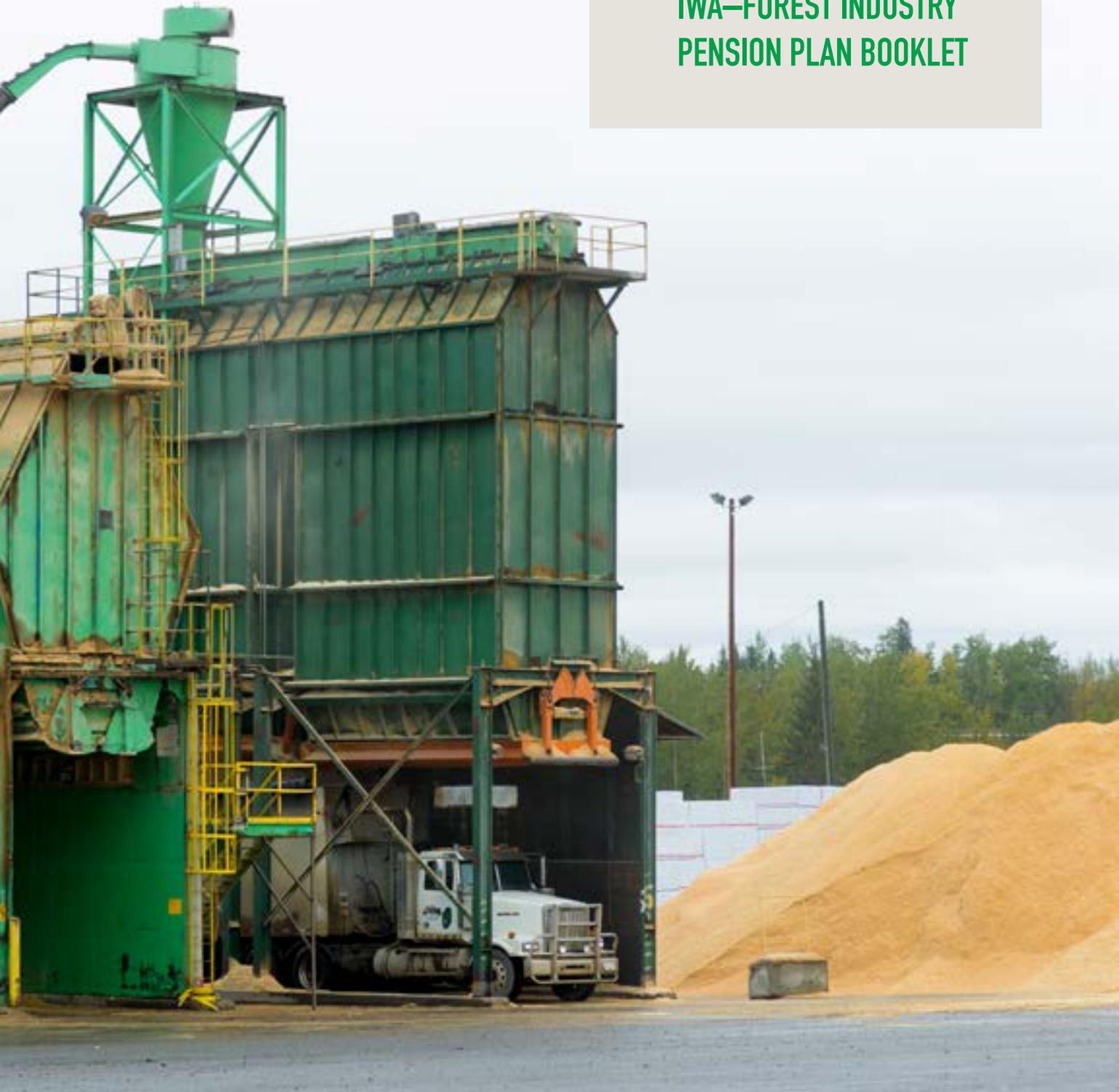




THE PLAN OFFICE OF THE
IWA-FOREST INDUSTRY
PENSION & LTD PLANS

IWA-FOREST INDUSTRY PENSION PLAN BOOKLET



ABOUT THIS BOOKLET

This booklet introduces members to the IWA–Forest Industry Pension Plan. It explains various plan rules, including how to build your pension, retirement options available to you, and what to do if you break service with the plan. This version replaces all previous booklets. To make sure you are consulting the current booklet, please check our website at www.iwafibp.ca.

This booklet summarizes key provisions of the plan, but does not cover every plan rule or situation and is not a substitute for the full *plan text*. Full plan details can be found in the *plan text*, which is available for review by contacting the Plan Office. If there are any inconsistencies between this booklet and the *plan text*, the *plan text* will always govern.

The plan's trustees may occasionally make adjustments to the plan. Pension rates and rules have changed many times since the plan began in 1973. If you retired or broke service before November 30, 2017, some of the information in this booklet will not apply to you. If you are in doubt about your status, the Plan Office will be pleased to advise you.

In accordance with Section 37 (4) and (5) of the *Pension Benefits Standards Act* of British Columbia, any person entitled to a benefit from the plan, or the spouse or designated beneficiary or agent of the person entitled to a benefit, has a right to examine plan documents upon providing the Plan Office with a written request. Such right shall not apply more than once in any twelve-month period.

Revised September 2020. This version includes the following updates:

- an explanation of the benefit reductions for decertification from the USW and/or employer withdrawal from the pension plan
- added information on *new member welcome packages* and automatic cash-outs
- clarified wording around *involuntary job loss*

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A VALUABLE PENSION PLAN

WELCOME TO YOUR PLAN

As a member of the IWA–Forest Industry Pension Plan, you are one of over 70,000 members who will receive or are currently receiving a benefit from the plan. And that is why the plan was created over 40 years ago—to provide forestry workers like you with lifetime pensions in retirement.

Along with government benefits and personal savings, this pension is an important part of your financial security in retirement. That’s because during retirement you will receive a monthly pension from the plan, for your lifetime. Depending on the option you choose at retirement, your surviving spouse or beneficiary may also receive a benefit from the plan following your death.

HOW PENSION PLANS WORK

A pension plan is a savings plan that is maintained by an employer, union or both. Employers and/or employees pay contributions that are pooled into a fund and invested for the long-term. Members contribute to the plan during their working years and receive a pension from the plan in retirement.

Pensions are tax deferred. This means that the contributions made to the plan and investment income earned on those contributions are not subject to income tax while they accumulate. Taxes are only payable when money is taken out of the fund as either a pension or lump-sum withdrawal.

HOW YOUR PLAN WORKS

There are many different kinds of pension plans. The IWA–Forest Industry Pension Plan is a target benefit plan. This means that your contributions do not reflect the exact value of your pension. Rather, your lifetime monthly pension is based on a formula which multiplies your years of credited service with the applicable benefit levels for those years. The more years you work, the greater your pension will be. And because your pension is paid for your lifetime, unlike some other retirement plans, you do not risk outliving your retirement savings.

It is important to note that, as with all target benefit plans and many multi-employer plans, your pension in retirement may be adjusted down or up according to plan funding.

YOUR RESPONSIBILITIES

To get the most out of your plan, you must:

- Review your annual pension statement and all other material from the Plan Office,
- Seek help from the Plan Office for things you do not understand, and
- Notify the Plan Office of any changes to your address, name, marital status, and also for retired members, your banking information.

PLAN GOVERNANCE

The plan is governed by a 16-member board of trustees. Eight of the trustees are appointed by the United Steelworkers Union (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 employing companies, and decisions are always in the best interest of plan members and beneficiaries.

THE PLAN OFFICE

The pension plan is administered by the Plan Office of the IWA–Forest Industry Pension & LTD Plans. The Plan Office has worked since the early 1970s to ensure members' benefits are there when they need them. We administer the plan according to the *plan text* and select investment advisors according to the plan's investment policy. The Plan Office is independent of the USW and participating employers, and is governed by the board of trustees.

Essentially, the Plan Office:

- Invests and monitors plan assets,
- Collects contributions,
- Processes benefit payments and makes sure retirees and beneficiaries receive their pension on time, and
- Answers questions and assists members.

The Plan Office is here to help you. You can reach us by phone or email, or visit us in person at the Burnaby office.



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

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.

MEMBERSHIP

JOINING THE PLAN

You become a member of the plan when you start working for a participating employer, also referred to in the *plan text* as an employing company. Your membership begins upon starting your job in a bargaining unit for which the USW is the certified bargaining agent and is covered by a *collective agreement* between the USW and a participating employer.

TO DO:

You must complete a *designation of beneficiary form* when your employer registers you with the plan. Your *designation of beneficiary form* is not the same form as the one used to identify or change your beneficiary with your employer, USW or any other benefit plan.

A *new member welcome package* is sent to all new members within 90 days of contributions first being received. Complete the *new member profile* form included in the package to verify your information. Contact the Plan Office if you did not receive a package.

ACTIVE PLAN MEMBER

You are an active member of the plan while you are:

- Working and contributing to the plan, or
- Collecting disability benefits, or
- Previously contributed to the plan and are out of work—until your break in service date.

DEFERRED PLAN MEMBER

You become a deferred plan member when, following a break in service, you elect to leave your benefit in the plan and remain entitled to a pension from the plan when you retire.

RETIRED PLAN MEMBER

You become a retired plan member once you reach retirement age and collect a pension from the plan.

OWNER-OPERATOR

If you are both the owner and operator of your forestry business, you can participate in the plan if you satisfy all of the following:

- Incorporate a company to carry on your business
- Enter into a *collective agreement* with the USW and a *participation agreement* with the plan
- Own at least 10% of the voting shares of your company
- Work in a job with your company that is considered bargaining unit work for at least 75% of the time

TO DO:

If you used to be an active plan member and became an owner-operator without first breaking service from the plan, please contact the Plan Office to discuss your unique situation.

CHANGING JOBS

If you switch from one participating employer to another, you will remain a member of the plan and your credited service will not be affected. If you leave your participating employer and do not work for another participating employer within two calendar years, you will break service with the plan. (See pages 13-16 for full details.)

YOUR PENSION RECORD

It is your responsibility to ensure that the Plan Office has your current address and other necessary personal details. If you are an active member, your participating employer will provide the Plan Office with most of the information needed to keep your record up to date. However, it is up to you to make sure the information is current.

If the Plan Office has your current address, you will receive an *annual pension statement* in the mail every year. Please review your *statement* to make sure that all the information is correct, including your:

- Credited service and contributions (for active members only)
- Mailing address
- Personal information (correct name and date of birth)
- Designated beneficiary

Contact the Plan Office immediately if:

- You change addresses
- Your marital status or name changes,
- You transfer to a management position,
- You believe any information on your *annual pension statement* to be incorrect.

BUILDING YOUR PENSION

Your pension is based on your credited years of service and the benefit level for those years. Remember that you are required to pay income tax on any pension income.

To estimate your pension at retirement, simply multiply your total credited service with the applicable benefit level for those years.

CREDITED SERVICE AND PARTIAL CREDIT

You need to work or otherwise earn 1,500 covered hours in a calendar year to receive one full year of credited service. If you accrue less than 1,500 covered hours in one year, you will earn partial, prorated credited service for that year.

Covered hours include:

- **Funded hours:** hours for which you and your participating employer pay contributions
- **Unfunded hours:** hours for which you receive credited service but are not required to make contributions
- **Excess hours:** hours for which you pay contributions but do not necessarily receive credited service

FUNDED HOURS

Funded hours are hours for which both you and your participating employer pay contributions. They are also referred to as eligible hours and include:

- **Work:** You and your employer pay contributions on all working hours, including overtime hours.
- **Apprenticeship:** When you attend courses and receive a salary, you and your employer continue to pay contributions.
- **Forest fires:** Hours you spend fighting forest fires that are the responsibility of your participating employer are considered working hours. Both you and your participating employer pay contributions on these hours.
- **Alternate work schedule/compressed work week:** USW and your participating employer may have a letter of understanding that outlines any alternate schedule you work. Contributions are required for these hours.
- **Arbitration awards:** If you are awarded compensation as a result of a settlement or an arbitration grievance, contributions may be required for up to 40 hours per week.

- **Bereavement/jury duty leave:** If your participating employer reimburses or pays you for bereavement or jury duty leave, you and your participating employer are still required to pay contributions for these hours.
- **Pregnancy/parental/compassionate care/family responsibility/reservist leave or other relevant leaves as outlined in the *Employment Standards Act*:** If you would like to accrue credited service for your leave, you must continue to pay contributions. Your participating employer must also pay contributions on your behalf if you decide to contribute during your leave.
- **Continuation of pay relating to termination of employment:** If your employer and the union determine that contributions are payable relating to termination of employment.

UNFUNDED HOURS

Any hours for which you do not pay contributions but receive credited service are called unfunded hours. If you have accumulated unfunded hours, you may use them to earn additional credited service for years when you work less than 1,500 hours:

- **Disability:** If you are ill or injured and receive wage loss, rehabilitation allowances or income continuity from WorkSafe BC, or similar benefits from another jurisdiction, or while receiving weekly indemnity or long-term disability benefits, you will receive credited service for the period you are disabled.
- **Layoff:** If you work full-time and are laid off for more than five consecutive workdays, you receive 40 hours of credit for each five-day work period, up to a maximum of 200 hours (five weeks) in any calendar year. Only 200 hours in any two-year calendar period can be used to prevent a break in service.
- **Permanent closure:** If you lose your job as a result of a permanent closure, you are credited with 200 unfunded hours.
- **Vacation:** if you are eligible for more than five weeks of vacation a year, you receive 40 hours of credited service for each week of vacation you take after the fifth week, to a maximum of 80 hours.

Your participating employer is responsible for reporting any periods you were unable to work, such as periods of disability or layoff. They must also report any vacation that is longer than five weeks.

TO DO:

If you have less than 1,500 covered hours in any year, check your *pension statement* to verify that you have received credit for any unfunded hours you may have earned.

EXCESS HOURS

If you work or otherwise accrue more than 1,500 funded hours in a year, those hours in excess of 1,500 are recorded as excess hours. You and your employer pay contributions on your excess hours, but you do not always receive credited service for them. Excess hours accumulate over time.

You can use your accumulated excess hours to:

- Bring your annual credited service up to 1,500 hours, if your funded and unfunded hours together are less than 1,500
- Bring your credited service up to 1,500 hours in the year you retire, if you have accumulated less than 1,500 funded hours that year. For example, you can retire on January 1st and use 1,500 accrued excess hours to receive a full year's worth of credited service for that year, without needing to work even one hour. Doing this will boost your pension payable at age 65 by up to \$60 per month. Excess hours cannot be used to prevent a break in service (see *leaving your job*, pages 13-16).

BENEFIT LEVELS

Your pension is based on your accrued years of credited service multiplied by the monthly benefit level applicable to those years. The benefit level is based on the contribution rate paid by members and employing companies.

Each time you break service, your benefit is frozen at the level that applied at the time of your break. Lower benefit levels may apply if your participating employer did not remit contributions at the maximum required rates.

The current benefit level is \$60, effective January 1, 2003.

BENEFIT LEVELS FOR MOST MEMBERS

Monthly benefit level	Effective date
\$60	Jan 1, 2003 - current
\$50	Jan 1, 2001
\$40	Jul 1, 1993
\$35	Jul 1, 1991
\$32	Jul 1, 1988
\$25	Jul 1, 1986
\$20	Jul 1, 1983
\$15	Jul 1, 1979
\$10	Jul 1, 1977

Members and participating employers pay hourly contributions for all funded hours. The current combined contribution rate is \$5.90/hour.

PROVISIONS FOR DISABLED MEMBERS

If you become disabled while you are employed in a bargaining unit job at a participating employer, in most cases you will continue to be an active member. Disability credits are provided to active plan members who qualify under the plan's definition of either disabled or totally and permanently disabled for the foreseeable future.

TO DO:

If you are receiving disability benefits, you or your participating employer must notify the Plan Office, otherwise you might not receive disability credits from the plan.

The provisions for disabled members described in this section apply to most, but not all, active plan members.

Please contact the Plan Office if you are unsure of your status.

DEFINITION OF DISABLED

You are considered disabled under the provisions of the plan 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,
- You are in receipt of weekly indemnity benefits,
- You are unable to work at a USW bargaining unit job at your last operation due to a non-occupational injury or illness, or
- You are in receipt of wage loss benefits from an auto insurer due to a motor vehicle accident [*plan text*, Section 16.01(a)(i)(C)].

DEFINITION OF TOTALLY DISABLED

You are considered totally and permanently disabled for the foreseeable future if you have a physical or mental disability that prevents you from engaging in any employment for which you are reasonably suited by virtue of your education, training or experience, and the impairment can reasonably be expected to last for the foreseeable future.

PROOF OF DISABILITY

To ensure you are eligible for disability credits, the Plan Office must receive proof of your disability status. It is your responsibility to notify and supply the Plan Office with medical evidence of your disability.

DISABILITY CREDITS

As a disabled or totally and permanently disabled plan member, you will accrue disability credits in the form of unfunded hours if you were employed in a bargaining unit job with a participating employer on the date you became disabled. By being credited with unfunded hours while disabled, you continue to earn credited service during your disability.

If you are disabled, but not totally and permanently disabled for the foreseeable future, and are receiving weekly indemnity benefits, wage loss benefits, rehabilitation allowances or income continuity benefits from WorkSafe BC or similar benefits from another jurisdiction, you will be credited with 40 unfunded hours for each week that you are disabled, up to a maximum of 1,500 hours.

If you are totally and permanently disabled and are receiving benefits from the IWA–Forest Industry LTD Plan or another LTD plan provided by your participating employer, you will be credited with 125 unfunded hours for each month you are disabled.

In general, you continue to be credited with unfunded hours until the earliest of:

- Your recovery from your disability,
- Your retirement,
- Your 65th birthday, or
- Your date of death.

DISABLED BUT NOT RECEIVING DISABILITY BENEFITS

If your disability prevents you from performing bargaining unit work at your last operation, and you are not receiving disability benefits, please contact the Plan Office.

TO DO:

If you become disabled, contact the Plan Office to discuss your options and determine if you are eligible for disability credits.

DISABILITY BENEFIT LEVELS

You will receive the \$35 benefit level if:	<ul style="list-style-type: none">• You qualified for this benefit level before you became disabled, and• You became disabled before July 1, 1991 and your last participating employer began to contribute \$2.40 per hour to the plan on July 1, 1992, or• You were totally and permanently disabled before July 1, 1991, and your last participating employer is no longer in business and contributed the maximum level in effect at the time of the closure.
You will receive the \$40 benefit level if:	<ul style="list-style-type: none">• Other active plan members working for your last participating employer began contributing 10 cents per hour, and• Your last participating employer contributed \$2.40 per hour
You will receive the \$50 benefit level if:	<ul style="list-style-type: none">• The combined contributions being paid by both your last participating employer and the active plan members working for your last participating employer equal \$2.775 per hour.
You will receive the \$60 benefit level if:	<ul style="list-style-type: none">• The maximum required contributions are being paid by both your last participating employer and the active plan members working for your last participating employer.

SHORTENED LIFE EXPECTANCY

If, as an active, deferred or limited plan member, you face a shortened life expectancy, you may be eligible to withdraw your pension out of the plan. You may choose to have your pension paid as a lump-sum or as a series of installments.

To qualify, you must

- Not yet be receiving a pension,
- Have a terminal illness or disability that is likely to shorten your life considerably, and
- Such illness or disability must be certified by a physician to be terminal or to shorten your life considerably.

TO DO:

Contact the Plan Office if you are diagnosed with a condition or injury that is expected to considerably shorten your life.

DEATH BEFORE RETIREMENT

In British Columbia your spouse is legally defined as the person:

- You are married to and have not been living separate and apart from for a continuous period longer than two years,
- OR**
- You are living with in a marriage-like relationship for a period of at least two years immediately before the relevant date.

If you die before you begin receiving a pension from the plan, your spouse or beneficiary is entitled to a death benefit that is equal to 100% of the lump-sum value of your pension. This is true whether you are an active or a deferred member.

YOUR BENEFICIARY

If you have a spouse on your date of death, in accordance with the *Pension Benefits Standards Act*, your spouse will receive a survivor death benefit, unless your spouse waives their benefit entitlement by signing a *waiver form*. Note that this *spousal waiver* must be signed prior to your death.

If you do not have a spouse, or your spouse waives the survivor benefit, you may designate who will receive the death benefit. You may designate more than one person to share the death benefit, for example you can name your children as beneficiaries.

If you wish to name a minor as your beneficiary, you should appoint an adult to receive the death benefit as trustee for the minor. In BC, a minor is a person under 19 years of age. For more information about appointing a minor as your beneficiary, please contact the Plan Office.

You can also designate an alternate beneficiary who will receive the death benefit if your designated beneficiary predeceases you.

If you do not have a spouse nor beneficiaries nor alternate beneficiaries, a lump-sum death benefit will be paid to your estate.

TO DO:

If you do not have a spouse, or your spouse has waived their right to a death benefit, you must let us know who you wish to designate as your beneficiary. *Designation of beneficiary forms* are available for download on the Plan Office website iwafibp.ca.

HOW THE DEATH BENEFIT IS PAID

If your spouse is entitled to a death benefit, they can choose to receive a pension from the plan or transfer the lump-sum value of their death benefit out of the plan.

If a designated beneficiary or your estate receives a death benefit, it will be paid as a lump-sum.

If there is a *separation agreement* or *court order* dividing your pension with a former spouse, the death benefit will be split in accordance with the *separation agreement* or *court order*.

LEAVING YOUR JOB

Your pension plan is meant to provide you with a lifetime pension in retirement. The longer you participate in the plan, the greater your pension will be. However, there are some circumstances where you might not be able to contribute to the plan and you may become a deferred plan member.

You break service with the plan when you do not work or otherwise accumulate at least 350 covered hours in two consecutive years.

Covered hours include:

- Funded hours
- All hours for which you receive disability credits
- Layoff hours (a maximum of 200 layoff hours can be used in a consecutive two-year period to prevent a break in service)

Excess hours and vacation hours cannot be used to prevent a break in service.

Because breaks in service are calculated on a calendar year basis, you will only break service on December 31st and will receive a *break in service package* from the Plan Office in March of the following year. However, you will immediately break service from the plan if:

- You permanently transfer to a management position, or
- Your participating employer terminates from the plan, either through a negotiated withdrawal or removal for non-payment of contributions*, or
- Your bargaining unit decertifies from the USW*.

Your break in service options differ depending on your age.

*Employer terminates from the plan or bargaining unit decertifies from the USW

If your participating employer terminates from the pension plan, or employees vote in favour of decertifying from the USW, members' pension benefits will be affected. Specifically:

- You will break service immediately,
- You will lose any excess hours as of your break in service date
- If you retire before age 65, you will no longer qualify for a subsidized early retirement and will instead only qualify for an actuarially reduced pension starting at age 55 (see pages 20 and 21)
- Your pension benefit will be reduced in accordance with the formula set out in the *plan text* and calculated by actuaries. Please note that this reduction can be significant.

BREAK IN SERVICE UNDER AGE 55

If you are under age 55 when you break service with the plan, you will become a deferred plan member. You will be given the option to either remain in the plan and receive a pension from the plan in retirement, or take a lump-sum payout from the plan and end your membership.

OPTION 1: LEAVE YOUR PENSION IN THE PLAN & RECEIVE A MONTHLY PENSION WHEN YOU RETIRE

You can choose to leave your pension in the plan and receive a lifetime monthly pension in retirement. You can collect a reduced pension as early as age 55, or take a normal pension at age 65. Your pension will be based on your credited service and the benefit level applicable on your break in service date. (See page 20, *retiring as a deferred plan member*)

OPTION 2: RECEIVE A LUMP-SUM PAYOUT & END YOUR MEMBERSHIP IN THE PLAN

After you break service with the plan, you have the option of withdrawing your pension from the plan as a lump-sum payout. 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 in retirement.

Your lump-sum benefit is based on:

- **The amount of your pension**
The more credited service you have with the plan, the higher your pension at retirement, and the larger your lump-sum benefit.
- **Your age**
The closer you are to retirement age, the less time your investment has to grow, so your lump-sum benefit will be greater.
- **Interest rate**
Under target benefit plan rules, the plan's long-term expected return on investments is used to calculate your lump-sum benefit. The higher the interest rate, the lower your benefit.
- **Actuarial assumptions**
Assumptions in mortality.
- **Plan funding**
If the plan is less than fully funded on a going concern basis, your lump-sum benefit will be reduced by the unfunded portion.

If your lump-sum benefit is greater than the legislated threshold, pension law requires the full amount to be transferred to a locked-in retirement account and not withdrawn as cash. In this instance, you will be given 90 days after receiving a break in service notice to request a lump-sum payout from the

plan. After 90 days, this option expires and you must leave your pension in the plan until retirement.

If your lump-sum benefit is below the legislated threshold, you may withdraw your benefit at any time following your break in service.

If you elect to transfer your pension out of the plan, you terminate your membership with the plan. You will not be eligible to receive any future pension improvements or post-retirement benefit increases. Your spouse or beneficiary will not be eligible to receive a benefit from the plan after your death.

BREAK IN SERVICE OVER AGE 55

If you are 55 years old or older when you break service from the plan, you typically do not have the choice to withdraw your pension from the plan as a lump-sum. Instead, you will receive a lifetime pension from the plan when you retire. You are eligible for the subsidized early retirement benefit and can retire from the plan as early as age 55. (See *retiring as an active member* on page 20 for full details).

EXCEPTIONS:

If the lump-sum amount of your benefit is less than the legislated threshold, you may opt to take your pension out of the plan as cash.

If your participating employer decertifies or otherwise withdraws from the plan, you will immediately break service from the plan and become a deferred plan member. You will not be entitled to the subsidized early retirement benefit.

AUTOMATIC CASH-OUT

If you become a deferred member and have a pension payable at age 65 that is less than \$25 per month, you will not be eligible for a monthly pension at retirement. Instead, you will be paid the lump sum value of your pension in your choice of cash or transferred to a registered retirement account. When this lump sum value is paid you will no longer be a plan member, and will have no further entitlement to benefits.

NON-RESIDENTS OF CANADA

If you live outside of Canada and you are an active, deferred, or limited plan member, or a spouse or beneficiary, you may be eligible to withdraw your benefit out of the plan as a lump-sum. To qualify you must:

- Not yet be receiving a pension,
- Provide written evidence from the Canada Revenue Agency that you are a non-resident of Canada, and
- Have been absent from Canada for two years or more

You will also have to comply with any other pension law.

RETURNING TO WORK

If you transfer your benefit out of the plan as a lump-sum payout and then return to work for a participating employer, you will be treated as a new member and will start building your credited service from zero.

If you leave your pension in the plan after breaking service and then return to work for a participating employer, your two periods of credited service are considered separate. If your break in service was due to an involuntary job loss, you may be eligible to upgrade the credited service you earned before your break. This provision is called the two-for-one rule.

TRANSFER TO A SALARIED POSITION

If you permanently transfer from a bargaining unit position to a salaried position at a participating employer, you will break your service from the plan on the date of your transfer and become a deferred member. Your excess hours will be eliminated and you will be given the choice to either leave your pension in the plan until retirement, or transfer your pension out of the plan as a lump-sum payout.

If you move back to a bargaining unit position after moving to a salaried job, your break in service will be removed if all of the following conditions are met:

- You began working in a salaried position within three months of leaving your bargaining unit position.
- You return to a bargaining unit position within three months after leaving your salaried position.
- For three consecutive years, you accumulate at least 1,000 covered hours each year, or you remain in a bargaining unit position for five years following your return.

LEAVE OF ABSENCE

If you take a leave of absence for a non-medical reason and do not make contributions during your absence, you may not be eligible to receive credited service for the time you are away from work (see *funded hours*, pages 6 and 7 for more information)

If your leave of absence approaches two calendar years, you may be at risk of breaking service with the plan and becoming a deferred plan member. A break in service occurs when you have less than 350 covered hours in two consecutive calendar years. You must inform the Plan Office if you are going to take a leave of absence that may result in a break in service.

GOVERNMENT APPOINTMENTS

You will not break service if you were employed in an elected public office position.

You will not break service if you accept a full-time provincial or federal government appointment as a representative of the USW or the labour movement, as long as your absence is approved by the trustees. This includes appointments to:

- The Canadian Labour Congress
- A provincial federation of labour
- A district labour council

You will be considered an active plan member for the duration of your appointment, but you will not receive credited service nor contribute to the plan.

INVOLUNTARY JOB LOSS

When you lose your job involuntarily due to economic or environmental factors, it is called an involuntary job loss (IJL). An involuntary job loss occurs if one of the following happens:

- You lose your job due to downsizing,
- You lose your job due to technological change,
- Your job is eliminated, or
- Your participating employer permanently closes its operations.

IJL FOR MEMBERS UNDER 55

Under what is called the two-for-one rule, if you are under age 55 and your break in service is a result of an involuntary job loss, you may be able to receive double the credit for past years of credited service.

TWO-FOR-ONE RULE

If you return to work for a participating employer within three years of your break in service, for every new full year you work (1,500 hours), you can upgrade two past credited years. This means that one year of past credited service will count as two years of credited service.

To be eligible, you must satisfy all of the following conditions:

- Break service on or after December 31, 1983
- Break service due to an involuntary job loss
- Work less than 1,001 hours at a participating employer(s) between the date

If you have an involuntary job loss but think you will work again for a participating employer, in most cases it is in your financial best interest to leave your benefit in the plan. Contact the Plan Office to learn more.

of your job loss and the date you broke service

- Become an active member within three years of your break in service date
- Return to work for a participating employer who contributes a minimum of \$2.40 to the plan
- Leave your pension in the plan after your break in service
- Be under age 55

IJL FOR ACTIVE MEMBERS AGED 55+

If, as an active member, you have an involuntary job loss after reaching age 55 and before turning 60, you will not break service from the plan. You will remain an active plan member and will only break service from the plan as an active member on the date you retire.

If you have an IJL between the ages of 55 and 60, deferring your retirement date will usually increase your monthly pension in retirement. The Plan Office can explain how this applies to your specific situation.

See page 21 for more information on the latest retirement date.

You will be entitled to the *subsidized early retirement benefit* (see page 20) beginning at age 55, and will be able to receive 100% of your pension if you retire at age 60. You are also able to use any excess hours to continue to accrue credited service until the earlier of:

- The date all excess hours have been used,
- The date you choose to retire, or
- Your 65th birthday.

Using excess hours in this way will increase your pension in retirement.

RETIREMENT

APPLYING FOR A PENSION

Active and deferred plan members are eligible to receive a benefit from the plan at retirement. Because your pension can start at any time between the age of 55 and 71, your pension does not begin automatically. Instead, you must apply three months before your planned retirement date. You must sign and submit your *retirement application* before you receive your first pension payment, so it is in your best interest to apply early and allow plenty of time for processing.

In addition to the *application form*, you will need to provide *proof-of-age documents* for you and, if applicable, your spouse. Acceptable *proof-of-age documents* are your:

- *Birth certificate*
- *Passport or landed immigrant certificate*
- *Canadian citizenship certificate*
- *Driver's license*
- *NEXUS card*

If you (or your spouse) no longer use the name on your *birth certificate* or other *proof-of-age documents*, you need to include a copy of a *proof of name change* or a *marriage certificate*.

TO DO:

Contact the Plan Office at least three months before you plan on retiring and gather your *proof of age* and any *name change documents*. *Retirement application forms* will be mailed to you, and are also available at iwafibp.ca.

RETIREMENT AGE

The normal age of retirement from the plan is age 65, but you are eligible to retire as early as age 55. If you choose to retire early, your pension will be reduced.

RETIRING AS AN ACTIVE MEMBER—SUBSIDIZED EARLY RETIREMENT

All active members are entitled to the subsidized early retirement benefit. If you are between the ages of 55 and 65 and cease employment as a bargaining unit employee for a participating employer, you are eligible to receive between 82% and 100% of your full pension.

Age pension begins	Percentage of pension payable
55	82%
56	86%
57	90%
58	94%
59	97%
60+	100%

The early retirement subsidy is pro-rated if you retire at an age other than the exact age noted in the table above. For example, if you retire at age 55 years and 6 months, you will receive 84% of your pension.

RETIRING AS A DEFERRED PLAN MEMBER

Deferred plan members are members who, following a break in service, elect to leave their pension in the plan and remain entitled to a pension from the plan at retirement. You are also considered a deferred plan member if you are over the age of 55 and:

- Your participating employer negotiates a withdrawal from the plan,
- Your bargaining unit elects to decertify from the USW, or
- Your participating employer becomes a suspended participating employer for non-payment of contributions.

If you are a deferred plan member, you have the option of receiving a normal pension from the plan beginning at age 65, or an actuarially reduced pension as early as age 55.

Why an actuarial adjustment? If you retire early, it is expected that you will receive your pension for a longer period of time. The actuarial adjustments are based on long-term economic and demographic assumptions. The adjustments are as follows:

Age pension begins	Percentage of pension payable
55	46%
56	49%
57	53%
58	57%
59	62%
60	67%
61	72%
62	78%
63	85%
64	92%
65	100%

LATEST RETIREMENT DATE

All members must start receiving their pension no later than December 1st of the year they reach age 71, in accordance with income tax rules. You may continue to work for a participating employer after this date. While you will continue to make contributions to the plan, you will not be eligible to earn further credited service. Your contributions will be reimbursed early in the next calendar year.

RETIREMENT OPTIONS

As a retired plan member, you will receive a pension from the plan for your lifetime. There are several retirement options you can choose from. You will be asked to select your retirement option when you apply for retirement. Once you retire, you cannot change your choice.

Option	Description
Joint & survivor pension	You will receive a pension for your lifetime and financially protect your spouse. Following your death, your spouse, if alive, will receive a monthly pension from the plan for the rest of their life. Depending on what option you choose, your spouse will receive 60%, 66.67%, 75% or 100% of your pension.
Life pension with a guarantee period	Receive a lifetime pension and select a guarantee period for your spouse or designated beneficiary to receive limited payments after your death. Choose between 5, 10 and 15 year guarantee periods. If you die before the end of your chosen guarantee period, your spouse or designated beneficiary will continue to receive monthly pension payments for the remainder of the guarantee period.
Straight life	Receive a pension payable for as long as you live. Payments stop at the end of the month in which you die. No further payments are made to your spouse or beneficiary.

SUPPLEMENTED EARLY RETIREMENT

Because government benefits begin at age 65, you can choose to receive a greater pension amount from the plan prior to age 65 and a smaller amount after age 65. The difference between the amounts paid before and after age 65 is intended to equal the amount you receive from Old Age Security.

The supplemented early retirement option is available with most of the pension options shown above.

SPOUSAL AND BENEFICIARY RIGHTS

If you have a spouse, pension law requires you to select a pension option that provides a minimum of 60% coverage for your surviving spouse—unless they sign a form waiving their right.

If you do not have a spouse, or if your spouse waives their right, you may provide a benefit to another beneficiary by choosing a guaranteed option.

RETURNING TO WORK AFTER RETIREMENT

Under income tax rules, you cannot receive a pension and earn credited service at the same time. If you retire and begin to receive your pension, and then return to work:

- Your pension will stop if you work regularly in a bargaining unit position for a participating employer. You and your employer will pay contributions to the plan and any credited service you have earned since you started working will be added to your pension.
- Your pension will continue if you work less than 19 hours a week for a participating employer.
- Your pension will continue regardless of your employment status if you work after December 1st of the year in which you turn 71. At this time you will not be eligible to earn additional credited service. You and your employer will continue to contribute to the plan, but your portion will be reimbursed.

RECEIVING YOUR PENSION

You will receive your pension on the first day of every month; either deposited directly into your bank account or by cheque mailed to you.

Note that tax is deducted from all pension payments in accordance with Canadian tax law. You can also request to have more tax deducted.

DIVORCED OR SEPARATED MEMBERS

Under the *BC Family Law Act* and other equivalent provincial legislation, your pension is considered family property. This means that in the event of a divorce or separation, your former spouse may be entitled to a share of the pension you earned while you were married. The amount your former spouse is entitled to is usually specified in a *court order* or *separation agreement*.

When the Plan Office receives notification of a *separation agreement* or *court order* dividing your pension, we are required by law to comply. We will pay your former spouse's portion directly to them, with income tax deducted.

When a former spouse applies for their benefit from the plan, they become a limited member of the plan.

There is a one-time fee of \$500 to administer the division of a pension. This fee must be paid by you and your former spouse. This fee can be paid up front or deducted from the pension payment.

TO DO:

If you divorce or separate from your spouse, you must contact the Plan Office to update the plan. You will need to give us a copy of your *separation agreement* or *court order*.

Your former spouse may be a beneficiary for certain benefits. If you would like to name a new beneficiary for the remaining portion of your pension, complete and return a *designation of beneficiary form* to the Plan Office.

OTHER SOURCES OF RETIREMENT INCOME

Your IWA–Forest Industry Pension is only one source of retirement income. Other sources include the Canada Pension Plan (CPP), Old Age Security (OAS) and income from personal investments like RRSPs and TFSAs.

CPP

The CPP provides lifetime monthly benefits to eligible Canadians. CPP benefits are adjusted for inflation as measured by the Consumer Price Index every January. You must have worked and made at least one valid contribution (payment) to the CPP to qualify for a retirement pension.

If you made at least one contribution to the CPP, you can:

- Apply for the retirement pension at age 65,
- Receive it as early as age 60 with a reduction, or
- Receive it as late as age 70 with an increase.

TO DO:

For more information on CPP Benefits, refer to the [canada.gc.ca](https://www.canada.gc.ca) website.

OLD AGE SECURITY

The Old Age Security (OAS) program is run by the federal government for eligible seniors age 65 and over who meet Canadian residence requirements. It provides three types of benefits, each with quarterly increases if the cost of living increases. Your employment history is not a factor in determining eligibility—you can receive OAS benefits even if you never worked or are still working.

BASIC OAS

The basic OAS benefit is a monthly payment to people 65 years of age and older who meet the Canadian legal status and residence requirements. The payment amount is determined by how long you have lived in Canada after the age of 18. It is considered taxable income and is subject to a recovery tax if your individual net annual income is higher than the net world income threshold set for the year.

As of July 1, 2013, you can defer receiving your basic OAS benefit for up to five years after the date you become eligible for the basic OAS benefit, in exchange for a higher monthly amount.

GUARANTEED INCOME SUPPLEMENT

This benefit is available to Canadian residents with a low income.

ALLOWANCE

This benefit may be available to Canadian residents between 60 to 64 years of age whose spouse or common-law partner is receiving the OAS pension and is eligible for the GIS.

ALLOWANCE FOR SURVIVORS

Canadian residents who are widowed and between the ages of 60 to 64 may be eligible for this benefit.

OAS ELIGIBILITY

If you are living in Canada, you qualify for OAS if you:

- Are 65 years or older,
- Are a Canadian citizen or a legal resident at the time your OAS benefit application is approved, and
- Have resided in Canada for at least 10 years after turning 18.

If you are living outside Canada, you qualify for OAS if you:

- Are 65 years or older,
- Were a Canadian citizen or legal resident of Canada on the day before you left Canada, and
- Have resided in Canada for at least 20 years after turning 18.

TO DO:

For more information on OAS benefits, refer to [canada.gc.ca](https://www.canada.gc.ca) or call them toll-free at 1.800.622.6232.

SPOUSE'S INCOME

Your spouse may also be eligible to benefits from Old Age Security, Canada Pension Plan and an employment pension plan.

PERSONAL INVESTMENTS

RRSPs, TFSAs, or term deposits may add to your retirement income.

MEMBER RESOURCES

PENSION ESTIMATES

When you apply for your pension, you will get an estimate of the amount you can expect to receive under the different options. If you would like an estimate before that time, contact the Plan Office.

SUPPORT

If you have any questions about your IWA–Forest Industry Pension Plan or would like guidance on completing any forms, please contact the Plan Office and we will put you in touch with a pension specialist.

The Plan Office is open from 8: a.m. to 4:30 p.m. Monday to Friday. You can contact the pensions department directly:

T 604.433.5862

TF 1.800.913.0022

pension@iwafibp.ca

OTHER BENEFITS

For information regarding your government pension and benefits for seniors, refer to canada.gc.ca or call toll-free 1.800.622.6232.

For other retirement planning information we suggest you contact a financial advisor.

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.

You are an active member while you are:

- Working for a participating employer and contributions are made to the plan, or
- Collecting disability benefits, or
- Out of work up to your break in service date.

ACTUARIAL ADJUSTMENTS

Factors used to adjust deferred plan members' pension when they elect to receive payments before the normal retirement age of 65. This adjustment takes into consideration the additional years a member is expected to receive benefits due to their early retirement.

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 going concern and solvency 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.

ANNUAL PENSION STATEMENT

Your personalized pension record containing your credited service and personal information, including your beneficiary on file. If you are a retired member, your statement will be a review of the benefit you are receiving from the plan. Make sure to review your statement carefully and report any errors or changes of address and other personal information.

BENCHMARK

An investment benchmark is the index representative of the asset class against which a portfolio 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

You break your service when you fail to work or otherwise accumulate 350 covered hours in two consecutive calendar years. The hours that qualify are: funded hours, all hours for which you receive disability credits, and layoff hours (only to a maximum of 200 layoff hours in any two consecutive years).

COLLECTIVE AGREEMENT

A written agreement between an employer, or an employer's 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.

ELIGIBLE HOURS

Hours for which you and your participating employer contributes to the plan. Also called funded hours.

EMPLOYING COMPANY

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. Also referred to as a participating employer.

EXCESS HOURS

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

EXCESS CONTRIBUTIONS

If your contributions plus interest make up more than 50% of your lump-sum benefit, any amount over 50% is called excess contributions. Members are entitled to a refund of their excess contributions upon transferring from the plan.

FUNDED HOURS - Hours for which you and your participating employer contributes to the plan. Also called eligible hours.

GOING CONCERN BASIS

The *going concern valuation* calculates the ability of the plan to pay all of its liabilities over the long term, assuming the plan continues indefinitely into the future.

IWA-FOREST INDUSTRY LONG TERM DISABILITY PLAN (LTD PLAN)

The LTD plan pays a monthly disability benefit to eligible members who have been off work for longer than six months due to illness or injury. This plan also provides extended medical and dental benefits and offers rehabilitation services. It is located in the same offices as the IWA-Forest Industry Pension Plan.

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 PLAN MEMBER

A spouse or former spouse who, by way of a *court order* or *separation agreement*, has entitlement to a portion of their spouse's 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 may be 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 in retirement.

NORMAL FORM OF PENSION

The normal form of pension for this plan is 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 subsidized pension at age 60.

PARTICIPATING EMPLOYER

Also referred to as an *employing company*. 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 FUND (FUND)

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

PLAN MEMBER

A person who has become covered by the plan and continues to be covered under the plan.

PLAN OFFICE

The Plan Office is the administrator of the IWA–Forest Industry Pension Plan. We administer the plan according to the *plan text* and select investment advisors according to the plan’s *investment policy*. The Plan Office is independent of the USW and employing companies.

PLAN SPONSOR

An employer or any other entity providing a benefit plan. For this plan, the plan sponsors are the United Steelworkers and the employer associations: FIR, I.F.L.R.A. and 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.

SOLVENCY

The capacity of an entity to pay future benefits or claims that have been promised; calculated in terms of a specific date.

SOLVENCY VALUATION

The *solvency valuation* calculates the ability of the plan to pay all of its liabilities as if the plan were to terminate immediately.

SPOUSE

If you reside in BC, your spouse is defined as:

- The person you are married to and have not lived separate from for a continuous period longer than 2 years; or if this does not apply,
- The person you are living with in a marriage-like relationship for at least 2 years immediately before the relevant date.

If you reside outside of BC:

- This definition differs from province to province. Please see the applicable definition for your province.

SUBSIDIZED EARLY RETIREMENT BENEFIT

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

TOTALLY DISABLED FOR THE FORESEEABLE FUTURE

You are considered totally and permanently disabled if you suffer from a physical or mental impairment that prevents you from engaging in any employment for which you are reasonably suited by virtue of your education, training or experience and the impairment can reasonably be expected to last for the foreseeable future.

TRUST AGREEMENT

The agreement entered into by the union and employer association groups that established the pension fund and pension plan.

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

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.