United Association
Local Union 254

Pension Trust Fund

August 2019

Important note

The purpose of this outline is to explain briefly the main features of this pension plan.

This outline does not create or confer any contractual or other rights. The trust agreement and plan document of the United Association Local Union 254 Pension Trust Fund and any governmental regulations govern all rights and obligations with respect to the plan. Any information provided in this booklet may be subject to change if amendments are made to the plan or to pension legislation. If there are any misunderstandings regarding plan provisions, the terms of the plan document and the applicable legislation will apply.

Plan registration numbers

Provincial - Federal 0381715

Provincially registered as a specified multi-unit pension plan (MUPP)

Federally registered as a specified multi-employer pension plan (SMEPP)

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Summary of the provisions of the pension plan

Purpose

Q. What is the purpose of the pension plan?

A. The primary purpose of the pension plan is to assist in providing retirement benefits to union members on their retirement. As well, the plan provides benefits on the termination of plan membership or the death of a member prior to retirement.

Effective date

Q. When did the plan become effective?

A. The United Association Local Union 254 Pension Plan became effective November 1, 1971.

Eligibility

Q. Who is eligible?

A. If you are a member of the Mechanical Division of the United Association Local Union 254 and contributions are being made to the pension trust fund in accordance with the terms of the current collective agreement, you are automatically a member of the plan.

Enrolment/beneficiary designation

Q. How do I enrol or submit a change of address, marital status or beneficiary?

A. You must complete an enrolment form and submit it to the plan administrator. Forms are available from the union and the plan administrator's offices. Completing an Application for Group Coverage when you first enrol and a change form every time there is a change in your personal information, marital status or beneficiary designation will ensure that your file is handled properly. If you have a change in address, please call the plan administrator and provide an updated mailing address.

Participation

Q. Is participation in the plan mandatory?

A. Yes. As a condition of employment, all eligible union members in the Mechanical Division are members of the pension plan.

Contributions

Q. How is the plan funded?

A. It is funded by employer contributions, based on an amount per hour for each hour worked, as provided by the most current collective agreement between the local union and their respective employers.

Q. Can I make voluntary contributions?

A. No. While the plan used to allow for a self-payment top-up, since 2008 it no longer allows for voluntary contributions to be remitted.

Q. Will I receive a tax deduction for contributions made to this plan?

A. No. As the plan is only funded through employer contributions that are not included in your "taxable" or "gross" income, you will not receive a tax deduction for any contributions.

Q. How do I know how much I can contribute to my registered retirement savings plan (RRSP) if I participate in the plan?

A. The Canada Revenue Agency (CRA) issues each taxpayer a notice of assessment special notice indicating his/her RRSP contribution limit for the taxation year.

Employer contributions are used to calculate your pension adjustment (PA) amount. This amount is used by the Canada Revenue Agency to determine your RRSP contribution limit.

Canada Revenue Agency (CRA) determines your annual RRSP contribution room using a set formula. Each year's RRSP contribution room is determined by your previous year's earned income and earned pension benefits, calculated as follows:

18 per cent of your previous year's earned income, up to $26,500 for 2019 (CRA maximum),* *less*

your pension adjustment (PA) amount for the pension plan as reported on your previous year's T4 slip.**

* *The CRA has established the maximum in 2020 will be $27,230. It will be adjusted annually.*

** *Your PA is the value the CRA assigns to your participation in a registered pension plan. The formula used to calculate your PA under this pension plan is: PA = your employers contributions.*

RRSP contribution room example:

Assume you earned $100,000 in 2019 and had $10,000 contributed on your behalf to the pension plan in 2017.

RRSP contribution maximum for 2019:

RRSP maximum:	$100,000 x 18% = $18,000
PA:	$10,000
RRSP contribution room:	$18,000 - $10,000 = $8,000

Q. Can I carry forward unused RRSP contribution room?

A. Yes, although the government has frozen the maximum at $26,500, for 2019. You are permitted to carry forward any unused RRSP contribution room you may have accumulated from previous years.

Vesting

Q. Do employer contributions made on my behalf belong to me?

A. Yes. The plan provides for full and immediate entitlement of all required employer contributions each benefit year, provided a minimum of 300 hours is worked in that benefit year. All contributions made on your behalf must be used to provide a retirement income.

Amount of Normal Pension

Q. What is the amount of pension at my Normal Retirement Date?

A. The amount of pension at your Normal Retirement Date depends on the following:

1) the number of credited hours each year, and

2) the amount of pension credit applicable to each year worked

Your pension benefit is the total of your past service and future service earned.

Past Service
For members in good standing in the union after May 1, 1996, the past service pension is equal to $10.49 per month for each complete year (12 months) of continuous union membership prior to November 1, 1971.

Future Service

The following are amounts of future service pension credits for the contribution hours for the periods shown below.

PERIOD	HOURS IN PLAN YEAR	IN DOLLARS OF MONTHLY PENSION (at normal retirement)
Nov. 1, 1971	300 or more hours	$18.60 for every 1980 hours
to Oct. 31, 1976	less than 300 hours	$0.00
Nov. 1, 1976	300 or more hours	$29.58 for every 1980 hours
to Oct. 31, 1978	less than 300 hours	$0.00
Nov. 1, 1978	300 or more hours	$37.50 for every 1980 hours
to Oct. 31, 1981	less than 300 hours	$0.00
Nov. 1, 1981	300 or more hours	$42.48 for every 1980 hours
to Oct. 31, 1982	less than 300 hours	$0.00
Nov. 1, 1982	300 or more hours	$47.76 for every 1980 hours
to Dec. 31, 1983	less than 300 hours	$0.00
Nov. 1 1983	300 or more hours	$38.28 for every 1980 hours
to Oct. 31, 1984	less than 300 hours	$0.00
Nov. 1, 1984	300 or more hours	$36.66 for every 1980 hours
to Oct. 31, 1985	less than 300 hours	$0.00
Nov. 1, 1985	300 or more hours	$34.80 for every 1980 hours
to Oct. 31, 1986	less than 300 hours	$0.00
Nov. 1, 1986	300 or more hours	$33.54 for every 1980 hours
to Oct. 31, 1987	less than 300 hours	$0.00
Nov. 1, 1987	300 or more hours	$31.98 for every 1980 hours
to Oct. 31, 1988	less than 300 hours	$0.00
Nov. 1, 1988	300 or more hours	$38.46 for every 1980 hours
to Oct. 31, 1989	less than 300 hours	$0.00
Nov. 1, 1989	300 or more hours	$36.60 for every 1980 hours
to Oct. 31, 1990	less than 300 hours	$0.00
Nov. 1, 1990	300 or more hours	$43.92 for every 1800 hours
to Oct. 31, 1991	less than 300 hours	$0.00
Nov. 1, 1992	300 or more hours	$42.06 for every 1800 hours
to Oct. 31, 1992	less than 300 hours	$0.00
Nov. 1, 1992	300 or more hours	$41.34 for every 1800 hours
to Oct. 31, 1993	less than 300 hours	$0.00
Nov. 1, 1993	300 or more hours	$40.68 for every 1800 hours
to Oct. 31, 1994	less than 300 hours	$0.00
Nov. 1, 1994	300 or more hours	$40.26 for every 1800 hours
to Oct. 31, 1995	less than 300 hours	$0.00

Nov. 1, 1995 to Oct. 31, 1996	 300 or more hours less than 300 hours	**If $1.50 per hour contribution:** $46.48 for every 2100 hours $0.00
	 300 or more hours less than 300 hours	**If $1.72 per hour contribution:** $53.27 for every 2100 hours $0.00
Nov. 1, 1996 to Oct. 31, 1998	 300 or more hours less than 300 hours	**If $1.72 per hour contribution:** $53.27 for every 2100 hours $0.00
	 300 or more hours less than 300 hours	**If $2.16 per hour contribution:** $66.92 for every 2100 hours $0.00
Nov. 1, 1998 to Oct. 31, 2001	300 or more hours less than 300 hours	$66.99 for every 2100 hours $0.00
Nov. 1, 2001 to Oct. 31, 2002	300 or more hours less than 300 hours	$73.50 for every 2100 hours $0.00
Nov. 1, 2002 to Oct. 31, 2007	300 or more hours less than 300 hours	$84.00 for every 2100 hours $0.00
Nov. 1, 2007 to Dec. 31, 2016	300 or more hours less than 300 hours	$89.25 for every 2100 hours $0.00
Jan. 1, 2017		For all services earned prior to Jan. 1, 2017, Pension benefits were increased by 2% for Active Members, Deferred Members, and Retirees
Jan. 1, 2017 to present	300 or more hours Less than 300 hours	$105.00 for every 2100 hours $0.00
October 1, 2018		For all services earned prior to Jan. 1, 2018, Pension benefits were increased by 2% for Active Members, Deferred Members, and Retirees
April 1, 2019		For all services earned prior to Jan. 1, 2019, Pension benefits were increased by 2% for Active Members, Deferred Members, and Retirees

Effective January 1, 2017, $5.00 of future service pension credits are earned for every 100 hours worked. You must work a minimum of 300 hours in any year to accrue future service for that year.

Prior to November 1, 1996, the maximum benefits per year were capped at the equivalent for 2100 hours. Effective November 1, 1996, hours worked in excess of 2100 hours per year are given pro-rated credit for each 100 hours worked.

Benefits are based on the current and projected assets of the Fund and are not guaranteed entitlements.

Locking-in

Q. When do the required contributions become "locked-in" under the legislation?

A. All contributions that have been made by the employer become locked-in immediately. *Locked-in* means when a member terminates or retires from the pension plan, the pension funds must be used to provide for retirement income. The locking-in provision also applies to investment earnings accumulated in your personal account.

Unlocking locked-in funds

In accordance with provincial pension legislation, you may unlock your pension funds at termination, and receive a lump sum payment, under the following conditions:

1. If your annual pension accrued is less than 4% of the year's maximum pensionable earnings (YMPE) or the commuted value of your total account balance is less than 20 per cent of the YMPE. In 2019 this amounts to $2,296 in annual pension or a value of $11,480 ($57,400 x 20 per cent).
2. In the event that you suffer from a mental or physical disability that is likely to shorten your life expectancy to less than 2 years, as certified by a duly qualified medical practitioner, you may apply to unlock your pension funds. Application must be filed with the plan administrator and, if applicable, a spousal waiver may be required.
3. If you are no longer a resident of Canada, you may, upon written request along with confirmation from the Canada Revenue Agency that you are a non-resident for the purposes of the Income Tax Act, apply to the plan administrator to unlock your funds. A spousal waiver, if applicable, may be required.

   To be eligible, you must satisfy the requirements of the Pension Benefits Regulations as follows:

- The member must be a non-resident of Canada as determined for the purposes of the Income Tax Act (Canada) (ITA);
- the member must have not resided in Canada for at least two consecutive years;
- the member must provide the administrator or issuer of the contract with written evidence that the Canada Revenue Agency has determined that the person is a non-resident of Canada for the purposes of the ITA;
- if the member has a spouse, the member must obtain the spouse's consent to the withdrawal and waiver of entitlement in Form 3, and file a copy of the completed form with the administrator or issuer of the contract.

Benefits on termination

Q. When can I terminate my membership in the plan?

A. If you are under age 55, termination of membership in the plan will occur when no contributions have been received on your behalf for a period of 24 calendar months, or you identify in writing that you have terminated your membership in the International Union subject to union verification of the date that you are no longer in good standing.

If you are over age 55, you must receive a retirement benefit from the plan. While this does not need to occur immediately, you must commence your pension income prior to age 71.

Q. If I terminate my membership in the plan, may I leave the accumulated benefit in the plan until retirement?

A. Yes, upon termination of membership, you may leave your accumulated pension benefit in the plan until you are ready to retire.

Q. What are my options on termination?

A. If you are under age 55, on termination of membership you are entitled to transfer the commuted value of your pension to:

a) another registered pension plan, if the administrator of the other pension plan agrees to accept the payment; or

b) a locked-in retirement account (LIRA).

Q. How do I go about making application for a termination of membership from the plan?

A. To apply for termination of benefits, contact the plan administrator and request a termination package. The plan administrator will send you the appropriate forms for completion and will at your request, provide any data you may require to select the appropriate pension option. After the plan administrator has received your completed application form, applicable documents and all contributions, it will take between four to eight weeks to complete and make the appropriate payment.

Retirement dates

Q. What is the normal retirement date?

A. A member's or former member's normal retirement age, being the date on which the member or former member has the right to retire and receive a pension shall be the first day of the month coinciding with or immediately following the member's or former member's attainment of normal retirement age. Currently, the normal retirement age is 65.

Q. What is the early retirement age?

A. You may retire on the first day of any month following or coincident with your attainment of age 55. If you have 10 or more plan years of service, your pension would be unreduced at age 60 or more. If retiring prior to age 60, your pension is reduced by 0.5% for each month prior to age 60.

If you have less than 10 plan years of service, your pension will be actuarially reduced from age 65.

Q. What if I am totally and permanently disabled prior to my retirement date?

A. You can apply for a disability pension if you meet all of the following conditions:

- are totally and permanently disabled, as defined in Regulation 8500(1) of the Income Tax Act;
- have earned pension credits in at least 5 plan years;
- are under age 60;
- your disability has continued without interruption for at least 4 months; and
- you are **not** eligible for disability benefits under the United Association Local Union 254 Health and Welfare Plan,

Employment Insurance Disability, or Worker's Compensation.

You are considered to be totally and permanently disabled if as a result of injury or disease you are unable to perform the duties of any occupation and such disability/condition will continue for the remainder of your life.

The disability pension paid to you will be the pension you have earned up to the date you became totally and permanently disabled.

Your disability pension will be effective on the later of:

a) the first day of the month in which you apply for such pension; or

b) the day following the last day benefits are paid to you from the Employment Insurance program.

Your disability pension will cease if you are no longer totally and permanently disabled or you attain your normal retirement date. If you die while on disability pension, the death benefit will be in accordance with the form of pension elected at the date your disability became effective.

If you are not eligible to collect a disability pension, you will continue to earn pension credits while receiving disability benefits from the sources listed above, based on the average hours reported and paid into the plan in the three plan years before the plan year in which you became disabled.

Q. May I postpone my retirement date beyond age 65?

A. Yes, the Canada Revenue Agency requires that all pensions commence payment by the end of the year in which you attain age 71. In the event that you make application for your pension after your normal retirement date, your pension will not commence retroactively.

Q. What happens if I return to work after retirement?

A. If, after retirement, you return to work for a participating employer, you will be considered a new member of the defined contribution plan (refer to the defined contribution plan section (page 18) for additional termination provisions). Your monthly pension income being paid through the defined benefit plan is not affected. Your new account will be subject to the same provisions regarding locking-in and portability on termination of employment or death that apply to non-retired members. You

may continue to participate in the defined contribution plan up to the end of the year you turn age 71. At that time you must transfer your defined contribution account balance into a retirement vehicle and commence receiving a retirement income.

Retirement

Q. How do I apply for my pension?

A. Once you have decided on a retirement date, you should notify the administrator at least two months in advance and request a retirement package. The administrator will send you the appropriate forms for completion and provide any data you may require to select the appropriate pension option.

Monthly pensions are paid at the end of each month and can be directly deposited into your bank account.

Q. Must I submit proof of age?

A. Yes. You are required to furnish proof of your date of birth before any pension payments are made to you. If you elect a type of pension that depends on the survivorship of your spouse, you are required to furnish proof of age of your spouse.

Q. What is the definition of a common-law partner?

A. "Common-law partner" or "partner" of a member or former member means:

(a) a person who, with the member or former member, registered a common-law relationship under Section 13.1 of the Vital Statistics Act, or

(b) a person who, not being married to the member or former member, co-habited with the member or former member in a conjugal relationship

i) for a period of at least three years, if either of them is married; or

ii) for a period of at least one year, if neither of them is married.

Q. Is income from my retirement benefit taxable?

A. Yes, all income received from your retirement benefit is taxable.

Q. Can I make arrangements to discuss my retirement options with the administrator?

A. Yes. Arrangements may be made by contacting the administrator and making an appointment. The administrator has an individual financial consultant on staff that is available to assist you. Spouses are encouraged to attend the retirement counselling session.

Retirement benefits

Q. What types of retirement benefits are available?

A. The normal form of pension under this plan is a life annuity guaranteed for a minimum of 5 years.

Under this form of payment, you will receive a monthly income for as long as you live. If you have a spouse or common-law partner, the normal form of pension is actuarial adjusted to a joint and survivor 60% annuity (refer below).

Types of annuities

Single life with no guarantee period

The monthly income will cease upon your death and no death benefits will be payable to a spouse, beneficiary or estate. This type of pension may suit you if you are single and have no dependants, or if your spouse also has a comparable pension entitlement.

Single life annuity with a minimum guarantee period

Should you die before a specified number of payments have been made (usually 5, 10 or 15 years), the balance of the payments will continue to your designated beneficiary or estate. As there is a guarantee that payments will be made for a specified period, the amount of pension income you would receive under this option is less than the single life annuity only option.

Example:

If you choose a single life annuity with a 15-year guarantee, you will receive a monthly payment as long as you live, with the provision that if you die before receiving 180 monthly payments, your designated beneficiary or estate will continue to receive the balance of your monthly payments until a total of 180 payments have been made.

Joint and last survivor annuity

Should you pre-decease the joint annuitant (which must be your spouse), payments will continue to your spouse or common-law partner at the chosen percentage for their lifetime. Payments cease when both you and your spouse are deceased. Your plan will offer a variety of survivor benefits; however, those typically allowed are 60 per cent, 75 per cent, or 100 per cent of the amount payable immediately prior to your death.

Joint and last survivor annuity with a guaranteed payment period

Should you pre-decease the joint annuitant (which must be your spouse) the payments will continue to your spouse or common-law partner at the full amount until the end of the chosen guarantee period, at which time, they will reduce according to the level of survivor benefit chosen and continue for the spouse's or common-law partner's lifetime. Payments cease when both you and your spouse or common-law partner are deceased.

In the event that both you and your spouse die within the guarantee period, the payments will continue at the full amount to your designated beneficiary or estate until the end of the chosen guarantee period. Since there is a provision for payments to continue to a joint survivor for life, the amount of pension income you would receive is less than the single life annuity with or without guarantee periods option. This type of annuity often helps couples with their retirement planning.

Your spouse (if applicable) must sign a prescribed consent form waiving their entitlement if the form of annuity chosen provides a survivor benefit of less than 60 per cent of the amount payable immediately prior to your death.

Q. Does this pension affect my entitlement to CPP or OAS benefits?

A. No. The pension you earn under the United Association Local Union 254 Pension Trust Fund is payable in addition to the Canada Pension Plan and Old Age Security benefits. However, depending on your total income, your OAS benefits may be subject to a "clawback" tax for your net income exceeding a certain annual threshold.

Level Income Option

If you retire before age 65, you can choose to take a larger pension from the plan until either or both of your Canada

Pension Plan (CPP) and Old Age Security (OAS) commence. Subsequently, you will receive a smaller pension after CPP and/or OAS commence to provide you with a "level income" from the combined income from both sources of your retirement income (pension plan and government programs)

Government programs

As of July 2019, the maximum benefits available at age 65 are:

1. Canada Pension Plan (CPP); $1,154.58/month; or

2. Old Age Security (OAS); $607.46/month.

You may receive the CPP as early as age 60, but your CPP benefit amount will be reduced. Conversely, you may also delay receiving CPP benefits, subject to a benefit increase, however, no later than age 70. Old Age Security benefits cannot be received earlier than age 65. You may also delay OAS benefits, subject to a benefit increase, however, no later than age 70. For additional information regarding government programs call Service Canada toll free at 1-800-277-9914 or visit www.servicecanada.gc.ca.

Death benefits

Q. When I die, will someone else receive my pension?

A. Yes. It is very important that you designate a beneficiary so that, in the event of your death, your pension benefits are distributed according to your wishes. If you have a spouse or common-law partner, he/she is automatically designated as your beneficiary under provincial legislation. Your surviving spouse or common-law partner must be co-habiting with you immediately prior to your death and must provide satisfactory evidence of co-habitation to the plan administrator. The applicant must also provide a copy of the death certificate.

Q. What happens to my account balance if I die before retirement?

A. Upon the date of death of the member, the death benefit will be equal to the commuted value of the member's pension accrual. The death benefit that is available will be payable as follows:

Members with a spouse or common-law partner at date of death

As a lump-sum payment, subject to applicable withholding taxes, transferred to a locked in retirement account (LIRA), a life income fund (LIF), or as a life annuity.

The surviving spouse will be considered to have survived the member with whom he/she had the common-law relationship or marriage only if they were co-habiting with one another immediately before the death of the member. The spouse or common-law partner must provide evidence of co-habitation satisfactory to the plan administrator.

These provisions do not apply if you and your spouse or common-law partner are living separate and apart at the date of your death, or if your spouse or common-law partner signed a waiver of pre-retirement death benefit (refer to next question) prior to your demise.

Members without a spouse at date of death

As a lump-sum payment to the designated beneficiary or the estate of the member, subject to applicable withholding taxes.

Q. If I am married or in a common-law relationship, can I designate a beneficiary other than my spouse?

A. Yes. However, to do so, your spouse or common-law partner must complete a spousal waiver of pre-retirement death benefit where the spouse or common-law partner gives up all rights to a benefit on your death. These forms are available at the plan administrator's office and must be filed with the plan administrator prior to the member's date of death.

Q. What happens to my pension if I die after retirement?

A. If you die after you have begun receiving your monthly pension, the amount of any further benefit will be determined by the form of annuity chosen at retirement.

Q. Are payments from the death benefit taxable?

A. Yes, the death benefit is taxable. If your surviving spouse wishes to defer the taxation, he/she may transfer it to a registered retirement savings plan. All other beneficiaries must take a lump-sum payment.

Credit splitting

Q. Is my spouse or common-law partner entitled to any portion of my pension on relationship breakdown?

A. On relationship breakdown, the member's pension benefit accumulated during the years of marriage or common-law relationship, must be divided in accordance with the Pension Benefits Act of Manitoba and regulations unless waived by both parties in the form and manner as prescribed in the regulations. The division is triggered if:

a) according to an order of the Court of Queen's Bench made under The Family Property Act, family assets of the member or his or her spouse or common-law partner are to be divided;
b) according to a written agreement between the member and his or her spouse or common-law partner, their family assets are divided; or
c) a division of pension or pension benefit credit, is required by an order of a court of competent jurisdiction in another province or territory of Canada, or an order of the Court of Queen Bench made under subsection 31(3.4) of the Pension Benefits Act of Manitoba.

The division of a maximum of 50 per cent shall apply only in respect of that portion of the pension benefit which was accrued from the date that the marriage or common-law relationship commenced to the separation date. On relationship breakdown, the spouse's or common-law partner's entitlement of the benefits will be determined under the applicable legislation and must be transferred to another registered pension plan, a locked-in retirement account (LIRA) or to any other arrangement prescribed under the Pension Benefits Act of Manitoba and regulations.

Your designated pension plan beneficiary will not be automatically revoked or changed by any change in marital status. Should you wish to change your beneficiary, you will have to do so in writing by completing a change form.

Garnishment (maintenance enforcement)

Q. Can my pension be garnished?

A. In the event that a former member fails to make the appropriate maintenance payments to a former spouse, or child, in accordance with the Enforcement of Maintenance Orders Act, the pension benefits accumulated by the former member may be garnished (including all costs associated with administration and applicable taxes) from the pension benefit account balance. The amount garnished cannot be greater than the total pension account balance.

Upon receipt of a garnishment order, under the terms of the Enforcement of Maintenance Orders Act, the plan administrator must withdraw the requested funds. The member will be notified of such a withdrawal when the order from the Maintenance Enforcement Branch is received.

Please contact the plan administrator for assistance with any of these issues.

Assignment

Q. Can I use my pension benefits as collateral to borrow money? Can my pension benefits be seized on bankruptcy?

A. No. The law prohibits the assignment of any pension benefits. This provision is for your protection and is intended to ensure that you will receive a pension when you retire.

Rights to information

Q. How will I know how much pension I have accumulated?

A. Each year, the plan administrator will forward a pension statement to your mailing address. It will outline the amount in your pension account, your retirement dates, the name of your beneficiary, etc. It is important that the information on this statement be accurate. If this is not the case, the plan administrator should be notified immediately.

Q. What other sources of information on my personal account am I entitled to receive?

A. On termination, retirement, death, or relationship breakdown, each member and/or surviving spouse, shall receive a written statement of his/her entitlements and options upon request.

Q. Who should be contacted for plan information?

A. Coughlin & Associates Ltd., the plan administrator, should be contacted for information regarding the plan.

The following information is available for review at the plan administrator's office. Copies are available to any member subject to the payment of a reasonable fee to cover costs incurred:

i) the pension plan document and any amendments thereto;

ii) the trust agreement and any amendments thereto;

iii) the most recent annual information return filed by the trustees with the Pension Commission;

iv) the most recent annual financial statement; and

v) a list of the assets included in the financial statements.

Administration

Q. Who administers the plan?

A. The board of trustees of the United Association Local Union 254 Pension Trust Fund is responsible for the overall administration of the plan. Coughlin & Associates Ltd. has been retained to handle the record keeping and daily administration. Contact information can be found at the beginning of this booklet.

Q. Can the plan be changed or discontinued?

A. The board of trustees expects to continue the plan indefinitely but reserves the right to amend, suspend or terminate the plan, either in whole or in part, at any time. Alternatively, changes or modifications may adversely affect the benefit that had accrued to members of the plan prior to the amendment date subject to the financial stability of the plan and in compliance with applicable rules and regulations.

In the event of discontinuance of the plan, the fund assets shall be disbursed to members in accordance with the plan rules based on the value of their interests in the fund. Annuities would be purchased for retired members collecting a pension benefit, while active and deferred members would have the options available under Benefits on Termination (refer to page 7). On plan termination, no part of the assets of the plan shall revert to the benefit of the employers or union. Any assets held to affect the plan termination will remain invested in accordance with government pension legislation. Any assets that remain after satisfaction of all liabilities under the plan will be distributed to members and other persons having an entitlement under the plan at the date of plan termination, subject to government pension legislation.

Notice regarding personal information

When you become a pension plan member, Coughlin & Associates Ltd., the plan administrator, sets up a file with personal information relevant to your pension funds under the plan.

The purpose of this file is to permit the plan administrator to administer all financial services provided to you and to keep information specific to their business relationship with you. This includes the following:

- financial reporting;
- internal and external audits;
- preparation of regulatory and statutory reports; and
- assisting you in planning for financial security.

The files are kept in the offices of Coughlin & Associates Ltd. and Coughlin's employees have access to these files when required.

You have certain rights of access and correction with respect to the information in your file. A request for access or correction must be placed in writing and should be sent to the office of Coughlin & Associates Ltd., P.O. Box 764, Winnipeg, Manitoba, R3C 2L4

Privacy

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Defined Contribution Plan (for retirees who have returned to work)

Q. What rate of return is earned on these assets?

A. The rate of return earned on the plan investments is calculated monthly and is applied to retiree defined contribution accounts at each year end and upon termination. A pension statement will be forwarded to your mailing address each year.

Q. When I subsequently terminate employment again, what are my options?

A. Upon termination of employment, you are entitled to elect retirement again and transfer the balance of your accumulated contributions and interest in your defined contribution account to:

a) a life income fund (LIF); or

b) a life annuity.

Alternatively, if you anticipate again going back to work (prior to age 71) you may leave your assets in your defined contribution account, where they will continue to be credited with the rate of return earned by the plan.

Should you meet the termination requirements (i.e. no contributions for 24 months or termination of membership in the union), you are entitled to transfer your account balance to:

a) another registered pension plan, if the administrator of the other pension plan agrees to accept the payment;

b) a locked-in retirement account (LIRA); or

c) a life income fund (LIF).

Q. How long can I accumulate assets in my Defined Contribution Plan?

A. You may continue to have contributions remitted to your pension account until age 71. By the end of the year you turn 71 you must convert this account to a retirement income vehicle (i.e. life income fund or annuity).

Extension of Health and Welfare Benefits for Retired Members

Q. What benefits are extended to Retirees?

A. Following the run-down of your hour bank account, retirees and their dependants receive the following benefits at no cost:

- life insurance of $10,000 for the plan member;
- ambulance services at 100% of applicable charges;
- vision care (as identified in the member health & welfare booklet).

Please note the premiums paid by the health & welfare plan for life insurance each month is a taxable benefit under the income tax act. The administrator will forward you the applicable tax reporting each calendar year.

You may also elect optional enhanced benefits, in addition to those listed above at a cost of $100 each month. This amount is subject to change from time to time. The coverage is similar to that while you were an active member, with restrictions limiting coverage for prescription drugs and some dental services. Refer to health & welfare booklet for a complete list of coverage. For ease of payment of the optional enhanced premium, retirees may elect to have the premium deducted automatically from their monthly pension payment, however this election is to occur within the first 2 months of your retirement. Please consult the administrator for details.