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THE CORPORATION OF THE CITY OF NORTH BAY

BY-LAW NO. 190-92

BEING A BY-LAW OF THE CORPORATION OF THE CORPORATION OF THE CITY OF NORTH BAY TO AFFECT AMENDMENTS TO A PENSION PLAN ESTABLISHED BY THE FORMER TOWNSHIP OF WIDDIFIELD.

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

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

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

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

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

SECTION 1 - GENERAL:

- 1.1 The Pension Plan described herein shall be called THE CORPORATION OF THE CITY OF NORTH BAY (hereinafter referred to as the "Plan").
- 1.2 The purpose of the Plan is to establish a uniform and systematic method of providing regular income during retirement to employees of the Employer (and in certain cases their beneficiaries) who qualify for benefits in accordance with the terms of the Plan.
- 1.3 The effective date of the Plan is the 1st day of January, 1960. The effective date of this amended text of the Plan is the 1st day of January, 1992.
- 1.4 The fiscal year of the Plan shall end on and the accounting date shall be the 31st day of December.
- 1.5 So as to comply with the requirements of Revenue Canada, the fiscal year end of the Pension Trust Fund is December 31st.

SECTION 2 - DEFINITIONS:

- 2.1 (a) Accumulated Value of an account means an amount representing the aggregate value of the contributions credited to such account adjusted on a monthly basis to reflect a proportionate share of the income and expenses of the Pension Trust Fund and any increase or decrease in the value of the property comprising the Pension Trust Fund applicable to the type or types of investments being utilized for such contributions. Upon retirement, death prior to retirement or termination of employment the benefits provided hereunder shall be based upon the Accumulated Value of an account determined on the 1st day of the month immediately preceding the month in which the benefit is paid.
- (b) Act means the Pension Benefits Act, 1987 of Ontario and the Regulations made thereunder, all as from time to time amended.

- (c) Advisory Committee means a committee composed of Members of the Plan as provided for in Section 25 of the Act.
- (d) Canada Pension Plan means the Canada Pension Plan as provided for by the terms of the Canada Pension Plan Act being Chapter C-5 of the Revised Statutes of Canada, 1970, as from time to time amended.
- (e) Continuous Service means service as an employee of the Employer, including:
 - (i) periods of paid leave and periods of sabbatical leave, educational leave, and maternity, paternity or adoption leave (with or without remuneration);
 - (ii) periods of active service in the Canadian Armed Forces or periods of Active service with allied forces during World War II or the Korean War;
 - (iii) periods of leave due to total disability, as certified by a qualified medical practitioner;
 - (iv) periods of appointments, with or without remuneration, to federal or provincial governments, committees or commissions or periods of loan to a union, educational institution or charitable organization where benefits do not accrue under another registered pension plan for such service, such periods not to exceed 3 years;
 - (v) other periods of unpaid leave, such periods not to exceed 2 years.
- (f) Earnings means salary or wages received by the Member from the Employer for services rendered, excluding overtime, bonuses or any other special remuneration.
- (g) Employer means THE CORPORATION OF THE CITY OF NORTH BAY and any subsidiary and/or associated employer or employers from time to time designated by it except that reference in the Plan to any action to be taken, consent, approval or option to be given or discretion or decision to be exercised or made by the Employer shall refer to THE CORPORATION OF THE CITY OF NORTH BAY acting by its Board of Directors or any person or persons (including a Retirement Committee) from time to time appointed, designated or authorized by its Board of Directors.
- (h) Employer Account means an account established and maintained by the Trustee to hold in trust all contributions made by the Employer as per Section 7.6 in respect of the Member.
- (i) Income Tax Act means the Income Tax Act being Chapter 63 of the Statutes of Canada, 1970/71/72, as from time to time amended.
- (j) Member means an employee of the Employer who is entitled to receive benefits hereunder including a former employee who remains entitled to benefits hereunder.
- (k) Member's Account means an account established and maintained by the Trustee to hold in trust all contributions made by the Member in accordance with Section 7.1 of the Plan.
- (l) Member's Voluntary Contributions Account means an account established and maintained by the Trustee to hold in trust voluntary contributions made by the Member in accordance with Sections 7.2 and 7.4.

- (m) Old Age Security Act means the Old Age Security Act being Chapter 0-6 of the Revised Statutes of Canada 1970, as from time to time amended.
- (n) Quebec Pension Plan means the Quebec Pension Plan provided for us by the terms of the Quebec Pension Plan Act being Chapter 24 of the Statutes of Quebec, as from time to time amended.
- (o) Spouse shall mean in relating to another person of the opposite sex:
 - (i) a person who is married to the Member, or
 - (ii) a person who is not married to the Member but is living with the Member in a conjugal relationship, either
 - (a) continuously for a period of at least 3 years, or;
 - (b) in a relationship of some permanence, if they are the natural or adoptive parents of a child, both as defined in the Ontario Family Law Act, 1986.
- (p) Trustee means Investor's Group Trust Co. Ltd. or any other trustee appointed by the Employer from time to time for the purposes of the Plan.
- (q) Underwriter means a Company licensed or otherwise authorized under the laws of Canada or a province of Canada to carry on an annuities business in Canada.
- (r) YMPE means the Yearly Maximum Pensionable Earnings as defined in the Canada Pension Plan.
- (s) Pension Adjustment has the same meaning as per subsection 248(1) of the Income Tax Act.

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

SECTION 3 - ADMINISTRATION:

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

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

SECTION 4 - PENSION TRUST FUND:

- 4.1 The Employer shall create a trust fund called the PENSION TRUST FUND FOR THE CORPORATION OF THE CITY OF NORTH BAY PENSION PLAN (hereinafter referred to as the "Pension Trust Fund") to facilitate the proper execution of the Plan and for such purposes shall enter into a trust agreement with the Trustee. A copy of the trust agreement shall be attached hereto and form part of the Plan. All contributions made under the Plan or transferred to the Plan shall be held in trust by the Trustee and administered by it in accordance with the provisions of the Plan and trust agreement, and all costs, charges and expenses of administering the Plan including the compensation of the Trustee as well as any taxes assessed or charged against the Plan (except as otherwise directed by the Employer) shall be paid out of the Pension Trust Fund.
- 4.2 Notwithstanding any provisions of the Plan or that of any governing instrument, the loans and investments of the Pension Trust Fund shall be restricted to the investments prescribed by the Act, and the Regulations under the Act.

SECTION 5 - ELIGIBILITY AND MEMBERSHIP:

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

SECTION 6 - BENEFICIARY:

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

SECTION 7 - CONTRIBUTIONS:

- 7.1 Each Member of the Plan shall contribute by payroll deduction:
- (a) In the case of a Member who is sworn employee of the City of North Bay Police Department, 8 1/4% of his Earnings less his required contributions to the Canada Pension Plan.
 - (b) In the case of a Member who is a civilian employee of the City of North Bay Police Department, 7% of his Earnings less his required contributions to the Canada Pension Plan.
 - (c)
 - i) In the case of a Member designated as a Fire Fighter and who was hired prior to January 1, 1963, 9% of his Earnings less his required contributions to the Canada Pension Plan.
 - ii) In the case of a Member designated as a Fire Fighter and who was hired after December 31, 1962, 8.5% of his Earnings less his required contributions to the Canada Pension Plan.
 - (d)
 - i) In the case of other Members of the Plan who were hired prior to January 1, 1963, 8.5% of each Member's Earnings less his required contributions to the Canada Pension Plan.
 - ii) In the case of other Members of the Plan who were hired after December 31, 1962, 7.5% of each Member's Earnings less his required contributions to the Canada Pension Plan.
- 7.2 A Member may make contributions on a voluntary basis in respect of current service. Where such contributions are made they will be payroll deducted.
- 7.3 A Member may discontinue making voluntary contributions at any time, however, while he remains in the employ of the Employer, any contributions already made may not be withdrawn.

- 7.4 Any amount paid or payable to a Member from a registered retirement savings plan under which he was the annuitant or a registered pension or profit sharing plan of which he was a member, may to the extent permitted under the Income Tax Act be transferred to the Plan as a tax sheltered transfer. If any such amounts transferred to the Plan are subject to the Pension Benefits Standards Act, 1985 or the legislation of a provincial pension authority (which requires that the proceeds be used for the sole purpose of providing a life pension at the Member's retirement) then those amounts shall continue to be administered in accordance with the rules and regulations of the Pension Benefits Standards Act, 1985, or the provincial pension authority.
- 7.5 On behalf of each Member of the Plan, the Employer shall contribute:
- (a) In the case of a Member who is a sworn employee of the City of North Bay Police Department, 10 3/4% of his Earnings less the required contributions made on his behalf to the Canada Pension Plan.
 - (b) In the case of a Member who is a civilian employee of the City of North Bay Police Department, 7% of his Earnings less the required contributions made on his behalf to the Canada Pension Plan.
 - (c)
 - i) In the case of a Member designated as a Fire Fighter and who was hired prior to January 1, 1963, 11% of his Earnings less the required contributions made on his behalf to the Canada Pension Plan.
 - ii) In the case of a Member designated as a Fire Fighter and who was hired after December 31, 1962, 8.5% of his earnings less the required contributions made on his behalf to the Canada Pension Plan.
 - (d)
 - i) In the case of all Members of the Plan who were hired prior to January 1, 1963, 8.5% of each Member's Earnings less the required contributions made on his behalf to the Canada Pension Plan.
 - ii) In the case of all other Members of the Plan who were hired after December 31, 1962, 7.5% of each Member's Earnings less the required contributions made on his behalf to the Canada Pension Plan.
- 7.6 The contributions by the Members shall be paid into the Pension Trust Fund not later than 30 days following the date such contributions are deducted from the Member's Earnings. The contributions of the Employer shall be paid into the Pension Trust Fund within 30 days after the end of the month to which such contributions relate.
- 7.7 If the aggregate of contributions made to the Plan by and in respect of a Member under sub-sections 7.1, 7.2 and 7.5 of the Plan would produce a Pension Adjustment for any calendar year in excess of the limits contained in sub-section 174.1(8) of the Income Tax Act, then contributions amounts made under sub-sections 7.1, 7.2 and 7.5 may be returned to the Member or to the Employer, whichever is applicable, so that the Pension Adjustment for the year will not exceed the limits contained in sub-section 147.1(8) of the Act.

SECTION 8 - RETIREMENT:

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

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

8.2 Early Retirement; a Member may retire on the first day of any month subsequent to the Member's attainment of age 50 years. However, should a Member become physically or mentally disabled, he will be eligible for immediate retirement from the Plan.

8.3 Postponed Retirement; a Member who remains in the employ of the Employer after his Normal Retirement Date shall remain a Member and contributions shall continue to be made in accordance with Section 7 until his actual retirement date. In such circumstances, the Member will for all purposes of the Plan be considered to have retired on the earlier of the first day of the month next following the month in which the Member's employment by the Employer shall cease or the first day of the month immediately preceding the month in which the Member attains age 71 years even though his employment may continue after that date.

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

SECTION 9 - PENSION BENEFITS:

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

SECTION 10 - METHOD OF PAYMENT:

10.1 Upon the retirement of a Member, pension benefits under the Plan normally shall be payable for the lifetime of the Member and, upon the Member's death, the pension will be reduced by 40% and will continue to be paid to the surviving spouse for her lifetime. If, at retirement, the Member has no Spouse, pension benefits under the Plan normally shall be payable for the greater of the lifetime of the Member or a period of 10 years from his actual retirement date.

The above are collectively referred to as the "Normal Form of pension".

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

- 10.3 The first payment shall be due on the last day of the month in which the Member retires and subsequent payments shall be issued monthly thereafter for his lifetime, and the lifetime of the Spouse. However, if a non-survivorship benefit is provided under Sections 10.1 or 10.2, where the death of a Member occurs within a guaranteed period, the pension may provide for; (a) commutation of the benefits for the balance of the guarantee period for payment to the estate or to a designated beneficiary, (b) pension payments to continue to the Member's designated beneficiary for the balance of the guaranteed period.
- 10.4 A pension benefit payable to the former Spouse of a Member or to the surviving Spouse or a deceased Member shall not terminate by reason of the remarriage of the former Spouse or surviving Spouse, as the case may be.
- 10.5 All life contingent benefits provided under the terms of the Plan shall be provided through the services of an Underwriter and to effect such purchase the Trustee shall have full power to employ such agents or counsel as the Trustee, in its sole discretion, sees fit.

Notwithstanding the above, a Member's deferred pension entitlement under Section 13 of the Plan, may, if the Member chooses, remain in the Pension Trust Fund until such Member's retirement date, at which time the deferred pension shall be purchased from an Underwriter.

- 10.6 Notwithstanding anything contained in the Plan to the contrary, if any monthly pension to which a Member or beneficiary is entitled hereunder is less than 2% (two percent) of the YMPE for the year in which the Member ceases to be a Member of the Plan, the Employer may, at its discretion, direct that such pension be paid quarterly, semi-annually, or, that the commuted value thereof be paid in a lump sum.

SECTION 11 - OPTIONAL FORMS OF PENSION:

- 11.1 Subject to the provisions of Section 10.2 of the Plan, in lieu of the Normal Form of Pension, a Member may elect to receive his pension in one of the optional forms described below provided that such election is made in the form prescribed by the Employer and in accordance with the Act prior to the Member's actual retirement date:
- (a) Alternate Guarantee Period; A Pension payable for the Member's lifetime in any event guaranteed for a specific period not exceeding the lesser of 15 years and the period from the date of the Member's retirement to the day before the date on which his 86th birthday would occur. In the event of the Member's death prior to the expiration of the guaranteed period, the pension may provide for; (a) commutation of the benefits for the balance of the guaranteed period for payment to the estate or to the Member's designated beneficiary, (b) pension payments to continue to the Member's designated beneficiary for the balance of the guaranteed period.
 - (b) Integrated With Government Retirement Benefits; A Member who retires before attaining an age which would qualify him for pension benefits under the Old Age Security Act and/or the Canada/Quebec Pension Plan may elect to receive a pension in a greater amount until he attains such age, decreasing to a lesser amount thereafter which shall provide where possible a level pension for his lifetime.

- (c) Joint and Survivorship; The pension is payable for the Member's lifetime and upon the death of the Member payable in the same amount or a reduced amount to his Spouse for her lifetime.
- (d) Other Forms; Any other form of pension conforming with the Act and the Regulations thereto and the rules and regulations of the Department of National Revenue Taxation. When a form of pension, other than one which has been explicitly stated in the Plan, is selected the Plan will be amended to provide for the form selected and will be submitted to the Department of National Revenue, Taxation and the Pension Commission of Ontario for their approval.

SECTION 12 - DEATH BENEFITS:

- 12.1 (a) Death in Service; In the event of the death of a Member while in the employ of the Employer prior to his retirement, the Member's Spouse shall receive the Accumulated Value of the Member's Account and the Employer Account as:
- i) a cash refund, or
 - ii) a transfer to a registered retirement savings plan, or to another registered pension plan, or
 - iii) an immediate or deferred life annuity with payments to commence on or before the Spouse attains age 65 years. Such annuities may be purchased with or without a guaranteed period, provided that the guaranteed period does not exceed the lesser of 15 years and the period from the date of the Member's date of the Member's death to the day before the date on which the Spouse's 86th birthday would occur. In the event of the Spouse's death prior to the expiration of a guaranteed payment period, the pension may provide for; (a) commutation of the benefits for the balance of the guaranteed period for payment to to the estate or to the Spouse's designated beneficiary, (b) pension payments to continue to the Spouse's designated beneficiary for the balance of the guaranteed period.
- 12.2 In the event of the death of a Member who is entitled to receive a pension under the provisions of Section 13 of the Plan and has not yet commenced to receive such benefits, the Member's Spouse shall receive the commuted value of such benefit in one of the forms described in Section 12.1.
- 12.3 If, at the date of the Member's death, the Member:
- a) has no Spouse, or
 - b) is living separate and apart from the Spouse,
- the benefits payable under Sections 12.1 or 12.2, as applicable, shall be paid to the Member's designated beneficiary or estate as:
- i) a lump sum, or
 - ii) an immediate or deferred life annuity with payments to commence on or before the beneficiary attains age 65 years. Such annuities may be purchased with or without a guaranteed period, provided that the guaranteed period does not exceed the lesser of 15 years and the period from the date of the member's death to the day before the date on which the beneficiary's 86th birthday would occur. In the event of the beneficiary's death prior to the expiration of a guaranteed payment period, the pension may provide for:
 - a) commutation of the benefits for the balance of the guaranteed period for payment to the estate or to a designated beneficiary;
 - b) pension payments to continue to a designated beneficiary for the balance of the guaranteed period, or;

iii) a term certain annuity or installment payments commencing immediately, for a term not exceeding 10 years from the date of the Member's death.

12.4 The member and the Member's Spouse may, by providing the Employer with a written notice in a form prescribed by the Act, provide that benefits shall be paid to the Member's designated beneficiary or estate as provided for under Section 12.3 of the Plan.

12.5 When the death of a retired Member occurs, the benefits, if any, payable to the beneficiary shall be governed by the form of pension elected at retirement. The pension may provide for:

- a) commutation of the benefit for the balance of the guarantee period for payment to the estate or to the Member's designated beneficiary;
- b) pension payments to continue to the Member's designated beneficiary for the balance of the guaranteed period. In the absence of an election, the Normal Form of Pension shall apply. If, however, the Member has a Spouse, the Spouse will be entitled to receive 60% of the pension that was payable to the Member.

12.6 A settlement made in accordance with this section shall be in full satisfaction of the rights of the Spouse, beneficiary or estate of the deceased Member under the Plan, notwithstanding any future amendments which may be made to the Plan resulting in retroactive changes in death benefits provided.

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

- i) In the event that a Member's employment with the Employer is terminated other than by death or authorized retirement before both attaining age 45 and completing 10 years of Continuous Service such Member shall receive the Accumulated Value of his Member's Account, or, in lieu thereof, a deferred pension commencing at the Member's Normal Retirement Date such as can be provided by the Accumulated Value of his Member's Account plus his Employer's Account.
- ii) In the event that a Member's employment with the Employer is terminated other than by death or authorized retirement subsequent to both his attainment of age 45 years and the completion of 10 years of Continuous Service, such Member shall receive a deferred life pension such as can be provided by the Accumulated Value of both his member's Account and his Employer Account applicable to benefits earned in respect of Continuous Service prior to January 1, 1987.

Upon termination of employment prior to his Normal Retirement Date, a Member may elect to receive in partial discharge of his rights under the Plan an amount in the form of a lump sum that in total does not exceed 25% of the commuted value of the deferred pension as provided in the immediately preceding paragraph.

13.2 Benefits in Respect of Continuous Service
Subsequent to January 1, 1987

- i) In the event that a Member's employment with the Employer is terminated other than by death or retirement prior to the completion of 24 continuous months of membership in the Plan, the benefits payable in respect of Continuous Service subsequent to January 1, 1987 shall be determined in accordance with paragraph (i) of Section 12.1 of the Plan.

- ii) In the event that a Member's employment with the Employer is terminated other than by death or retirement subsequent to the completion of 24 continuous months of membership in the Plan, the Member shall receive the Accumulated Value of the Member's Account and the Employer Account in respect of Continuous Service subsequent to January 1, 1987, as a deferred life pension.
- 13.3 A deferred life pension to which a Member is entitled under Sections 13.1 or 13.2 may be purchased from an Underwriter or the proceeds used to provide the deferred pension may be left in the Pension Trust Fund until such Member's Normal Retirement Date, at which time the pension shall be purchased from an Underwriter. The Member may elect, however, to commence receiving pension benefits at any time within 10 years of the Normal Retirement Date.
- 13.4 In lieu of the deferred pension to which a Member is entitled under Section 13.1 or 13.2, the Member may choose to transfer the commuted value of the deferred pension to:
- i) another registered pension plan, subject to the approval of the administrator of such plan;
 - ii) a registered retirement savings plan, provided that the benefits subject to Sections 13.1(ii) and 13.2(ii) must be used for the sole purpose of providing a lifetime pension to commence at the Member's normal or elected retired date.
- 13.5 A benefit paid or to be paid under the terms of this section shall constitute settlement in full satisfaction of the rights of the terminated Member under the Plan, and such terminated Member shall have no further claim upon the Plan in respect of his employment with the Employer to the date of termination of employment.
- 13.6 Where a Member terminates, the Accumulated Value of his Employer Account, if any, not applied to his benefit in accordance with the provisions of this Section shall accrue to the benefit of the Employer in the form of a credit against contributions required to be made by the Employer under the terms of the Plan. The Employer may however, direct that such credit be reallocated amongst the remaining Members. In such circumstances such reallocation shall be made at the fiscal year end of the Plan by distributing all such credits to the then active Members in the proportion that the Accumulated Value of such Member's Employer Account is to the total of the Accumulated Values of all such Members' Employer Accounts.
- 13.7 The value of the benefits to which the Member is entitled to receive under this Section shall in no event be less than the aggregate of the required contributions made by the Member as provided for in Section 13.1 of the Plan.

SECTION 14 - BENEFITS APPLICABLE TO VOLUNTARY CONTRIBUTIONS:

- 14.1 Subject to subsection 7.4 of the Plan, upon a Member's termination of employment, the Accumulated Value of the Member's Voluntary Contributions Account shall be used to provide supplementary immediate life pension benefits, supplementary deferred life pension benefits, be transferred to a registered retirement savings plan or paid as a lump sum.
- 14.2 Subject to subsection 7.4 of the Plan, if the Member dies prior to retirement the Accumulated Value of the Member's Voluntary Contributions Account shall be paid as a lump sum to the member's Spouse, or if the Member does not have a Spouse, to the Member's designated beneficiary or estate.

- 14.3 Subject to subsection 7.4 of the Plan, upon a Member's retirement, the Accumulated Value of the Member's Voluntary Contributions Account shall be used to provide supplementary immediate life pension benefits or be paid in a lump sum to the Member.

SECTION 15 - ASSIGNMENT OF BENEFITS:

- 15.1 The assignment or alienation of any benefits under the Plan shall not be permitted either by voluntary action or by process of law other than by election of an optional form of pension involving joint lives or by the appointment of a beneficiary to receive any death benefits, except as is expressly provided for in the Act.
- 15.2 Except as otherwise specifically provided for in the Plan no pension benefit provided hereunder, deferred or otherwise is capable of surrender or commutation during the lifetime of the Member.

SECTION 16 - PAYMENT OF BENEFITS:

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

SECTION 17 - AMENDMENT AND DISCONTINUANCE:

- 17.1 The Employer expects to continue the Plan indefinitely, but necessarily reserves the right to amend or discontinue the Plan should future conditions, in the judgement of the Employer, so warrant, provided that such action shall be in accordance with the Act and the administrative rules and regulations of the Department of National Revenue, Taxation and shall not result in a reduction of the benefits which have accrued hereunder prior to such amendment or discontinuance.
- 17.2 In the event of the discontinuance of the Plan, each Member shall be entitled to receive the Accumulated Value of his Member's Account and the Employer Account and determined in accordance with Section 13 of the Plan.
- 17.3 Notwithstanding Section 17.2, in the event of the discontinuance of the Plan, a Member who at the date of such discontinuance whose age plus years of Continuous Service equals or exceeds age 55 is entitled to receive an immediate or deferred life pension in accordance with Sections 9 and 10 of the Plan.
- 17.4 No disbursements from the Pension Trust Fund under Sections 17.2 and 17.3 will be made without the written authorization of the Pension Commission of Ontario.

SECTION 18 - PAYMENTS ON MARRIAGE BREAK-DOWN:

- 18.1 A benefit of a Member under the Plan may be subject to a domestic contract as defined in Part IV of the Ontario Family Law Act, 1986.
- 18.2 No benefit under subsection 18.1 is payable before the earlier of:
- i) the date upon which the pension benefit commences, or
 - ii) the Member's Normal Retirement Date.
- 18.3 The former Spouse of a Member who becomes entitled to receive a benefit under subsection 18.1 shall not be entitled to receive more than 50% of the value of the benefit earned by the Member while the Member and his former Spouse were spouses.

SECTION 19 - APPLICABLE LEGISLATION:

19.1 The Plan will be operated in such a manner as to be in compliance at all times with the Act and the administrative rules and regulations of the Department of National Revenue, Taxation.

SECTION 20 - EFFECTIVE DATE:

20.1 That this By-Law become effective as of January 1, 1992.

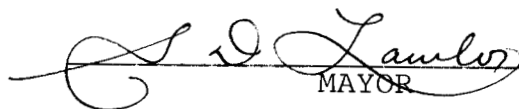
20.2 That By-Law Nos. 917 and 1271 of the former Township of Widdifield are hereby repealed.

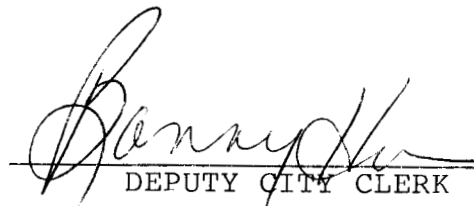
20.3 That By-Law Nos. 73-68, 119-69, 101-71, 117-71, 39-73, 50-71, 71-74, 74-75, 114-75, 119-76, 29-77, 62-77, 18-78, and 146-79 are hereby repealed.

READ A FIRST TIME IN OPEN COUNCIL THE 5TH DAY OF OCTOBER, 1992.

READ A SECOND TIME IN OPEN COUNCIL THE 5TH DAY OF OCTOBER, 1992.

READ A THIRD TIME IN OPEN COUNCIL AND ENACTED AND PASSED THIS 5TH DAY OF OCTOBER, 1992.


MAYOR


DEPUTY CITY CLERK