

THE CITY OF SAINT JOHN

SHARED RISK PLAN

As of January 1, 2013

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ARTICLE I
BACKGROUND AND PURPOSE OF THE PLAN

- 1.1 This CSJ Shared Risk Plan is pursuant to an agreement between the City of Saint John and the Saint John Fire Fighters Association, International Association of Fire Fighters, Local 771 and the Saint John Police Association and CUPE, Local 18, Saint John City Outside Workers and CUPE, Local 486.
- 1.2 The Unions and the Employer entered into a Memorandum of Understanding, dated December 21, 2012 (the “**Memorandum of Understanding**”), pursuant to which they agreed to convert the CSJ Plan to a Shared Risk Plan effective January 1, 2013 in accordance with the Memorandum of Understanding and the Pension Benefits Act.
- 1.3 The City of Saint John Pension Act was repealed by the Repealing Act, which provided that the CSJ Plan established by the City of Saint John Pension Act continued in force until it was amended, replaced or wound up in accordance with the Pension Benefits Act.
- 1.4 Amendments were made to the Pension Benefits Act, effective December 31, 2012, to give the Common Council of the City of Saint John the power to amend the CSJ Plan for the purposes of converting the CSJ Plan to a Shared Risk Plan in accordance with the agreed terms under the Memorandum of Understanding.
- 1.5 Effective January 1, 2013, the CSJ Shared Risk Plan converts and replaces the CSJ Plan.
- 1.6 From and after the Conversion Date, the plan shall be a Shared Risk Plan and shall comply with and be subject to the Pension Benefits Act.
- 1.7 The primary purpose of the CSJ Shared Risk Plan is to provide pensions to eligible Employees after retirement and until death in respect of their service as Employees. The purpose of the CSJ Shared Risk Plan is to provide secure benefits to members of the plan without an absolute guarantee but with a risk focused management approach delivering a high degree of certainty that Base Benefits can be met in the vast majority of potential future economic scenarios. As a Shared Risk Plan, all future cost of living adjustments for current and future retirees and other Ancillary Benefits under the CSJ Shared Risk Plan shall be provided only to the extent that funds are available for such benefits, as determined by the Board of Trustees in accordance with applicable laws and the plan’s Funding Policy.

**ARTICLE II
DEFINITIONS**

- 2.1 **“Accumulated Interest”** means interest on a Member’s contributions credited no less frequently than annually and determined as follows:
- (i) With respect to the period up to the Conversion Date, shall be “credited interest” as determined and defined under the CSJ Plan; and
 - (ii) As of the Conversion Date, shall be the actual rate of return of the Fund (net of the administrative expenses paid by the Fund), whether positive or negative for the Plan Year. Interest shall be calculated on a Member’s contributions made during a Plan Year by applying 50% of the applicable annual rate of return to the total contributions made by or on behalf of a Member during the Plan Year, pro-rated, if applicable, for the period of membership during the Plan Year. Interest that is to be credited on a date other than December 31 shall be calculated using the annual rate of interest established on the December 31 immediately preceding the date in question.
- 2.2 **“Actuarial Equivalent”** means having an equal value when computed on the actuarial basis as approved by the Board of Trustees and which is in effect at the time such computation is made and which is acceptable under the Pension Benefits Act and Income Tax Act.
- 2.3 **“Actuaries”** means Fellows of the Canadian Institute of Actuaries appointed by the Board of Trustees for the purposes of the CSJ Shared Risk Plan.
- 2.4 **“Additional Voluntary Contributions”** means voluntary contributions to the Fund by a Member in accordance with Section 24.1, which are in addition to any contributions payable by a Member as required under Article IV and any Lump Sum Voluntary Transfers.
- 2.5 **“Administrator”** means the Board of Trustees, the administrator for this CSJ Shared Risk Plan.
- 2.6 **“Ancillary Benefit”** has the same meaning as set out in the Pension Benefits Act and, for greater certainty, includes future COLA.
- 2.7 **“Base Benefits”** means the amount of pension paid or payable to a Member at any given time (including all vested base benefits as at the relevant date and all vested ancillary benefits as at the relevant date) as described under Article V.
- 2.8 **“Beneficiary”** means that person or persons last designated by the Member in accordance with Section 10.1.
- 2.9 **“Board of Trustees”** or **“Trustees”** means the board of trustees of the CSJ Shared Risk Plan and the individual members appointed pursuant to Section 15.3 and the Declaration of Trust, which is the administrator of the CSJ Shared Risk Plan and shall have those

duties, powers and responsibilities as outlined in the CSJ Shared Risk Plan, the Funding Policy, the Declaration of Trust and the Pension Benefits Act.

- 2.10 “**child**” or “**children**” shall include a natural child, step-child or adopted child.
- 2.11 “**City of Saint John Pension Act**” means the City of Saint John Pension Act, ch. 112, Acts of New Brunswick 1994, as amended, which was repealed as a statute by the Repealing Act.
- 2.12 “**CSJ Plan**” means the City of Saint John Pension Plan, registration #0269209, established under The City of Saint John Pension Act, as it was immediately prior to the Conversion Date.
- 2.13 “**CSJ Shared Risk Plan**” means this “*City of Saint John Shared Risk Plan*” established for the Employees of the Employer, as amended from time to time, which converts and replaces the CSJ Plan as at the Conversion Date under the Pension Benefits Act.
- 2.14 “**Claimant**” means the Spouse, Dependent or estate of the Member, or the Member’s Beneficiary, as the case may be, and, for greater certainty, includes Other Pre-Conversion CSJ Claimants where the context requires.
- 2.15 “**COLA**” means cost of living adjustments.
- 2.16 “**Collective Agreements**” means the following collective agreements covering employees represented by the bargaining units of the Unions: Collective Agreement between the City of Saint John, N.B. and the Saint John Fire Fighters’ Association, Local Union No. 771; Working Agreement between the City of Saint John, N.B. and the Canadian Union of Public Employees, Saint John City Hall Employees’ Local Union No. 486, C.L.C.; Working Agreement between The Board of Police Commissioners for the City of Saint John and The Canadian Union of Public Employees, Saint John City Hall Employees’ Local Union No. 486, C.L.C.; Working Agreement between The Saint John Board of Police Commissioners and the Saint John Police Association; and Working Agreement between The City of Saint John, N.B. and The Canadian Union of Public Employees, Local #18 (Outside Workers).
- 2.17 “**Contribution Holidays**” means the full or partial reduction of the contributions normally paid by Employees and the Employer into the CSJ Shared Risk Plan where such reductions are required under the Income Tax Act.
- 2.18 “**Conversion Date**” means January 1, 2013.
- 2.19 “**Common Council**” means the Common Council of the Employer.
- 2.20 “**CUPE 18**” means CUPE, Local 18, Saint John City Outside Workers.
- 2.21 “**CUPE 486**” means CUPE, Local 486.
- 2.22 “**Declaration of Trust**” means the declaration of trust entered into by the Board of Trustees, dated as of February 1, 2013, as amended from time to time.

- 2.23 **“Early Retirement Date”** has the meaning provided in Section 13.1
- 2.24 **“Earnings”** means the regular salary or wages of the Member payable by the Employer, which, for greater certainty includes long service pay, shift differential, bonuses that replace wage increases, statutory holiday pay, court time and on-call earnings, but excludes any over-time and similar wages, bonuses (other than those that replace wage increases), commissions, taxable benefits, pay in lieu of vacation, retirement allowance or retirement pay, gratuities or honoraria. It shall also include deemed earnings calculated in accordance with Article IX, when applicable, and subject to limits under the Income Tax Act.
- 2.25 **“Employees”** means a person employed by the Employer.
- 2.26 **“Employer”** means the City of Saint John, New Brunswick.
- 2.27 **“Full-time Employment”** means employment requiring continuous service in any permanent position where the Employee is required to work at least 32 ½ hours per week, but excludes Employees who are engaged in seasonal, casual, holiday relief or part-time employment as determined by the City.
- 2.28 **“Fund”** means the assets held in trust under the terms of the CSJ Shared Risk Plan to provide for the payment of benefits as described in the plan to Members and their beneficiaries.
- 2.29 **“Funding Policy”** means the funding policy for the CSJ Shared Risk Plan, as amended from time to time, in accordance with the Funding Policy, Article XVIII and the Pension Benefits Act.
- 2.30 **“IAFF”** means Saint John Fire Fighters Association, International Association of Fire Fighters, Local 771.
- 2.31 **“Income Tax Act”** means the *Income Tax Act*, R.S.C. 1985 c.1 (5th supplement), as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.
- 2.32 **“Investment Policy”** means the investment policy, as amended from time to time, established by the Board of Trustees for the CSJ Shared Risk Plan in accordance with Article XVII and the Pension Benefits Act.
- 2.33 **“Lump Sum Voluntary Transfer”** means any amounts transferred to the Fund in accordance with Section 24.2 to be held as Additional Voluntary Contributions.
- 2.34 **“Member”** means an individual who has joined the CSJ Shared Risk Plan in accordance with Article III and who remains contingently or absolutely entitled to a benefit entitlement under the CSJ Shared Risk Plan.
- 2.35 **“Memorandum of Understanding”** means the Memorandum of Understanding regarding the City of Saint John Pension Plan entered into between the Employer and the Unions on December 21, 2012.

- 2.36 **“Normal Form Pension”** means the normal form pension described under Article XII.
- 2.37 **“Normal Retirement Date”** means the Member's sixty-fifth (65th) birthday as described in Article XI.
- 2.38 **“Other Pre-Conversion CSJ Claimant”** means eligible claimants in receipt of a pension under the CSJ Plan immediately prior to the Conversion Date and Pre-Conversion Deferred Vested Members under the CSJ Plan immediately prior to the Conversion Date, but excluding Pre-Conversion Retirees.
- 2.39 **“Parameters”** means the parameters for the Funding Policy agreed by the Parties under the Memorandum of Understanding.
- 2.40 **“Party”** or **“Parties”** means a Union or Unions and/or the Employer, as the context requires.
- 2.41 **“Pensionable Service”** means any period of employment in respect of which the Member has made contributions to the CSJ Plan or the CSJ Shared Risk Plan, as the context requires, including periods during which Member contributions are waived in accordance with Section 9.4 while the Member is in receipt of long term disability benefits under a group insurance plan provided by the Employer or is Totally and Permanently Disabled. When a Member is employed in less than Full-time Employment for any period, the Pensionable Service of that Member for that period shall be adjusted by the ratio of that Member's Earnings over the Earnings the Member would have received had the Member been employed on a Full-time Employment basis.
- 2.42 **“Pension Benefits Act”** means the *Pension Benefits Act* (New Brunswick), ch. P-5.1, as amended from time to time, together with any relevant regulations and administrative rules made thereunder from time to time.
- 2.43 **“Plan Year”** shall mean the calendar year.
- 2.44 **“Postponed Retirement Date”** has the meaning provided in Section 14.2.
- 2.45 **“Pre-Conversion Deferred Vested Member”** means a former employee of the Employer who participated in the CSJ Plan and had terminated employment prior to retirement and as at the Conversion Date had not elected to transfer the actuarial equivalent value of the employee's pension from the CSJ Plan pension fund to another pension fund, a prescribed retirement arrangement or for purchase of a deferred life annuity.
- 2.46 **“Pre-Conversion Retiree”** means a person who had been employed by the Employer and retired under the terms of the CSJ Plan prior to the Conversion Date and was receiving a pension payable from the CSJ Plan immediately prior to the Conversion Date, but does not include any person who was in receipt of a disability pension under section 15 of the CSJ Plan and under the age of 65 as of the Conversion Date.
- 2.47 **“Public Safety Occupation”** means a “public safety occupation” as defined under the Income Tax Act.

- 2.48 **“Registered Investment Vehicle”** means a Registered Retirement Savings Plan, or other vehicle permitted under the Income Tax Act, as designated by a Member’s Spouse pursuant to Section 8.3.
- 2.49 **“Repealing Act”** means An Act to Repeal the City of Saint John Pension Act, ch. 41, Acts of New Brunswick 2012.
- 2.50 **“Risk Management Framework”** means the risk management framework, as amended from time to time, established by the Board of Trustees in accordance with Article XVII and the Pension Benefits Act.
- 2.51 **“Shared Risk Plan”** means a shared risk plan as defined and described in the Pension Benefits Act.
- 2.52 **“SJPA”** means Saint John Police Association.
- 2.53 **“Spouse”** means (i) a “common law partner”, which is a person who is not or was not married to the Member, but is or was cohabiting in a conjugal relationship with the Member for a continuous period of at least two years immediately before the date in question; or (ii) a “spouse”, which is a person who is married to the Member, provided that if the marriage is voidable, it has not been voided by a declaration of nullity, or if the marriage is void, it was gone through by each person in good faith and the persons have cohabited within the preceding year before the date in question. Providing he or she is otherwise eligible, a “spouse” (under (ii) of this provision) of a Member shall be entitled to a right or benefit claim under this CSJ Shared Risk Plan over the competing claim of a “common law partner” (under (i) of this provision) of the Member, unless such claim is barred by a valid domestic contract between the Member and the “spouse” (under (ii) of this provision) or a decree, order or judgment of a competent tribunal.
- 2.54 **“Temporary Contributions”** means the temporary contributions (as described in the Pension Benefits Act) that the Employer is required to make pursuant to Section 4.5.
- 2.55 **“Termination Value”** has the meaning assigned to it under the Pension Benefits Act.
- 2.56 **“Totally and Permanently Disabled”** means in relation to a Member, suffering from a physical or mental impairment that prevents the Member from engaging in any employment for which the Member is reasonably suited by virtue of the Member’s education, training or experience and can be reasonably expected to last for the remainder of the Member’s lifetime.
- 2.57 **“Unions”** or **“Union”** means IAFF, SJPA, CUPE 18 and/or CUPE 486, as the context requires.
- 2.58 **“Vesting Date”** means the date of completion of the earlier of five years of continuous employment with the Employer or two years of membership in the CSJ Shared Risk Plan, including, for greater certainty, membership in the CSJ Plan. Any Member who was vested under the CSJ Plan as of the Conversion Date shall be vested under this CSJ Shared Risk Plan.

2.59 "YMPE" shall have the meaning assigned by section 18 of the *Canada Pension Plan*, R.S. 1985, c. C-8.

**ARTICLE III
ELIGIBILITY AND PARTICIPATION**

- 3.1 Each Employee who is a member of the CSJ Plan as of the Conversion Date is eligible and shall automatically be a Member of the CSJ Shared Risk Plan.
- 3.2 Each Pre-Conversion Retiree and Other Pre-Conversion CSJ Claimant as of the Conversion Date shall be eligible for benefits under the CSJ Shared Risk Plan in accordance with Section 5.2.
- 3.3 Each Employee who commences Full-time Employment with the Employer on or after the Conversion Date shall be required to join the CSJ Shared Risk Plan on the Employee's first date of employment.
- 3.4 Each Employee who is employed in less than Full-time Employment may become a Member upon completing 24 months of less than Full-time Employment if that Employee has earned not less than 35 per cent of the YMPE in each of the two consecutive calendar years immediately before becoming a Member. Effective January 1, 2014, such Employee must become a Member when the Employee first meets the requirements of this Section 3.4 on January 1, 2014 or any January 1st thereafter.
- 3.5 When an Employee becomes a Member of the CSJ Shared Risk Plan, such Employee may not terminate membership except in accordance with the Pension Benefits Act.
- 3.6 Subject to Section 3.7, an Employee who has benefit entitlements under the CSJ Shared Risk Plan for a prior period of employment will be treated as a new Employee for purposes of eligibility and participation in the CSJ Shared Risk Plan.
- 3.7 Where a Pre-Conversion Retiree or a Member who is receiving a pension subsequently becomes an Employee required to join the CSJ Shared Risk Plan in accordance with Section 3.3 or 3.4:
 - (i) The re-hired Employee shall become an active Member of the CSJ Shared Risk Plan on the date the Member is required to join;
 - (ii) Payment of the pension to the Pre-Conversion Retiree or Member shall be suspended;
 - (iii) The Member shall start to contribute to the CSJ Shared Risk Plan and accrue further Pensionable Service;
 - (iv) Upon subsequent termination of employment the Member's pension that was payable just before the Member re-joined the CSJ Shared Risk Plan shall start again at the same level and under the same form previously elected by the Member (but including any COLA provided under Article VI during the Member's re-employment period); and

- (v) Upon subsequent termination of employment, the pension accrued during the period of re-employment shall be treated in accordance with the rules applicable to regular Members.

**ARTICLE IV
FUNDING**

- 4.1 The Employer, on its own behalf and on behalf of the Employees who are Members of the CSJ Shared Risk Plan, will remit monthly contributions to the Fund as is required by the Board of Trustees from time to time, and within the time limits prescribed under the Pension Benefits Act.
- 4.2 Initially, subject to the Income Tax Act, the contributions required from Employees who are Members of the CSJ Shared Risk Plan shall be:
- (i) 9% of Earnings (except for IAFF and SJPA Employees who are Members of the CSJ Shared Risk Plan and employed in a Public Safety Occupation); and
 - (ii) 12% of Earnings for IAFF and SJPA Employees who are Members of the CSJ Shared Risk Plan and employed in a Public Safety Occupation,
- and thereafter contribution rates of Employees who are Members of the CSJ Shared Risk Plan shall be adjusted as may be required from time to time by the Board of Trustees subject to the triggering mechanism and limitations imposed by the Funding Policy, and as documented in Appendix B.
- 4.3 Initially, the contributions required from the Employer shall be:
- (i) 11.4% of Earnings on behalf of all Employees who are Members of the CSJ Shared Risk Plan (other than IAFF and SJPA Employees who are employed in a Public Safety Occupation); and
 - (ii) 15.2% of Earnings on behalf of IAFF and SJPA Employees who are Members of the CSJ Shared Risk Plan and employed in a Public Safety Occupation,
- and thereafter contribution rates of the Employer shall be adjusted as may be required from time to time by the Board of Trustees subject to the triggering mechanism and limitations imposed by the Funding Policy, and as documented in Appendix B.
- 4.4 IAFF and SJPA Employees who were employed in a Public Safety Occupation before accepting non-unionized positions with the Employer may elect to make the Employee contributions in the amount set out in Section 4.2(ii). For greater certainty, Employees in a Public Safety Occupation who were previously members of a predecessor association to IAFF or SJPA before accepting non-unionized positions with the Employer, are eligible to make the election. Where such Employees make such an election, the Employer shall contribute the amount set out in Section 4.3(ii) on behalf of such Employees. The election by the Employee is irrevocable and must be made within eight (8) months of the Conversion Date, or the date of appointment to a non-union position, if later, and shall be retroactive to that date. Such election shall be made by filing written notice with the Board of Trustees, with a copy to the Employer, in such form as is acceptable to the Board of Trustees.

- 4.5 Commencing April 1, 2013, the Employer shall also be required to make Temporary Contributions of 17% of Earnings of all Employees who are Members of the CSJ Shared Risk Plan that will cease on March 31, 2028 or when the CSJ Shared Risk Plan achieves an open group funded ratio, as defined in the Pension Benefits Act, of 150%, if earlier, provided that such Temporary Contributions shall not cease before March 31, 2023, subject to the Income Tax Act. If the Income Tax Act requires the cessation of the Temporary Contributions prior to March 31, 2023, once such contributions are again permissible under the Income Tax Act, they shall re-commence until an equivalent of 10 years of such Temporary Contributions have been made in total.
- 4.6 The Employer, in its sole discretion, shall be allowed to contribute Temporary Contributions in advance, subject to the Income Tax Act. Such advanced Temporary Contributions shall be credited with the net Fund rate of return, and shall be used to satisfy the Employer requirement to make future Temporary Contributions when they become due, subject to the Pension Benefits Act and the Income Tax Act.
- 4.7 Contribution Holidays will only be permitted if required under the Income Tax Act, will apply to both Employees and the Employer equally and will only be applied in the manner allowed under the Funding Policy; provided that if the Contribution Holidays result in the Employee contributions in a given year being reduced to nil, if further Contribution Holidays in the year are required to comply with the Income Tax Act, the Employer may take further Contribution Holidays.
- 4.8 Subject to the Funding Policy, all reasonable fees and expenses related to the administration of the CSJ Shared Risk Plan and the administration and investment of the Fund may be paid from the Fund, including fees and expenses of the Board of Trustees and their agents.

**ARTICLE V
BASE BENEFITS**

- 5.1 The Base Benefits described in this Article V are the intended benefits under this CSJ Shared Risk Plan. Notwithstanding any other provision of this CSJ Shared Risk Plan, the Funding Policy will allow or require the Board of Trustees to make changes to the Base Benefits and Ancillary Benefits. Such changes may be positive or negative and will affect all classes of Members, Claimants, Pre-Conversion Retirees and Other Pre-Conversion CSJ Claimants under the CSJ Shared Risk Plan. Any changes to benefits made pursuant to the Funding Policy shall be paramount for the time period required under the Funding Policy and may affect the benefits specified in this CSJ Shared Risk Plan. Any such changes shall be documented in Appendix C from time to time.
- 5.2 For Pre-Conversion Retirees and Other Pre-Conversion CSJ Claimants, the Base Benefit shall be the amount of pension paid or payable as at the Conversion Date, as determined under the CSJ Plan (without reference to future COLA adjustments), plus all COLA adjustments as may be granted by the Board of Trustees from time to time in accordance with Article VI and the Funding Policy, as documented in Appendix A, but shall not include potential future COLA adjustments.
- 5.3 A Member's Base Benefit shall be determined as follows:
- (i) With respect to any Pensionable Service of the Member under the CSJ Plan prior the Conversion Date, the amount determined pursuant to Section 5.4; plus
 - (ii) With respect to the Member's Pensionable Service on or after the Conversion Date, the amount determined pursuant to Section 5.5; plus
 - (iii) All COLA adjustments as may be granted by the Board of Trustees from time to time, in accordance with Article VI and the Funding Policy, as documented in Appendix A, but shall not include future COLA adjustments.
- 5.4 Base Benefits of Members prior to the Conversion Date shall be equal to the number of years (and fractions thereof) of the Member's Pensionable Service prior to January 1, 2013 multiplied by 2% of the best 3 consecutive year average salary, as defined in the CSJ Plan at the Conversion Date (provided that only salary prior to the Conversion Date is included in the calculation of the best 3 consecutive year average salary), subject to the maximum amount determined under subsection 27(1) of the CSJ Plan as at the Conversion Date.
- 5.5 Base Benefits on or after the Conversion Date shall accrue where a Member has Pensionable Service each year on or after January 1, 2013 on the following basis:
- (i) 1.8% of the Member's Earnings for the year; provided that the maximum Earnings for the purposes of this calculation is \$120,000 in 2012 (such maximum Earnings shall be indexed every year after 2012 to the rate used to index the YMPE).

- 5.6 For greater certainty, any automatic increases in accrued pensions, deferred pensions, and pension benefits, either by formula or contingent on salary increases, under the CSJ Plan will no longer apply under the CSJ Shared Risk Plan as of the Conversion Date, as allowed under Section 100.52 of the Pension Benefits Act. Instead, future COLA adjustments may be granted by the Board of Trustees from time to time in accordance with Article VI and the Funding Policy, as documented in Appendix A.

**ARTICLE VI
COLA**

- 6.1 COLA is an Ancillary Benefit and shall be provided annually on a conditional basis. For greater certainty, COLA may be nil in a given year or years, as determined by the Board of Trustees in accordance with the Funding Policy.
- 6.2 Each year COLA shall be added to the Base Benefits in respect of past periods for Members, Claimants, Pre-Conversion Retirees and Other Pre-Conversion CSJ Claimants, only if sufficient funds are available in the CSJ Shared Risk Plan to provide such COLA as determined by the Board of Trustees in accordance with the Funding Policy. The Board of Trustees shall determine the amount of COLA to be granted in any given year in accordance with the Funding Policy.
- 6.3 COLA granted in any given year by the Board of Trustees in accordance with the Funding Policy shall be limited to that permitted under the Income Tax Act.
- 6.4 Once COLA is granted to a Member, a Claimant, a Pre-Conversion Retiree or Other Pre-Conversion CSJ Claimant in accordance with this Article VI and the Funding Policy, it will become part of the Base Benefits for such Member, Claimant, Pre-Conversion Retiree or Other Pre-Conversion CSJ Claimant, as the case may be.
- 6.5 COLA granted under the CSJ Shared Risk Plan on and after the Conversion Date shall be documented in Appendix A.

**ARTICLE VII
BENEFITS ON TERMINATION OF EMPLOYMENT**

- 7.1 In the event of a Member's termination of employment, other than through death, prior to the Member's Vesting Date, the Member shall be entitled to a refund of the total amount of the Member's own contributions to the CSJ Shared Risk Plan and the CSJ Plan with Accumulated Interest. The Member may direct that such refund be paid in any of the following ways, or as otherwise permitted from time to time under the Pension Benefits Act and the Income Tax Act:
- (i) Paid as a lump-sum cash refund to the Member;
 - (ii) Transferred to the Member's registered retirement savings plan, if the transfer is permitted under the Income Tax Act; or
 - (iii) Transferred to the Member's registered retirement income fund, if the transfer is permitted under the Income Tax Act.
- 7.2 In the event of a Member's termination of employment, other than through death, after the Member's Vesting Date but before the Member's eligibility for an immediate pension under Article XIII, such Member is entitled to a deferred pension under the terms of this CSJ Shared Risk Plan. In lieu of a deferred pension, the Member is entitled to transfer the Termination Value under Section 7.3 (subject to Section 19.2). The Board of Trustees shall provide the Member on termination of employment with the disclosure of information required under the Pension Benefits Act and an election form pursuant to which the Member may elect the transfer of his or her Termination Value under Section 7.3.
- 7.3 A Member who is entitled to transfer the Termination Value may require the Board of Trustees to direct that the Termination Value be transferred:
- (i) To another pension plan with the consent of the administrator of that pension plan;
 - (ii) To any other prescribed retirement savings arrangement to which such a transfer is permitted under the Pension Benefits Act; or
 - (iii) To purchase a deferred life annuity for the Member from an insurance company licensed to sell annuities in Canada, with the payments under the annuity to commence no earlier than ten years before the Member's Normal Retirement Date or the date of the Member's termination of employment, if later (but no later than the end of the year in which the member attains 71 years of age).

The Member must provide this direction to the Board of Trustees within ninety (90) days after the Member receives notice of his or her rights under Section 7.2. If no such direction is provided within the ninety (90) day period, the Member will be deemed to have elected to not make such a transfer and Section 7.4 shall apply.

- 7.4 Unless otherwise elected by the vested Member under Section 7.3, and subject to Article XIX, such Member's accrued deferred pension under the CSJ Shared Risk Plan shall remain in the CSJ Shared Risk Plan and the Member shall be entitled to a deferred pension under the terms of this CSJ Shared Risk Plan until the Member's pension commencement, death, or marriage or common law partnership breakdown (in circumstances where a payment to the Member's Spouse or former Spouse from the CSJ Shared Risk Plan is required).
- 7.5 Upon the transfer of a Termination Value under Section 7.3 or a refund under Section 7.1, the Member has no entitlement to any further benefits or enhancements from the CSJ Shared Risk Plan or payment from the Fund and ceases to be a Member of the CSJ Shared Risk Plan.
- 7.6 Any Pre-Conversion Deferred Vested Members shall not be entitled to a transfer in accordance with Section 7.3 or any other transfer from the CSJ Shared Risk Plan (subject to Article XIX) and shall remain in the CSJ Shared Risk Plan, entitled to a deferred pension under the terms of this CSJ Shared Risk Plan, until the pension commencement, death, or marriage or common law partnership breakdown (in circumstances where a payment to the Pre-Conversion Deferred Vested Member's Spouse or former Spouse from the CSJ Shared Risk Plan is required) of the Pre-Conversion Deferred Vested Member.
- 7.7 Any Termination Value payable under this CSJ Shared Risk Plan shall be credited with interest at the Fund rate of return for the prior Plan Year (net of administrative expenses paid by the Fund) from the date of the Member's termination of employment, termination of membership, retirement or death, as the case may be, to the date of payment or transfer.

**ARTICLE VIII
DEATH BENEFITS**

- 8.1 Upon the death of a Member who has not attained the Vesting Date, the Member's own contributions to the CSJ Shared Risk Plan and the CSJ Plan with Accumulated Interest shall be paid to the Member's surviving Spouse, or if there is no surviving Spouse, to the Member's Beneficiary.
- 8.2 Upon the death of a Member who has attained the Vesting Date but has not commenced to receive his or her pension, the death benefit payable with respect to the Member's Pensionable Service before the Conversion Date is:
- (i) If the Member had a surviving Spouse, the surviving Spouse of the Member is entitled to an annual pension equal to 60 percent of the annual pension accrued with respect to Pensionable Service before the Conversion Date, or, if higher, in the case of the death of a Member while employed as a result of accident arising out of or in the course of that Member's employment, an annual pension equal to 60 percent of such Member's Earnings at the Member's date of death pro-rated for Pensionable Service before the Conversion Date over the Member's total Pensionable Service at the date of death. Such pension assumed to have been payable to the Member had the Member been at his or her Normal Retirement Date at the time of the Member's death, with such pension payable for the Spouse's lifetime; or
 - (ii) If the Member did not have a surviving Spouse but had a least one dependent child, or after the death of a surviving Spouse who was in receipt of a pension under paragraph 8.2(i), a dependent child's pension is to be paid to the dependent child of the Member (or if there is more than one child to the dependent children in equal shares) equal to the pension that would have been payable to the surviving Spouse under paragraph 8.2(i), if the Member had a surviving Spouse, (or on the death of a surviving Spouse, under paragraph 8.2(i), as the case may be), for the period beginning on the first day of the month following the date of death of the Member (or the first day of the month following the date of death of the surviving Spouse in receipt of a pension under paragraph 8.2(i), as the case may be) and ending on the earlier of (I) the end of the calendar year in which the dependent child attains age 18 (or the day on which the dependent child ceases to be in full-time attendance at an educational institution, but not later than the child's 25th birthday), or (II) the date of death of the dependent child; or
 - (iii) If the Member did not have a surviving Spouse and did not have at least one dependent child, the Trustees may grant to another dependent of the Member a pension not exceeding an amount equal to the amount of the surviving Spouse's pension that could have been paid under paragraph 8.2(i) had the Spouse survived the Member. In this paragraph 8.2(iii), dependent means a parent, grandparent, brother, sister, or grandchild of the Member who is both dependent on the Member for support and is:

- (a) Under 19 years of age and will not attain 19 years of age in the calendar year in which the pension to the dependent becomes payable;
- (b) 19 years or older but under the age of 25 and is in full-time attendance at an educational institution; or
- (c) Dependent on the Member by reason of mental or physical infirmity.

Any amount by which the Member's Termination Value, for the period of Pensionable Service before the Conversion Date, as at the date of death of such Member, exceeds the aggregate of all pension payments made under this Section 8.2 (to the surviving Spouse, the dependent child or children and any other dependents), shall be paid to the children of such Member in equal shares, and if there are no children to the Member's Beneficiary, or if there is no Beneficiary, to the estate of the Member.

- 8.3 Upon the death of a Member who has attained the Vesting Date but has not commenced to receive his or her pension, the death benefit payable with respect to the Member's Pensionable Service on and after the Conversion Date is the Termination Value for such Member calculated as at the Member's date of death. The death benefit is payable in a lump sum to the Member's surviving Spouse at the date of death, or if there is no such surviving Spouse, to the Member's Beneficiary. In the event that the death benefit is payable to the Member's surviving Spouse, such surviving Spouse may direct that such death benefit be transferred to his or her designated Registered Investment Vehicle, as permitted under the Income Tax Act.
- 8.4 Death benefits payable, if any, after a Member's pension commencement date shall be in accordance with Article XII and the elections made by the Member at the time of pension commencement.
- 8.5 Pensions payable to a surviving Spouse under Section 8.2 with respect to Pensionable Service before the Conversion Date shall not exceed the ratio of Pensionable Service before the Conversion Date to Pensionable Service to the Member's date of death, times $66 \frac{2}{3}$ percent of the greater of:
 - (i) The lesser of
 - (a) The annual amount of pension to which the Member would have been entitled at Normal Retirement Date had such Member continued in employment to that date with no change in Earnings, or
 - (b) 150 percent of the YMPE in the year of the Member's death, or
 - (ii) The annual amount of accrued pension to which the Member would have been entitled to if such member had been eligible to retire, without reduction for early retirement, immediately prior to the date of death.

- 8.6 With respect to pre-Conversion Date service, if a Member dies as a result of an accident arising out of or in the course of the Member's employment and leaves a surviving Spouse and a child or children, the dependent child of such Member, or if there is more than one child the dependent children in equal shares, is entitled to an annual pension equal to the excess if any of the amount calculated under Section 8.5 where the number 100 is substituted for the number $66 \frac{2}{3}$, or of 60% of the Member's Earnings at the Member's date of death pro-rated for Pensionable Service before the Conversion Date over the Member's total Pensionable Service at the date of death, whichever is the lesser, over the annual pension payable to the surviving Spouse under Section 8.2(i), for the period beginning on the first day of the month following the date of the Member's death and ending on the earliest of:
- (i) The end of the calendar year in which the dependent child attains age 18;
 - (ii) The day on which the dependent child ceases to be in full-time attendance at an educational institution, but not later than the day the child attains age 25; and
 - (iii) The date of death of the dependent child.

**ARTICLE IX
DISABILITY**

9.1 Disability pensions that were payable under section 15 of the CSJ Plan to persons who had not reached age 65 as of the Conversion Date shall not be paid under the CSJ Shared Risk Plan.

9.2 Each person whose disability pension was ceased as of the Conversion Date in accordance with Section 9.1 shall be entitled to start to receive a pension from the CSJ Shared Risk Plan from the first day of the month coincident with or next following his or her 65th birthday (including any survivor pension payable after the person's death after age 65 in accordance with the terms of the CSJ Plan as it existed at the Conversion Date and any election made by the individual at the time the disability pension started to be paid from the CSJ Plan). The amount of the annual pension for pre-Conversion Date service shall be calculated using the Member's Pensionable Service under the CSJ Plan before the individual became Totally and Permanently Disabled, plus additional deemed Pensionable Service from the date the individual became Totally and Permanently Disabled to the Conversion Date (subject to a maximum of 30 years), times 2.0% times the individual's best 3 consecutive year average deemed salary at the Conversion Date with such deemed salary being the salary earned by other Employees covered under the classification, or its equivalent, in which such individual was covered before he or she became Totally and Permanently Disabled, subject to limits on such deemed salary imposed under the Income Tax Act. The amount of the pension for post-Conversion Date service shall be calculated using 1.8% of deemed Earnings for each year (subject to a total of 30 years of Pensionable Service) that the person is Totally and Permanently Disabled from the Conversion Date to attainment of age 65, with such deemed Earnings being the Earnings earned by other Employees covered under the classification, or its equivalent, in which such individual was covered before he or she became Totally and Permanently Disabled, subject to limits on such deemed Earnings imposed under the Income Tax Act; provided that the total pension payable at age 65 shall not be less than it would have been under the CSJ Plan; provided further that (and despite the foregoing) under no circumstances shall the total pension exceed the maximum pension under subsection 27(1) of the CSJ Plan, as it existed at the Conversion Date.

With respect to each person whose disability pension ceased as of the Conversion Date in accordance with Section 9.1, and who subsequently died between the Conversion Date and the date he or she would have reached age 65, the CSJ Shared Risk Plan shall pay any survivor pension that would have been provided under the CSJ Plan and in accordance with the election made by the individual at the time the disability pension started to be paid from the CSJ Plan, from the first day of the month coincident with or next following when the person would have reached his or her 65th birthday.

9.3 Members who commence to receive long term disability benefits under a group insurance plan provided by the Employer or who become Totally and Permanently Disabled on or after the Conversion Date shall continue to accrue Pensionable Service under the CSJ Shared Risk Plan from the date they commence to receive long term disability benefits

under a group insurance plan provided by the Employer (or become Totally and Permanently Disabled) until the earlier of (subject to the Income Tax Act):

- (i) Attaining age 65; or
- (ii) The date the Member ceases to receive long term disability benefits under a group insurance plan provided by the Employer or ceases to be Totally and Permanently Disabled.

The Member's Base Benefit for Pensionable Service accrued under Section 9.3 is calculated in accordance with Section 5.5. The deemed Earnings used in the calculation of such benefit is equal to the Earnings from time to time earned by other Employees covered under the classification or its equivalent in which such Member was covered immediately prior to the date when he or she started to receive long term disability benefits under a group insurance plan provided by the Employer (or became Totally and Permanently Disabled, if earlier), subject to limits on such deemed Earnings imposed under the Income Tax Act.

- 9.4 A Member who is in receipt of long term disability benefits under a group insurance plan provided by the Employer or Totally and Permanently Disabled and continues to accrue Pensionable Service under the CSJ Shared Risk Plan under Section 9.3 shall not be required to make Employee contributions to the CSJ Shared Risk Plan during the time period that he or she is accruing Pensionable Service pursuant to Section 9.3. For greater certainty, the Employer shall not be required to make Employer contributions in respect of such Member to the CSJ Shared Risk Plan during such time period.

**ARTICLE X
DESIGNATION OF A BENEFICIARY**

- 10.1 Subject to the provisions of any applicable laws or regulations in effect from time to time, by written notice to the Board of Trustees a Member may designate a Beneficiary or Beneficiaries to receive any benefit that may be payable to a Beneficiary or Beneficiaries under the terms of the CSJ Shared Risk Plan on the Member's death, and by similar written notice may alter or revoke such designation.
- 10.2 If, on the death of a Member, there is no designated Beneficiary or the Beneficiary has predeceased the Member, any death benefits that are payable under the terms of the CSJ Shared Risk Plan shall be paid to the Member's estate.

**ARTICLE XI
NORMAL RETIREMENT**

- 11.1 For the purposes of the CSJ Shared Risk Plan the Normal Retirement Date of a Member, is the Member's sixty-fifth (65th) birthday.
- 11.2 A Member who terminates employment before his or her Normal Retirement Date and after the Member's Vesting Date, can elect to commence the Member's pension calculated in accordance with Article V (and Article IX, if applicable), including any COLA provided under Article VI before pension commencement, on the Member's Normal Retirement Date, and shall receive the Normal Form Pension described in Section 12.1, automatic form under Section 12.2 or such optional form of pension as the Member may elect in accordance with the provisions of Section 12.4.

**ARTICLE XII
FORMS OF PENSION BENEFITS**

- 12.1 Subject to Section 12.2, the Normal Form Pension benefit payable to a Member upon his or her Early Retirement Date, Normal Retirement Date or Postponed Retirement Date, as applicable, is a life pension, with a guarantee that the aggregate of the payments made will never be less than the Member's own contributions with Accumulated Interest to the date of pension commencement.
- 12.2 For a Member who has a Spouse on the date on which pension payments commence, and the Spouse has not waived his or her right to a survivor pension in accordance with Section 12.3, the automatic form of pension is a joint and survivor pension that is payable in equal monthly instalments for the life of the Member and payable after the Member's death to such Spouse for his or her life in equal monthly instalments equal to 60% of the amount paid to the Member at the time of death (for greater certainty, a Member may elect an optional form under Section 12.4, provided that a written waiver of the Member's Spouse is obtained where required), with a guarantee that the aggregate of the payments made to the Member and the Spouse will never be less than the Member's own contributions with Accumulated Interest to the date of pension commencement. For greater certainty, the joint and survivor pension under this Section 12.2 is not provided on an Actuarial Equivalent basis to the Normal Form Pension under Section 12.1.
- 12.3 A Member who has a Spouse may elect a Normal Form Pension described in Section 12.1 or an optional form described in Section 12.4 that provides a survivor benefit of less than 60% to the Spouse, or no survivor benefit at all, if:
- (i) The Member delivers to the Board of Trustees, within the 12-month period immediately preceding the date upon which payment of the pension is to commence the written waiver of the Member's Spouse in the form prescribed under the Pension Benefits Act; and
 - (ii) This waiver is not revoked prior to the commencement of the pension.
- 12.4 In lieu of the Normal Form Pension payable under Section 12.1 or, the automatic form of pension under Section 12.2, as applicable, and subject to the restriction under Section 12.3, a Member may elect, before pension commencement, to receive his or her pension benefit in one of the following optional forms of pension. The pension payable under an optional form to a Member without a Spouse, or for which a spousal waiver is required under Section 12.3 shall be the Actuarial Equivalent of the pension otherwise payable to the Member under Section 12.1. The pension payable under an optional form to a Member with a Spouse for which a spousal waiver is not required under Section 12.3 shall be the Actuarial Equivalent of the pension otherwise payable to the Member under Section 12.2.

- (i) **Joint and Last Survivor Pension – 100%** – Under this optional form of pension, payments are made to the Member during the Member's lifetime and, if the Member predeceases the Member's Spouse at the date of pension commencement, payments are continued to such Spouse for his or her life in equal monthly instalments equal to 100% of the amount paid to the Member at the time of death.
 - (ii) **Other Optional Forms as determined by the Trustees** – Such other optional forms of pension as are determined from time to time by the Board of Trustees, and which comply with the Pension Benefits Act and the Income Tax Act.
- 12.5 Sections 12.1, 12.2, 12.3 and 12.4 apply to a Member whose pension commencement date is on or after the Conversion Date and all Other Pre-Conversion CSJ Claimants who had not started their pension at the Conversion Date. For Pre-Conversion Retirees and Other Pre-Conversion CSJ Claimants in receipt of a pension at the Conversion Date, the provisions applicable to the form of payment of such pensions under the CSJ Plan at the Conversion Date continue to apply under the CSJ Shared Risk Plan.

**ARTICLE XIII
EARLY RETIREMENT**

13.1 A Member may elect to start to receive his or her pension at any time after the Member's termination of employment, after having attained the Vesting Date, and:

- (i) For a Member who was enrolled in the CSJ Plan before the Conversion Date, when the total of the Member's age and Pensionable Service equals at least 85 (taking into account Pensionable Service under both the CSJ Plan and the CSJ Shared Risk Plan) ("85 Points"), or, if earlier, having attained age 55 (for greater certainty, a Member may attain 85 Points prior to age 55); and
- (ii) For a Member enrolled in the CSJ Shared Risk Plan on or after the Conversion Date, having attained age 55.

Such date shall be the Member's Early Retirement Date.

The Member must elect to start to receive both the portion of his or her pension accrued before and after the Conversion Date, if applicable, on the Member's Early Retirement Date.

13.2 With respect to the portion of the Member's Base Benefit accrued before the Conversion Date, the Base Benefit shall not be reduced if the Member had reached 85 Points at his or her date of termination of employment (for greater certainty, a Member may attain 85 Points prior to age 55), otherwise, the Base Benefit shall be permanently reduced by 5% per year (or parts thereof) between the pension commencement date and

- (i) If the Member was not age 55 at his or her date of termination of employment, the Member's age 65; or
- (ii) If the Member was age 55 or older at his or her date of termination of employment, the date the Member would have reached 85 Points had the Member continued in employment after the Member's termination of employment and pension commencement date, or age 65, if earlier.

13.3 With respect to the portion of the Member's Base Benefit accrued on and after the Conversion Date, the Base Benefit shall be permanently reduced by 6% per year (or parts thereof) between the pension commencement date and the date the Member will reach age 65 (or age 60 for the portion of the Base Benefit accrued while a Member is an IAFF or SJPA member employed in a Public Safety Occupation or while a Member elected to contribute pursuant to Section 4.4).

13.4 Upon his or her Early Retirement Date, a Member's pension is calculated in accordance with Article V including any COLA provided under Article VI before pension commencement, and reduced in accordance with Sections 13.2 and 13.3, as applicable, and the Member shall receive the Normal Form Pension described in Section 12.1, automatic form under Section 12.2 or such optional form of pension as the Member may elect under Section 12.4.

- 13.5 Other Pre-Conversion CSJ Claimants who had not started their pension at the Conversion Date but were eligible for a deferred pension and had terminated employment before being eligible to receive an immediate pension under the CSJ Plan, may elect to start to receive their pension at any time after the attainment of age 55, with their Base Benefit being permanently reduced by 5% per year (or parts thereof) between their pension commencement date and the date they will reach age 65
- 13.6 Other Pre-Conversion CSJ Claimants who had not started their pension at the Conversion Date but were eligible for an immediate pension upon their termination of employment, may elect to start to receive their pension at any time on or after the Conversion Date, with their Base Benefit being permanently reduced by 5% per year (or parts thereof) between the pension commencement date and the date the Member would have reached 85 Points had the Member continued in employment, or age 65, if earlier.

**ARTICLE XIV
POSTPONED RETIREMENT**

- 14.1 In the event that a Member continues in employment beyond the Member's Normal Retirement Date, contributions to the Fund by the Member, and in respect of the Member by the Employer, shall continue, and Pensionable Service shall continue to accrue under the CSJ Shared Risk Plan in accordance with Section 5.5, until such time as the Member reaches his or her Postponed Retirement Date under Section 14.2.
- 14.2 In the event that a Member continues in employment beyond the Member's Normal Retirement Date, the Member shall start his or her pension upon his or her termination of employment, but in no event shall the pension commencement date of a Member be postponed beyond the end of the year in which the Member attains age 71, or such other age as may be permitted from time to time pursuant to the Income Tax Act. Such later pension commencement date shall be the Member's Postponed Retirement Date.
- 14.3 Upon his or her Postponed Retirement Date, a Member's pension is calculated in accordance with Article V, including any COLA provided under Article VI before the Member's pension commencement and the Member shall receive the Normal Form Pension described in Section 12.1, automatic form under Section 12.2 or such optional form of pension as the Member may elect under Section 12.4.

**ARTICLE XV
ADMINISTRATION**

- 15.1 Effective February 1, 2013, a Board of Trustees constituted in accordance with this Article XV was established by Declaration of Trust and such Board of Trustees is the Administrator of the CSJ Shared Risk Plan.
- 15.2 Prior to the Board of Trustees being established, the CSJ Plan board of trustees (the "Pension Board") assumed the responsibility of the Board of Trustees from the Conversion Date. Once the newly constituted Board of Trustees was established in accordance with the Memorandum of Understanding and Declaration of Trust, the Pension Board ceased to act as trustees of the CSJ Shared Risk Plan.
- 15.3 The Board of Trustees shall consist of eight (8) members. IAFF, SJPA, CUPE 18 and CUPE 486 shall each appoint one (1) Trustee to the Board of Trustees. The Common Council shall appoint the remaining four (4) Trustees.
- 15.4 At the first meeting of the Board of Trustees, the Board of Trustees shall unanimously select a person (which, for greater certainty, may include an office, corporation, partnership or limited liability partnership) who shall be called upon to cast the deciding vote in the event that the Board of Trustees is deadlocked. Such person shall not be a member of the Board of Trustees. The Board of Trustees may, from time to time, unanimously determine to change the person who shall be called upon to cast the deciding vote in the event that the Board of Trustees is deadlocked; provided that at all times there must be such a person selected by the Board of Trustees.
- 15.5 The Board of Trustees shall have all the powers, duties and responsibilities set forth in the Declaration of Trust and under the Pension Benefits Act and the Income Tax Act. Without limiting the generality of the foregoing, the Board of Trustees shall be responsible for:
- (i) All measurements and reporting required by the Pension Benefits Act, including annual funding policy actuarial valuations and stochastic modelling of the assets and the liabilities of the CSJ Shared Risk Plan;
 - (ii) Establishing the Investment Policy (which is subject to annual review by the Board of Trustees);
 - (iii) Administering and investing the CSJ Shared Risk Plan and Fund in accordance with the Pension Benefits Act, Income Tax Act, this CSJ Shared Risk Plan text and the Funding Policy; and
 - (iv) All other requirements of an administrator under the Pension Benefits Act.
- 15.6 The Board of Trustees may enact rules and regulations relating to the administration and investment of the CSJ Shared Risk Plan and Fund to carry out the terms hereof and may amend such rules and regulations from time to time. Such rules and regulations shall not

conflict with any provision of this CSJ Shared Risk Plan, the Declaration of Trust, the Funding Policy, the Pension Benefits Act or the Income Tax Act.

- 15.7 The Board of Trustees may appoint one or more agents to carry out any act or transaction required for the administration and management of the CSJ Shared Risk Plan and Fund or may retain advisors. Every agent appointed by the Board of Trustees shall report to and be subject to the direction and continuing supervision of the Board of Trustees.
- 15.8 The Board of Trustees shall be entitled to rely upon all statements and reports furnished by an actuary, an accountant, an appraiser, a lawyer or other professional advisor retained by the Board of Trustees.
- 15.9 Wherever the records of the Employer are used for the purposes of the CSJ Shared Risk Plan, such records shall be conclusive of the facts with which they are concerned.
- 15.10 In the absence of actual notice to the contrary, the Board of Trustees shall make payment in accordance with information provided by the Member. If there is a dispute as to whether a person is a Spouse, child, dependent, Beneficiary or other person entitled to payments hereunder, or where two or more persons make adverse claims in respect of a benefit, or where a person makes a claim that is inconsistent with information provided by the Member, the Board of Trustees may obtain court directions and the costs thereof may be paid from the Fund in accordance with Section 18.2(iv), or may, in the discretion of the Board of Trustees, be charged to the person entitled to the benefit to be paid.
- 15.11 Every Employee shall furnish to the Board of Trustees, when required to do so, proof of age satisfactory to the Board of Trustees.
- 15.12 The duties of the Employer with respect to the administration of the CSJ Shared Risk Plan shall be as follows:
 - (i) To provide to the Board of Trustees in the form prescribed by the Trustees complete up-to-date information on all matters relating to age, service, eligibility or remuneration of Members, their retirement, death or termination of employment, and all other pertinent facts or information which the Board of Trustees may require for the operation and administration of the CSJ Shared Risk Plan; and
 - (ii) Where reasonably requested by the Board of Trustees, to communicate details of the CSJ Shared Risk Plan to Members, to inform Employees regarding eligibility requirements for participation in the CSJ Shared Risk Plan, and to assist with the distribution and collection of the prescribed enrollment form for eligible Employees who are required to join the CSJ Shared Risk Plan.

**ARTICLE XVI
DISCLOSURE**

- 16.1 Within the period prescribed by the Pension Benefits Act, the Board of Trustees shall provide to each Employee who becomes eligible for membership in the CSJ Shared Risk Plan (including, for greater certainty, those Members who became eligible as a result of the conversion of the CSJ Plan), a written description of the CSJ Shared Risk Plan. Such description shall explain the terms and conditions of the plan applicable to the Employee and the rights and obligations of the Employee in respect of the plan. Such description shall include disclosure of the fact that the CSJ Shared Risk Plan is a Shared Risk Plan for the purposes of the Pension Benefits Act. In addition, the disclosure will set out the purposes and characteristics of a Shared Risk Plan in accordance with the Pension Benefits Act.
- 16.2 Within the period required under the Pension Benefits Act, the Board of Trustees shall provide a written explanation of an amendment to each Employee affected by the amendment.
- 16.3 The Board of Trustees shall permit a Member, or such person as is required to be permitted under the Pension Benefits Act, to inspect, to make extracts from or to copy the CSJ Shared Risk Plan text and any other related documents required to be made available under the Pension Benefits Act at such time and places as may be required under the Pension Benefits Act.
- 16.4 To the extent required under the Pension Benefits Act, the Board of Trustees shall provide, on request, a Member, or such person as is required to be permitted under the Pension Benefits Act, with copies of any of the documents required to be made available under the Pension Benefits Act upon payment to the Board of Trustees of a reasonable fee.
- 16.5 Within the period prescribed under the Pension Benefits Act, the Board of Trustees shall provide each Member a written statement describing the benefits the Member has earned to date and such other information as required under the Pension Benefits Act.
- 16.6 Upon cessation of employment of a Member or upon termination of the Member's active membership in the CSJ Shared Risk Plan, the Board of Trustees shall provide to the Member (or person entitled to benefits in the event of the Member's death) within the period prescribed under the Pension Benefits Act, a written statement containing the information prescribed under the Pension Benefits Act in respect of the benefits and options to which the Member or other person is entitled.
- 16.7 Within 12 months after the review date of each funding policy actuarial valuation report prepared for the CSJ Shared Risk Plan, the Board of Trustees shall provide the Employer, the Members and the Unions a report containing the following information, in addition to any other information as may be required under the Pension Benefits Act from time to time:

- (i) The open group funded ratio and the termination value funded ratio of the CSJ Shared Risk Plan;
 - (ii) The investment performance of the Fund;
 - (iii) The funding policy liabilities;
 - (iv) The results of the testing performed using the asset liability model, including the probabilities associated with the risk management goals;
 - (v) The Board of Trustees' assessment of the need to reduce benefits or the opportunity to increase benefits, including a description of the risk factors affecting the plan;
 - (vi) A summary of the Funding Policy; and
 - (vii) A description of how Member benefits would be calculated if the CSJ Shared Risk Plan were terminated.
- 16.8 The Board of Trustees shall provide such other information regarding the CSJ Shared Risk Plan, statistical or otherwise, as is required under the Pension Benefits Act and the Income Tax Act.
- 16.9 Such explanation, statement or right of disclosure of the CSJ Shared Risk Plan text and other documents provided shall have no effect on the rights or obligations of any person under the CSJ Shared Risk Plan, and shall not be referred to in interpreting or giving effect to the provisions of the CSJ Shared Risk Plan. None of the Board of Trustees, the Employer, the Unions, nor any agent thereof, shall be liable for any loss or damage claimed by any person to have been caused by any error or omission in such explanation, statement or other information.

ARTICLE XVII
INVESTMENT POLICY AND RISK MANAGEMENT FRAMEWORK

- 17.1 The Board of Trustees shall establish the Investment Policy.
- 17.2 The following considerations apply to the establishment of the Investment Policy:
- (i) The purpose of the Investment Policy is to ensure that the desired security for the Base Benefits and the Ancillary Benefits is achieved;
 - (ii) Sophisticated stochastic financial and economic models that meet stringent statistical reliability criteria must be used to set investment allocations, including target investment durations, from time to time; and
 - (iii) The Investment Policy must reflect relevant factors including the maturity of the CSJ Shared Risk Plan, the expected contributions into the CSJ Shared Risk Plan, the expected benefits payable from the CSJ Shared Risk Plan, the Funding Policy and the CSJ Shared Risk Plan's current funded status.
- 17.3 The Board of Trustees shall review, and amend as required, the Investment Policy at least once per year. With respect to each such review, the Board of Trustees shall ensure that the considerations under Section 17.2 are applied.
- 17.4 The Board of Trustees shall establish a Risk Management Framework for the CSJ Shared Risk Plan. Such Risk Management Framework shall:
- (i) Establish the risk management goals and procedures of the CSJ Shared Risk Plan; and
 - (ii) Contain the requirements set out in the Pension Benefits Act.
- 17.5 The Board of Trustees shall review, and amend as required, the Risk Management Framework at least once per year. With respect to each such review, the Board of Trustees shall ensure that the considerations under Section 17.4 are applied.
- 17.6 In the administration and investment of the CSJ Shared Risk Plan, the Board of Trustees shall adhere to the Investment Policy and the Risk Management Framework.

**ARTICLE XVIII
FUNDING POLICY**

- 18.1 The Parties shall establish, and the Board of Trustees shall adopt, a Funding Policy in accordance with the Parameters.
- 18.2 The Funding Policy shall at a minimum contain:
- (i) A clear statement of the funding goals, which shall meet or exceed the minimum set out in the Pension Benefits Act;
 - (ii) A description of the cost sharing between the Employees and Employer;
 - (iii) A description of the required contributions and what changes to contributions shall be allowed, or required, under various conditions;
 - (iv) A clear statement as to responsibility for plan expenses for the CSJ Shared Risk Plan, which shall provide that all expenses are to be paid by the CSJ Shared Risk Plan unless otherwise agreed;
 - (v) A deficit recovery plan that shall contain both the priority order and the level of changes allowed. The deficit recovery plan shall be such that reduction of Base Benefits would occur as a last step in the deficit recovery plan in accordance with the Pension Benefits Act;
 - (vi) A funding excess utilization plan in accordance with the Parameters and the Pension Benefits Act;
 - (vii) A description of the financial measurement basis adopted by the CSJ Shared Risk Plan; and
 - (viii) Any other requirements prescribed under the Pension Benefits Act.
- 18.3 The Board of Trustees shall review, and amend as required, the Funding Policy at least once per year, in accordance with the Funding Policy and the Pension Benefits Act.
- 18.4 In the administration of the CSJ Shared Risk Plan, the Board of Trustees shall adhere to the Funding Policy.

**ARTICLE XIX
ASSIGNMENT AND COMMUTATION OF BENEFITS**

- 19.1 Upon a Member's termination of employment after having attained the Vesting Date and where the amount of the annual accrued pension or deferred pension payable to such Member is less than 10% of the YMPE in the calendar year of termination of employment, or such other amount prescribed under the Pension Benefits Act from time to time, the Board of Trustees may require the Member to transfer his or her Termination Value in accordance with Section 7.3.
- 19.2 Upon a Member's termination of employment after having attained the Vesting Date, the Member may elect to receive a lump-sum payment equal to the Member's Termination Value if the adjusted Termination Value payable, determined in accordance with subsection 34(2) of the Pension Benefits Act, is less than forty per cent of the YMPE for the calendar year in which the Member terminated employment, or such other amount prescribed under the Pension Benefits Act from time to time, provided that if the Member has a Spouse, the Member has provided the Board of Trustees with a written waiver of the Member's Spouse in the form prescribed under the Pension Benefits Act.
- 19.3 Subject to approval of the Board of Trustees, and based on conditions that the Board of Trustees may establish from time to time, and subject to the Pension Benefits Act, a Member who has attained his or her Vesting Date at his or her termination of employment may elect before becoming eligible for an immediate pension, and in lieu of the deferred pension payable hereunder to receive a lump-sum payment equal to the Member's Termination Value if:
- (i) The Member establishes to the satisfaction of the Board of Trustees, by a written statement from a duly qualified medical practitioner acceptable to the Board of Trustees, that the Member suffers from a significant physical or mental disability that considerably reduces life expectancy; or
 - (ii) The Member and his or her Spouse are not resident in Canada for purposes of the Income Tax Act, are not Canadian citizens and have provided a waiver to the Board of Trustees in the form prescribed under the Pension Benefits Act.
- 19.4 Upon the transfer of a Termination Value in accordance with Section 19.1, 19.2 or 19.3, the Member has no entitlement to any further benefits from the CSJ Shared Risk Plan or payment from the Fund and ceases to be a Member of the CSJ Shared Risk Plan.
- 19.5 In no other event is a Member entitled to receive a lump-sum benefit in lieu of a pension, except that the benefits of a Member may be divided between the Member and the Member's Spouse or former Spouse in accordance with the provisions of the Pension Benefits Act and the Income Tax Act pursuant to:

- (i) A decree, order or judgment of a court of competent jurisdiction; or
- (ii) A written agreement in settlement of rights arising as a consequence of the breakdown of marriage or other conjugal relationships between the Member and the Member's Spouse or former Spouse.

**ARTICLE XX
MAXIMUM PENSION**

20.1 Notwithstanding any provision to the contrary in this CSJ Shared Risk Plan, the annual lifetime pension payable to any Member under this CSJ Shared Risk Plan, determined at the time of pension commencement, including any benefit payable to a Member's Spouse as a result of a marital breakdown, shall not exceed the Member's Pensionable Service multiplied by the lesser of:

- (i) \$2,696.67 (for pension commencement dates in 2013) or such greater amount permitted under the Income Tax Act; and
- (ii) 2% of the Member's highest average indexed compensation (as defined under the Income Tax Act) in any 4 non over-lapping periods of 12 months,

reduced, if the pension commencement date precedes the earlier of the day on which:
- (iii) The Member attains age 60;
- (iv) The Member's age plus early retirement eligibility service (as defined in the Income Tax Act) would have equalled 80; and
- (v) The Member would have completed 30 years of early retirement eligibility service (as defined in the Income Tax Act) with the Employer,

by $\frac{1}{4}$ of 1% for each month by which the pension commencement date precedes such date assuming the Member had continued in employment to that date.

Subsequent to a Member's pension commencement, the maximum annual lifetime pension determined above shall be indexed annually according to increases in the Consumer Price Index for Canada as published by Statistics Canada or its successor, over the 12-month period ending October of the immediately preceding Plan Year. For greater certainty, such indexation calculation is solely for the purposes of determining the maximum pension under this Article XX.

**ARTICLE XXI
AMENDMENT OR DISCONTINUANCE OF THE PLAN**

- 21.1 Subject to Section 21.2, the CSJ Shared Risk Plan may be amended by the Board of Trustees from time to time.
- 21.2 Amendments to the CSJ Shared Risk Plan related to the following, or which may affect any of the following, may only be made by the Employer and Unions:
- (i) Composition of the Board of Trustees; and
 - (ii) The parameters set out in Schedule "A" to the Funding Policy that are prohibited to be amended by the Board of Trustees under the Funding Policy (subject to amendments required to comply with a law or regulation as set out in the Funding Policy).
- 21.3 The Employer and the Unions hope and expect to continue the CSJ Shared Risk Plan indefinitely. However, if unforeseen circumstances beyond the control of the Employer and the Unions result in the discontinuance of the CSJ Shared Risk Plan, the assets of the Fund shall be used to provide benefits for Members, Pre-Conversion Retirees, other Claimants and their Beneficiaries in accordance with the relevant provisions of the CSJ Shared Risk Plan and the Pension Benefits Act.
- 21.4 In the event of the termination of the CSJ Shared Risk Plan, all Members shall be deemed to be vested in their accrued benefits for all purposes, whether or not such Members have attained the Vesting Date.
- 21.5 Upon discontinuance of the CSJ Shared Risk Plan, in whole or in part, any assets of the Fund shall first be used to discharge all liabilities under the CSJ Shared Risk Plan for the accrued Base Benefits of the affected Members, Pre-Conversion Retirees and other Claimants in accordance with the Pension Benefits Act and the Funding Policy. If upon discontinuance of the CSJ Shared Risk Plan the assets of the Fund are insufficient to discharge all liabilities under the plan for the accrued Base Benefits of the affected Members, Pre-Conversion Retirees and other Claimants, such Base Benefits shall be reduced in accordance with the Pension Benefits Act and the Funding Policy. If there are additional assets, these may be used to provide Ancillary Benefits in accordance with the Funding Policy. If there are surplus assets remaining after the discharge of liabilities for the accrued Base Benefits and any Ancillary Benefits, such assets shall be distributed to the Members, Pre-Conversion Retirees and other Claimants, in accordance with Funding Policy and the Pension Benefits Act.

**ARTICLE XXII
CONVERSION DETAILS**

- 22.1 The CSJ Shared Risk Plan will be effective from and after the Conversion Date. All conversion benefit calculations will be made as of that date without regard to any administrative changes required to effect the conversion.
- 22.2 Benefits accrued under the CSJ Plan shall be converted effective the Conversion Date in accordance with the provisions hereof and the Pension Benefits Act.
- 22.3 Effective as of the Conversion Date, no person who has any entitlement under the terms of the CSJ Shared Risk Plan shall have any entitlement or claim under or with respect to the CSJ Plan.
- 22.4 The CSJ Shared Risk Plan is subject to the Pension Benefits Act and the Income Tax Act.
- 22.5 Other than as required to convert the CSJ Plan to the CSJ Shared Risk Plan or pursuant to the Pension Benefits Act, the conversion of the CSJ Plan to the CSJ Shared Risk Plan does not affect the terms and conditions of employment established through the collective bargaining process negotiated from time to time between the Unions and the Employer.

**ARTICLE XXIII
PURCHASES OF SERVICE AND RECIPROCAL AGREEMENTS**

- 23.1 Prior to the Conversion Date, Members of the CSJ Plan could purchase service (including past service, refunded service, service in respect of periods of leaves of absence or other leaves) under the terms of the CSJ Plan. On and after the Conversion Date, purchases of service (including purchases of past service, refunded service and service in respect of leaves of absence or other leaves) have been suspended.
- 23.2 The Board of Trustees shall have the power to determine rules regarding purchases of service under the CSJ Shared Risk Plan, which rules must be based on the principles underlying the CSJ Shared Risk Plan. Initial rules regarding purchases of service must be adopted by the Board of Trustees by no later than one year from the Conversion Date.
- 23.3 The Board of Trustees may, in its discretion, from time to time, enter into reciprocal agreements with the sponsors of other pension plans. Such agreements may provide for the transfer of funds in respect of a Member who transfers from one pension plan to the other and may also provide for the transfer of some or all, of the Member's Pensionable Service.

**ARTICLE XXIV
ADDITIONAL VOLUNTARY CONTRIBUTIONS**

- 24.1 Members may make Additional Voluntary Contributions to the Fund, subject to the limitations prescribed by the Income Tax Act, pursuant to such guidelines and policies as the Board of Trustees may establish from time to time.
- 24.2 Upon the written request of a Member, Pre-Conversion Deferred Vested Member or Pre-Conversion Retiree the Board of Trustees shall accept a Lump Sum Voluntary Transfer to the Fund from another pension plan or fund or any other transfer otherwise permitted in accordance with the Income Tax Act, pursuant to such guidelines and policies as the Board of Trustees may establish from time to time.
- 24.3 The Board of Trustees shall not accept Additional Voluntary Contributions or Lump Sum Voluntary Transfers if the contribution or transfer does not meet the requirements of the Pension Benefits Act and the Income Tax Act, as applicable.
- 24.4 The Employer shall not contribute to the Fund any amount in respect of a Member's Additional Voluntary Contributions.
- 24.5 All Additional Voluntary Contributions deposited to the Fund shall be held to the credit of the Member, Pre-Conversion Deferred Vested Member or Pre-Conversion Retiree and credited with such rate of return of the Fund (net of the administrative expenses paid by the Fund), whether positive or negative for the Plan Year.
- 24.6 Additional Voluntary Contributions that have been deposited to the Fund in accordance with Sections 24.1 and 24.2 and credited with the rate of return in Section 24.5 may be,
- (i) Withdrawn by a Member, Pre-Conversion Deferred Vested Member or Pre-Conversion Retiree;
 - (ii) Refunded to a Member, Pre-Conversion Deferred Vested Member or Pre-Conversion Retiree; or
 - (iii) Transferred to a registered pension plan (including, for greater certainty, payments and purchases under this CSJ Shared Risk Plan), a retirement savings arrangement or a provider of an annuity,
- as permitted or required under the Pension Benefits Act and in accordance with the Income Tax Act, as applicable, and subject to any applicable locking-in legislation.
- 24.7 All Additional Voluntary Contributions that have been deposited to the Fund in accordance with Sections 24.1 and 24.2 and credited with the rate of return in Section 24.5 shall be withdrawn, refunded or transferred from the Fund in accordance with Section 24.6 from the earlier date on which a Member, Pre-Conversion Deferred Vested Member or Pre-Conversion Retiree, as the case may be:

- (i) receives a lump sum amount under Section 19.2, a refund of contributions under Section 7.1 or a lump sum payment under Section 19.1 or 19.3;
 - (ii) elects to transfer his or her entitlement under Section 7.3; or
 - (iii) The end of the year in which the Member, Pre-Conversion Deferred Vested member of Pre-Conversion Retiree attains age 71 or at such other time as prescribed under the Income Tax Act.
- 24.8 On the death of a Member, Pre-Conversion Deferred Vested Member or Pre-Conversion Retiree before all Additional Voluntary Contributions that have been deposited to the Fund have been withdrawn, refunded or transferred, the balance of Additional Voluntary Contributions shall be refunded to,
- (i) The surviving Spouse, if any; or
 - (ii) If there is no surviving Spouse, the Beneficiary; or
 - (iii) If there is no surviving Spouse or Beneficiary, the Member's estate, the Pre-Conversion Deferred Vested Member's estate or the Pre-Conversion Retiree's estate, as the case may be.
- 24.9 Any Additional Voluntary Contributions received by the CSJ Shared Risk Plan are subject to any applicable locking-in legislation.

**ARTICLE XXV
MISCELLANEOUS**

- 25.1 Except as specified in Section 19.5, money payable under the CSJ Shared Risk Plan is subject to the following restrictions:
- (i) Any transactions that purports to assign, charge, anticipate, surrender, or give as security any right to a person under the CSJ Shared Risk Plan or money payable under the plan shall not be enforceable against the CSJ Shared Risk Plan; and
 - (ii) Money payable under the CSJ Shared Risk Plan is exempt from execution, seizure or attachment.
- 25.2 If the Board of Trustees receives notice that any person entitled to receive benefits under the CSJ Shared Risk Plan is physically or mentally incapable of managing his or her affairs, the Board of Trustees may instruct the person responsible for the payment of benefits to pay the benefits for such Member to the legally appointed representative or power of attorney of the intended recipient and such payment shall act as a full discharge thereof to the Board of Trustees and the CSJ Shared Risk Plan.
- 25.3 If any provision of the CSJ Shared Risk Plan is held to be invalid or unenforceable by a court of competent jurisdiction, its invalidity or unenforceability shall not affect any other provision of the CSJ Shared Risk Plan and the plan shall be construed and enforced as if such provision had not been included therein.
- 25.4 Any determination made by the Board of Trustees with regard to any question of construction or interpretation arising under or in connection with the CSJ Shared Risk Plan, Declaration of Trust and Funding Policy shall be binding and conclusive on all persons affected thereby.
- 25.5 Participation in the CSJ Shared Risk Plan shall not enlarge nor diminish nor establish any rights to employment with the Employer or applicable Union which the Member did or did not formerly possess as an Employee of the Employer or applicable Union.
- 25.6 For greater certainty, to the extent that the CSJ Plan was providing a pension to certain individuals under the terms of *An Act Respecting The Saint John Firefighters' Association* as at the Conversion Date, the CSJ Shared Risk Plan and Fund shall continue to provide such pension to such individuals, with the necessary modifications to post-retirement indexing upon conversion to the CSJ Shared Risk Plan. Where a pension is awarded under *An Act Respecting The Saint John Firefighters' Association* after the Conversion Date, the CSJ Shared Risk Plan shall commence to pay to the retiring Member his or her accrued pension with applicable reductions found under Article XIII, if any. Such pension can start prior to the Member's earliest Early Retirement Date found under Article XIII, but with the applicable early retirement reductions extended to such earlier date.
- 25.7 The CSJ Shared Risk Plan shall be governed and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein.

25.8 Any benefits payable hereunder shall be subject to any tax withholdings required by applicable law.

25.9 All benefits payable under the CSJ Shared Risk Plan shall be paid in the lawful currency of Canada.

IN WITNESS WHEREOF, each of the signatories hereto has caused this Shared Risk Plan to be signed by its respective duly authorized officers or representatives this 3rd day of Sept., 2013.

THE CITY OF SAINT JOHN

Per: _____

Name: Mel Norton

Title: Mayor

Per: _____

Jonathan Taylor
Common Clerk



**SAINT JOHN FIRE FIGHTERS
ASSOCIATION, INTERNATIONAL
ASSOCIATION OF FIRE FIGHTERS,
LOCAL 771**

Per: _____

Name: Paul Stackhouse

Title: President

WITNESS:

Name: _____

WITNESS:

Name: _____

SAINT JOHN POLICE ASSOCIATION

Per: _____

Name: Jamie Hachey

Title: President

WITNESS:

Name: 

CUPE LOCAL 18, SAINT JOHN CITY
OUTSIDE WORKERS

Per: 

Name: Michael Meahan

Title: President

WITNESS:

Name: 

CUPE, LOCAL 486

Per: 

Name: Paul Johnson

Title: President

APPENDIX A
COLA GRANTED UNDER ARTICLE VI

APPENDIX B
CONTRIBUTION RATE ADJUSTMENTS

**APPENDIX C
BENEFIT CHANGES**

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