

Authority: Government Management Committee Item GM22.25, as adopted by City of Toronto Council on October 2, 3 and 4, 2017

CITY OF TORONTO

Bill 1061

BY-LAW -2017

To amend further By-law 380-74 of the former City of Toronto with respect to pensions and other benefits.

Whereas By-law 380-74 of the former Corporation of the City of Toronto, a by-law "To establish a pension plan to be known as the '1974 IMPROVED PLAN'", as amended, governs the Toronto Civic Employees' Pension and Benefit Fund; and

Whereas it is desired to bring various provisions of the said by-law into harmony with the Regulations under the *Income Tax Act* (Canada) pertaining to registered pension plans as requested by the Canada Revenue Agency;

The Council of the City of Toronto enacts:

1. In this by-law, "By-law 380-74" means By-law 380-74 of the former Corporation of the City of Toronto, as amended.
2. Subsection 4(1) of By-law 380-74 is amended by adding the following paragraph:

"(d) Notwithstanding paragraph (a), the aggregate of member contributions for current service in any year shall not exceed \$1,000.00 plus 70 per cent of the pension credit earned in the year as determined under Part LXXXIII of the Regulations under the *Income Tax Act* (Canada) unadjusted for the transitional amounts set out in paragraphs 8302(2)(b) and (3)(g) of those Regulations.
3. Subsection 4(2) of By-law 380-74 is amended by adding the following paragraph:

"(c) Notwithstanding paragraph (a), the aggregate of member contributions for current service in any year shall not exceed \$1,000.00 plus 70 per cent of the pension credit earned in the year as determined under Part LXXXIII of the Regulations under the *Income Tax Act* (Canada) unadjusted for the transitional amounts set out in paragraphs 8302(2)(b) and (3)(g) of those Regulations."
4. Each of paragraphs 4(3)(e) and 4(4)(d) of By-law 380-74 is amended by adding at the end the following:

", provided that if the Plan's actuary determines that the Plan is in an excess surplus position under subparagraphs 147.2(2)(d)(i) to (iii) of the *Income Tax Act* (Canada), no such contributions shall be made".
5. (1) Each of subsections 5.A(1), 5.B(4) and 5.C(3a) of By-law 380-74 is amended by inserting immediately following the words "actuarially reduced" where they appear in those sections the following:

"in accordance with the table set forth in subsection 5.C(4a)".

- (2) Clause 5.C(3)(a) of By-law 380-74 is amended by striking out its entire text and substituting the following:

"a pension commencing at an earlier age, actuarially reduced in accordance with the table in subsection (4a) below, or".

6. Paragraph 5.C(1)(d) of By-law 380-74 is amended by adding at the end the following:

"except that for all members retiring on or after January 1, 1992, such dollar amount shall instead be an amount equal to \$275.00 per year of service credits".

7. Section 5 of By-law 380-74 is amended by adding immediately following subsection (4) under the heading "C" the following subsection:

"(4a) Where a pension is actuarially reduced as contemplated by subsection (1) under heading "A" of this Section, subsection (4) under heading "B" of this Section, clause (3)(a) under this heading "C", or subsection (3a) under this heading "C", the reduction shall be in accordance with the following table:

Age at which pension commences

With 20 Years of Service Credits	With 25 years of service credits	Percent of Accrued Pension Payable on Early Retirement	Percent Reduction
65	60	100	0
64	59	91.5	8.5
63	58	83.8	16.2
62	57	76.9	23.1
61	56	70.7	29.3
60	55	65.0	35.0
59	54	59.9	40.1
58	53	55.2	44.8
57	52	50.9	49.1
56	51	47.0	53.0
55	50	43.5	46.5
54	49	40.3	59.7
53	48	37.3	62.7
52	47	34.6	65.4
51	46	32.1	67.9
50	45	29.8	70.2
49	44	27.7	72.3
48	43	25.8	74.2

	With 20 Years of Service Credits	With 25 years of service credits	Percent of Accrued Pension Payable on Early Retirement	Percent Reduction
	47	42	23.9	76.1
	46	41	22.3	77.7
	45	40	20.7	79.3."
8.	Section 9 of By-law 380-74 is amended by adding the following subsection immediately preceding subsection (1):			
	"(1.0.1) The maximum benefit payment under this Section shall not exceed the greater of the commuted value of the whole of the member's accrued benefits and the member's contributions with interest."			
9.	Paragraph 22(4)(a) of By-law 380-74 is repealed and the following substituted:			
	"(a) Subject to the Act, the <i>Income Tax Act</i> (Canada) and Regulations made and every other applicable legislation, including in particular but without restricting the generality of the foregoing the exclusions provided for in clauses 8502(f)(i) and (ii) of the Regulations under the <i>Income Tax Act</i> (Canada) and subject to paragraph (d), the pensions, benefits and privileges provided under this by-law may not be assigned, charged, anticipated, given as security, surrendered or otherwise alienated, and contributions by a member may not be borrowed against, or may not be withdrawn other than hereinbefore provided."			
10.	This by-law shall be deemed to have come into force on January 1, 1989.			

Enacted and passed on October , 2017.

Frances Nunziata,
Speaker

Ulli S. Watkiss,
City Clerk

(Seal of the City)