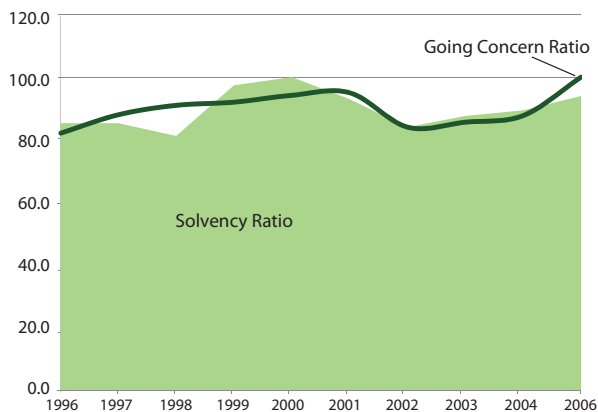


## **MINIMUM FUNDING STANDARDS**

The most recent actuarial valuation report filed with the Superintendent of Pensions show that the Plan has a solvency deficiency at December 31, 2006. The solvency ratio at that time was 94%, indicating that the Plan does not have sufficient assets to cover all the benefits that had been promised as of that date. On a going concern basis the Plan was fully funded. Based on the most recent actuarial valuation, the contributions required under the collective agreements are sufficient to make the Plan solvent in accordance with the B.C. Pension Benefits Standards Act and associated Regulations.

### **SOLVENCY & GOING CONCERN RATIOS (10 YEARS)**



## **CURRENT CONTRIBUTION RATES**

Employee contribution levels increased on July 1, 2007 from \$1.125 to \$1.375 per hour; while employer contribution rates remained the same.

## **DIRECT DEPOSIT**

More than 90% of our pensioners have their benefit electronically deposited into their bank account to ensure they have their money on time. This is a free service. Please ask the Plan Office about direct EFT deposit when you choose to retire.

## **INFORMATION CHANGE?**

If you move or change banks please be sure to contact the Plan Office.

Phone: 604-433-5862  
Toll Free: 1-800-913-0022  
Collect: 604-433-6310  
Fax: 604-433-0518  
Email: [pension@iwafibp.ca](mailto:pension@iwafibp.ca)

## **IWA - FOREST INDUSTRY PENSION PLAN**

SUITE 150 - 2955 VIRTUAL WAY  
VANCOUVER, BC V5M 4X6

## **SUMMARY ANNUAL REPORT 2007**



## TO ALL PLAN MEMBERS:

This is a summary of key financial and other information related to the IWA - Forest Industry Pension Plan for the year ended December 31, 2007.

## BASIC FINANCIAL STATEMENT

Benefits under the Plan are provided from the Plan's assets held in trust. In 2007, the Plan had a total income of \$233,967,435, which includes employer and employee contributions of \$108,085,295 and investment income of \$125,882,140.

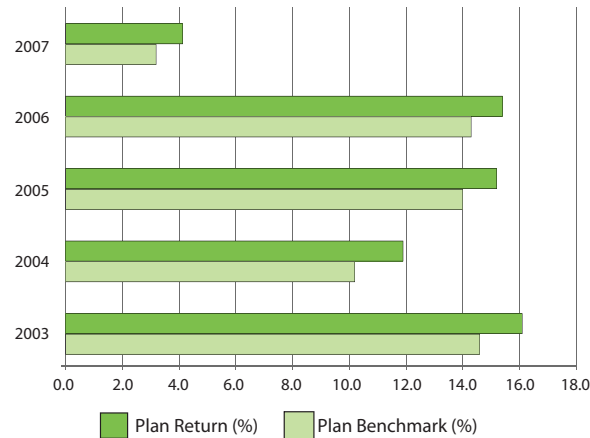
The Plan had total expenditures of \$195,517,041, which includes benefits paid to participants and beneficiaries of \$184,801,567, and administrative expenses of \$3,987,488. A total of 75,208 persons were participants or beneficiaries of the Plan at the end of the Plan year, although not all of these persons had yet earned the right to receive a benefit.

### 2007 FINANCIAL SUMMARY



The value of the Fund increased by \$38,450,394 during 2007. As a result, the net assets available to pay benefits at December 31, 2007 equalled \$3,212,704,859, compared to \$3,174,254,465 at December 31, 2006. This is the amount available to continue paying pensions to current pensioners and to provide future benefits for participants not yet retired.

### RETURN VS. BENCHMARK (5 YEARS)



## INVESTMENTS

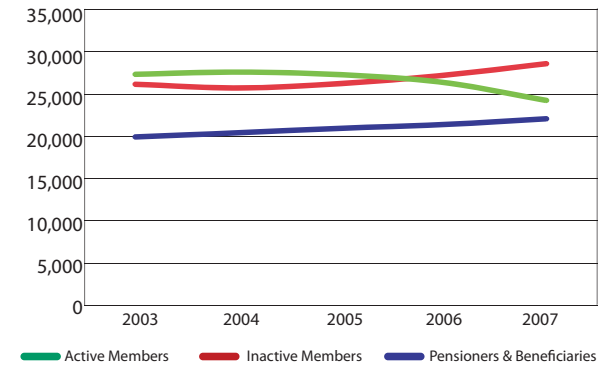
In 2007, the Plan's annual return was 4.1%, marking the eighth year in a row where returns exceeded the benchmark. The ten-year annualized rate of return was 8.6%, compared to the ten-year annualized benchmark of 7.1%, a value added for this period of 1.5%. The market value of the Fund grew from \$3.18 billion at year end 2006 to \$3.22 billion on December 31, 2007.

## MEMBERSHIP

Active membership levels, although relatively stable in recent years, have shown a gradual decline over the last twenty years, decreasing by more than 40%. This decline can be attributed to a number of factors including greater global competition, the rapid pace of technological change, automation within the forest industry and trade disputes, to name a few.

The number of pensioners has however, more than doubled in this same period, making investment returns more important to Plan obligations than contributions.

### PLAN MEMBERSHIP (5 YEARS)



## PENSIONS BY TYPE

Many of our members are choosing to retire earlier than the Normal Retirement Age (65) to take advantage of the Subsidized Early Retirement Reduction Rates. This benefit allows Active members to retire prior to age 65 without having their pension actuarially reduced for their age.

Beneficiaries (both PRE and POST retirement) make up 15% of our pension in payment.

### PENSION TYPES (2007)

