

THE
MANITOBA MUNICIPAL EMPLOYEES
DISABILITY INCOME PLAN TEXT

December 1, 2019

TABLE OF CONTENTS

| | |
|---|-----------|
| DEFINITIONS | 3 |
| THE DISABILITY PLAN | 6 |
| 2.1 Eligibility for Participation..... | 6 |
| 2.2 Participation | 6 |
| 2.3 Contributions..... | 7 |
| 2.4 Elimination Period..... | 8 |
| 2.5 Application for Benefits..... | 8 |
| 2.6 Exclusions and Limitations..... | 9 |
| 2.7 Responsibilities..... | 9 |
| 2.8 Benefit..... | 10 |
| 2.9 Disability Benefit Adjustments | 12 |
| 2.10 Rehabilitation Program..... | 12 |
| 2.11 Termination of Eligibility for Protection | 14 |
| 2.12 Termination of Benefits | 14 |
| 2.13 Recurrent Disability | 15 |
| CHANGE OR DISCONTINUANCE OF THE PLAN..... | 16 |

SECTION ONE DEFINITIONS

This subsection contains the definition of terms that will apply to the Disability Income benefits under this policy.

1. Benefit Period:

Means the length of time prior to age 65 that disability benefits can be paid:

| <u>Years of Contributory Service</u> | <u>Period Disability Benefits May Be Paid</u> |
|--|---|
| Less than 1 | 1 year |
| More than 1 but less than 5 | 5 years |
| More than 5 | Age 65 |

In respect of an employee who becomes a member of the Disability Plan as an employee with a Pre-Existing Condition, the length of time prior to age 65 that disability benefits may be paid is one year, or until recovery, whichever occurs first.

2. Board:

Means the Joint Board of Trustees as appointed or elected under the terms of the Trust Agreement or a designate appointed or hired by the Board to adjudicate the Plan.

3. C.P.I.:

Means the Consumer Price Index for Canada.

4. Elimination Period:

Means the period of time which must elapse between the onset of the disability and the date on which the Municipal Employees Disability Income Plan begins paying disability benefits to the member.

5. Employment Earnings:

Means the basic remuneration which a member receives from a participating municipality as a result of employment with that municipality, including any increases in such remuneration, and any payments from Workers Compensation if such payments are received due to an injury which occurred as a result of employment with a participating municipality, and the member contributes at the rate(s) he or she would have been required to contribute had such payments been remuneration from a participating municipality.

6. Fund:

Means the assets held in trust for the provision of benefits under the Disability Plan.

7. Health Care Practitioner:
Means a person who has met the professional and legal requirements of the jurisdiction where the care or services are provided to provide health care services. Where no such professional authority or legal requirements exist, the person must have a certificate of competency from a professional body which is responsible for established standards of competence for the conduct for the particular health care profession and the person must be acting within the scope of that license. In all instances, a person may not be a relative of the member to be considered a Health Care Practitioner for the purposes of this plan.
8. Medical Specialist:
Means a duly qualified Physician in Canada with an FRCP© or an FRCS© designation in his or her field which is recognized by the College of Physicians and Surgeons in Manitoba. In all instances a person may not be a relative of the member to be considered a Medical Specialist for the purposes of the plan.
9. Partial Disability:
Means the illness, injury or disease is considered to be less severe than that which would cause the employee to be considered totally disabled.
10. Physician:
Means a doctor of medicine who is licensed to prescribe and administer medical treatment and drugs and to perform surgery within the scope of this license.
11. Pre-Disability Earnings:
For full-time members – means the amount equal to all of the basic annualized remuneration which a member receives from the employer for the position regularly occupied by the member on the day preceding the day on which Total or Partial Disability occurs: These annualized earnings will be divided by 12 to determine the monthly earnings.
- For part-time, seasonal members – means an amount equal to the highest of the member's earnings in the year of application or in the preceding two calendar years. These earnings will be divided by 12 to determine the monthly earnings.
- For all members, if the disability occurs during a period during which a collective agreement has expired and the final ratification results in an increase in the regular earnings rate, the Pre-Disability Earnings may be adjusted accordingly.
12. Pre-Existing Condition: (applies to late entrants only)
Means a condition that exists if an employee has received medical care or treatment for an illness, injury or mental disorder prior to becoming eligible for protection under the Disability Plan and this illness, injury or mental disorder is continuing or is likely to reoccur in the future.
13. Rehabilitation Program:
Means a program of medical, employment or vocational rehabilitation and it may consist of:
- Full-time or part-time work or any other employment whether or not wages are payable, or

- Any vocational training or re-training program or period of work for the purpose of rehabilitation,
- Any assessments deemed appropriate by the Board.

14. Total Disability:

- (a) During the Elimination Period and for the following 24 months, means because of illness, injury or disease, the member is unable to perform the essential duties of his or her own occupation or job as regularly performed for the employer; and
- (b) Thereafter, 'Total Disability' means the member is unable to be employed in any gainful occupation for which he or she is reasonably well qualified by education, training or experience.

The availability of such occupations, jobs or work will not be considered while assessing the member's disability.

In the event of a dispute concerning the intended meaning of any provision of the Disability Plan, the Board shall have the right to decide on the interpretation of such provision; and any interpretation so implemented will be applied thereafter in matters of the nature concerned.

SECTION TWO THE DISABILITY PLAN

The effective date of this Disability Income Plan Text is January 1, 2011, unless otherwise stated.

2.1 Eligibility for Participation

- (a) An employee of a participating municipality is eligible to become a member of the Disability Plan if, on the date his or her participation could begin, the employee satisfies all of the following requirements:
 - (i) the employee has not attained age 64 and eight months,
 - (ii) the employee is actively at work
 - (iii) the employee is employed by the municipality, and
 - (iv) the employee is a member of the Pension Plan.
- (b) In addition to the foregoing, where a municipality becomes a participating municipality in the Disability Plan a person who is:
 - (i) an employee on the effective date of that municipality's participation, can become eligible to participate only if he or she submits evidence of good health satisfactory to the Board.
 - (ii) an employee on the effective date of that municipality's participation, can become eligible for protection under the Disability Plan as an employee with a Pre-Existing Condition.
- (c) An employee is considered to be 'actively at work' on the first date his or her participation could begin unless he or she was unable to work due to sickness or injury throughout the week immediately prior to that date.
- (d) An employee who was not 'actively at work' can become eligible to participate in the Disability Plan only if he or she is able to perform all the duties of the regular position with the participating municipality and evidence of good health satisfactory to the Board is submitted.

2.2 Participation

- (a) Each employee in service on the effective date of the Disability Plan, or if later, the date his or her employer becomes a participating municipality, shall become a member when he or she becomes eligible to do so, unless:
 - (i) he or she is participating in another disability income plan for employees of the municipality with which he or she is employed, or
 - (ii) he or she refuses to join the Disability Income Plan and formalizes this decision by completing a form which is received by the Board prior to the date his or her participation would otherwise begin.

- (b) Each employee who is hired by a participating municipality on or after the effective date of the Disability Plan shall commence participation on the first day of the pay period immediately following the fulfillment of the eligibility requirements applicable to that employee.
- (c) Each employee who refuses to join both the Pension Plan and Disability Plan and who subsequently applies to participate in both plans must provide evidence of good health acceptable to the Board and must fulfill any other requirements the Board may adopt from time to time.
- (d) Each employee who refuses to join the Disability Plan in accordance with clause (a)(ii) shall not be given the opportunity in the future to participate in the Disability Plan.

2.3 Contributions

- (a) Contributions are 1.0% of Employment Earnings in respect of each employee who has not attained age 64 and eight months. Effective January 1, 2015, contributions are 1.2% of Employment Earnings, effective January 1, 2016, contributions are 1.4% of Employment Earnings, and effective January 1, 2017, contributions are 1.5% of Employment Earnings. **Effective July 1, 2017 contributions are 1.7% of Employment Earnings.** These contributions may be:

- (i) shared on any basis by the participating municipality and the employee, or
- (ii) paid entirely by the participating municipality, or
- (iii) paid entirely by the employee.

- (b) The contributions made for a member commence when the member joins the Disability Plan and continue until the earliest of the date of his or her retirement, death, termination from service or the attainment of age 64 and eight months.

Contributions shall cease during the periods when a member is receiving disability benefits unless the member is receiving employment earnings. Contributions may cease during periods when a member is on an approved leave of absence without pay or lay-off and elects not to contribute during the period of leave or layoff.

- (c) All contributions shall be remitted to the Board immediately following the final payroll each month for deposit by the Board into the Fund not later than 30 days following each month in which contributory service is provided by one or more employees.
- (d) The amounts necessary to pay or provide for the payment of benefits under the Disability Plan shall be based upon a report of the Actuary.

2.4 Elimination Period

- (a) The Elimination Period is an 18-week period during which:
 - (i) the member has been under the regular care of a Physician, Medical Specialist or Health Care Practitioner, and
 - (ii) the disability has caused at least a 50% reduction in the member's Employment Earnings.
- (b) For the purposes of determining the reduction in Employment Earnings caused by the disability, sick leave payments and payments from Workers Compensation shall not be considered as Employment Earnings.
- (c) A member's eligibility for any disability benefits shall not be affected by an interruption in such disability which continues for periods which in total are less than 20 working days, provided the member is totally disabled or partially disabled during a period of 18 weeks and the nature of the disability does not change.
- (d) The first day of the Elimination Period is the first regularly scheduled day of employment for which a member is absent from work due to the disability.

2.5 Application for Benefits

- (a)
 - (i) A member should submit an application for benefits (MEBP Form # 62) prior to the end of the Elimination Period.
 - (ii) An application for benefits will be considered by the Board provided such application is submitted prior to the end of the Elimination Period applicable to the member.
- (b) A member is considered to have provided all of the information required only when the member has:
 - (i) submitted an application for benefits,
 - (ii) provided the Board with a release to obtain medical information,
 - (iii) provided information required by the Board from qualified Physicians, Medical Specialists or Health Care Practitioners who are or have been providing medical care or treatment to the member,
 - (iv) undergone medical examinations, by Medical Specialists chosen by the Board, if requested by the Board to do so, and
 - (v) provided such other information as the Board may request the member to provide.

- (c) (i) A member's application can be considered by the Board only after all of the information requested has been provided by the member, the municipality and qualified medical practitioners.
- (ii) A benefit shall be paid only if the member's application is approved by the Board.
- (iii) The decision of the Board or regarding the existence of any Total Disability or Partial Disability shall be final and conclusive.

A member may appeal in writing the decision of the Board within thirty days after the day on which he or she is notified of the Board's decision, or within such longer period as the Board may allow. Additional medical evidence must be submitted to support the appeal.

2.6 Exclusions and Limitations

No benefit shall be payable if a disability, illness, injury or accident occurs while participating in or engaged in any criminal activity, regardless of whether charges are laid or a conviction obtained.

Also, disability benefits are not payable for any of the following:

- (a) any period of disability during which the member is not under appropriate treatment and care of a Physician who is a registered Medical Specialist or Health Care Practitioner in the field of medicine which is applicable to the member's condition.
- (b) any period during which the member is not undergoing a course of medical treatment or participation in a Rehabilitation Program which, in the opinion of the Board is deemed appropriate.
- (c) any period during which the member is imprisoned.
- (d) any disability due to or resulting from self-inflicted injury or sickness, while sane or insane.
- (e) any disability due to or resulting from insurrection, war (declared or not) or the hostile actions of the armed forces of any country, or the participation in any riot or civil commotion unless the member is carrying out the duties of his or her normal occupation.
- (f) any period during which the member is absent from Canada due to any reason, unless the Board agrees in writing in advance to pay benefits during the period.

2.7 Responsibilities

- (a) A member is expected to take advantage of any opportunity for gainful employment.
- (b) The member must be under the regular care of a Physician, Medical Specialist or Health Care Practitioner during the period in which the member is Totally or Partially Disabled.
- (c) A participating municipality is expected to do everything possible to ensure the resumption of active employment of each member who is able to accept gainful employment in any position with that municipality or an associated quasi-municipal employer.
- (d) The payment of a disability benefit shall be suspended or discontinued if the member refuses or is unable to provide, as required by the Board, evidence satisfactory to the Board of a continuing Total or Partial Disability.

2.8 Benefit

- (a) The benefit payable to a member who is totally disabled shall be equal to 70% of the member's Pre-Disability Earnings.
- (b) The benefit shall be reduced by any income received or eligible to be received by the member for the same day or period of days:
 - (i) from the Canada Pension Plan;
 - (ii) under the Workers' Compensation Act;
 - (iii) from Employment Insurance
 - (iv) from any prior pension plan or short-term disability plan for employees of the participating municipality and sick leave payments, or
 - (v) income replacement benefits payable under any plan of automobile insurance, where such reduction is not prohibited by law.
- (c)
 - (i) The amounts used in Section (b) to reduce the disability benefits shall be calculated by excluding any amounts paid or payable to the member as a result of a dependent child.
 - (ii) The amounts used in Section (b) to reduce the disability benefit will not be affected by changes in the Canada Pension Plan benefit unless the changes result from:
 - 1) the correction of an error made in the initial award, or
 - 2) a change in the benefit formula under the Canada Pension Plan.

- (d) The initial benefit calculated as a result of the reductions listed in Section (b) shall be referred to as the net benefit.
- (e)
 - (i) Where the Board determines that, based on medical evidence, a member is Partially Disabled, the disability benefit shall be calculated in the same manner as the Total Disability benefit and reduced by a percentage determined by the Board or, if applicable, equal to the percentage of the reduction which occurs in Employment Earnings which the disabled member was receiving prior to becoming disabled when compared to the Employment Earnings received after becoming disabled, or both.
 - (ii) Where a member is granted a Partial Disability benefit, it is on the basis of medical evidence which indicates he or she is capable of earning a percentage of the Employment Earnings he or she was receiving prior to becoming disabled and that percentage of Employment Earnings is the difference between 100% and the proportion of the benefit granted in Section 2.8(e)(i).
- (f) The eligibility of a member for a disability benefit, the date on which a disability benefit commences or is subsequently increased, decreased, suspended or discontinued, and the amount of any such increase or decrease, shall be determined in accordance with the procedures of the Board.
- (g) The first payment of the monthly benefit shall become due on the later of the last day of the month immediately following the end of the Elimination Period or the last day of the month in which the application is received by the Board.
- (h) Where clause (g) applies to a member the Board may change the due date of the first payment of the monthly benefits to the last day of a month preceding the month in which the first benefit payment would have been due if the Board determined that the delay in submitting the application was due in whole or in part to circumstances beyond the control of the member. This date cannot be earlier than the last day of the month immediately following the end of the Elimination Period.
- (i)
 - (i) Where a member continues to be Totally or Partially Disabled after the first payment of disability benefits has become due, subsequent payments of benefits become due on the last day of each month following the month in which the first payment of disability benefits becomes due.
 - (ii) If any benefit payment represents a period of disability for less than one month, then the payment shall be equal to one-thirtieth of the monthly benefit, otherwise payable, multiplied by the number of days for which payment is being made.

2.9 Disability Benefit Adjustments

- (a) The Board may increase the net benefit payable to members, provided such increases are in recognition of increases in the C.P.I. in each 12-month period ending on the December 31 immediately preceding the date of the increase.
- (b) The amount of the benefit adjustments which result from using such increases in the net benefit shall be determined in accordance with reports prepared by the Actuary and approved by the Board.
- (c) A Disability Benefit Adjustment Account was established as at January 1st, 1992.
- (d) On June 30 and December 31 in each year, interest shall be credited to the Disability Benefit Adjustment Account for the ½ year ending on each of those dates and based on the average balance in the account at the beginning of each of the preceding six months. The rate of interest to be credited shall be determined in accordance with such method as the Board may determine.
- (e) Prior to April of each year, the Actuary shall provide the Board with a report containing information on the operation of the Disability Benefit Adjustment Account and the amount of the benefit adjustment that can be provided as at April 1st of that year. No benefit adjustments shall be granted without the Board's approval of this report.
- (f) All or a portion of any future actuarial surplus in the Fund may be transferred to the Disability Benefit Adjustment Account for the purpose of providing future benefit adjustments.
- (g) The increase in the net benefit shall be limited to the lesser of two-thirds of the percentage increase in the C.P.I. or 5%, and further shall be subject to the ability of the Disability Benefit Adjustment Account to finance the increase without creating an unfunded liability.

2.10 Rehabilitation Program

- (a) Each member who is receiving benefits under this Disability Plan may, after the commencement of such benefits:
 - (i) fulfill some or all of the duties of the position the member regularly occupied at the date of the Total or Partial Disability,
 - (ii) become employed at another position with the municipality or with another employer,
 - (iii) become self-employed, or
 - (iv) participate in an employment training program.

- (b) The employment described in sub-clause (a)(i), (ii) or (iii) and the employment training program described in sub-clause (a)(iv) shall be approved by the Board as rehabilitative employment where the Board determines that such employment is:
 - (i) reasonable and practical in the circumstances, and
 - (ii) consistent with the requirements of good medical care.
- (c) Where a member who is receiving benefits under this Disability Plan enters rehabilitative employment or participates in an approved employment training program, disability benefits will continue to be paid while the member continues to participate in such rehabilitative employment or training program.
- (d) Rehabilitation will be considered to have been achieved when the member is being paid a salary which, on average, is at least equal to the member's monthly Employment Earnings prior to becoming Totally or Partially Disabled.
- (e) Where a member participates in rehabilitative employment or in an employment training program, the maximum total income from all sources allowed is 100% of the member's monthly employment earnings prior to becoming disabled.
- (f) Where a member is receiving a Partial Disability benefit and income from employment or Employment Insurance as a result of such employment, no reduction in the disability benefit shall be made providing the income from employment is less than or equal to the amount the Board determines the member is capable of earning in accordance with Section 2.8(e)(ii).
- (g) Where a member is receiving a Partial Disability benefit and income from employment or Employment Insurance as a result of such employment, and the income from employment exceeds the amount for which the Board has allowed, the disability benefit shall be reduced by the excess allowable earnings. In no event will the disability benefit plus the Employment Earnings exceed Pre-Disability Earnings.
- (h) The member may be reimbursed for all or a portion of any costs or fees incurred and paid by the member as a result of participation in an employment training program approved by the Board provided the member completes such program and passes any examinations or tests given at or about the conclusion of the program.

2.11 Termination of Eligibility for Protection

- (a) Eligibility for protection under the Disability Plan will terminate at the earliest of:
- (i) the date on which the member ceases to be an employee,
 - (ii) the last day of the month in which the member attains age 64 and 8 months.,
 - (iii) the date on which the member ceases to be an active member of the Pension Plan.
 - (iv) the effective date of an approved leave of absence without pay or layoff where the member elects not to contribute to the Plan during the period of leave or layoff. Eligibility for protection will recommence when the member returns to work and contributions resume.

2.12 Termination of Benefits

- (a) The payment of benefits to a member will terminate at the earliest of:
- (i) the date on which the member recovers from the Total or Partial Disability,
 - (ii) the date on which the member resumes active employment with a participating municipality or another employer in a position for which the member's annual earnings rate is greater than or equal to the earnings at the time for the position the member was regularly occupying immediately prior to the Elimination Period,
 - (iii) the date on which the member fails to provide information deemed to be necessary by the Board to determine continued eligibility for benefits,
 - (iv) the date on which the member refuses to be examined by a qualified Physician, Medical Specialist or Health Care Practitioners approved by the Board,
 - (v) the date on which the member refuses to participate in a Rehabilitation Program deemed appropriate by the Board,
 - (vi) the date on which the member refuses an offer of gainful employment,
 - (vii) the last day of the month in which the member attains age 65,
 - (viii) the date on which the member retires or voluntarily terminates employment from the municipality, or
 - (ix) the end of the month following the Board's decision that the member's

benefits must be suspended in accordance with the out-of-jurisdiction policy,

- (x) the date on which the member ceases to be an active member of the Pension Plan.
- (b) Where a member dies, the payment of benefits ceases on the last day of the month in which the member dies.

2.13 Recurrent Disability

If a disability benefit ceases because the member resumes active employment, a subsequent absence from work will be considered to be a recurrence of the same disability unless such subsequent absence occurs after at least 26 weeks of active employment or is due to a different cause.

If the absence occurs after 26 weeks of active employment and the member is covered under the chronic disease policy, the Board may waive the Elimination Period.

SECTION THREE CHANGE OR DISCONTINUANCE OF THE PLAN

- 3.1 The Disability Plan is expected to continue indefinitely.
- 3.2 Any changes to the Disability Plan which decrease any of the benefits to which a member may have become entitled to receive pursuant to the Disability Plan shall not affect any of the benefits which the member is entitled to receive at the date of the change to the Disability Plan.
- 3.3 Any changes to the Disability Plan which increase any of the benefits to which a member may have become entitled to receive pursuant to the Disability Plan shall increase any of the benefits which the member receives or is entitled to receive at the date the change is made to the Disability Plan.
- 3.4 Where a change to the Disability Plan causes the replacement of one benefit by another, the value of the benefit payable shall be at least equal to the value of the former benefit.
- 3.5 The provision of any by-laws enacted or resolutions passed by a participating municipality concerning participation in the Disability Plan shall be deemed to be amended to comply with the provisions of the Disability Plan, as it is amended from time to time.
- 3.6 The Board expects the Disability Plan to continue indefinitely but necessarily reserves the right to amend or discontinue the Disability Plan should future conditions warrant such action. Such change may include the consolidation of the Disability Plan with a new plan. No amendment to or discontinuance of the Disability Plan shall reduce the benefits accumulated up to the date of such amendment or discontinuance.

If the Disability Plan is discontinued, the Fund shall be used to satisfy all of the liabilities under the Disability Plan, to the extent that this is possible.

Any surplus remaining after providing for such liabilities and for any expenses incurred in regard to such discontinuance, shall be used to increase equitably the amount of benefit to which each member is entitled under the Disability Plan, having regard to the benefit to which each such member is entitled under the Disability Plan as at the date of discontinuance. Allowance shall also be made for possible future increases in disability benefits in recognition of increases in the C.P.I.