

AFTER WORK

THE PLAN OFFICE NEWSLETTER
FALL/WINTER 2019

FOR ACTIVE AND DEFERRED PENSION PLAN MEMBERS

UPCOMING WEBINARS

Mark your calendars—it's time for another webinar on your pension options. This webinar will demystify your pension plan. After watching the webinar, you'll understand:

- The early retirement options
- How to estimate your pension
- The difference between retiring as an active or deferred member

- How to complete an application for pension benefits
- How to protect your spouse or other beneficiary following your death

Don't miss this opportunity to learn about your pension plan. Visit iwafibp.ca/what-s-new to reserve your spot.

DATES: October 24 & November 14, 2019

Choose the day that works for you!

TIME: 12:00 pm (noon)

FOR PENSION PLAN MEMBERS

PENSION PLAN RESOURCES

Have questions about your pension plan or want to know generally how it works? We know how important your pension is to you, and we also know that pensions can be complex. Luckily, we are here to help. Here's where to go when you want to learn more:

Annual Statement: Look here for personal information including your credited service history, beneficiary on file, or past contributions. Your *statement* is mailed annually in May/June.

Website: Visit IWAFIBP.CA to:

- Register for upcoming webinars, presentations and one-on-one consultations (iwafibp.ca/what-s-new)
- Read and download pension and LTD plan booklets and annual reports, and past newsletter issues (iwafibp.ca/library)
- Watch videos on how the pension plan works, what options are available to members, and what happens if you break service with the plan (iwafibp.ca/videos)
- Download *change of address, beneficiary designation, direct deposit authorization and pension application forms*

Call or email: If you misplaced your *statement*, want to request a *pension estimate*, have specific questions about your situation, or need help completing a form, pension specialists at the Plan Office are happy to help. The Plan Office is open Monday to Friday from 8 a.m. to 4:30 p.m. If you can't call or visit us during office hours, leave us a message (1.800.913.0022) or email pension@iwafibp.ca and we'll follow up with you.



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



WHAT YOU NEED TO KNOW

FOR PENSION PLAN MEMBERS

EVERYTHING YOU NEED TO KNOW ABOUT APPLYING FOR YOUR PENSION

Planning on retiring soon? Congratulations! You're among the 25 percent of Canadians who have a defined benefit or target benefit pension plan. If you're considering retiring in the next few months, here's what we recommend doing:

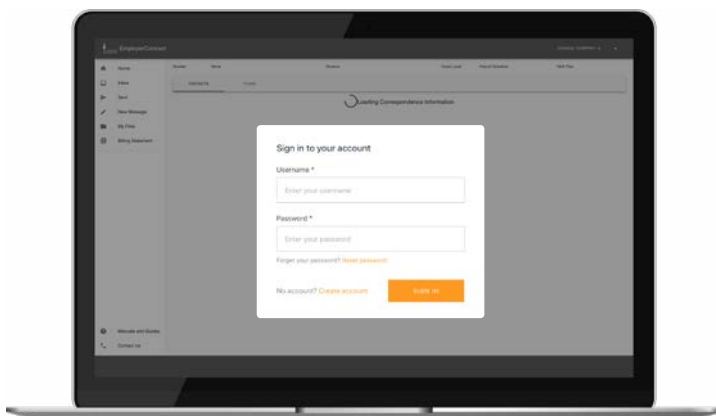
1. Get familiar with how your plan works: read the plan booklet, watch videos on the various pension options, and refer to your annual statement for an overview of your credited service and history with the plan.
2. Three months before you would like to begin receiving your pension, contact the Plan Office at 1.800.913.0022 to request a pension application. You can also download an application form online at iwafibp.ca/forms.
3. Once we receive your request, we'll mail you a complete *application package* that includes a calculation of your monthly pension under each available option.
4. Complete your full *application package* and mail it to the Plan Office. Along with this package, you'll need to provide us with copies of government issued ID. Some forms may need to be notarized and/or witnessed. It can take some time to gather these documents and decide which option works best for you and your family—this is why we recommend applying three months before your anticipated retirement date. If you have any questions, pension specialists are available via phone or email to walk you through the process.
5. Once we've processed your completed package, your pension will be deposited directly into your bank account once a month.

FOR PENSION AND LTD PARTICIPATING EMPLOYERS

EMPLOYER CONNECT

All participating employers of the pension and LTD plans now have access to EmployerConnect, our secure online messaging and document portal. **IMPORTANT:** Effective January 1, 2020, the Plan Office will stop mailing *billing statements* to all participating employers. Instead, employers must use EmployerConnect to download their statements.

Not sure how to get started? Visit iwafibp.ca/employers for an introductory video, or contact us at contributions@iwafibp.ca or 1.800.663.4384.



FOR PENSION PLAN MEMBERS

8 THINGS MEMBERS GET WRONG ABOUT THEIR PENSION PLAN

With 70,000 members, it's not surprising that members have misconceptions about their pension plan. Let's dispel the top myths surrounding your pension plan.

MYTH 1: MY PENSION STARTS AUTOMATICALLY AT AGE 65

Because you can choose to begin your pension anytime between the age of 55 – 71, and because there are over 10 different pension options, your pension does not begin automatically. Instead, you must apply for your pension. We recommend applying at least three months before you anticipate retiring, as it can take some time to gather the necessary documents, decide on your option and process the application. To apply, contact the Plan Office or download an application at iwafibp.ca/forms.

MYTH 2: I CAN LEAVE THE PLAN AT ANY TIME

You can only leave the plan after first breaking service with the plan. You break service when you work (or otherwise accrue) less than 350 covered hours in two consecutive years, or immediately when you transfer to a management position for a participating employer. When you break service under the age of 55, you are given the option of becoming a deferred plan member and collecting a pension in retirement, or you can choose to transfer the lump-sum value of your pension out of the plan, thereby terminating your membership.

MYTH 3: I DON'T HAVE TO PAY CONTRIBUTIONS WHEN I GO ON PARENTAL OR OTHER LEAVE

If you'd like to continue to earn credited service and remain covered by the pension and LTD plan while on non-medical leave, you and your employer must continue to contribute to both plans. You can decide not to contribute, but you will not earn credited service for the period you do not contribute, nor will you be covered by the LTD plan. This applies to parental and other leaves of absence but not disability leave. Contact the Plan Office for more details.

MYTH 4: MY PENSION ENDS WHEN THE GUARANTEE PERIOD EXPIRES

This pension plan pays pension benefits for a plan member's lifetime. The guarantee period does not affect your pension, but instead refers to what your beneficiary will receive from the plan following your death. If at retirement you chose a life pension with a guarantee period, then once the guarantee period expires, your beneficiary will no longer be entitled to a benefit from the plan following your death.

MYTH 5: I CAN CHANGE MY BENEFICIARY AT ANY TIME

This depends on whether you're an active, deferred, or retired member, and for retired members, what option you selected at retirement. If you've yet to start collecting your pension, you can change your beneficiary at any time. However, once you've begun receiving your pension, you can only change your beneficiary if you selected a single life pension with a guarantee period. If you selected a joint and survivor pension, then you cannot change your beneficiary, even if you spouse dies or you divorce or separate from them. Note that unless they waive their right to a lifetime benefit, you must designate your spouse as your beneficiary.



**REALITY
CHECK
AHEAD**

MYTH 6: I CAN CONTINUE TO WORK AND COLLECT MY PENSION AT THE SAME TIME

That depends on who you work for and for how many hours you work. If you begin to collect your pension and then return to work:

- Your pension will stop if you work more than 20 hours a week 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 entitlement.
- Your pension will continue if you work less than 20 hours a week for a participating employer, or if you work full or part time for a non-participating employer. You and your employer will continue to contribute to the plan, but your contributions will be reimbursed.
- 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.

MYTH 7: IF I RETIRE EARLY AS AN ACTIVE MEMBER, MY PENSION IS REDUCED BY WHAT IT COSTS TO PAY MY BENEFITS FOR A LONGER TIME

The normal age of retirement for the plan is age 65. However, members can choose to retire and collect a monthly benefit from the plan as early as age 55. When members choose to retire early, it means they will receive their pension for a longer time, thereby increasing the value of their pension, and consequently the cost to the plan.

Members retiring early as deferred members receive an actuarially reduced early retirement pension. To compensate for the extra years of pension income, their monthly payments are reduced proportionally. These actuarial reductions are standard in the pension industry—other pension plans like the Canadian Pension Plan (CPP) calculate their early retirement reductions in the same way.

Members retiring as active members qualify for the subsidized early retirement benefit. With this option, while members' monthly pension payments appear to be reduced, their actual value is inflated 1.7 times. Over half of retired plan members receive this benefit! Contributions collected from excess hours help to fund this benefit.

MYTH 8: ANY OVERPAYMENTS ARE MINE TO KEEP

The Plan Office acts on behalf of the pension plan's board of trustees. It is the board's legal responsibility to seek recovery of all amounts owed to the plan. That means that when you die, your next of kin, power of attorney or executor must notify the Plan Office right away so we can stop paying your pension. To protect the plan and act fairly in all situations, any and all overpayments must be repaid.



FOR PENSION AND LTD PLAN MEMBERS T4As MAILED IN FEBRUARY

T4As will be mailed to all retired and disabled members in February 2020. Make sure that the Plan Office has your current mailing address on file, and contact us if you'd like to change the amount of tax that we deduct from your pension or LTD income on your behalf.



DO WE HAVE YOUR EMAIL ADDRESS?

Did you know that we get a much higher response back from members when we send them emails instead of letters? If we have your email on file, we can quickly notify you of upcoming webinars and in-person seminars. So call or email the Plan Office to make sure we have your email address. We promise not to bombard your inbox.

FOR PENSION PLAN MEMBERS

OPTIONS FOLLOWING A CLOSURE

To help members learn about their options, the Plan Office holds presentations and one-on-one consultations with members following a mill closure.

For members unable to meet us in person, here are some general guidelines should you lose your job due to a closure or curtailment.



PENSION

Your pension options will depend on your age and membership status at the time of the closure/curtailment. Generally:

60+	If you are 60 years or older you are eligible to retire immediately and collect your full monthly pension. If you have any accrued excess hours, you can choose to use them to delay your retirement and increase your monthly pension when you do retire (age 65 at the latest).
55 - 59	If you are between the ages of 55 to 59, you can choose to either: <ol style="list-style-type: none">1. Retire immediately and receive a subsidized early retirement pension, or2. Wait until age 60 to retire as an active member and collect your unreduced monthly pension, or3. If you have any accrued excess hours, you can use them to delay your retirement and increase your monthly pension when you do retire (age 65 at the latest).
53 & 54	If you are 53 or 54, and you accrued at least 350 covered hours during your 53rd year, you will not break service with the plan. You can choose to: <ol style="list-style-type: none">1. Retire as an active member and receive a subsidized early retirement pension as early as age 55, or2. Wait until age 60 to retire as an active member and collect your unreduced pension.
Under 53	If you are under age 53, and you accrue less than 350 covered hours during the next two years, you will break service with the plan in two years' time.* In March following the year you break service you can choose to either: <ol style="list-style-type: none">1. Remain a deferred plan member and receive an actuarially reduced early retirement pension as early as age 55, or2. Wait until age 65 to retire as a deferred member and collect your full pension, or3. Withdraw the value of your pension as a lump-sum payment and end your membership in the plan. If your lump-sum value is greater than the legislated threshold, it must remain in a locked-in retirement account like an RRSP until at least age 55.

* A maximum of 200 layoff hours can be used in a consecutive two-year period to prevent a break in service.

LTD

If you are currently receiving benefits from the LTD plan and have medical evidence to support an ongoing disability, you will continue to receive your monthly LTD income, access to rehabilitation services and ancillary plan benefits (including health and dental coverage) if your employer curtails or ceases its operations. If you are medically cleared to return to work, and your position is no longer available due to a closure or curtailment, you may no longer be eligible for benefits under the LTD plan.

If you have any questions or would like to learn more, don't hesitate to contact the Plan Office.

FOR PENSION PLAN MEMBERS

A SECURE PENSION PLAN

Since late spring, multiple participating employers have announced the curtailment, closure and/or sale of half a dozen mills in BC. As a result, hundreds of active pension plan members throughout BC have lost their jobs.

Some members have expressed concern about their future and the security of the pension plan, and the Plan Office would like to reassure all members that the pension plan remains stable. The pension plan is designed to accommodate “shocks” such as reduced contributory hours and market downturns.

Just like you, we do not know how many members will be affected or how quickly the industry will recover, but we do test for it. Every year plan actuaries perform stress-tests on the plan to determine the health of the plan under a variety of factors. A decline in contributory hours has been anticipated and factored into the pension plan’s valuation.

Actuaries also assess the funding level of the pension plan. They measure plan funding on both a solvency and going concern basis. Both the solvency and going concern valuations measure the ability of the plan to fund its liabilities (i.e. the pension benefits that need to be paid out) with its assets (i.e. contributions and investment earnings).

The solvency basis calculates the ability of the plan to pay all of its liabilities as if the plan were to terminate immediately. Measuring on a solvency basis results in a ratio or percentage that indicates the

degree to which the plan's liabilities are currently funded. The plan was 84.5% funded on a solvency basis at its most recent valuation.

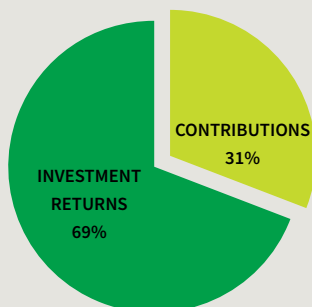
The going concern basis calculates the ability of the plan to pay all of its liabilities over the long term, assuming the plan continues indefinitely into the future. Because the going concern calculation is forward looking, it uses interest rates that are based on the plan's long-term expected return on investments, which generally results in a higher funded level than under the solvency calculation. The plan is currently fully funded on a going concern basis.

Additionally, the current negotiated contribution rate meets the minimum funding requirements of the *Pension Benefits Standards Act*. We would need to see a combination of negative factors applied concurrently (mill closures plus a drop in mortality rates plus negative investment returns plus a significant decrease to the plan's rate of return) before we would need to look at increasing contribution rates.

The pension plan is a mature pension plan, with an aging demographic. This means it relies more on investment returns rather than contributions. The pension plan has faced many mill closures in the past, and we’ve continued to support members for many years.

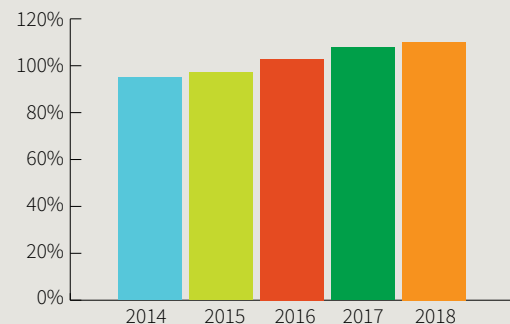
We know this is a difficult time for many of our members. The trustees of the pension plan have a duty to act in the best interest of all plan members. Pension specialists from the Plan Office have been traveling around the province to meet with affected members to discuss their options. If you have any questions about your pension, please contact us at pension@iwafibp.ca or 1.800.913.0022.

CONTRIBUTIONS VS. INVESTMENT RETURNS 5-YEAR AVERAGE



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

GOING CONCERN RATIO



The pension plan is currently fully funded on a going concern basis (assumes the plan continues indefinitely into the future).

FOR LTD PLAN MEMBERS

APPLYING FOR LONG-TERM DISABILITY BENEFITS

You become a member of the LTD plan when you are a regular full-time employee working for a participating employer and making contributions to the plan.

Members who become disabled and unable to work for six months (26 weeks) are eligible to apply for LTD benefits. Before receiving LTD benefits, most members have already received 26 weeks of employer sponsored short-term disability plan benefits and/or Workers Compensation (WCB) wage-loss benefits. You must also be under the regular care of a medical doctor or registered nurse practitioner.

When to apply for LTD benefits depends on whether your disability is work-related, and whether you've received additional short-term benefits. Refer to the tables below for application guidelines.

IF YOUR DISABILITY IS NOT WORK RELATED

When	To do
Date of disability	Apply for short-term disability benefits through your health and welfare plan.
8 weeks after becoming disabled	If you have not yet been contacted by a rehabilitation counsellor, contact the Plan Office to ask for rehabilitation assistance from Evergreen.
12 weeks after becoming disabled	If your doctor or registered nurse practitioner supports your application for the CPP disability benefit, contact Service Canada to begin the application process.
After receiving 20 weeks of short-term disability benefits	The Plan Office will mail you an application package for LTD benefits. Return the completed application forms as soon as possible. Contact the Plan Office if you have not received an application package 22 weeks after becoming disabled.
Upon termination of your short-term disability benefits (after receiving them for at least 26 weeks)	Contact Service Canada to apply for Employment Insurance (EI) sickness benefits.

IF YOUR DISABILITY IS WORK RELATED

When	To do
Date of disability	If your disability is work related, apply for WCB wage-loss benefits.
12 weeks after becoming disabled	If your doctor or registered nurse practitioner supports your application for the CPP disability benefit, contact Service Canada to begin the application process.
Upon termination of your WCB wage-loss benefits after less than 26 weeks of benefits	If you remain disabled, apply for short-term disability benefits through your health and welfare plan. If approved, contact the Plan office if you have not received an <i>LTD application package</i> after 22 weeks of disability. Contact the Plan Office if you are denied short-term disability benefits.
Upon termination of your WCB wage-loss benefits after at least 26 weeks of benefits	Contact the Plan Office for an <i>LTD application package</i> . Contact Service Canada to apply for EI sickness benefits.

FOR PENSION AND LTD PLAN MEMBERS

A DAY IN THE LIFE OF THE PLAN OFFICE

The IWA-Forest Industry Pension and LTD Plans are independently administered by the Plan Office. Together, staff at the Plan Office oversee plan assets, collect contributions, process benefit payments, and provide rehabilitation services. The Plan Office is open from 8 a.m. to 4:30 p.m. Monday to Friday.

In accordance with pension legislation and under the oversight of the Financial Institutions Commission (FICOM), 55 staff in eight departments work hard to administer contributions and investment returns and provide members with friendly, professional service. In any given month, the Plan Office:

- Receives 2,000 incoming calls
- Processes 130 retirement applications
- Pays 27,000 retirees, beneficiaries and LTD claimants
- Mails 5,000+ letters
- Collects contributions from 400+ employers
- Processes 100 new members
- Hosts four trustee meetings and training sessions



The Plan Office at 3777 Kingsway

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.