

SCHEDULE "A"

Canadian Union of Public Employees Employees' Pension Plan

AMENDMENT NO. 78

WHEREAS

The *Plan* is amended by Resolution of the Settlers, to which this amendment is attached, to implement the Memorandum of Agreement amongst the Settlers dated September 14, 2018;

NOW THEREFORE,

by Resolution of the Settlers, the amendment to the *Plan* is as follows:

1. Section 2 of the Plan is amended, effective January 1, 2019, by adding the following Provision 2.1.19.1:

2.1.19.1 "***going concern funded ratio***" means the ratio of the *going concern assets* to the *going concern liability*.

2. Section 2 of the Plan is amended, effective January 1, 2018, by adding the following Provision 2.1.41.1:

2.1.41.1 "***provision for adverse deviations***" means the amount equal to the provision for adverse deviations in respect of the *going concern liability* determined on the basis of a *going concern valuation* by the *Actuary* in accordance with Ontario Regulation 909, R.R.O. 1990, as amended from time to time.

3. Provision 4.5 of the Plan is amended, effective January 1, 2019 by replacing it with the following:

4.5 Employer Contributions

- (a) The *employer* shall pay into the *Trust Fund* the contributions as may be required to provide the benefits payable hereunder to, or with respect to, each *member*, subject to Provision 4.6.

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- (b) In addition to the contributions under paragraph (a) above during any *plan year* in which the *Plan's going concern funded ratio* (before taking into account the *provision for adverse deviations*) is not greater than 130%, the *employer* will contribute one percent (1%) of *members' salary*.
 - (c) Notwithstanding paragraphs (a) and (b), the *employer* contributions shall be at least equal to:
 - (i) during any *plan year* in which the *Plan's going concern funded ratio* (before taking into account the *provision for adverse deviations*) is not greater than 130%, thirteen and two-tenths percent (13.2%) of *members' salary*, less any amount stipulated as a reduction to *employer* contributions under the applicable collective agreements between *CUPE* and the *unions*;
or
 - (ii) during any *plan year* in which the *Plan's going concern funded ratio* (before taking into account the *provision for adverse deviations*) is greater than 130%, twelve and two-tenths percent (12.2%) of *members' salary*, less any amount stipulated as a reduction to *employer* contributions under the applicable collective agreements between *CUPE* and the *unions*.
4. Paragraph 7.6.2(b) of the Plan is amended, effective on October 3, 2018, by replacing it with the following:
- (b) In the case of a *member* who satisfies the eligibility conditions of paragraph (c) of sub-section 7.6.1, the annual bridge benefit shall be equal to \$8,000, subject to *Government pension legislation*, reduced by 1/4 of 1% for each month, including any fraction of a month, by which the early *retirement* date precedes the date on which the *member* will attain age 60. The annual bridge benefit shall be further reduced by 10% for each year, and proportionally for any fraction of a year, by which the *member's credited service* accrued while an *employee* is less than 10 years, except that, in the case of a *member* who *retired* before October 3, 2018, the reduction shall be determined in accordance with the *Plan* as it existed on the date on which the *member retired*.
5. Provision 13.4 of the Plan is amended, effective January 1, 2018, by deleting paragraph (2)(e) and replacing it with the following paragraphs:
- (e) The increase effective January 1, 2018 shall be the percentage based on the date of commencement of the *pension* or *deferred pension* determined in accordance with the following table:

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Date of Commencement of <i>Pension</i> or <i>Deferred Pension</i>	Percentage Increase
January 1, 2010 or earlier	9.07%
January 1, 2011	7.30%
January 1, 2012	5.98%
January 1, 2013	5.56%
January 1, 2014	5.00%
January 1, 2015	4.19%
January 1, 2016	3.12%
January 1, 2017	1.87%
January 1, 2018	0.00%

For any *pension* or *deferred pension* that commenced in a month other than January of a year, the percentage increase shall be determined by interpolation between the percentage increase for January 1 of that year and the percentage increase for January 1 of the following year, rounded to two decimal places.

- (f) (i) The increase to become effective on January 1 of each year after 2018 shall correspond to a percentage (not to exceed 100%) of the annual rate of increase of the Consumer Price Index for the applicable preceding calendar year.
- (ii) This percentage shall be determined by the *Administrator* to be sustainable for the future lifetime of all existing *pensioners* and *active members* in respect of their accrued pensionable service as at the effective date, based on calculations provided by the *Actuary*.
- (iii) The *Actuary* shall calculate this percentage as the ratio of A/B, not exceeding 100%, where
- A = the excess, if any, of *going concern assets* over *going concern liability* as at the effective date of the increase
- B = the actuarial present value of annual indexation of all accrued *pensions* as at the effective date of the increase in all future years, including the present year, at 100% of the rate of inflation assumed in the *going concern valuation* as at the effective date of the increase.
- (iv) No increase shall be granted in accordance with this paragraph (f) that would have the effect of reducing the ratio of *going concern assets* to the sum of the *going concern liability* and the *provision or adverse deviations* as at the effective date of the increase below 100%.