

Glossary of Pension Plan 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 the Plan's Pension booklet which is provided to all Members:

"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.

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

"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,

"Target Benefit Plan" is a concept originally introduced to properly describe plans such as ours. The contributions to such plans are fixed, in our 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 the Plan Member. The amount of monthly pension can be increased or decreased depending on the Going Concern funded status of the Plan meaning how the Plan's assets compare to its liabilities (the funds required to pay all current and future pensions).

"Terminated Members" are now referred to as "Former Members"

"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 2017 the **YMPE is \$55,300.**