



AGENDA

SPECIAL MEETING OF CITY COUNCIL

Monday, September 22, 2014 at 12:00 p.m.

Council Chamber, City Hall

- 1. CALL TO ORDER**
- 2. CONFIRMATION OF AGENDA**
- 3. ADOPTION OF MINUTES**
- 4. PUBLIC ACKNOWLEDGMENTS**
- 5. UNFINISHED BUSINESS**
- 6. QUESTION PERIOD**
- 7. CONSENT AGENDA**
- 8. REPORTS FROM ADMINISTRATION AND COMMITTEES**
 - 8.1 Asset & Financial Management Department**
 - 8.2 Community Services Department**
 - 8.3 Corporate Performance Department**
 - 8.4 Transportation & Utilities Department**
 - 8.5 Office of The City Clerk**

8.6 Office of The City Solicitor

8.6.1 General Superannuation Plan (File No. CK. 4731-1)

Recommendation

1. That City Council consider Bylaw No. 9224; and
2. That the Board of Trustees of the General Superannuation Plan be instructed to take the necessary steps to implement the Plan amendments contained in Bylaw No. 9224 and to file an updated 2012 Actuarial Valuation Report reflecting the amendments to the Plan with the appropriate regulatory authorities.

8.7 Standing Policy Committee on Environment, Utilities And Corporate Services

8.8 Standing Policy Committee on Finance

8.9 Standing Policy Committee on Planning, Development And Community Services

8.10 Standing Policy Committee on Transportation

8.11 Executive Committee

8.12 Other Reports

8. INQUIRIES

9. MOTIONS (NOTICE PREVIOUSLY GIVEN)

10. GIVING NOTICE

11. URGENT BUSINESS

12. IN CAMERA SESSION (OPTIONAL)

13. ADJOURNMENT

General Superannuation Plan

Recommendations

- 1) That City Council consider Bylaw No. 9224.
- 2) That the Board of Trustees of the General Superannuation Plan be instructed to take the necessary steps to implement the Plan amendments contained in Bylaw No. 9224 and to file an updated 2012 Actuarial Valuation Report reflecting the amendments to the Plan with the appropriate regulatory authorities.

Topic and Purpose

The 2012 Actuarial Valuation of the General Superannuation Plan revealed a deficiency in the amount required to meet the minimum funding requirements for the Plan as prescribed by applicable legislation. Amendments to the Plan's contribution rates and benefits are required in order to address this deficiency. The General Superannuation Plan is the pension plan for all City employees not covered by the Police and Fire Superannuation Plans and the Defined Contribution Plan for Seasonal and Non-Permanent Part-Time Employees.

Report

Proposed Bylaw No. 9224 implements the following changes to the General Superannuation Plan:

- increases member's required contribution rates by 0.30% on each of January 1, 2014, January 1, 2015 and January 1, 2016;
- removes the option for members to transfer out the commuted value of their entitlement once they are eligible to receive an immediate pension;
- sets the annual maximum reimbursement from the Plan for the City's costs associated with administration of the Plan at \$250,000 per year, starting in 2014 and increasing every year afterward by the average general economic increase granted to active members in the year;
- for contributory service after 2014,
 - changes the normal form of pension for married members to be the actuarial equivalent of the normal form of pension for single members;

General Superannuation Plan

- changes the date a member is eligible for an unreduced pension to the earlier of:
 - (i) age 62;
 - (ii) 35 years of contributory service; or
 - (iii) the date when a member's age plus contributory service is equal to 85 (implements the rule of 85 in place of the rule of 80); and

- changes the definition of Final Earnings to be based on the highest average 60 consecutive months of base Earnings (change from 48 months) plus the highest average 84 consecutive months of overtime earnings, excluding overtime earnings prior to January 1, 2015 (change from overtime earnings being included).

Attachment

1. Proposed Bylaw No. 9224, *The General Superannuation Plan Amendment Bylaw, 2014.*

Report Approval

Written by: J. R. Manning, Solicitor
Approved by: Patricia Warwick, City Solicitor

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BYLAW NO. 9224

The General Superannuation Plan Amendment Bylaw, 2014

The Council of The City of Saskatoon enacts:

Short Title

1. This Bylaw may be cited as *The General Superannuation Plan Amendment Bylaw, 2014*.

Purpose

2. The purpose of this Bylaw is to amend The City of Saskatoon General Superannuation Plan to make various changes to the Plan with respect to contribution rates, transfers of commuted values, administration costs, normal form of pension for married members, eligibility for unreduced pensions and the definition of Final Earnings.

Bylaw No. 8226 Amended

3. The General Superannuation Plan for City of Saskatoon Employees not covered by the Police and Fire Departments' Superannuation Plans, being Schedule "A" to Bylaw No. 8226 and forming part of that Bylaw, is amended in the manner set forth in this Bylaw.

Section 1.04 Amended

4. Section 1.04 is amended by adding the following:

"(10) Effective January 1, 2014, the Plan was amended to:

- (a) increase Active Member required contribution rates by 0.30% on each of January 1, 2014, January 1, 2015 and January 1, 2016;
- (b) remove the option for Members to transfer out the Commuted Value of their entitlement once eligible for an immediate pension in accordance with the provisions of the Plan;
- (c) set the annual maximum reimbursement from the Plan for the City's costs associated with administration of the Plan at \$250,000 per

year starting in 2014, increased each year thereafter by the general economic increase granted to Active Members in the Plan for the year;

- (d) for Contributory Service after 2014:
 - (i) change the normal form of pension for married Members to be actuarially equivalent to the normal form of pension for single Members;
 - (ii) change the date at which a Member is eligible for an unreduced pension to the earlier of age 62, 35 years of Contributory Service or the date when a Member's age plus Contributory Service is equal to 85 (ie. rule of 85); and
 - (iii) change the definition of Final Earnings to be based on the highest average 60 consecutive months of base Earnings, plus the highest average 84 consecutive months of overtime earnings (excluding overtime earnings prior to January 1, 2015)."

Section 2.24 Repealed and Replaced

5. Section 2.24 is repealed and the following is substituted:

"2.24 'Final Earnings' means:

- (1) for Contributory Service prior to January 1, 2015, the average full-time Earnings of the Member for the 48 consecutive months of employment with the City during which the Member's Earnings were the highest; and
- (2) for Contributory Service after December 31, 2014, the sum of:
 - (a) the average full-time Earnings of the Member, excluding any earnings related to overtime as determined by the Administrator for the purposes of the Plan, for the 60 consecutive months of employment with the City during which the Member's Earnings were the highest; and
 - (b) the average of any overtime earnings of the Member, as determined by the Administrator for the purposes of the Plan, for the 84 consecutive months of employment with the City after December 31, 2014 during which the overtime earnings were the highest. For greater clarity, such 84-month period shall not include any period of employment with the City prior to January 1, 2015.

If a Member has less than the number of consecutive months of employment with the City as set out above, being 48 months under Subsection 2.24(1) and 60 or 84 months under Subsection 2.24(2), Final Earnings means the total full-time Earnings during the Member's service divided by the number of years and months of Contributory Service during this period.

When calculating the highest consecutive 60 months of Earnings pursuant to Subsection 2.24(2)(a), the Administrator shall only consider Earnings for employment after December 31, 2014.

Notwithstanding the above, Final Earnings with respect to Contributory Service determined pursuant to Subsection 2.24(2) cannot be greater than Final Earnings with respect to pre-2015 Contributory Service determined pursuant to Subsection 2.24(1)."

New Section 2.48.1

6. The following is added after Section 2.48:

"2.48.1 'Pre-2015 Contributory Service' means Contributory Service prior to January 1, 2015."

Subsection 4.01(1) Amended

7. Subsection 4.01(1) is amended by adding the following:

- “(e) Effective January 1, 2014, each Active Member shall contribute by payroll deduction the sum of:
 - (i) 7.8% of Earnings, other than deemed Earnings, up to the YMPE; and
 - (ii) 9.4% of Earnings, other than deemed earnings, in excess of the YMPE.
- (f) Effective January 1, 2015, each Active Member shall contribute by payroll deduction the sum of:
 - (i) 8.1% of Earnings, other than deemed Earnings, up to the YMPE; and
 - (ii) 9.7% of Earnings, other than deemed Earnings, in excess of the YMPE.

- (g) Effective January 1, 2016, each Active Member shall contribute by payroll deduction the sum of:
 - (i) 8.4% of Earnings, other than deemed Earnings, up to the YMPE; and
 - (ii) 10.0% of Earnings, other than deemed Earnings, in excess of the YMPE.”

Section 4.05 Amended

8. Section 4.05 is amended by adding the following after Subsection (3):

“Notwithstanding the above, Member current service contributions may exceed the limits described herein when permission to do so has been granted under the Income Tax Act.”

Subsection 5.02(2) Repealed and Replaced

9. Subsection 5.02(2) is repealed and replaced with the following:

“(2) Calculation of Reduced Benefit

(a) Other than Linemen

The monthly retirement benefit calculated in accordance with Subsection 5.02(1) for a Member who is not a Lineman shall be reduced by the following:

- (i) for benefits earned with respect to Pre-2015 Contributory Service, the monthly retirement benefit shall be reduced by 0.3% for each month by which the Member’s Early Retirement Date precedes the earlier of:
 - (A) the Member’s 60th birthday;
 - (B) the day on which the Member would have completed 35 years of Contributory Service had the Member continued in employment; and
 - (C) the day on which the sum of the Member’s age and years of Contributory Service would equal at least 80, assuming the Member did not continue in employment.

- (ii) for benefits earned with respect to Contributory Service after December 31, 2014, the monthly retirement benefit shall be reduced by 0.3% for each month by which the Member's Early Retirement Date precedes the earlier of:
 - (A) the Member's 62nd birthday;
 - (B) the day on which the Member would have completed 35 years of Contributory Service had the Member continued in employment; and
 - (C) the day on which the sum of the Member's age and years of Contributory Service would equal at least 85, assuming the Member did not continue in employment.

(b) Linemen

The monthly retirement benefit calculated in accordance with Subsection 5.02(1) for a Member who is a Lineman shall be reduced by the following:

- (i) for benefits earned on or before December 31, 1991, the monthly retirement benefit shall be unreduced.
- (ii) for benefits earned with respect to Pre-2015 Contributory Service on or after January 1, 1992, the monthly retirement benefit shall be reduced by 0.3% for each month by which the Lineman's Early Retirement Date precedes the earlier of:
 - (A) the Lineman's 60th birthday;
 - (B) the day on which the Lineman would have completed 35 years of Contributory Service had the Lineman continued in employment; and
 - (C) the day on which the sum of the Lineman's age and years of Contributory Service would equal at least 80, assuming the Lineman did not continue in employment.

- (iii) for benefits earned with respect to Contributory Service after December 31, 2014, the monthly retirement benefit shall be reduced by 0.3% for each month by which the Lineman's Early Retirement Date precedes the earlier of:
 - (A) the Lineman's 62nd birthday;
 - (B) the day on which the Lineman would have completed 35 years of Contributory Service had the Lineman continued in employment; and
 - (C) the day on which the sum of the Lineman's age and years of Contributory Service would equal at least 85, assuming the Lineman did not continue in employment.
- (iv) Notwithstanding the above, the monthly retirement benefit earned on or after January 1, 1992, and calculated in accordance with Subsections 5.02(2)(b)(ii) and 5.02(2)(b)(iii) for a Member who is a Lineman shall not exceed the monthly retirement benefit for benefits earned on or after January 1, 1992, calculated in accordance with Subsection 5.02(1), reduced by ¼% per month for each month that retirement precedes the earlier of age 60, 30 years of Continuous Service (assuming the Lineman continued in employment) or the day on which the sum of the Lineman's age and years of Continuous Service would equal at least 80 (assuming the Lineman continued in employment)."

Section 5.06 Repealed

- 10. Section 5.06 is repealed.

Subsection 6.01(2) Amended

- 11. Subsection 6.01(2) is amended by adding the following:

- “(c) For benefits earned in respect of Contributory Service after December 31, 2014, the monthly pension payable as described above shall be adjusted to be the Actuarial Equivalent of the pension payable to a Member without a Spouse at the date of retirement, as described in Subsection 6.01(1).”

Subsection 8.02(1) Amended

12. Subsection 8.02(1) is amended by striking out “unreduced”.

Subsections 15.02(1) and (2) Repealed and Replaced

13. Subsections 15.02(1) and (2) are repealed and replaced with the following:

- “(1) Subject to Subsection 15.02(3), annual costs associated with the administration of the Plan shall be borne by the Plan and paid from the Fund up to an annual maximum equal to \$250,000 per year, subject to rate increases equivalent to the average general economic increase granted to Active Members.
- (2) The City shall prepare a report and present it to the Board, or a designated committee of the Board, for approval at the Board’s final meeting each calendar year which includes an itemized statement of the Plan’s administration costs.”

Coming into Force

14. This Bylaw shall come into force on the day of its final passing but is retroactive and is deemed to have been in force and effect on and from January 1, 2014, except for Sections 10 and 12 which come into force on the day of the final passing of this Bylaw.

Read a first time this _____ day of _____, 2014.

Read a second time this _____ day of _____, 2014.

Read a third time and passed this _____ day of _____, 2014.

Mayor

City Clerk