



IWA-FOREST INDUSTRY PENSION PLAN

I'M FACING A LAYOFF ... HOW IS MY PENSION AFFECTED?

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. Being laid off from your job is one of them.

When you are laid off, contributions to your pension are no longer made. This can lead to a break in service therefore becoming a deferred member of the plan. However, if you find qualifying work with another participating employer your pension will continue to grow and you will remain an active member of the plan.

If you are age 55 or older, you can begin your pension at any time. If you are under age 55, you can leave your benefit in the plan until you retire or if you break service before you turn 55, you can transfer your lump-sum benefit.

You should speak to an independent financial advisor to help you make the best decision for you. If you want to speak to a pension specialist, please contact the Plan Office. We're here to help.

WHAT IS AN 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 or to technological change, or
- Your job is eliminated, or
- Your participating employer permanently closes its operations.

If you are able to find qualifying work with a participating employer of the pension plan and continue to accrue more than 350 covered hours in two consecutive calendar years, you will remain an active member of the plan. If you don't meet these criteria, you will break service and become a deferred member of the plan.

There are provisions in the pension plan to help protect members' pensions when there is an involuntary job loss, and these are explained in this guide.

Be sure to check out “*Breaking service with your pension plan*”. This short two-minute video will help you learn more about your break in service options. It can be found here on our website:

iwafibp.ca/pension-plan-videos



WHAT IS A BREAK IN SERVICE?

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

For example, if you accrue 1000 covered hours in 2022, 300 covered hours in 2023 and no hours in 2024, you would break service on December 31, 2024. A break in service package would then be sent to you March 2025. Therefore, if you have recently been laid off, you may not break service for some time.

When you break service, all credited service earned leading up to the break in service date changes from active service to deferred service and you become a deferred plan member. 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. Your break in service options differ depending on your age and your pension amount.

I'M AGE 60 OR OLDER

If you are 60 years of age or older at time of job loss you can apply for your pension immediately to receive 100% of your pension or wait until you break service to maximize any accrued excess hours. Contact the Plan Office three months before you wish to start your pension and at anytime for a pension estimate.

I'M AGE 55–59

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. You will be entitled to the subsidized early retirement benefit 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

For example, you are 56 years old with 20 years of credited service and have accrued 9000 excess hours at the end of 2022. You do not return to work for a participating employer.

Without the IJL provision, you would break service on December 31, 2024, and only be able to use a maximum of 3600 (1800 per year = 2 years of credited service) of excess hours towards your pension, assuming you do not have any other covered hours.

With the IJL provision, you can use more of your excess hours towards your pension. In this example, your credited service increases by 5 years to 25 years and retire at age 61. Using excess hours in this way will increase your pension in retirement.

Deferring your retirement date will usually increase your monthly pension in retirement. The Plan Office can explain how this applies to your specific situation.

I'M UNDER AGE 55

You may choose to receive your pension when you break service or reach retirement age, whichever comes first.

You will remain an active member of the plan if you continue to accrue at least 350 covered hours in two consecutive calendar years. If you are not able to accrue the required hours, you will break service and become a deferred plan member. The following scenarios outlines your options after breaking service.

If you have an involuntary job loss but think you will work again for a participating employer, it may be in your best interest to leave your benefit in the plan. Speak with a pension specialist on how this may apply in your situation.

Covered hours include:

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

IF YOU RETURN TO WORK WITH A PARTICIPATING EMPLOYER AFTER BREAKING SERVICE

If you break service because of an involuntary job loss and keep your pension in the plan, when you return to work for a participating employer you may be eligible to upgrade the status of your credited service from deferred service back to active service. Active service qualifies for the subsidized early retirement benefit and may be eligible for future plan improvements.

DEFERRED SERVICE UPGRADE (formerly called the two-for-one)

If you return to work for a participating employer within three years of your break in service, for each full year you work (1800 hours as of January 1, 2022) you can upgrade two years of deferred service that was earned before the break to active service. The total amount of credit service earned prior to the break in service does not change, only the status of the credited service. If you continue to work full years, your total deferred service will decrease and total active service will increase. This plan provision will automatically be applied to your service upon qualifying.

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

1. Break service on or after December 31, 1983
2. Break service due to an involuntary job loss
3. Work less than 1,001 hours at a participating employer(s) between the date of your job loss and the date you broke service
4. Become an active member within three years of your break in service date
5. Return to work for a participating employer who contributes a minimum of \$2.40 to the plan, and
6. Leave your pension in the plan after your break in service.

IF YOU DO NOT RETURN TO WORK WITH A PARTICIPATING EMPLOYER AFTER BREAKING SERVICE

If you are under age 55 when you break service with the plan, all credited service earned leading up to the break in service date changes from active service to deferred service and you become a deferred plan member. You will have the following options:

OPTION 1—Leave your pension in the plan and receive a monthly pension when you retire

You are entitled to a lifetime pension at the normal retirement age of 65, or you can take a reduced pension as early as age 55. Keeping your benefit in the plan has the following advantages:

- You'll receive a pension for your lifetime and you won't risk outliving your benefits. You can count on receiving the same pension income every month.
- You can continue to build your pension should you return to the forest industry and work for an employer participating in the pension plan. You may be eligible for future negotiated improvements and benefit upgrades.
- At retirement you'll have the option of providing coverage for your spouse or beneficiary, so they are financially protected should they outlive you. If you die before you start to collect your pension, your surviving spouse, beneficiary or estate will also receive a benefit from the plan.
- Your funds are managed by a team of professionals. Plus, as a large plan with many assets, the plan has access to a wider range of investments and has lower investment fees compared to retail investors.

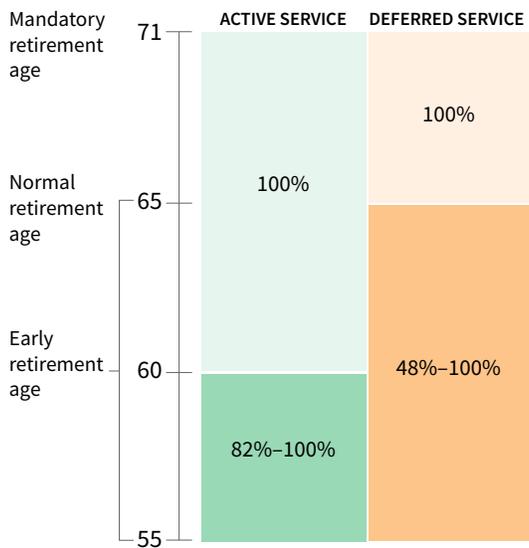
OPTION 2—Receive a lump-sum payout and end your membership in the plan

If you do not wish to receive a pension from the plan in retirement, you may choose to transfer your lump-sum benefit out of the plan. 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.

If you choose to transfer your lump-sum benefit out of the plan, there are several payment options and legislated provisions that may apply to how your benefit is paid. More details will be provided at time of break in service, or contact the Plan Office.

Remember that if you transfer your benefit out of the plan, you no longer qualify for the involuntary job loss provisions, and will no longer be considered a plan member. 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.

PENSION ADJUSTMENTS



WHEN CAN I RETIRE?

The normal age of retirement for this plan is 65. You can however, choose to start your pension as early as age 55. The amount you receive depends on your age and your service status (active or deferred) at the time of your retirement.

Active members qualify for the subsidized early retirement benefit and can receive 100% of their benefit as early as age 60.

Deferred members can receive 100% of their benefit at age 65. Deferred members who choose to apply before the age of 65, will receive a reduced monthly pension to account for the longer period of time the pension will be paid. Deferred members over age 65 should generally apply immediately as the pension amount does not increase and the pension start date cannot be back-dated.

According to legislation, the latest date you can retire is December 1 of the year you turn age 71. Continuing to work past age 71 will not impact your pension.

The illustration above, shows the percentage you will qualify for, based on your age and status. Other factors such as the option you choose and whether or not you have a spouse or beneficiary, will affect the amount you receive.

I'M ON LTD

If you are receiving a long-term disability benefit from the IWA–Forest Industry LTD Plan and are considered totally and permanently disabled, your pension is protected by the involuntary job loss provision. You continue to receive disability credits while on LTD, you will not break service and your pension will continue to grow. As an active member, you would retire as early as age 60 with 100% of your pension.

WHAT DO I NEED TO DO?

1. Sign-up for MemberConnect to stay connected to the Plan Office.
2. Notify the Plan Office of any changes to your contact information (ie. if you move or change your phone number).
3. Notify the Plan Office if you need to change your beneficiary.
4. Check your annual statement to verify that all your information is accurate and up to date.
5. Contact the Plan Office three months before you wish to start your pension and at anytime for a pension estimate.
6. Don't hesitate to contact the Plan Office with any questions.



HOW TO CONTACT US

Plan Office
General inquiries
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[IWAFIBP.CA](http://iwafibp.ca)

Pension inquiries
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LTD and Rehabilitation inquiries
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Employer and contributions inquiries
 T 604.433.6310
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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.

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.