



April 3, 2020

Brothers and Sisters,

Re: Message from the Chair of the Teamsters' National Pension Plan

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Although the past few weeks have brought a lot of uncertainty into our lives, the Trustees of your Pension Plan would like to assure you that your pensions continue to be secure and are managed in a manner that protects your benefits.

At the last valuation of the Plan on December 31, 2016, the Plan had a funded ratio of 111%. In December 2019, the funded position was estimated to be around 115%. That means that for every \$100 of pensions owed to members, the Plan saved \$115. This means the Plan has more assets than it needs to pay pensions. This surplus or buffer is in place to help manage the Plan through times of market uncertainty, such as the one we are now going through.

In addition to this buffer, the Plan's investments are structured to help ensure that your pensions are protected during times of market turmoil. The Plan has taken steps to ensure it holds a significant portion of its investments in long term bonds secured by federal and provincial governments, and financially strong Canadian corporations. The consistently stable returns of bonds help protect pensions in this time of uncertainty.

Overall, the impact on the Plan from current market turmoil has been limited and it is expected the Plan to remain financially strong through this market turmoil.

As an additional step, the Trustees have reviewed the Plan design to ensure your benefits are secure. Through this review, our advisors have recommended amendments to the Plan regarding the portability of pension upon membership termination. These amendments to the Plan are designed to secure the financial stability of benefits and ensure equitable treatment for all members through all market conditions, including the current environment. We have summarized the amendments to the Plan in the attached notice. This amendment has no impact on the value or amount of your pension in the Plan as it only impacts the timing on which benefits are paid to members and terminated members.

Wishing you the best of health.

In solidarity,

Stan Hennessy, Chair  
Teamsters' National Pension Plan

April 3, 2020

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**Plan Amendments – Effective April 1, 2020**

Notice to all Active Members of the Teamsters' National Pension Plan (the "Plan")

As you know these are unprecedented times and there have been many changes made in our environment in a relatively short period. In order to ensure the Plan protects all Members, the Board of Trustees is making two important changes to the Plan that relate to what happens to Members when they retire or terminate membership in the Plan.

Right now, if you are no longer employed by an employer that participates in the Plan, you terminate membership and become a "Deferred Member" at the earlier of:

1. The first day of the month following a period of 2 consecutive fiscal years during which less than 350 hours have been reported for you
- OR**
2. The end of the 24 consecutive month period in which no hours were reported on your behalf.

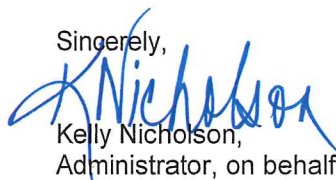
The two important changes, effective April 1, 2020, which relate to what happens when a Member retires or terminates membership in the Plan are:

1. *Members will no longer be allowed to transfer the commuted value of their pension out of the Plan on or after age 57. Instead, if you terminate membership on or after age 57 you will be entitled to a pension from the Plan. This change makes the Plan more consistent with how other pension plans administer commuted value transfers for members who are closer to retirement age. This administrative rule does not apply if your pension is a "small pension" under the pension standards legislation. Those small pensions can continue to be paid out of the Plan as lump sums regardless of your age when you terminate membership.*
2. *The Voluntary Termination provision in the Plan allowed members to elect to terminate membership prior to satisfying the 2 fiscal years / 24 consecutive months test set out above. This exception to the normal termination rule is being eliminated which means that all Members will terminate membership at the end of the 2 year/24 consecutive month test set out above and then will be subject to all of the normal Plan rules in terms of the election that they can make (a commuted value transfer or a deferred pension).*

The Trustees have also clarified that if a Participating Employer stops meeting the requirements for being a Participating Employer (including the requirement that all members of the Participating Employer covered under a collective agreement must contribute to the Plan), then all of the employees of that Employer will terminate membership in the Plan once they satisfy the 2 fiscal year/24 month test set out above.

These changes will help ensure fairness and equality among all Plan Members and are expected to promote a better understanding of the value of your pension plan. As the majority of Plan Members choose a monthly retirement benefit, the Board of Trustees are confident this amendment will allow the Plan to achieve its goal to continue to provide the best possible retirement income while protecting all Members and also their respective beneficiaries.

Sincerely,



Kelly Nicholson,  
Administrator, on behalf of the Board of Trustees