

MEMORANDUM OF AGREEMENT

BETWEEN:

The City of Saskatoon

("The City")

AND:

Amalgamated Transit Union, Local 615

("ATU 615")

Re: The General Superannuation Plan for City of Saskatoon Employees Not Covered by the Police and Fire Departments' Superannuation Plans (Plan)

Effective January 1, 2014 or as soon as practicable, the parties agree to implement the following changes to the General Superannuation Plan for City of Saskatoon Employees Not Covered by the Police and Fire Departments' Superannuation Plans (Plan):

1. Remove commuted value transfer option for members who qualify for a reduced pension but not an unreduced pension. For greater clarity, Members will not have the option of electing to transfer their benefit entitlement out of the Plan once eligible for an immediate pension.
2. Costs up to \$250,000 annually associated with the administration of the Plan shall be borne by the Plan. Costs shall be capped at a maximum of \$250,000 per year subject to rate increases equivalent to average GEI. For greater clarity, the administrative costs are those costs that are borne directly by the City in relation to the administration of the Plan. This is not intended to cover plan related costs that have been authorized by the Board of Trustees.

Effective January 1, 2015, the parties agree to implement the following changes to the Plan for service accrued on or after January 1, 2015:

1. The normal form of pension will be changed to remove the subsidization for married members. As such, the normal form of pension for a married member will be a 60% survivor benefit with a 5-year guarantee that is actuarially equivalent to the normal form pension of a lifetime benefit with a 10-year guarantee.
2. "Final Earnings" will be calculated as the sum of:
 - a) the 60 consecutive months of employment with the City during which the Member's Earnings (excluding overtime earnings) were the highest (i.e. best average 5 years of Earnings); and

- b) the 84 consecutive months of employment with the City on or after January 1, 2015 during which the Member's overtime earnings were the highest (i.e. best average 7 years of overtime earnings commencing January 1, 2015).

For greater clarity, Final Earnings for service on or after January 1, 2015 can be no greater than Final Earnings for service prior to January 1, 2015.

3. The definition of Earnings for the purposes of calculating a Member's entitlement will no longer be based on all remuneration received by a Member, but rather on base earnings (i.e. excluding overtime).
4. The unreduced retirement age provisions will change to rule of 85, 35 years of service or age 62.
5. Increase Active Member required contribution rates such that the average contribution rate when considering the total contributions above and below the YMPE will be 8.5%.
 - 8.1% of Earnings, other than deemed Earnings, up to the YMPE; and
 - 9.7% of Earnings, other than deemed Earnings, in excess of the YMPE.

Effective January 1, 2016, the parties agree to implement the following changes to the Plan:

Increase Active Member required contribution rates such that the average contribution rate when considering the total contributions above and below the YMPE will be 8.80%.

- 8.4% of Earnings, other than deemed Earnings, up to the YMPE; and
- 10.0% of Earnings, other than deemed Earnings, in excess of the YMPE.

Future Funding Requirements

In the event the Plan requires additional funding in order to meet the minimum funding requirements for any valuation prepared on or after December 31, 2015 and filed with the regulatory authorities the parties agree to:

Increase Active Member required contribution rates by 0.20%. The average contribution rate when considering the total contributions above and below the YMPE will be 9.0%.

- 8.6% of Earnings, other than deemed Earnings, up to the YMPE; and
- 10.2% of Earnings, other than deemed Earnings, in excess of the YMPE.

Notwithstanding, in the event the Plan requires additional funding (i.e. in excess of the 0.2% increase mentioned above) in order to meet the minimum funding requirements for any valuation prepared on or after December 31, 2015 and filed with the regulatory authorities, the City shall contribute any amount necessary to meet minimum funding requirements unless otherwise negotiated by the parties.

This proposal is subject to:

1. The approval of the Financial and Consumer Affairs Authority of Saskatchewan (i.e. Superintendent of Pensions); and
2. the Board of Trustees filing a valuation as at December 31, 2012 with a 5% margin, and
3. Requirements as prescribed by the provincial legislation.

No other terms of the pension Plan affecting members of the ATU Local 615 shall be amended. No other terms of the pension Plan affecting members of ATU Local 615 shall be amended during the term of the collective agreement unless negotiated and agreed to by the parties. This proposal is also deemed to include all consequential amendments to the collective agreement and the City of Saskatoon General Superannuation Plan Bylaw, 2003.

The parties agree to this pension package conditional upon agreement on all other outstanding issues.

If not included above the original superannuation plan applies.

The parties also agree to recommend this package proposal to their principals.

SIGNED this the _____ day of February 25th, 2016

ATU Local 615

City of Saskatoon

Tabled by the ATU 615
This day of February 25th, 2016
Without Prejudice, E. & O. E