TTC Pension Plan Bylaw Amendments

Date: June 3, 2026
From: Chief Executive Officer – TTC Pension Plan

Summary

The TTC Pension Fund Society (TTC Pension Plan/TTCPP) Board of Directors approved the following Bylaw changes:

1. To update the base year period used to calculate retiring TTC employees' pension to include 2025 and to provide a 2.00% increase to former members currently in receipt of a pension. Based on TTCPP's strong financial position, both base year updates and pensioner cost of living increases have been provided annually since 2011.
2. Updates in Bylaw 3 to change the named Board positions from President and Vice President to Chair and Vice Chair. Added wording in Bylaw 3.01 to state that the Board Chair or any 3 Directors can call a special meeting. Additional changes in Bylaw 3.04 to remove the requirement for the Board's Secretary and Treasurer to be members of the pension plan, and a removal of the requirement for the Secretary to be appointed by the Board.
3. An update in Bylaw 10.07 to specify that either a regular contributing member or an inactive member may elect the income levelling option as an optional entitlement at pension commencement.
4. A new subsection is added in Bylaw 15.12 to specify the method of calculation for accrued interest on lumpsum payments made to former plan members

Under TTCPP Bylaw 3.09, TTC Board sanction is required for these amendments to take effect. The amendments will go to the TTC Board on June 3, 2026, and membership approval will be sought at the TTCPP Annual General Meeting on June 27, 2026.

Financial Summary

These Bylaw amendments have no financial implications for the TTC because they do not change the existing pension contribution rates.

TTCPP contribution rates remain 9.25% up to the Yearly Maximum Pensionable Earnings (YMPE) and 10.85% above the YMPE, which is comparable to or lower than other Ontario jointly sponsored pension plans (JSPPs).

Members contribute based on earnings at these rates, and employers match those contributions dollar for dollar. The contribution rates have been unchanged since 2011.

Decision History

Since 2011, TTCPP's strong financial position has supported annual base year updates and pensioner cost of living increases. Each year, the external TTCPP Actuary reviews the plan's funded status to help the Board assess whether these improvements are affordable.

On May 5, 2026, after reviewing long-term affordability at current contribution rates, the TTCPP Board of Directors approved a one-year base period update to include 2025 and a 2.00% pensioner increase, subject to limits under the Canadian *Income Tax Act*. The 2.00% increase is the maximum permitted under the *Income Tax Act* and TTCPP Bylaws and remains within the range of comparable pension plans.

These changes are effected by the Bylaw amendments appended to this report as Attachment 1.

Background

TTCPP was established through collective bargaining and incorporated on January 3, 1940 to provide retirement benefits for Toronto transit employees. It is administered by a 10-member Board, with five directors appointed by the TTC and five directors who are ex-officio members of the Amalgamated Transit Commission (ATU) Local 113 executive.

TTCPP is a jointly sponsored defined benefit pension plan covering substantially all full-time employees of the TTC, ATU, and TTCPP after six months of continuous service. Member contributions are matched dollar for dollar by employers. The plan is registered with the Financial Services Regulatory Authority of Ontario (FSRA) and governed by the Ontario *Pension Benefits Act* and the *Income Tax Act* (registration number 0317586).

At December 31, 2025, TTCPP had approximately 17,400 active members and 10,800 pensioners. TTCPP design supports equal cost and risk sharing between employees and employers.

At the end of 2025, TTCPP's net assets were $9.7 billion, and the assets earned an annual investment return of 7.1% net of fees over the last 10-year period.

Current contribution rates are sufficient to meet going-concern funding requirements under the Ontario *Pension Benefits Act* and the Canadian *Income Tax Act*. After this year's plan updates, TTCPP remains fully funded on a going-concern basis, excluding future pension improvements. Mercer (Canada) Limited has confirmed that a compliant actuarial valuation as at January 1, 2026, will be filed within the prescribed deadlines.

Comments

TTCPP does not provide automatic annual updates to the best four-year base period used to determine pensions or automatic increases to pensions in payment. These improvements are approved only when they are considered affordable.

Each year, the TTCPP Actuary analyzes the plan's funded status to support Board decisions on pensions in payment, base period updates, and other plan changes. This approach has helped contain costs during weaker market periods, including 2008 to 2010, when no base period updates or pension increases were granted.

On May 5, 2026, the TTCPP Board of Directors approved the Bylaw amendments in Attachment 1 to implement these plan updates. The amendments do not change current employer or employee contribution rates, which have been in effect since 2011.

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Signature

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Attachment

Attachment 1 – 2026 TTCPP Bylaw Amendments