last day of a pay period.

CONSIDERING YOUR OPTIONS

The following examples illustrate how your retirement date, the pension formula, and the bridge benefit come together to create your retirement benefit.

	ANNUAL LIFETIME PENSION (PAYABLE FROM AGE 65)	TEMPORARY BRIDGE BENEFIT (PAYABLE TO AGE 65)	NOTES
Age 65 Best 5-Year Average: $70,000 Credited Service: 31 years	1.5% x $51,100 = 766.50 2.0% x $18,900 = 378.00 $ 1,144.50 x 31 years **Total lifetime** **$35,479.50**	Not Applicable	**Normal Retirement** Delaying retirement results in the accumulation of additional Credited Service and possibly increased best 5-year average earnings.
Age 57 Best 5-Year Average: $62,000 Credited Service: 24 years	1.5% x $51,100 = 766.50 2.0% x $10,900 = 218.00 $ 984.50 x 24 years **Total lifetime** **$23,628.00**	0.5% x $51,100 = 255.50 x 24 years $ 6,132.00 + lifetime pension $ 23,628.00 **Total lifetime + bridge** **$ 29,760.00**	**Unreduced Early Retirement** If you retire early, you will receive a *bridge benefit* in addition to your lifetime pension amount until you reach age 65 (when you may be eligible to receive government benefits). The bridge benefit is temporary (i.e., it stops at age 65), so this individual would receive an annual pension of $29,760 and then at age 65 the pension would decrease to $23,628 annually. In this example, age plus service is greater than 80 (57+24=81), so there is no reduction to the early retirement pension.
Age 55 Best 5-Year Average: $60,000 Credited Service: 22 years	**A. 11 Years Unreduced** 1.5% x $51,100 = 766.50 2.0% x $8,900 = 178.00 $ 944.50 x 11 years **$10,389.50** **PLUS** **B. 11 Years Reduced** 1.5% x $51,100 = 766.50 2.0% x $8,900 = 178.00 944.50 - 113.34 831.16 x 11 years **$ 9,142.76** **Total lifetime** (A+B) **$ 19,532.26**	**A. 11 Years Unreduced** 0.5% x $51,100 = 255.50 x 11 years **$ 2,810.50** **PLUS** **B. 11 Years Reduced** 0.5% x $51,100 = 255.50 -30.66 224.84 x 11 years **$ 2,473.24** **Total bridge (A+B) =** **$ 5,283.74** + lifetime pension $ 19,532.26 **Total lifetime + bridge** **$24,816.00**	**Reduced Early Retirement** • For retirements before age 55 (under Rule of 80 or with 30 years of service), an early retirement pension is reduced by 4% for each year retirement precedes age 55. • For retirements between age 55 and age 60, an early retirement pension is reduced by 4% for each year retirement precedes the earlier of age 60 and Rule of 80. The reduction applies only to service on/after September 1, 2011. In this example, retirement preceded Rule of 80 by a factor of three, so the reduction is 12% (4% x 3). Note that it was assumed that 11 years of Credited Service were earned prior to September 1, 2011 and 11 years were earned on/after September 1, 2011.

* For illustrative purposes, average CPP Earnings were assumed to be $51,100 for all examples

COST-OF-LIVING ADJUSTMENTS (INDEXING) UPON RETIREMENT

The *Pension Plan* currently provides cost-of-living adjustments (COLA) to your pension payments—a valuable feature that helps protect the buying power of your pension over the long term.

The level of COLA granted is tied to the funded status of the *Program*. In 2014, COLA was paid at a rate equal to 80% of the percentage change in Canada's Consumer Price Index (CPI) at March 31. However, as of September 1, 2011, contributions will fund COLAs at a rate equal to 50% of CPI, so the COLA granted can be expected to gradually decline over time to 50% of CPI. If the *Program's* investments perform better than assumed, however, some actuarial surplus may be used to supplement COLA at a rate higher than 50% of the percentage change in CPI.

Timing

COLA is applied in the pay period in which July 1 occurs.

If, as of July 1 you have been retired for less than one year, your first cost-of-living adjustment will be prorated.

Cost-of-living adjustments will also be extended to your survivor pension. Pensions derived from Advance/Recovery options, Additional Voluntary Contributions or excess contributions (fifty-percent rule) are not subject to cost-of-living adjustments.

THE FINAL WORD

This handbook provides a summary of the key features of your *Winnipeg Civic Employees' Benefits Program*. A complete description of this benefit is contained in the legal documents that govern the *Program*. All reasonable steps have been taken to ensure the information provided in this handbook is accurate. If, however, there is any discrepancy between the information provided in this handbook and the official *Program* documents, the official *Program* documents will govern.

This handbook outlines the terms of the *Plans* as they exist currently. The Board of Trustees governs the *Plans* under the terms of the *Pension Trust Agreement* and the *Disability Plan Trust Agreement.*

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07/2015