

Appendix 2

1994 Actuarial Valuation

As a result of the surplus revealed in the 1994 actuarial valuation, the following pension increases were approved:

1. Non-retired members (Active & Inactive members)

An increase of 3% on the accrued benefit as of December 31, 1994. In addition, an increase of 0.3% for each year (full year) of contributory service in excess of 20 years to a maximum additional increase of 5% (i.e. non-retired members could receive a total increase of up to 8%).

2. Retired members (including surviving spouses in receipt of pension)

An increase of 3% on accrued pensions as of December 31, 1994. In addition, an increase of 0.3% for each year (full year) of contributory service in excess of 20 years to a maximum additional increase of 5%. A further increase of 0.2% for each year (full year) since retirement, with a maximum additional increase of 5% (i.e. retired members could receive a total increase of up to 13%).

3. The increases in pension payments became effective with payments due as of January 1, 1996.

1996 Actuarial Valuation

As a result of the surplus revealed in the 1996 actuarial valuation, the following pension benefit improvements were approved:

1. Non-retired members (Active)

An increase of 9.47% on the accrued pension as of December 31, 1994; plus
an increase of 7.37% on the pension accrued during 1995; plus
an increase of 5.26% on the pension accrued during 1996;
and
an increase in future pension accruals from 1.9% to 2% for the period January 1, 1997 to December 31, 1999.

2. Inactive and Retired members (including surviving spouses in receipt of pension)

An increase of 9.47% on the accrued pension as of December 31, 1994; plus
an increase of 7.37% on the pension accrued during 1995; plus

an increase of 5.26% on the pension accrued during 1996.

3. Early Retirement

An unreduced pension after the completion of 37 years of contributory membership in the Plan; and

(b) Reduce the “penalty” on early retirement from 4% to 3% for each of the first 5 years by which retirement precedes the member’s normal retirement date or the date on which the member would have completed thirty-seven years of contributory membership, if the Member’s contributory membership in the Plan had continued until that date.

These improvements apply to members retiring on or after January 1, 1997 and only to members retiring from active service.

4. The increases in pension payments became effective with payments due as of January 1, 1998.