TEAMSTERS' NATIONAL PENSION PLAN

PLAN SUMMARY

TEAMSTERS LOCAL 31 DIVISION

JANUARY 1, 2016

Introduction

Preparing for retirement is an important part of life. Ensuring you will have an adequate income in your retirement years is a vital part of the preparation. The Teamsters' National Pension Plan (the "Plan") was established on January 1, 1982 to be a supplement to other forms of retirement income you may have. It is hoped that pension benefits from the Plan along with your own retirement savings and government sponsored plans will provide you with a comfortable retirement.

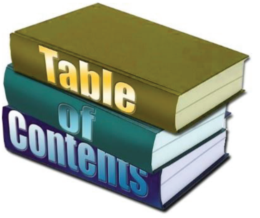
Your retirement benefits from the Plan are based on the amount of contributions made on your behalf by your Employer in accordance with your Collective Agreement. The amount of monthly pension payable to Members of the Plan can vary greatly depending on the contribution rate paid by the Employer, the number of hours worked in a year and the number of years contributions are received.

The Plan also provides benefits in the event of your death, termination of your membership in the Plan or in certain circumstances, if a disability prevents you from working.

Pension plans and the legislation that governs them can be complex. The description in this booklet highlights the main features of the Plan in a format that we hope will be clear and meaningful. Of course, not every detail can be included in a summary such as this. The full details are contained in the Trust Agreement and the Plan Text which, along with other documents, can be examined in the office of the Plan or a copy may be requested from the Plan Administrator. In the event of any discrepancy between this summary and the official Plan documents, the benefits will be administered in accordance with the official Plan documents and applicable legislation.

This is your pension plan and it may play a major role in supplementing your financial future. You are encouraged to learn about it. If you have any questions which are not answered in this booklet, please contact the Plan's office.

Information in this booklet applies to all Members of the Plan on or after January 1, 2016.



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Mission Statement

The goal of the Teamsters' National Pension Plan (the "Plan") is to provide all Members of the Plan with the best possible retirement income which can be provided by the assets of the fund and the contributions paid to the fund by the Employers.

Board of Trustees

Your Plan is administered by a joint Board of Trustees on which the Union and the Employers are equally represented. The Trustees are responsible for the overall operation of the Plan and meet regularly to review the Plan's terms, its assets and liabilities and investment policies. Trustees serve without compensation. The Trustees have the right to amend, delete, add or change the Plan's terms as they apply to active and inactive participants and pensioners, subject, of course to the Trust Agreement and applicable legislation.

Plan Documents

There are various Plan documents. These documents are available for review in the Plan's offices. You may request, in writing, to receive a copy of these documents from the Plan Administrator.

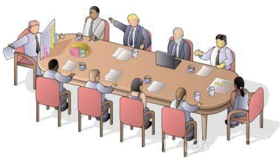
The **Trust Agreement** defines the role of the Trustees and establishes their responsibilities and authorities.

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

The **Statement of Investment Policy and Objectives** spells out the investment objectives established by the Trustees and the rules and limitations under which the Investment Managers must operate.

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

The **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.



Board of Trustees

Note: At the time of printing there was 1 vacancy on the Board

Investment Managers

Canadian Equities

MFS Investment Management
595 Burrard St., Ste. 3043
Vancouver, B.C. V7X 1G4

Foreign Equities

JP Morgan Asset Management
200 Bay St., Suite 1800,
Toronto, ON V6C 3N5

Fixed Income

Phillips, Hager & North Investment Services
Waterfront Centre,
20th Floor, 200 Burrard Street,
Vancouver, B.C. V6C 3N5

Real Estate

Bentall Kennedy Prime Canadian Property Fund Ltd.
Suite 1800 – 1055 Dunsmuir St.
Vancouver, BC V7X 1B1

Custodian

Canadian Western Trust
300 – 750 Cambie Street
Vancouver, BC V6B 0A2

Actuary

PBI Actuarial Consultants
#1070, 505 Burrard St.
Vancouver, BC V7X 1M5

Administrator - Ms. Kelly Nicholson

Teamsters' National Pension Plan 1610 Kebet Way, Port Coquitlam, B.C. V3C 5W9
Phone (604) 552-2650; Toll Free 1-888-478-8111 Fax 604-552-2653

Glossary of Terms

In order to fully understand how the Plan works, there are some terms you should know. These terms are italicized wherever they appear in this booklet.

“Active Member” a Member employed or employed in the previous 2 years by a *Participating Employer* that has made contributions on behalf of the Member.

“Actuary” a member of the Canadian Institute of Actuaries who prepares actuarial valuations showing the Plan’s assets, liabilities and funded status.

"Commuted Value" the lump sum present value of your accrued pension. It is the amount of money required to be set aside today to pay for your pension benefit in the future.

"Date of Termination" the last day of the month immediately following any two year period in which you did not work for a *Participating Employer* or the date on which you apply to voluntarily *Terminate* your membership in the Plan after leaving your employment.

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

“Participating Employer” an Employer who is a signatory to a collective agreement with Teamsters’ Local Union No. 31 which requires participation in the Plan.

"Pension Benefits Standards Act" or ***"PBSA"*** is the federal or provincial legislation regulating the terms and operations of the Plan. The Plan is registered with the B.C. Pension Standards Branch but complies with both B.C. and federal legislation. Your benefits will be determined and administered in accordance with the legislation applicable to 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 your pension statement provided to you each year.

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

“Retirement Options**”** are the various ways that your monthly benefits can be paid to you. If you have a *Spouse* at the time of your retirement, he or she has the right to a *Joint and Survivor pension.*

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

Under **B.C. Legislation** your *Spouse* is the person who, at the date a determination of spousal status is required:

> **(a)** is married to you and, if no longer living with you, has not lived separate and apart from you for more than two years in the immediately preceding period; or
>
> **(b)** if there is no person described in (a) above,
> a person who has lived with you in a marriage-like relationship for the immediately preceding two years.

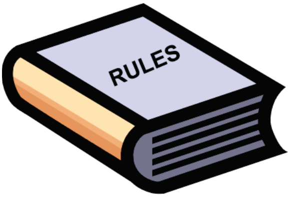
Under **Federal Legislation**, your *Spouse* is the person who, at the date a determination of spousal status is required:

> (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) has been cohabitating with you in a conjugal relationship for at least one year,

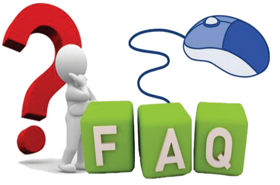
"Terminated" refers to a Member's status when they are no longer an active Plan Member, see *Date of Termination*. *Terminated* Members have the right to transfer the Commuted Value of their pension benefit.

"Vesting" is the time period during which contributions are made on an individual's behalf but there is no *Pension Accrual*. Government legislation allows for 2 year *Vesting.* This Plan has "immediate *Vesting*" meaning there is no waiting period for entitlement.

"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. For 2016 the *YMPE* is $54,900.



Frequently Asked Questions



Who can join the Plan?

Members of the Teamsters Union Local No. 31 who are employed by a *Participating Employer* are eligible to join the Plan in accordance with the terms of their Collective Agreement.

If I am eligible, do I have to join?

Yes. Members cannot opt in and out of the Plan.

How much pension will I receive?

Your pension at age 67 is based on your pensionable service under the Plan. The formula used to determine your pension has been changed or modified several times from the date the Plan started to the present time. - See page 12.

Your accrued pension is shown on your annual statement which is mailed to you before the end of June each year. Your monthly pension at retirement is based on the amount of annual contributions made on your behalf by your employer in accordance with your Collective Agreement. Year by year the monthly amount of pension grows or "accrues" based on the contributions received from your Employer.

Currently the formula provides you with a pension at age 67 of $15.00 per month for each $1,000 of contributions applied to your record each year. Effective January 1, 2010 a contingency fund was established by the Trustees to which 15% of all contributions will be deposited. The contingency fund forms part of the Plan's overall assets.

When can I retire?

Early retirement is permitted at any time after age 55. Normal retirement is age 67. Pensions must start by the end of the year in which you turn 71. - See page 15.

Is the pension paid to me for my lifetime?

Yes, all pensions are paid for the Member's lifetime.

Joint and Survivor Pensions are paid to the Member for life and then to the Member's named *Spouse* for their lifetime if he or she is still living.

If I choose a Joint and Survivor Pension can I appoint another Spouse after I have retired?

No. *Joint and Survivor pension*s are paid to the *Spouse* on record at the time of the Member's retirement. The pension calculated uses the Member's date of birth and the *Spouse*'s date of birth.

Do I have to stop working before my pension is activated?

Yes, effective December 2, 2011, *Active Members* must cease employment before commencing their pension payments from the Plan.

Can I start working again after I have started to draw my pension?

Yes. However, the provisions of the Income Tax Act Regulations 8503(3) do not allow a Member to receive pension payments and accrue a pension benefit from the Plan at the same time. If you continue to work for an Employer who participates in the Plan, the Employer must continue to make contributions, but these funds become part of the Plan's assets and cannot provide accrual on your pension record.

The Plan does allow you to suspend your pension payments if you wish to return to work and earn further *Pension Accrual.*

Should I also contribute to an RRSP, TFSA or Locked-in Retirement Account (LIRA)?

It is recommended that all Members consult an independent financial advisor in determining their financial needs. Consideration of a RRSP, TFSA, and other savings is important in your overall financial plan. The amount you can contribute to your Registered Retirement Savings Plan (RRSP) is affected by this Plan. - See page 23

What happens if I don't work for several months or I move from one *Participating Employer* to another?

Your participation in the Plan is not interrupted and the service and pension you have earned is kept on account for you. - See page 18.

What do I receive if I *Terminate* from the Plan?

You will be eligible to receive a pension when you retire. Instead of receiving a pension, you can elect to transfer the *Commuted Value* of your pension to a locked-in retirement account or another prescribed locked-in retirement fund. See page 18.

What does "locked-in" mean?

If funds are locked-in under Pension Standards legislation, they can only be accessed after the Member attains age 55 (the earliest retirement age under the Plan). The funds would then be received as monthly retirement income.

How do I know what pension I have earned?

You will receive an annual pension statement each year from the Plan giving a summary of your earned pension under the Plan. Statements are sent out before the end of June each year so it is important to keep the Plan updated with your current contact information.

What type of pension plan is this?

The Plan is currently referred to as a "Negotiated Cost Defined Benefit Plan" and qualifies as a "Collectively Bargained Multi-Employer Plan" under The Income Tax Act and Pension Standards Regulations. It is very important for you to understand that if the Plan is not sufficiently funded, the Employers are not responsible for providing additional funding. Should the Plan's funding level not meet the requirements of government legislation, the benefit provided to the Members may have to be adjusted to comply with legislation.

For example, if the funding level is not adequate, benefits may have to be decreased. In the same way if the funding level shows a surplus (beyond that required by government legislation), the Trustees may be authorized to increase benefits.

The Plan's Trustees consult with professional advisors and government agencies to ensure the Plan is in compliance with regulatory standards.

What factors affect the assets and liabilities of the Plan?

In calculating the Plan's funded status, actuaries compare assets and liabilities. The Employers' contributions and investment income make up the Plan's assets. This Plan's assets are invested conservatively in pooled Canadian Equities, Global Equities, Fixed Income Securities and Real Estate.

Liabilities represent the future pension payments of both Active and Retired Members. Both interest rates and the average age of the Membership are factors used by actuaries in determining liabilities.

Can I move my pension from the Plan instead of taking a pension?

Yes. Under the Plan's current terms your benefit is "portable" (the present day lump sum value may be transferred) at any age once you become a *Terminated* Member. Many plans allow portability only before age 55. See Alternative Settlement of Termination Benefit on page 18.

What is the amount that can be transferred?

The amount is referred to as the "*Commuted Value*" of your pension benefit. It is the present day value of your pension entitlement. The interest rate and the calculation method to determine *Commuted Values* is established by the Canadian Institute of Actuaries.

Can I take the "*Commuted Value*" of my pension in cash?

No. Under BC and Federal Pension Standards legislation, funds are locked-in and must be used to provide a retirement income.

You are able to transfer only to:

- a Locked-In Retirement Account
- a locked-in Life Income Fund (LIF) provided that you have attained age 55
- another pension plan if that plan will allow it
- other prescribed locked-in retirement vehicles

There is however, a provision whereby pension amounts which fall under prescribed limits set by legislation may be transferred to an RRSP or paid in a lump sum which are considered taxable funds. There are also maximum transfer rules which limit the amount of locked-in funds. Amounts over the maximum must be paid in taxable funds. **As noted, cash settlements from a pension plan are taxable.**

Pursuant to the Plan's terms, monthly pensions under 2% of the YMPE are considered too small to be paid on a monthly basis. The Plan, therefore, has a provision that requires Members to transfer the *Commuted Value* of a small pension to an RRSP or take it as a taxable lump sum.

Teamsters Local Union No 31 ~ and ~ Your Participating Employer

Joining the Plan

Participation in the Plan is automatic if you are a Member of the Union and are employed by a *Participating Employer*. The date on which your participation will commence is determined by your Collective Agreement.

Contributions

You do not contribute to the Plan. All contributions are made by your Employer. Prior to January 1, 1992, all Employers contributed at the same rate, but as of that date contribution rates were negotiated individually with each company.

Please refer to your Collective Agreement to determine the rate of contribution to be made on your behalf by your Employer.

How Your Pension Accrues

The manner in which the amount of your pension is calculated has changed many times since the Plan started in 1982.

Your pension is based on the total amount of contributions made to the Plan each year on your behalf by your Employer. As noted above, the contribution rate is determined by your Collective Agreement.

Current *Pension Accrual* – Effective January 1, 2015

The Plan will provide you with a pension in the amount of $15 per month at age 67 for each $1,000 of contributions applied to your pension record.

The negotiated pension rate contributed by your Employer is a critical factor in determining the amount of pension you will receive at retirement. The number of "pensionable hours in the year" is also an important factor in how your pension accrues.

For Example:

Assume a contribution rate of $2.00 per hour and 2,080 hours worked in the year (40 hours per week X 52 weeks = 2,080).

Your employer would remit $2.00 X 2,080 hours = $4,160.00
Of the $4,160.00, 85% ($3,536.00) is applied to your *Pension Accrual*
Therefore, for the year, you earned a monthly pension benefit of $15.00 X 3.536 = $53.04 (or $15.00 X $3,536.00 / $1,000.00 = $53.04)

Based on the above example, the contributions made on your behalf during **one calendar year** would provide you with a pension at age 67 in the amount of $53.04 per month. If you worked for 10 years with the same contribution rate and number of hours, you would have a pension benefit of 10 X $53.04 = $530.40 a month payable at normal retirement (age 67). If you worked for 20 years at this rate your monthly pension would, of course, be $1,060.80. The monthly pension is payable for your lifetime.

Or assume a contribution rate of $4.00 per hour and 2,080 hours worked in the year.

Your Employer would remit $4.00 X 2,080 hours = $8,320.00
Of the $8,320.00, 85% ($7,072.00) is applied to your *Pension Accrual*
Therefore, for the year, you earned a monthly pension benefit of $15.00 X 7.072 = $106.08 (or $15.00 X $7,072.00 / $1,000.00 = $106.08)

Based on the above example, the contributions made on your behalf during **one calendar year** would provide you with a pension at age 67 in the amount of $106.08 per month. If you worked for 10 years with the same contribution rate and number of hours, you would have a pension benefit of 10 X $106.08 = $1,060.80 a month payable at normal retirement (age 67). If you worked for 20 years at this rate your monthly pension would, of course, be $2,161.60. The monthly Pension is payable for your lifetime.

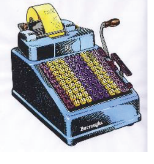
For those who do not work full time hours but are eligible for *Pension Accrual* we will put forward another example:

Assume a contribution rate of $1.80 per hour and 1,100 hours worked in the year (25 hours per week for 44 weeks).

Your Employer would remit $1.80 X 1,100 hours = $1,980.00
Of the $1,980.00, 85% ($1,683.00) is applied to your *Pension Accrual*
Therefore, for the year, you earned a monthly pension benefit of $15.00 X 1.683 = $25.25 (or $15.00 X $1,683.00 / $1,000.00 = $25.25.)

Based on the above example, the contributions made on your behalf during **one calendar year** would provide you with a pension at age 67 in the amount of $25.25 per month. If you worked for 10 years with the same contribution rate and number of hours, you would have a pension benefit of 10 X $25.25 = $252.50 a month payable at normal retirement (age 67). If you worked for 20 years at this rate your monthly pension would, of course, be $505.00. The monthly Pension is payable for your lifetime.

All pension amounts are quoted in the "normal form" which is a single life annuity guaranteed for a period of 5 years. See page 15.



Previous Formulas under the Plan

As noted earlier, the Plan's pension formula has been amended a number of times since the Plan was established on January 1, 1982.

If you have been in the Plan for a number of years and need information on the previous formulas, please contact the Plan's office. The Pension department will be pleased to provide details on the Plan's prior *Pension Accrual* formulas and its history.

Early Retirement

You may elect early retirement at any time after age 55. If you retire early between the ages of 55 and 67 you are entitled to a reduced pension. Your pension amount is reduced because the Plan expects to be paying you for a longer period of time. *You cannot apply retroactively for early retirement, and your pension will commence no earlier than the first day of the month following the date of your application.*

From Active or Terminated Status

If you retire early from Active or Terminated status, your pension is reduced for each year that your pension commencement date precedes age 67.

The following provisions apply to early retirements:

- *For all retirements with effective dates in 2015 and 2016, a reduction of 6% per year will be applied for years prior to age 65 and no early retirement reductions will be applied from age 65 to 67;*

- *For all retirements with effective dates in 2017 and 2018, a reduction of 6% per year will be applied for years prior to age 65; and a 3% per year early retirement reduction will be applied from age 65 to age 67;*

- *For all retirements with an effective date from January 1, 2019 forward, a 6% per year early retirement reduction will be applied for all years prior to age 67 (Normal Retirement).*

If you require further information please contact the Plan office.

Special Consideration for *Terminated* Members Rejoining the Plan.

If you did not withdraw your *Commuted Value* and you subsequently rejoin the Plan and earn a minimum of 1,000 hours of accrual, any previous service will be treated in the same manner as your current service for the purpose of the early retirement reduction. In other words, the two records would be joined for early retirement purposes.

Postponed Retirement

You may work past your normal retirement date and continue to earn benefits under the Plan, however, Income Tax Provisions require that you must begin receiving your pension no later than the end of the year in which you turn 71.

If you have stopped working for a *Participating Employer* and elect to commence pension payments after age 67, your pension will be increased actuarially to account for your later retirement date. Your pension amount is enhanced because the Plan will be paying you for a shorter period of time.

If you continue to work for a *Participating Employer* past age 67 your pension will continue to accrue.

If you apply for your pension after age 67 (or the date you stop working if you work past age 67), your pension will commence on the first of the month following the month of your application. Retirement dates can be backdated to age 67 (or the date you stop working if you work past age 67) only if your application is received within 90 days from that date.

Forms of Pension

All forms of pension are paid for your lifetime. The forms of pension, as described below, determine if any benefits are paid to your *Spouse* or beneficiary after your death. You must elect a form of pension before your retirement date and you cannot change your form of pension once it commences.

Normal Form

The Plan's normal form of pension, a Guaranteed 5 years Life Annuity, guarantees that, if you should pass away within the first 5 years of receiving pension payments, the present day value of the remaining payments in the 5 year period would be paid to your beneficiary or estate. If you pass away, after the first 5 years, the Pension ceases. The normal form of pension is the form used for determining your *Pension Accrual* as described in this booklet and shown in your annual pension statement.

Spousal Rights under Pension Legislation

If you have a *Spouse* when you retire, the *Pension Benefits Standards Act* requires that your pension be paid in a form that guarantees the continuation of at least 60% of your pension to your *Spouse* if you should die. Your *Spouse* may give up his or her right to this benefit by completing a waiver form. Please note this includes common-law *Spouses.*

Pension Options

- **Life Only**: your pension is payable as long as you live. Pension payments would not be payable beyond the date of your death even if death occurs soon after your retirement. (If you have a *Spouse* you cannot choose this type of pension unless he or she has waived - *give up* - their rights as noted under Spousal Rights under Pension Legislation).

- **Life with a 5 Year Guarantee:** (the normal form): your pension is payable for as long as you live. If you die within 5 years of first receiving pension payments, the current value of the payments for the balance of the 5 year period would be paid in a lump sum to your beneficiary or estate. (If you have a *Spouse* you cannot choose this type of pension unless he or she has waived - *give up* - their rights as noted above.)

- **Life with a 10 Year Guarantee**: your pension is payable for as long as you live. If you die within 10 years of first receiving pension payments, the current value of the payments for the balance of the 10 year period would be paid to your beneficiary or estate. (If you have a *Spouse* you cannot choose this type of pension unless he or she has waived - *give up* - their rights as noted above.)

Joint and Survivor Pensions: under these options your pension is payable for as long as you live and a portion of your pension continues to your Spouse (if living) after your death. Please note this refers to your Spouse at the time of your retirement.

- **Joint and Survivor 60%:** your pension is payable for as long as you live. If you die before your *Spouse*, 60% of your monthly benefit will be paid to your *Spouse* for his or her lifetime.

- **Joint and Survivor 80%:** your pension is payable for as long as you live. If you die before your *Spouse,* 80% of your monthly benefit will be paid to your *Spouse* for his or her lifetime.

- **Joint and Survivor 100%:** your pension is payable for as long as you live. If you die before your *Spouse*, 100% of your monthly benefit will be paid to your *Spouse* for his or her lifetime.

Remember, if you have a *Spouse*, you must choose one of the Joint and Survivor Options unless your *Spouse* signs an agreement waiving (*giving up*) his or her entitlement to the continuation of at least 60% of your pension after your death. If your *Spouse* waives entitlement to a Joint and Survivor pension, you may select a Life Only, Guaranteed 5 Year or Guaranteed 10 Year pension.

If you elect a Joint and Survivor option and your *Spouse* dies before your monthly pension payments start, this option is automatically cancelled. You may elect another option but not later than one month before your pension payments begin.

If your *Spouse* dies after your pension starts the amount of your own pension is not affected and after your death no further pension benefits are payable.

Integration with Old Age Security

If you elect to retire early you may choose a form of pension that provides a larger monthly pension before age 65 which will reduce when you become eligible for Old Age Security (OAS) benefits at age 65. This is referred to as “integration” or “bridging”. The provision allows for a steady income flow from your **early** retirement date. When you reach age 65 and begin to receive OAS from the federal government, the larger monthly amount you have been receiving from this Plan is reduced. Your new amount plus OAS will provide an amount roughly equivalent to your pre-65 income (hence the steady income flow). It is an individual choice as to whether this option is appropriate for you.

If you would like further information on “Integrated Pensions”, please don’t hesitate to contact the Plan’s office.

Termination of Employment

If your employment is *Terminated* and you subsequently return to work with your previous Employer or with another *Participating Employer* within the following 2 years, your participation in the Plan is not interrupted. The service you have earned remains on account for you until you are rehired at which point you will begin earning more service provided you have not voluntarily *Terminated* your membership under the Plan.

Termination of Membership

Your Date of Termination from the Plan will be the end of the month following any 24 month period in which you did not have eligible hours paid for by your Employer or credited due to Total Disability.

As a *Terminated* Member of a pension plan you have certain rights. If the pension accrued on your record is large enough for the Plan to administer, you are able to receive a monthly pension at age 67 or a reduced pension if you draw the pension prior to age 67.

Alternative Settlement of Termination Benefit

You also have the right to move the *Commuted Value* (present day, lump sum value) of your pension benefit.

You may elect one of the following alternative settlements instead of receiving a monthly pension from the Plan:

- Transfer the *Commuted Value* of your pension to the registered pension plan of your new Employer (if that plan permits).
- Transfer the *Commuted Value* of your pension to a Locked-In Retirement Account (LIRA).
- Purchase a life annuity from a Canadian life insurance company.
- Purchase a Life Income Fund (LIF) as prescribed under the Pension Benefits Standards Act provided that you have attained age 55.

In some cases the pension entitlement falls under prescribed limits and the Plan is able to issue the payment as a taxable payment that is not locked-in.

Voluntary Termination of Membership

If you cease employment with a *Participating Employer*, you can elect to *Terminate* your membership in the Plan before 24 months have elapsed and transfer the *Commuted Value* of your pension out of the Plan in accordance with the options shown above under "Alternative Settlement of Termination Benefit".

Please note, **until you have *Terminated* your Membership in the Plan**, the Plan is **not able** to provide you with the *Commuted Value* of your pension.

Death Benefits - Prior to Retirement

If you die prior to retirement, your *Spouse* or if you do not have a *Spouse*, your beneficiary, will receive a death benefit equal to the greater of:

(i) the Actuarial Equivalent of 60 monthly payments of your accrued pension at your date of death; or,

(ii) the *Commuted Value* of your accrued pension at your date of death.

Settlement of *Spouse's* Benefit upon your Death

Your *Spouse* may choose one of the following ways of payment of the death benefit:

- transfer the benefit value to another registered pension plan if that other plan permits the transfer;
- transfer the benefit value to his or her Locked-In Retirement Account;
- purchase a life annuity from a Canadian life insurance company;
- purchase a life income fund (LIF);
- receive an immediate pension from the Plan (if not under the prescribed limit).

Death Benefits - After Retirement

If you die after your retirement date, any benefits payable to your *Spouse* or beneficiary on your death are paid in accordance with the pension option you elected when you retired from the Plan.

Beneficiary

At the time you join the Plan, you are provided with forms in order for you to make a written election of a beneficiary who will be eligible to receive certain death benefits.

If you have a *Spouse* when you die prior to pension commencement, your *Spouse* will automatically receive the death benefit, unless he or she has signed a waiver form. If you do not have a *Spouse* the death benefit will be paid to your beneficiary or, if you did not appoint a beneficiary, to your estate.

Some Members of the Plan elect a "secondary beneficiary" so that in the event of the Member and *Spouse* passing away at the same time, the death benefit would be paid to the beneficiary rather than to the Member's estate.

You may change your beneficiary election at any time by completing the appropriate forms and forwarding them to the Plan Administrator.

Disability Benefits

Continued *Pension Accrual*

If you become totally disabled when you are employed by a *Participating Employer*, and are unable to perform the duties of your regular occupation, or if you are on a maternity or parental leave as defined in the Employment Insurance Act, you may continue to accrue pension credits.

Your Employer is not required to contribute in order for these credits to be granted. The Plan absorbs the cost of this continued accrual.

Pension Accrual will be calculated based on the lesser of your hours of work actually lost due to your disability and the maximum number of hours for which contributions would have been payable under the Collective Agreement if you had remained at work for the first six months, and then based on the lesser of your average monthly hours worked in the twelve months prior to your disability and 150 hours per month.

Beginning with the 31st month of disability, you may continue to accrue pension credits provided you are unable to perform the duties of any occupation for which you are reasonably suited.

Unreduced Early Retirement

If you have attained age 55, and are Totally and Permanently Disabled so that you are unable to perform the duties of any occupation for which you are reasonably suited, you may be entitled to the equivalent of an unreduced early retirement pension.

Evidence of Disability

Qualification for disability benefits will require submission of satisfactory evidence of disability. You must meet the conditions of the Plan with regard to these benefits. Please call the Plan's office for further information.

Division of Pension on Marriage Breakdown in BC

In BC, if your marriage or common-law relationship breaks down, your *Spouse* is entitled to 50% of the pension you earned under the Plan during the marriage according to the Family Law Act (FLA). This is not applicable if you provide a notarized written agreement or court order for an alternative arrangement or your spouse has provided the appropriate FLA forms to release their claim against your pension if they were previously designated as a Registered Spouse or Limited Member of the Plan.

Your former *Spouse* can apply to the Plan to be designated as a Registered *Spouse* or as a Limited Member of the Plan.

To become a Registered *Spouse* under the Plan, your former *Spouse* can file a Family Law Act Form P1: Claim and Request for Information and Notice. This form puts the Administrator on notice that your former *Spouse* may be claiming an interest in your pension and no termination, retirement or death benefit will be paid out from the Plan prior to notifying him or her. Your former *Spouse* is entitled to receive information on the benefit from the Administrator.

To become a Limited Member under the Plan, your former *Spouse* can file a Family Law Act Form P2: Request for Designation as Limited Member of Pension Plan. In addition to the Form P2, a copy of your Court Order or Separation Agreement outlining your *Spouse's* benefit entitlement must be provided to the Plan.

In addition, your former *Spouse* is required to pay an administration fee of $750 to the Plan. The designation of "Limited Member" allows the Plan to pay your former *Spouse*, his or her share of your pension directly from the Plan. This occurs on the earlier of the date that you transfer the Commuted Value of your pension after you *Terminate* membership in the Plan or the date that you reach age 55.

You or your former *Spouse* may obtain the FLA Forms P1 and P2 directly from the Administrator or from the FLA website.

Note: If you reside in another province, then the division of your pension is subject to the legislation that applies in that other province.

Tax Assistance for Retirement Savings

The Plan is designed to be of assistance to you in your retirement planning. **It is very important that you consider participating in other retirement programs** including contributions to Registered Retirement Savings Plans (RRSP's) and/or Tax Free Savings Accounts (TFSA's) along with your Locked-in Retirement Accounts. As you plan for your financial security, it would be prudent to meet with an independent financial advisor to discuss your financial needs and how to best plan for your retirement.

Contributions to a RRSP may be deducted from your earned income each year. You save income tax in the year you make the contribution, but you must pay tax when you take the money out. Contributions to a TFSA may not be deducted from your earned income each year, but money taken out of a TFSA is tax free.

Contributions to a RRSP are limited by the Income Tax Act. You may contribute a maximum of 18% of your previous year's earned income to a maximum of $25,370 in 2016. This amount increases each year. The amount you are allowed to contribute is, however, affected by the amount of contributions made on your behalf to a pension plan. We understand that contributions for TFSA's may change. The TFSA contribution limit for 2016 is $5,500.

The amount by which your RRSP limit will be reduced will be reported each year by your Employer on your T-4 slip as a Pension Adjustment (PA). In this type of Plan, your Pension Adjustment or PA is simply the amount of contributions your Employer makes to this Plan based on the hours you work and the terms of your Collective Agreement.

Planning for Your Retirement

When you are seriously considering retiring, please call the Plan's office. We will review your pension record and provide you with details on the retirement process. Once you have chosen a date, you will be provided with a Retirement Package. This contains all the forms necessary for you to retire and lists the various documents required by the Plan.

*The documents required include: your **birth certificate and/or passport**, if married your **Spouse's birth certificate and/or passport** and marriage certificate. Please note, these documents will also be required **when applying for government pensions.***

Proof of age

A Member applying for any pension must provide proof age. A birth certificate, baptismal certificate, passport or citizenship papers are acceptable documents.
Proof of age is also required for your Spouse.

Confirmation of Marital Status

Your marriage certificate or another declaration confirming marital status (the Plan's office can be of assistance with the latter).

Social Insurance Number

Pension benefits are taxable. The Plan issues T4A's to retirees in February each year. Every Employee will already have a Social Insurance Number (SIN) as it is required for employment. It is, however, important to note that your *Spouse* must have a Social Insurance Number in order to be eligible to receive a spousal pension if applicable. *(Application forms for Social Insurance Numbers are available at your local Service Canada office.*

Other Sources of Retirement Income

Your own Retirement RRSP's, Locked in Retirement Account, TFSA's and Savings

As the date of your retirement approaches, it would be prudent to meet with an independent financial adviser to discuss your financial situation and how best to use your own RRSP's, Locked in Retirement Accounts, TFSA's and savings as an additional retirement income stream.

Government Programs

Old Age Security (OAS)

It may be prudent to submit your application to the nearest Service Canada Office approximately 6 months prior to your 65th birthday. The Service Canada Office may be reached at 1-800-277-9914.

Canada Pension Plan (CPP)

You may receive CPP any-time after age 60; there is, of course, a reduction for each month your pension is started prior to age 65.

Application is based on the current terms of CPP. Their office suggests that individuals apply approximately 6 months in advance for this benefit. For more information, please contact your local Service Canada Regional Office.

Other Considerations

Provincial Government Health Services Information

Information on Pharmacare, BC Medical Services Plan and Hospital services can be obtained from your local Provincial Government office.

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