TORONTO

REPORT FOR ACTION

Amendment to By-law Governing the City-sponsored Pension Plan - Toronto Fire Department Superannuation and Benefit Fund

Date: October 28, 2024
To: General Government Committee
From: Executive Director, Finance Shared Services
Wards: All

SUMMARY

This report seeks an amendment to the by-law governing the Toronto Fire Department Superannuation and Benefit Fund (the Plan) to increase the Plan Committee Chair Honorarium amount from $7,500 to $15,000 per annum.

RECOMMENDATIONS

The Executive Director, Finance Shared Services recommends that:

1. City Council amend By-law No. 10649 governing the Toronto Fire Department Superannuation and Benefit Fund to increase the Plan Committee Chair Honorarium amount from $7,500 to $15,000 per annum.

FINANCIAL IMPACT

There is no financial impact to the City as a result of this report. Any Honorarium increase approved by Council will be paid out by the Plan and not by the City.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

The Toronto Fire Department Superannuation and Benefit Fund was created on January 16, 1891 through Bylaw 2804 of the former City of Toronto.

In 1925, Bylaw 10649 replaced Bylaw 2804. Bylaw 10649 as amended over the years (the "Bylaw") has continued to govern the Plan.

Through the operation of Bylaw 1992-0050, the appointment of the Chair of the Committee by Council and the Honorarium of $7,500 were added to the Bylaw. A link to this amending Bylaw is here: Toronto by-laws

COMMENTS

Issue Background

The Toronto Fire Department Superannuation and Benefit Fund ("Fire Plan") is a legacy pension Plan that was not rolled into OMERS, created by Bylaw 2084 and subsequently governed by Bylaw 10649 as amended, of the former City of Toronto.

The Fire Plan is administered by a Committee composed of representatives of the Pensioners' Association and of the City. The Committee is chaired by an appointee selected by Council.

The Chair's Honorarium is set in the Bylaw and paid by the Fire Plan. Since 1992, the Honorarium amount has been set at $7,500.

The current value of $7,500 in 1992 dollars, accounting for inflation, is approximately $15,000.

The 1992 level of $7,500 is low in comparison to what is provided to Chairs of other Committees. A review of other comparable City Committee Chair Honoraria has identified a range of Honoraria, with annual retainers of $20,000, $30,000, $50,000, and $75,000 for the Chair, some of whom also receive a per-meeting amount.

The increased Honorarium amount will allow the Committee to continue attracting Chairs with appropriate specialized expertise in pension fund administration.

The Fire Plan Committee has approved the proposed increase to the Honorarium.

Notice of the proposed amendment was given in accordance with the Bylaw, at the September 11, 2024 meeting of the Committee.

On October 8, 2024, at its Regular Meeting, the Committee approved the proposed amendment and the request to City Council to amend the Bylaw accordingly.

CONTACT

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SIGNATURE

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