

## Glossary of Terms

In order to fully understand how the Plan provides pension benefits to its *Members*, there are some terms you should know. These terms are italicized wherever they appear in the Plan booklet.

***Active Member*** means an individual who is employed in employment covered by the Plan if:

- a. they are, with respect to that employment,
  - i. accruing benefits under the plan or
  - ii. contributing to the plan or having contributions made to the plan on their behalf
- b. they are not, with respect to that employment, accruing benefits under the plan, contributing to the plan or having contributions made to the plan on their behalf because
  - i. they have elected to suspend their membership under section 31 of the Act, or
  - ii. the plan is one under which benefits have ceased to accrue and that is continued with the consent of the superintendent under section 95 (1) of the Act, or,
- c. they are on a temporary absence from that employment.

***Actuary*** means a person who is a Fellow of The Canadian Institute of Actuaries or a firm employing such a person where such a person or firm has been appointed by the Board of Trustees as Actuary of the Plan.

***Commuted Value*** means, as of a given date, and in relation to benefits that a person is or may become entitled to receive under the Plan, the actuarial present value of those benefits calculated in accordance with the actuarial assumptions used in the Plan's current actuarial valuation report to determine the going concern liabilities value of the Plan.

***Deferred Member*** means an individual who:

- a. has ceased to be an Active Member of the Plan
- b. is entitled to receive a benefit under the Plan, and
- c. has not reached their pension commencement date

***Deferred Pension*** refers to a monthly pension accrued by an *Active Member* who is now terminated (more than 2 years has passed since Employer Contributions were received). The pension can be held by the Plan to be paid when the Deferred Member reaches the age of *Early or Normal Retirement*.

***Early Retirement*** is available to those who have reached age 55.

**Funding Policy** outlines the principles of the Board of Trustees and the Plan's *Actuary* in managing the financial position of the Plan and maintaining a balance between assets and the benefits payable to *Members*.

**Governance Policy** sets out the overall responsibilities for the objectives, management and administration of the Plan.

**Joint and Survivor Pension** a pension paid to you and your *Spouse* for their lifetime if you pass away first (this refers to your *Spouse* at the time of your retirement).

**Member** means:

- a. an Active Member
- b. a Deferred Member, or
- c. a Retired Member

**Normal Retirement** is the first day of the month after an *Active or Deferred Member* attains age 67.

**Participation Agreement** means a special agreement between an Employer and the Board of Trustees which provides for the participation of certain Employees of the Employer in the Plan, and under which the Employer agrees to make contributions to the Plan in respect of the Employees.

**Participating Employer** means an Employer who is signatory to a Collective Agreement with Teamsters' Local Union No. 31.

**Pension Benefits Standards Act** or **PBSA** is the federal or provincial legislation regulating the terms and operations of the Plan. The Plan is registered under the BC Pension Standards Act, Provincial Registration Number P086395-1 and complies with the BC legislation. However, some of the Plan's *Members* fall under federal jurisdiction and how their pension benefit is administered must comply with the federal legislation. Whether your pension falls under BC or federal legislation is determined by the jurisdiction of **your last place of employment** prior to your termination, retirement or death.

**Pension Accrual** refers to the growth of your pension. The amount of annual accrual is detailed on the personalized Pension Statement provided to you each year.

**Plan Text** stipulates details of the Plan's terms and conditions including eligibility rules, benefits payable, etc.

**Plan Year** means the 12-month period starting on January 1st and ending on December 31st each year.

**Retired Member** means an individual who has reached their pension commencement date and is receiving pension payments under the Plan.

**Retirement Options** are the various ways that your monthly benefit can be paid to you. If you have a *Spouse* at the time of your retirement, they have the right to a *Joint and Survivor pension*.

**Spouse** is defined by the Pension Benefits Standards Act:

Under **BC Legislation**:

Persons are “Spouses” under the BC Pension Benefits Standards Act and Regulations on any date on which one of the following applies:

- (a) they
  - i. are married to each other, and
  - ii. Have not been living separate and apart from each other for a continuous period longer than 2 years;
- (b) They have been living with each other in a marriage-like relationship for a period of at least 2 years immediately preceding the date.

Under **Federal Legislation**:

Spouse, in relation to an individual,

- a. If there is no person described in (b) below, is married to you or is party to a void marriage with you; or
- b. means a person who is cohabiting with the individual in a conjugal relationship, having so cohabited for a period of at least one year

**Statement of Investment Policy and Procedures** spells out the investment policy and procedures established by the Board of Trustees and the rules and limitations under which the Investment Managers must operate.

**Target Benefit Plan** is a concept originally introduced to accurately describe plans such as ours. The contributions to such plans are fixed, in the Plan’s case these are, for the most part, Employer contributions negotiated during the collective bargaining process. A formula determines the amount of monthly pension that these contributions provide to an Active Member. The amount of monthly pension payable to an Active Member can be increased or decreased depending on the funded status of the plan and the provisions of the *BC Pension Benefits Standards Act*. The funded status is calculated by an actuary and confirms how a plan’s assets compare to its liabilities (the funds required to pay all current and future pensions). **The Teamsters’ National Pension Plan converted to the Target Benefit Plan model effective January 1, 2017, reflecting the changes made to the *PBSA* and Regulations effective September 30, 2015.**

**Total Disability or Totally Disabled** means a disability throughout which the Active Member is physically or mentally impaired to the extent that, during the first 30 months of disability, they are unable to perform the duties of employment in which they were engaged prior to the commencement of the impairment, and following 30 months, to the extent that they are unable to perform the duties of any occupation for which they are reasonably suited by virtue of their education, training or experience.

**Trust Agreement** defines the role of the Board of Trustees and establishes their responsibilities and authorities.

**YMPE** refers to Yearly Maximum Pensionable Earnings, it is the maximum amount of earnings used to calculate contributions and benefits under the Canada Pension Plan.

