



IWA—FOREST INDUSTRY PENSION PLAN

ANNUAL REPORT 2019



THE PLAN OFFICE OF THE
IWA—FOREST INDUSTRY
PENSION & LTD PLANS

Balance



TABLE OF CONTENTS

Message from the board of trustees	2
Message from the CEO.....	5
Plan profile.....	6
Plan governance	7
The Plan Office	8
The membership	10
Membership demographics	11
Contributing members	12
Protecting members.....	13
A lifetime benefit	14
Interview with the Director, Pensions	16
Plan funding and investments.....	18
A fully funded plan.....	19
Investing for the future.....	20
Plan disbursements.....	24
Plan financials	26
Glossary.....	27

MESSAGE FROM THE BOARD OF TRUSTEES

Representatives from BC's forest industry union and industry associations together created the IWA-Forest Industry Pension Plan over four decades ago. In creating the pension plan, their shared goal was to provide forest industry workers and their families with financial security in retirement. With a continually changing industry and environmental landscape, the need for a secure retirement and therefore importance of the pension plan has never been greater.

As trustees, it's our responsibility to set the plan strategy and rules in members' best interests. We meet regularly throughout the year to carefully review the plan's strategy to meet the needs of current members while planning for the needs of the future. While we all have other roles in addition to our board membership, when we govern the pension plan, our first and foremost priority are plan members.

With mill closures and shift reductions throughout BC, and an extended labour dispute on Vancouver Island, 2019 was a challenging year for many of our members, their families, and communities. As a result, contributory hours decreased by 18 percent. Fortunately for the pension plan, this decrease in contributions was balanced by strong global financial markets in 2019. The plan achieved a strong 14.5 percent rate of return, and total assets available for benefits increased to \$4.2 billion at year end.

In 2019, we altered a couple of plan rules. To give members greater flexibility, we now allow deferred plan members with lump-sum payouts below the provincial threshold to withdraw their funds at any time. Previously, deferred members were given a three-month window to do so.

Last year, the trustees also decided to "cash" certain members with very small pensions out of the plan. This has greatly reduced the administrative burden of managing members with only nominal pension entitlements (less than \$25 per month).

The board would like to extend thanks to Donald Cadman for his years of service on the board. Don retired from his role as an industry trustee in 2019. In turn, the board was pleased to welcome aboard Stephen Butterfield, and Mike Bryce assumed the role of board co-chair in December.

The trustees look forward to continuing to manage the pension plan in the years ahead and would like to thank the Plan Office staff and management for their work managing the pension plan in 2019. We encourage members to contact the Plan Office with any questions about their pension plan.



Mike Bryce, Co-Chair



Brian Butler, Co-Chair





MESSAGE FROM THE CEO

The annual report is an opportunity for members, employers, Plan Office staff and trustees to reflect on the pension plan's performance over the past year. The report presents a snapshot of the plan at year end, and it is important to place the snapshot in context. Established in 1973, the pension plan has been around for many decades. Most years have been prosperous and productive for the plan—plan returns have been positive in 17 of the past 20 years—while there have also been a handful of negative-return years. Because of the long-term nature of pension plans, time is used to our advantage, and the few down years we do face are balanced by many years of positive returns.

At the Plan Office, it's our responsibility to administer the pension plan in accordance with pre-established plan rules and government regulations. We are also there to guide members and help them get the most out of their pension plan. Last year, we continued to expand our member and employer services. We hosted pop-up offices in six towns across BC where we had over 250 individual consultations with members affected by mill closures. For members unable to meet with us in person, we offered five member webinars, and continued to keep in touch with members through our bi-annual newsletters and new member welcome packages.

In 2019, we also launched EmployerConnect, an online portal for participating employers of the pension and LTD plans. Employers use this portal to report member hours and contributions, add new members, update their account information, and send confidential information securely to the Plan Office. Moving to a digital platform has streamlined the reporting process and allows employers and office staff to collect and report contributions more efficiently. In the near future, we aim to offer a similar service to plan members. Switching to a new system is always a learning process, so we thank all employers for their patience and cooperation as we learn a new platform together. On behalf of the Plan Office, I'd also like to thank Plan Office staff and the board of trustees for their continued dedication and hard work serving members this past year.



Derrick Johnstone, CEO

PLAN PROFILE



PLAN GOVERNANCE

The plan is governed by a 16-member board of trustees. Each trustee is appointed by their sponsoring organization on behalf of the membership. Eight of the trustees are appointed by the USW, and the remaining eight are appointed by the following forest industry employer associations:

- Council on Northern Interior Forest Labour Relations Association (CONIFER)
- Forest Industrial Relations Limited (FIR)
- Interior Forest Labour Relations Association (IFLRA)

Together the trustees oversee the administration of the plan, determine benefit levels and set plan design. Their objective is to optimize the plan's investment performance while ensuring that the plan is able to meet its obligations to its members and beneficiaries. The trustees are required to act independently from the USW and participating forest industry employer associations, and decisions are always made in the best interest of plan members and beneficiaries.

Specifically, the trustees are responsible for:

- Reviewing and approving financial statements and ensuring all accounts are accurate,
- Reporting to members and beneficiaries, and
- Determining strategy, benefit levels and plan design, and evaluating risk and ensuring compliance with pension and tax law.

BOARD OF TRUSTEES

Mike Bryce (Co-Chair)
CONIFER

Brian Butler (Co-Chair)
USW Local 1-1937

Stephen Butterfield
FIR

Jeff Bromley
USW Wood Council

Vern Carter
FIR

Glen Cheetham
USW Local 1-1937

Kathy Coburn
CONIFER

Katie Crane
USW Local 1-423

Frank Everitt
USW Local 1-2017

Jennifer Foster
FIR

Tom Getzie
FIR

Marty Gibbons
USW Local 1-417

Brian O'Rourke
USW Local 1-2017

Jeff Roos
IFLRA

Doug Singer
USW Local 1-405

Greg Wishart
IFLRA

ADVISORS

Harvey Arcand

Richard Hermary

PLAN CONSULTANTS

Trust fund custodian	Plan actuary	Auditors	External legal counsel	Investment consultant
Northern Trust Company, Canada	Morneau Shepell	Grant Thornton	Lawson Lundell LLP	Mercer (Canada) Limited

THE PLAN OFFICE

The plan is administered by the Plan Office of the IWA-Forest Industry Pension and LTD Plans. Independent of the USW and forest industry employer associations, the Plan Office administers the pension plan in accordance with the plan text and federal and provincial legislation and manages the plan's investments according to the investment policy.

The Plan Office collects contributions, invests the assets of the pension Trust Fund, processes benefit payments and answers questions and supports members.

PLAN OFFICE SENIOR MANAGEMENT TEAM

Derrick Johnstone

Chief Executive Officer

Colleen Troelstrup

Chief Investment Officer

Peggy Martins

Director, Pensions

Winnie Wong

Director, IT & Operations

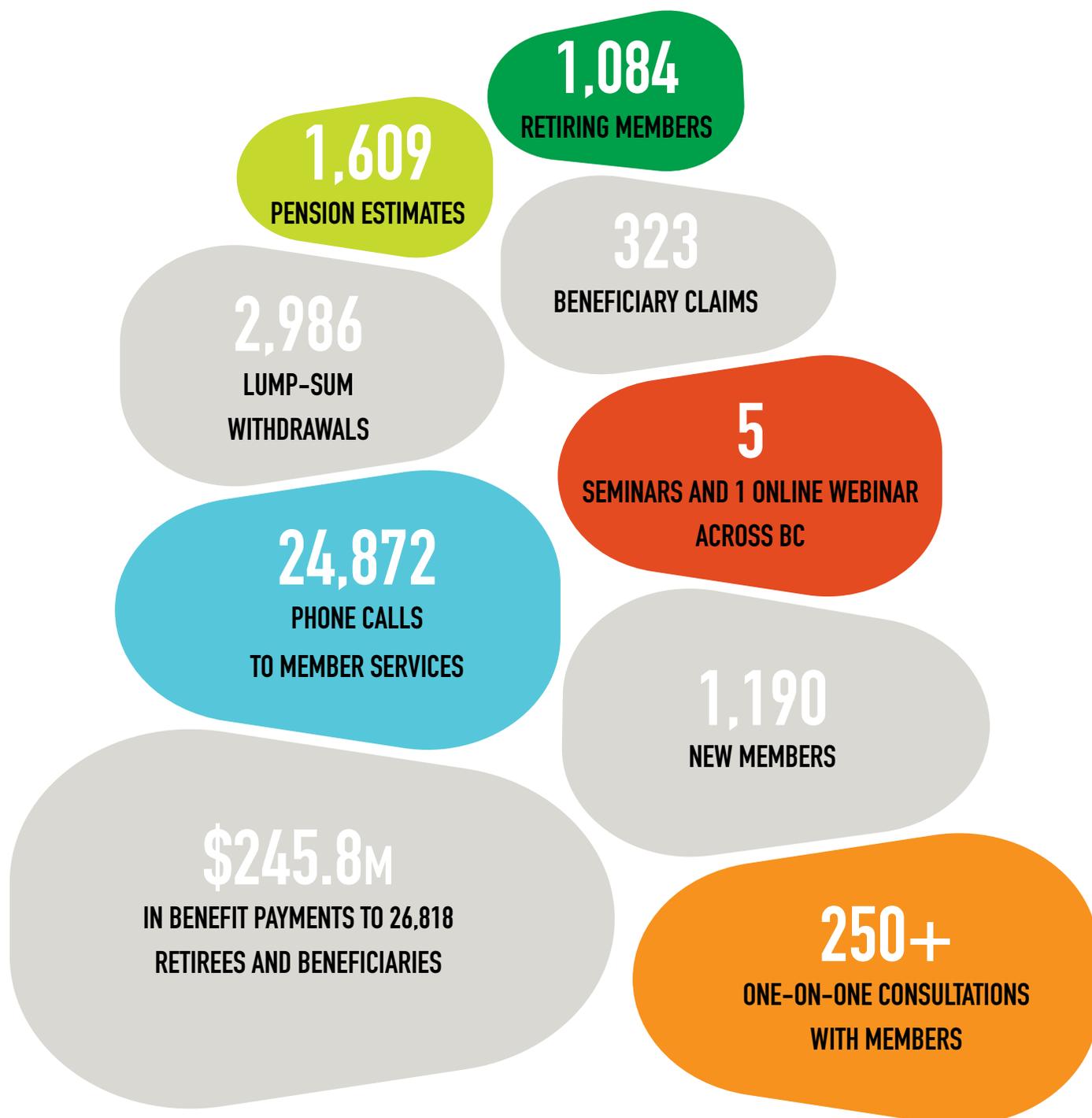
Mark Guiton

General Counsel

PLAN OFFICE



From their early careers through to retirement, the Plan Office is there to help members and their families. In 2019 we supported members by administering the following:



A man wearing a red hard hat with a headlamp, safety glasses, a dark blue t-shirt, and blue jeans is working in a wood mill. He is wearing white work gloves and is handling a piece of wood on a conveyor belt. The background shows industrial machinery and stacks of wood. The text "THE MEMBERSHIP" is overlaid on the left side of the image.

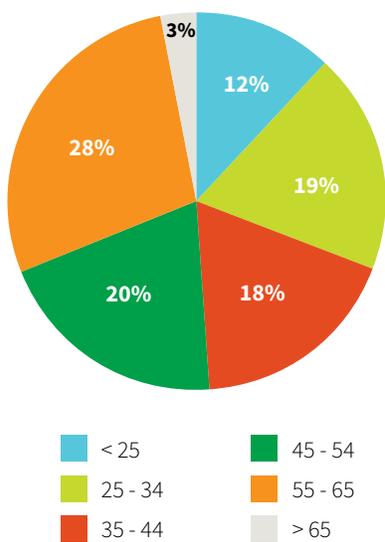
THE MEMBERSHIP

MEMBERSHIP DEMOGRAPHICS

Members join the plan when they work in a bargaining unit position for a participating employer. In 2019, there were 14,090 active members employed at 471 participating employers. Eight percent of active members were new to the plan in 2019.

Members are employed at lumber mills, logging operations and transportation organizations throughout the province of British Columbia, with a small percentage of members working outside the forest industry. Some members are also employed in Alberta, Manitoba, Saskatchewan and Ontario.

ACTIVE MEMBERS BY AGE

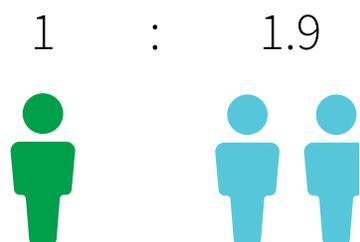


A MATURING PLAN

Almost one third of active members are older than the early retirement age of 55. The ratio of retired to active members has slowly but steadily increased since the plan's inception over four decades ago, although the number of active members has remained consistent over the past decade. There are almost double the number of retired members & beneficiaries than there are active members.

The plan's large number of pensioners and beneficiaries and low active-to-retired member ratio make the pension plan a mature plan. This means that the plan pays out more to retired members and beneficiaries than it receives in contributions, making investment returns very important. Maintaining a well-diversified investment portfolio can help protect the health and longevity of a mature plan.

RATIO OF ACTIVE TO RETIRED MEMBERS + BENEFICIARIES



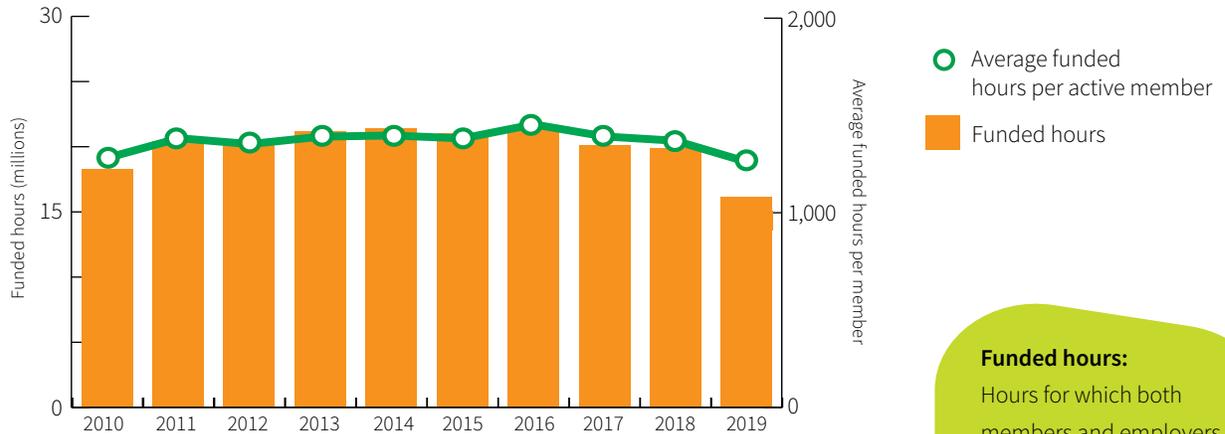
MEMBER DISTRIBUTION

Member type	2019	year-over-year change	ten-year change
Active	14,090	↓ -4.8%	↓ -2.3%
Deferred	27,782	↓ -5.6%	↓ -10.7%
Retirees + beneficiaries	26,818	↑ 1.3%	↑ 7.9%
Total	68,690	↓ -2.9%	↓ -2.4%

CONTRIBUTING MEMBERS

During their working years, active members contribute to the plan, earning credited service. Members' lifetime pension income in retirement is based upon their years of credited service and the benefit level applicable for those years. Currently, most members and employers pay combined contributions of \$5.90 per hour worked, and the current benefit level is \$60 per month.

FUNDED HOURS



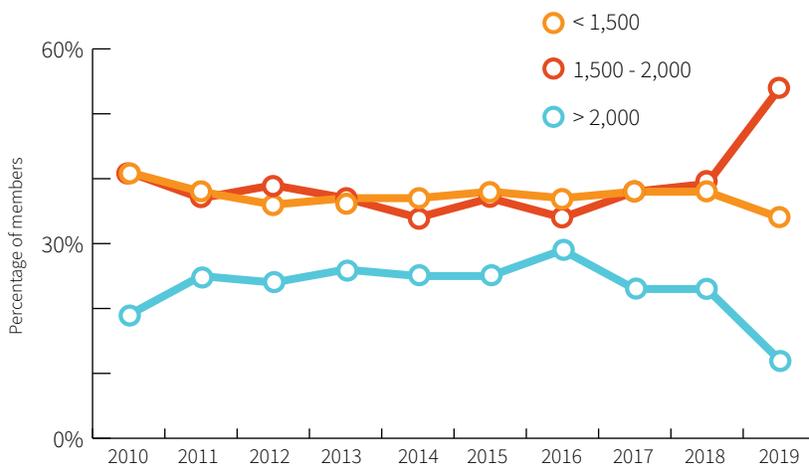
Active members worked an average of 1,179 hours in 2019, down 18 percent from last year. This is likely due to multiple mill closures in BC and an extended labour dispute affecting thousands of members on Vancouver Island.

Funded hours:
Hours for which both members and employers pay contributions.

Credited service hours:
Members are given one full year of credited service if they accrue 1,500 covered hours in a year.

Covered hours:
Hours accrued during the year as an active member. Includes funded hours, unfunded hours and excess hours.

FUNDED HOUR TRENDS



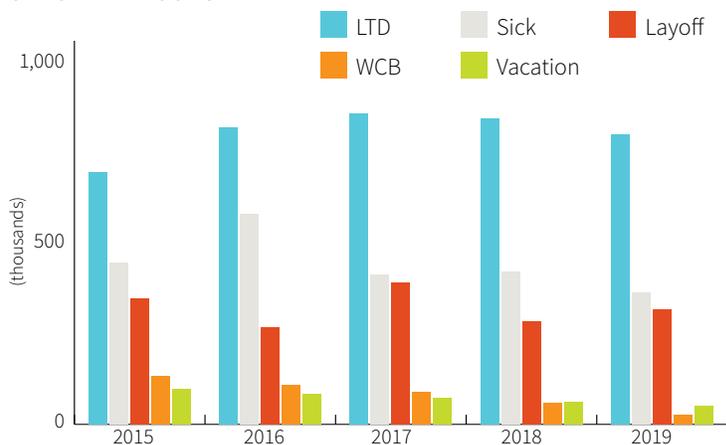
In 2019, the number of members working greater than 2000 hours almost halved, while the number of members working between 1500 and 2000 hours increased by 43 percent.

PROTECTING MEMBERS

Protecting members is a plan priority. Qualifying members continue to earn credited service in the plan while disabled or sick, or are laid off or lose their job due to a permanent closure.

Unfunded hours are any hours for which members do not contribute but receive credited service. Unfunded hours serve as a form of protection for members—they may earn unfunded hours when they are disabled or sick, are laid off or lose their job due to a permanent closure, or take more than five weeks of vacation.

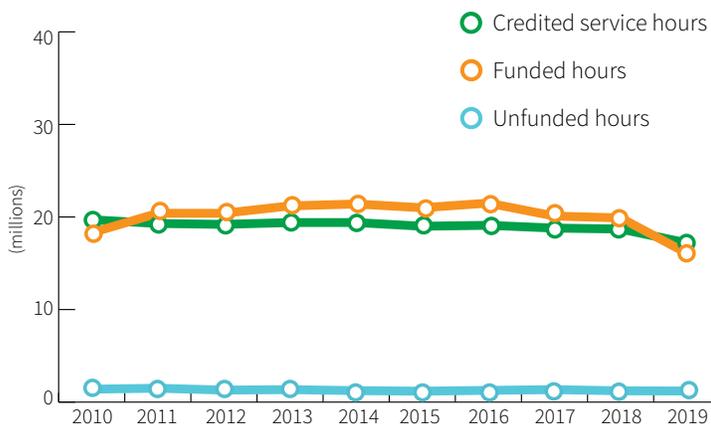
UNFUNDED HOURS



Unfunded hours:
Any hours for which members do not contribute but receive credited service.

Over the past twenty years, the plan has credited more hours to members than has been earned through funded hours.

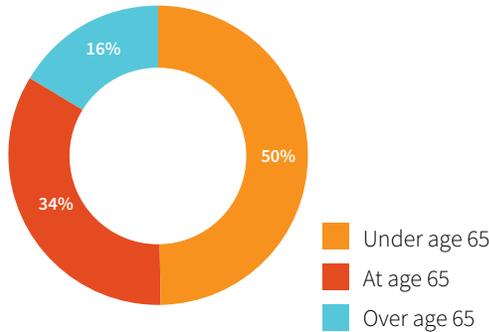
TYPES OF HOURS



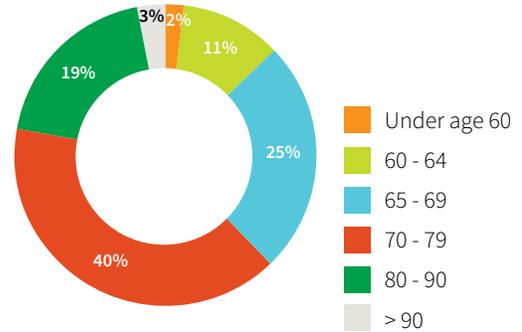
A LIFETIME BENEFIT

After contributing to the plan, members are entitled to a monthly lifetime pension. In 2019, 1,084 active and deferred members retired from the plan and began to collect their pensions. There are currently 26,818 retirees and beneficiaries collecting a benefit from the plan.

AGE AT RETIREMENT



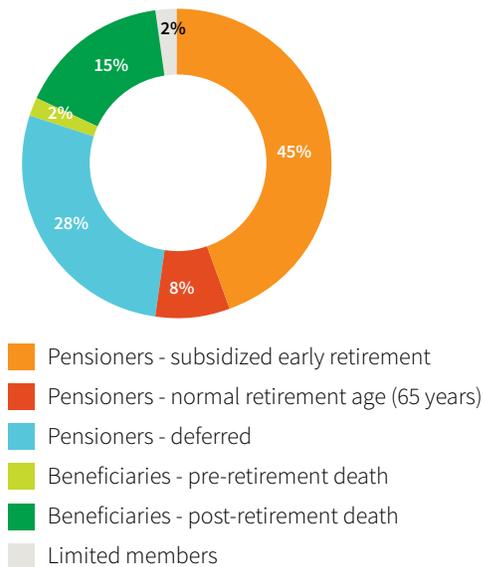
RETIREE AGE



Although the normal age of retirement from the plan is 65, members can choose to take a reduced pension as early as age 55. The average age at retirement is 63, with most members retiring before their 65th birthday.

In 2019, the average age of a retired member was 73. The largest cohort of retirees are between the ages of 70-79, while just over three percent are over 90. The plan has 10 centenarians. At 82, the average beneficiary age is over nine years older than the average retired member age.

MEMBERS RECEIVING A BENEFIT



Close to half of retired members are receiving the subsidized early retirement pension, and 27 percent retired from the plan as a deferred member. Survivor benefits make up 18 percent of pensions. The average monthly pension payment was \$714.89 in 2019.



AN INTERVIEW WITH THE DIRECTOR, PENSIONS

Peggy Martins is the Director, Pensions for the IWA-Forest Industry Pension Plan. Here, Peggy discusses important aspects of her role and the Plan Office.

? *What do you like most about the work you do?*

Each day I am presented with new situations and challenges, and no day is ever the same, which means I am always learning. Helping serve members and knowing that I am helping members prepare and plan for their future retirement gives me great pride in knowing that the work I do every day is part of something larger in our community that makes a difference in people's lives.

? *In your experience dealing with members, how does the plan help an average member?*

The retirees that I work with want security and peace of mind knowing that they (and potentially their spouse) will receive a pension for their lifetime. With a pension like ours, members receive a pension based on a formula that considers their years of credited service, the benefit level applicable for each of those years and their age at retirement. Members can relax knowing that their pensions are being invested, managed and monitored by experienced investment professionals in diverse investment funds that are generally not available to the retail market. At retirement members receive a regular monthly payment from the plan for life—simple.



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What's something you wished more members knew about their pension plan?

Every year, the Plan Office mails statements to all members. I'd like to remind members of the importance of reviewing these annual statements. Not only does your statement provide you with the pension amount you can expect to receive at retirement, it provides important information like your total employee contributions made in the year, total hours worked in a year, whether you have excess hours, and who your beneficiary is. It's always possible there could be errors in your pension statement, and it is important to get these inaccuracies corrected as early as possible. You should review your basic information like your date of birth and date of hire or entry into the plan, because something as simple as your date of birth can affect the amount of pension you will receive. It is also critical to review your spouse and beneficiary information to ensure it is accurate and up to date.

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What touch-points does the Plan Office have with members?

The Plan Office administers the plan, and we're here to help members understand how it works and guide you through the pension application process. Telephone calls are by far the most popular way members connect with the Plan Office and in 2019 we handled very close to 25,000 calls from members. Whether positive or negative, members are grateful that they can simply pick up the phone and speak with a pension expert within minutes versus getting through to a voice activated response. Members can also fax/e-mail us, or come into the Plan Office for one on one appointments with our pension specialists. We provide interactive webinars on a variety of topics, and we always attend to in person seminars and one-on-one meetings with the membership in stressful times when companies are downsizing and mill closures are taking place. Personal interaction with our membership is a key part of our services and we are continuously striving to reach members in a variety of ways.

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The plan was fully funded on a going concern basis at its latest valuation on December 31, 2018.

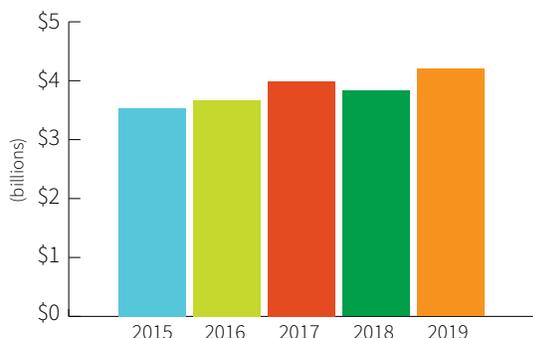
PLAN FUNDING AND INVESTMENTS

A FULLY FUNDED PLAN

Favourable global markets and a well-diversified and balanced approach resulted in a 14.5 percent rate of return for the pension plan in 2019. This led to a 10% year-over-year increase in net assets available for benefits, bringing total net assets available to \$4.2 billion.

Pension obligations are the total plan liabilities and include estimated future benefit payments and expenses. In 2019, the plan had estimated pension obligations of \$3.51 billion, a decrease of 2.2 percent from the previous year. As the plan’s obligations extend decades into the future, plan trustees and the investment team carefully monitor the plan’s long-term funding level. In addition, the BC Financial Services Authority (BCFSA; previously called FICOM) requires all pension plans to file a valuation at least once every three years to assess their ability to pay out all liabilities.

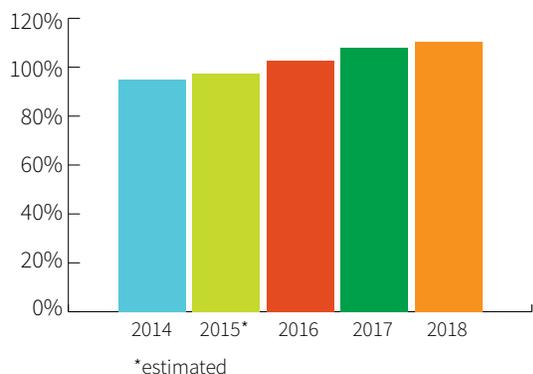
NET ASSETS AVAILABLE FOR BENEFITS



PENSION OBLIGATIONS



GOING CONCERN RATIO

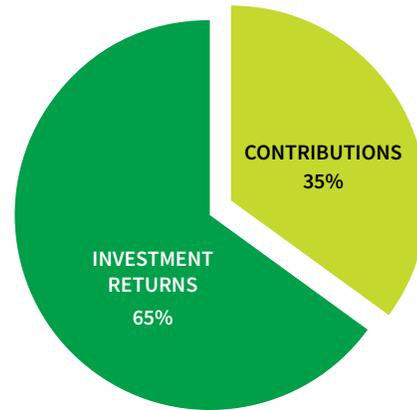


As a target benefit plan, plan funding is measured on a going concern basis. The going concern valuation calculates the ability of the plan to pay all its obligations over the long term, assuming the plan continues indefinitely into the future. Because the going concern calculation is forward looking, it uses interest rates that are based on the plan’s long-term expected return on investments. The pension plan was fully funded on a going concern basis at its latest valuation (December 2018).

INVESTING FOR THE FUTURE

The plan relies on a combination of contributions and investment returns to fund the plan. As a mature plan with an aging membership, we rely more on investment returns than contributions to fund benefit payments and plan expenses.

CONTRIBUTIONS VS. INVESTMENT RETURNS

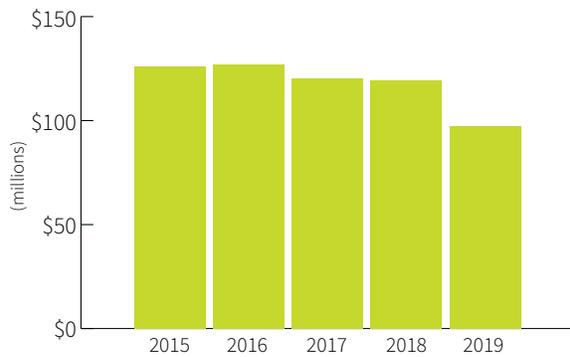


Over the past five years, investment returns have accounted for the majority of the plan's incoming revenue.

Investment returns include net investment income, realized and unrealized gains/losses on investments.

Despite mill closures and an extended labour dispute in 2019, contributions and investment income together totalled \$631.5 million in 2019. A significant decrease in contributions (18 percent) was offset by a high rate of return in 2019.

CONTRIBUTIONS



INVESTMENTS

The board of trustees is responsible for establishing plan policies, strategies, and goals. An investment committee of the board oversees the Pension Trust Fund in accordance with established guidelines. The investment committee works with the Chief Investment Officer (CIO) of the Plan Office to implement all investment policies and monitor the investment process and performance.

Pension Trust Fund

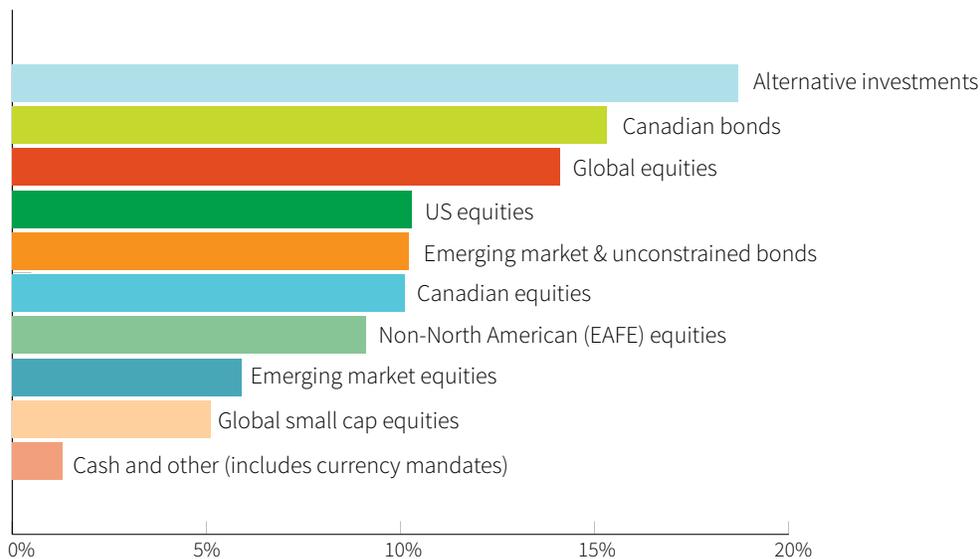
The plan sponsors established the Pension Trust Fund. This fund holds contributions from both employers and employees for retirement benefits. It is governed by the board of trustees and administered by the Plan Office.

Investment Process

The Statement of Investment Policies, Procedures and Goals is a document that establishes clear expectations and a roadmap for the management of the Pension Trust Fund. Required by provincial pension law and set by the board, it ensures the portfolio is managed appropriately.



Asset Mix



The plan’s objectives and risk tolerances help determine the asset mix, one of the most important investment decisions the trustees will make. The plan’s investments are diversified across asset class, region and currency. Investment managers and professional staff manage these investments and regularly report on their activities to the plan’s investment committee and board.

Investment Managers as at December 31, 2019

Mandate	Manager	% of Assets Managed*
Canadian Equities	Phillips Hager & North	5.1%
	Beutel Goodman	5.0%
Canadian Long Bonds	Phillips Hager & North	5.1%
Canadian Universe Bonds	Phillips Hager & North	5.2%
	Beutel Goodman	5.0%
Unconstrained Bonds	Manulife	5.1%
Emerging Market Debt	Schroders	5.1%
US Equities	JP Morgan	5.1%
	Aronson + Johnson + Ortiz	5.2%
Global Equities	Ballie Gifford	5.1%
	Alliance Bernstein	10.3%
EAFE Equities	McKinley	5.3%
	TS&W	5.2%
Emerging Market Equities	Dimensional Fund Advisors	3.2%
EAFE Small Cap Equities	TimesSquare	2.6%
US Small Cap Equities	Rothschild	2.5%
Real Estate	Various	6.0%
Infrastructure	Various	6.5%
Private Debt	Various	6.2%
Various (includes internal & active currency managers)	Cash	1.3%

*Amount may not total 100% due to rounding

Top Ten Securities as at December 31, 2019

Security Name	Type of Security	Holding as a % of Total Assets
Concert Real Estate Corporation	Real Estate Company Shares	3.48%
Microsoft	US Information Technology Common Stock	0.98%
Alphabet	US Communications Common Stock	0.80%
Royal Bank of Canada	Canadian Bank Stock	0.74%
Toronto Dominion Bank	Canadian Bank Stock	0.70%
Government of Canada	Government of Canada Bond, 2048	0.49%
Province of Ontario	Province of Ontario Bond, 2049	0.42%
Bank of Nova Scotia	Canadian Bank Stock	0.42%
Apple	US Information Technology Common Stock	0.41%
Rogers Communications	Canadian Communications Common Stock	0.40%

Plan Return vs. Benchmark



The plan’s rate of return was 14.5 percent in 2019, 0.4 percent higher than its benchmark. Plan returns have been positive in 17 of the past 20 years, and the plan has met or exceeded its benchmark 17 times in the same period. Market performance in any one year is unpredictable and can be volatile. Like all long-term investments, the plan has and will continue to experience both strong and weak markets over time.

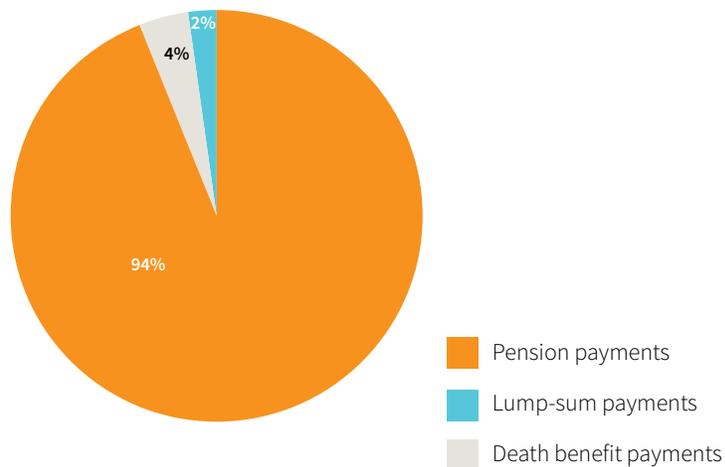
Because benefits are paid to members over long periods of time, long-term performance should be used to evaluate the plan. Over the last 20 years, plan returns averaged eight percent. During that time, returns reached as high as 17.1 percent and as low as -18.4 percent for any single year.

The Plan Office uses benchmark returns to compare the plan’s investment portfolio’s rate of return to that of indices with similar risk and investment approaches. This helps us assess how the plan’s investments are performing.

2019	1 year	5 year	10 year	20 year
Plan return (annualized)	14.5%	8.3%	9.1%	7.6%
Plan benchmark (annualized)	14.1%	7.3%	8.2%	6.3%

PLAN DISBURSEMENTS

PLAN PAYMENTS



In 2019, the plan paid \$245.8 million to members and beneficiaries, including \$232.1 million in retirement benefit payments, \$3.5 million in death benefit payments, \$10.2 million in lump-sum benefits paid to members breaking service with the plan and \$4 million in second commuted value payments.

ADMINISTRATIVE EXPENSES

In order to manage the plan, the Plan Office incurs expenses including administrative expenses, legal, registration, audit and actuarial fees. The annual administrative cost per member was approximately \$84.63, a 6.2 percent increase from last year. This increase is attributable to a decrease in the number of members combined with an increase in administrative, audit and accounting expenses.

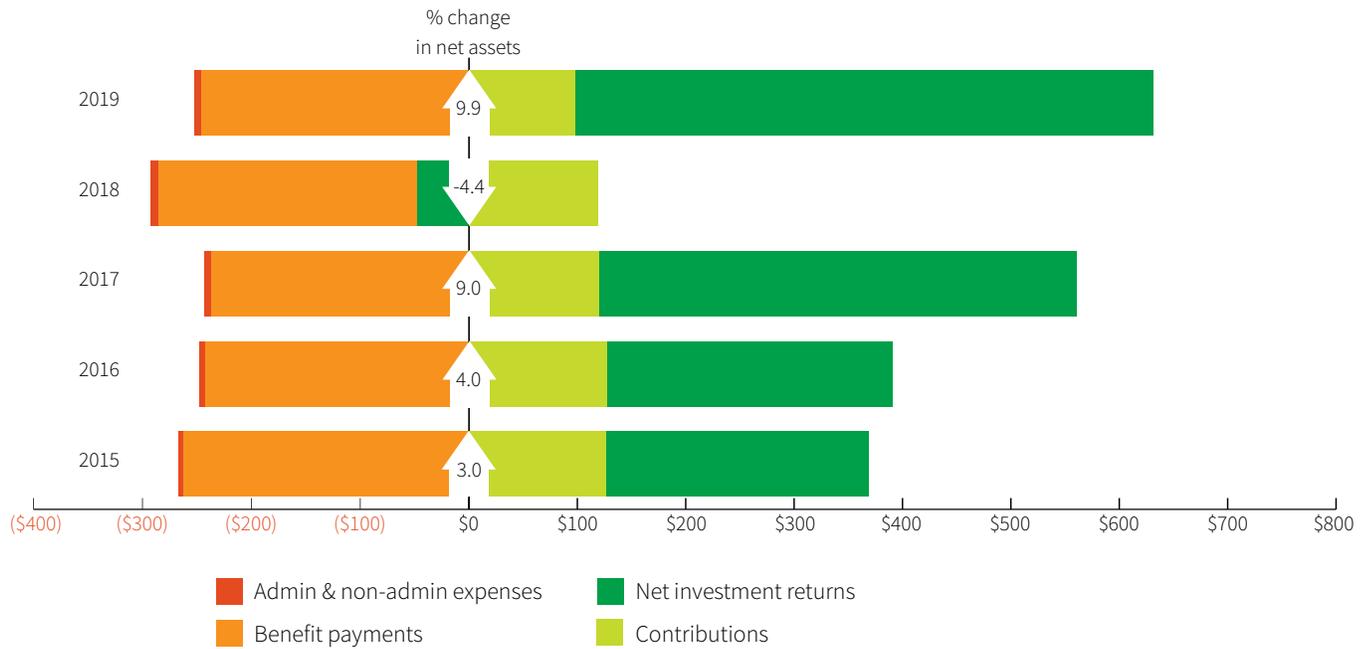
	2015	2016	2017	2018	2019
Cost per member	\$68.23	\$69.97	\$75.38	\$79.96	\$84.63

INVESTMENT EXPENSES

The Pension Trust Fund incurs investment fees. The investment fees in this table differ from previous years, as we have changed our reporting method. New this year, we are also including transaction expenses with the investment expenses. These transaction expenses do not include costs for assets invested in pooled funds, as these costs are netted out of investment returns.

	2015	2016	2017	2018	2019
Investment fees	\$20,569,599	\$20,865,552	\$24,546,935	\$26,024,447	\$30,471,606
Net assets (billions)	\$3.53	\$3.67	\$4.00	\$3.83	\$4.21
% of net assets	0.58%	0.57%	0.61%	0.68%	0.72%

PLAN REVENUE AND DISBURSEMENTS SUMMARY



Plan revenue (contributions plus net investment returns) totalled \$631.5 million in 2019, while combined benefit payments and expenses equalled 252.4 million. Together this led to an almost 10 percent year-over-year increase in total net assets available for benefits.

PLAN FINANCIALS

STATEMENT OF FINANCIAL POSITION

December 31	2019	2018
Assets		
Investments	\$4,193,198,227	\$3,817,634,812
Cash and cash equivalents	26,338,479	21,804,199
Contributions receivable		
Employers	3,983,572	6,536,061
Employees	2,412,658	3,958,577
Other receivables	590,409	317,922
Leasehold improvements	741,390	510,071
	\$4,227,264,735	\$3,850,761,642
Liabilities		
Payables and accruals	4,889,822	3,426,534
Commuted values payable	14,166,490	18,233,033
	\$19,056,312	\$21,659,567
Net assets available for benefits	\$4,208,208,423	\$3,829,102,075
Pension obligations	3,514,293,000	3,594,133,000
Surplus	\$693,915,423	\$234,969,075

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

December 31	2019	2018
Revenue		
Net investment income	\$113,801,056	\$109,990,133
Realized gain on investments	144,367,860	226,597,183
Unrealized gain (loss) on investments	275,821,671	(384,568,290)
	\$533,990,587	(\$47,980,974)
Contributions		
Employers	60,757,746	74,277,956
Employees	36,740,758	44,923,576
	\$97,498,504	\$119,201,532
	\$631,489,091	\$71,220,558
Expenses		
Benefit payments	245,780,126	238,167,995
Administrative	5,143,190	4,810,763
Non-administrative	1,459,427	2,193,782
	\$252,382,743	\$245,172,540
Increase (decrease) in net assets available for benefits	\$379,106,348	(\$173,951,982)
Net assets available for benefits, beginning of year	3,829,102,075	4,003,054,057
Net assets available for benefits, end of year	\$4,208,208,423	\$3,829,102,075

A close-up photograph of a stack of books in a library. The top book is open, showing its pages. The background is a blurred bookshelf filled with many books. A semi-transparent red rectangular box is overlaid on the lower-left portion of the image, containing the word "GLOSSARY" in white, bold, uppercase letters.

GLOSSARY

GLOSSARY

Active plan member

A member of the IWA-Forest Industry Pension Plan who maintains at least 350 covered hours in two consecutive calendar years and does not break service from the plan.

Actuarial liability

An estimate of the plan's financial obligations. This estimate uses economic and demographic actuarial assumptions and assumes that the plan continues indefinitely into the future.

Actuarial valuation

Examination of a pension plan by an actuary to determine the plan's ability to cover its liabilities immediately and on an ongoing basis. Both the solvency and going concern security tests are included in an actuarial valuation.

Actuarial value of assets

The theoretical value of a plan's assets at a specified date, determined by applying a set of actuarial assumptions (economic and demographic). The actuarial value of assets smooths the gains and losses of the market value of assets over a four year period.

Benchmark

An investment benchmark is the index representative of the asset class against which an investment manager's investment performance is evaluated.

Beneficiary

A person designated by a plan member to receive benefits.

Board of trustees/trustees

Those persons appointed under the trust agreement acting as fiduciaries, holding the assets and administering the plan for the members' and beneficiaries' benefit.

Break in service

Members break service with the plan when they fail to work or otherwise accumulate 350 covered hours in two consecutive calendar years. Members who break service have the choice of becoming a deferred plan member or terminating their membership with the plan.

Collective agreement

A written agreement between an employer, or an employer association authorized by the employer, and a trade union, providing for rates of pay, hours of work or other conditions of employment.

Covered hours

Hours accrued during the year as an active plan member. Covered hours include: funded hours, unfunded hours, and excess hours.

Credited service

The amount of service you have earned each year based on your covered hours.

Deferred plan member

You are a deferred plan member if following a break in service you remain entitled to receive a benefit under the plan.

Disabled

You are considered disabled under the plan for periods when one of the following applies:

- You are in receipt of wage-loss benefits, rehabilitation allowances or income continuity benefits from WorkSafe BC, or similar benefits from another jurisdiction, for a disability that occurred on the job, or
- You are in receipt of weekly indemnity benefits, or
- You are unable to work at a USW bargaining unit job at your last operation due to a non-occupation injury or illness.

Early retirement

Retirement prior to a member's "normal" retirement age of 65. Plan members can commence their pension any time after age 55 with the appropriate actuarial reductions.

Excess hours

If you contribute for more than 1,500 covered hours in a year, any hours over 1,500 are recorded as excess hours.

Funded hours

Hours for which you and your employing company contribute to the plan.

Going concern

The going concern basis is a way to evaluate the plan's funding level. The going concern basis calculates the ability of the plan to pay all of its liabilities over the long term, assuming the plan continues indefinitely into the future.

Involuntary job loss

An involuntary job loss occurs if you lose your job due to downsizing, technological change, your job is eliminated, or there is a permanent closure of your participating employer's operation.

Limited member

A spouse or former spouse who, by way of a court order or separation agreement, has an entitlement to a portion of their spouse or former spouse's pension.

Lump-sum value or benefit

The present value of the pension benefits to which an active or deferred plan member is entitled to, calculated in accordance with pension law. Your lump-sum benefit is calculated as the amount of money that, if invested today and held until you are 65 years old, would be expected to provide the same monthly pension that you are entitled to receive from the plan.

Normal form of pension

The normal form of pension for this plan is a life pension with a 60-month guarantee period. This pension is paid for your lifetime. Should you die prior to receiving all of the guaranteed monthly payments (60 months), the pension will continue to be paid to your beneficiary until the total number of monthly payments made to you and your beneficiary combined equals 60 months.

Normal retirement date

Age 65 is the normal age of retirement in this plan. It is the age at which a plan member can retire and receive a full unreduced pension. However, because of a special provision, active members may retire with a fully subsidised pension at age 60.

Participating employer

An employer who participates in the plan under a collective agreement with the USW or who has employees for which the USW is the certified bargaining agent.

Pension Trust Fund (fund)

The account where monies received by the trustees, including employer and employee contributions and investment revenue, are held in trust.

Plan Office

The Plan Office is the administrator of the IWA-Forest Industry Pension Plan. The Plan Office administers the plan according to the plan text and selects investment advisors according to the plan's investment policy. It is independent of the USW and participating employer associations.

Plan sponsor

An employer, employer association, union or any other entity who establishes a trust fund for the purpose of providing retirement benefits. For this plan, the plan sponsors are the United Steelworkers and the employer associations: FIR, IFLRA, CONIFER.

Plan text

The document which sets out the eligibility requirements to become a member of the plan and the amount of benefits that will be paid to plan members and beneficiaries.

Retired plan member

An active plan member or a deferred plan member becomes a retired plan member when they retire and begin to collect their pension.

Second commuted value payments

Before the pension plan transitioned to a target benefit plan, certain members who broke service with the plan were entitled to a second installment of their commuted value (also known as lump-sum value). While lump-sum values are no longer offered in installments for most members under the terms of a target benefit plan, we continue to pay out these second commuted payments to members who were entitled to them under previous plan rules.

Subsidized early retirement benefit

A benefit that allows active plan members to retire early with little or no reduction to their pension benefit (age 55-59 marginal reduction; age 60+ no reduction).

Target benefit plan

A type of pension plan that contains elements of both defined benefit plans and defined contribution pension plans. Contributions are fixed (or in our case, negotiated) and future benefit payments are set at a targeted rate, which may be adjusted up or down according to plan funding.

Unfunded hours

Unfunded hours are hours for which you receive credited service but are not required to make contributions.



HOW TO CONTACT US

Plan Office

General inquiries

2100-3777 Kingsway
Burnaby BC V5H 3Z7

T 604.433.6310
TF 1.800.663.4384
F 604.433.0518

[IWAFIBP.CA](http://iwafibp.ca)

Pension inquiries

T 604.433.5862
TF 1.800.913.0022
pension@iwafibp.ca

LTD and Rehabilitation inquiries

T 604.433.6310
TF 1.800.663.4384
ltdrehab@iwafibp.ca

Employer and contributions inquiries

T 604.433.6310
TF 1.800.663.4384
contributions@iwafibp.ca

Service feedback

Questions or comments about the service you received from the Plan Office? Send your feedback to service@iwafibp.ca or visit iwafibp.ca/service.



THE PLAN OFFICE OF THE
IWA-FOREST INDUSTRY
PENSION & LTD PLANS